

JOURNAL OF GLOBAL RESEARCH & ANALYSIS

(A Multi-Disciplinary Refereed Research Journal)

JUNE 2012

Volume 1(1)

RNI-HARENG/2012/59126

ISSN-2278-6775



**EDITOR
Pardeep Kumar**

JOURNAL OF GLOBAL RESEARCH & ANALYSIS

[A Bi-Annual (June & December) Multi-Disciplinary Refereed Research Journal]

E-mail: editorgloblresearch12@gmail.com

ISSN-2278-6775

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PUBLISHED BY

K.R. Education Society
H. No. 547, Huda Sec-11
Panipat, Haryana.

E-mail: editorglobalresearch12@gmail.com

Annual Subscription-Rs. 1000/-

Bank Draft drawn in favour of K.R. Education Society and Payable at Panipat may be sent to the following address: The Editor (Dr. Pardeep Kumar), Journal of Global Research & Analysis, Geeta Institute of Law, Karhans, Samalkha, Panipat-132103 (Haryana), M: 09466767848

PRINTED AT

Sidhi Vinayak Printers
Sanoli Road, Panipat
Haryana

Single Copy-Rs. 550/-

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LAW OF TORTS OR TORTS LAW: AN ANALYSIS

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ABSTRACT

Tort law in India is a relatively new common law development supplemented by codifying statutes including statutes governing damages. While India generally follows the UK approach, there are certain differences which may indicate judicial activism, hence creating controversies.

In this paper we raises two basics question ¹:-

1) Is it the law of tort, i.e is every wrongful act for which there is no justification or excuse is to be treated as a tort.

2) Is it law of torts, consisting only of a number of specific wrongs beyond which the liability under this branch of law cannot arise.

Winfield ² support 1st question as it's a law of tort which has a wider scope. On the other hand Salmond ³ preferred the second alternative, the liability under this branch of law arises only when the wrong is covered by anyone or the other nominate torts. There is no general principle of liability. Each theory seems to have received some support, in 1702 ASHBY v. WHITE, the 1st theory was recognized the principle - ubi jus ibi remenium, where there is injury there is remedy. However Dr. Jenks favored Salmond's theory, acc. to him Salmond's theory does not imply that the courts are incapable of creating new tort. He says that, the court can create new torts but such torts cannot be created unless they are substantially similar to those which are already in existence. Dr. Jenks' view does not appear to be correct as various new torts like Deciet , the rule in Rylands v. Fletcher and negligence, which have come into existence, are not similar to any of those torts which are already in existence.

Key Words: Tort Suit, Tortious Liability, Strict Liability, Fault Liability, Liability, Duty.

Tort law defines the conditions under which a person is entitled to damage compensation if his or her claim is not based on contractual obligation. Damage result from the loss or impairment of property, health, life or limb, from the infringement of rights or from pure financial or non-financial losses. Economically speaking every reduction of the individual's utility level caused by a tortious act can be regarded as the damage ⁴. Tort law rules aim at drawing a just and fair line between those noxious events that should lead to damage compensation and others for which the damage should lie where it falls.

In common law countries tort law has developed from a large body of formerly unrelated doctrines such as conversions, trespass, nuisance, defamation, negligence, deceit and rules from case laws. On the European continent a more systematic and rationalistic approach resulted in the formulation of some basic concepts of tort law. This made it possible to formulate abstract and flexible principles and integrate them into the codifications as in the French code civil. Similar general rules were laid down in the civil codes of other continental countries. The twentieth century brought a further expansion of tort law like product liability, liability for medical malpractice, environment liability, liability for torts in the market place, extended liability of the corporation. Some of the modern developments in tort law were made possible by improvement of information technology which facilitated the attribution of damage to a tortfeasor even over long distance and time. With traditional information technology such damages had to be regarded as arising from the general risk of life and were consequently not shifted from a victim to a tortfeasor⁵.

TORT SUIT

A tort suit enables the victim of some injury to make her problem someone else's problem. Unlike a criminal case, which is initiated and managed by the state, a tort suit is prosecuted by the victim's survivors. Moreover, a successful tort suit results not in a sentence of punishment but in a judgment of liability. Such a judgment normally requires the defendant to compensate the plaintiff financially. In principle, an award of compensatory damages shifts all of the plaintiff's legally cognizable costs to the defendant. (It is controversial whether tort really lives up to this principle in practice). On rare occasions, a plaintiff may also be awarded punitive damages, defined as damages in excess of compensatory relief. In other cases, a plaintiff may obtain an injunction: a court order preventing the defendant from injuring her or from invading one of her property rights (perhaps harmlessly)⁶.

The law does not recognize just any injury as the basis of a claim in tort. If you beat me in tennis or in competition for the affections of another, I may well be injured. Yet I have no claim in tort to repair my bruised ego or broken heart. Since you lack a legal duty not to beat me in tennis or in competition for the affections of another, you do not act tortiously when you succeed at my expense⁷.

TYPES OF DUTIES

Tort distinguishes between two general classes of duties: (1) duties not to injure "full stop" and (2) duties not to injure negligently, recklessly, or intentionally. When you engage in an activity the law regards as extremely hazardous (e.g. blasting with dynamite), you are the subject to a duty of the first sort- a duty not to injure "full stop". When you engage in an activity of ordinary riskiness (e.g. driving), you are subject to the second sort- a duty not to injure negligently, recklessly, or intentionally. Your conduct is governed by strict liability when it flouts a duty not to injure "full stop". Your conduct is governed by fault liability when it flouts a duty not to injure negligently, recklessly, or intentionally⁸.

THE SCOPE OF TORT LIABILITY

Even after a long debate on the economic effects of tort law there is still much disagreement as to the legitimate place of tort law in modern society. Should tort law be a comprehensive and expanding deterrence system, regulating securities and other markets, old and new hazards and then be open to all kinds of legal innovations necessary for optimal deterrence?

Or should its domain be more restricted to the classical cases and leave complicated risks and hazards to other social institutions? This depends to a great extent on two great factors, the availability of private insurance against hazards and the capacity of civil to obtain and process information. If private insurance is easily obtainable for both victims and tortfeasor, secondary costs are independent from the loss eventually. Consequently accident law can then focus on deterrence and on the reduction of administrative costs. Societies in which insurance markets are underdeveloped, however, might develop a tendency to shift the costs of accidents to the deepest pocket, which is often a large company. Some demands to shift the risk to the deep pocket make sense as long as first-party insurance coverage is not obtainable for victims. The rise of public compulsory social insurance in nineteenth-century especially with special respect to work place accidents is another way of dealing with problem caused by under developed private insurance markets. In modern market systems, however, it is argued that both first-party insurance and third party insurance are in most cases easily obtainable and that tort law can concentrate on optimal deterrence⁹.

All in all there is little doubt that tort law can play an important but limited role in deterring and insuring accidents. In the USA tort law counts for only nine percent of all loss shifting. Private and public first party insurance, workers compensation schemes, no fault liability schemes, green taxes and other institutions compete with tort law in reducing the cost of torts.

THEORITICAL PERSPECTIVE ON TORT LAW

ANALYTICAL AND NORMATIVE

Analytical theories seek to interpret and explain tort law. More specifically, they aim (1) to identify the concepts that figure centrally in tort's substantive norms and structural features (the latter being the procedures and mechanisms by which the institution of tort law enforces its substantive norms) and (2) to explain how tort's substantive norms and structural features are related. Key substantive norms include the rules of strict liability and fault liability. Key structural features include the fact that tort suits are brought by the victim rather than by the state and the fact that such suits are 'bilateral': victims (plaintiffs) sue their putative injurers instead of drawing on a common pool of resources, as in New Zealand (a unique outlier)¹⁰.

Normative theories seek to justify or reform tort law. Justificatory theories aim to provide tort with a normative grounding, often by defending the values tort embodies or the goals it aims to achieve. Reformist theories seek to improve tort law, say, by recommending changes that would bring the institution closer in line with its core values or would help it do a better job of achieving its goals¹¹.

The distinction between analytical and normative theories is not exclusive. On the contrary, few analytical theories are altogether devoid of normative elements and no normative theory is ever devoid of analytical elements. Analytical theories frequently invoke concepts that are fundamentally normative, since such theories (following Dworkin) often seek to portray tort's substantive norms and structural features in their 'best lights.' All the more so, normative theories are always at least partly analytical, since such theories must either provide or presuppose some account of the institution they seek to justify or reform¹².

INSTRUMENTAL AND NON INSTRUMENTAL

Along another axis, we can distinguish between theories of tort based on whether they are instrumental or non-instrumental. (This distinction cuts across the distinction between the

analytical and the normative.) Instrumental theories regard tort's essential features as explicable in terms of an overarching purpose, typically, the remediation of some social problem, such as the problem of allocating the costs of life's misfortunes. These theories do not always agree on the specific principles that govern (or ought to govern) the allocation of costs. This is in part because they disagree about the further purposes that tort serves (or ought to serve) in allocating costs. Some theorists believe that tort aims (or ought to aim) at allocating costs efficiently. Others believe that tort aims (or ought to aim) at allocating costs fairly. Both sorts of theorist treat tort instrumentally, as a tool for solving a social problem. In contrast, non-instrumental theorists do not see tort primarily as responding to a social problem. They believe that tort is better understood as a way of giving expression to certain moral or political principles.¹³

Instrumental theorists typically identify tort's central concepts as accidents, costs, and allocation. Non-instrumental theorists typically identify tort's central concepts as rights, wrongs, and redress.

DIFFERENCE BETWEEN STRICT LIABILITY AND FAULT LIABILITY

Strict liability Suppose I make a mess on my property and present you with the bill for cleaning it up. Absent some prior agreement, this would seem rather odd. It is my mess, after all, not yours. Now suppose that instead of making a mess on my property and presenting you with the bill, I simply move the mess to your property and walk away, claiming that the mess is your problem. If it was inappropriate of me to present you with the bill for the mess I made on my property, it hardly seems that I have improved matters by placing my mess on your property. I have a duty to clean up my messes and the existence of this duty does not appear to depend on how hard I have tried not to make a mess in the first place. This is the underlying intuition expressed by the rule of strict liability¹⁴.

Fault liability. Unless we stay home all day, we are each bound to make the occasional mess in another's life. This being so, it would be unreasonable of me to demand that you never make any kind of mess in my life. What I can reasonably demand is that you take my interests into account and moderate your behaviour accordingly. In particular, I can reasonably demand that you take precautions not to injure me — that you avoid being careless with respect to my interests and, all the more so, that you not injure me intentionally. This is the underlying intuition expressed by the rule of fault liability¹⁵.

People sometimes misunderstand the nature of fault liability because they equate strict liability in tort with strict liability in the criminal law. Strict liability in the criminal law is a form of responsibility without culpability. If you are strictly liable for a criminal offense, you are punishable for the offense even if your conduct is not morally blameworthy. The standard way to express this is to say that strict liability in criminal law is not defensible by excuse. If we conceived similarly of strict liability in tort, we would then understand fault liability, incorrectly, as liability that *is* defensible by excuse, in other words, as liability (only) for one's culpable conduct. But you can be at fault in tort even if you are morally faultless, that is, even if your conduct is not morally blameworthy. Under a regime of fault liability, you are liable for injuries you cause while failing to comport yourself as *reasonable person of ordinary prudence*. It won't get you off the hook that you are not a reasonable person of ordinary prudence. Nor will it matter that your failure to comport yourself as a reasonable person of

ordinary prudence is a failure for which you are utterly blameless. Fault liability is simply not defensible by excuse¹⁶.

Strict liability is not defensible by excuse, either. Under neither regime does your liability for a loss depend on your degree of culpability. What distinguishes the two regimes is this: you can avoid fault liability if you comport yourself as a reasonable person of ordinary prudence — in other words, if you act reasonably or justifiably — whereas you remain subject to strict liability even if you act impeccably. Thus, fault liability alone can be undermined by *justification*.

Some find it helpful to distinguish between strict liability and fault liability in terms of the content of the underlying legal duty. In the case of blasting — an activity traditionally governed by strict liability — the blaster has a duty *not-to-injure-by-blasting*. In the case of driving — an activity traditionally governed by fault liability — the driver has a duty *not-to-injure-by-driving-faultily*. No matter how much care he takes, the blaster fails to discharge his duty whenever he injures someone. In contrast, the driver fails to discharge his duty only when he injures someone negligently, recklessly, or intentionally. Only if we first get clear on the content of a legal duty can we determine an activity's true cost. Suppose a rancher's cows trample a farmer's corn, causing the farmer a financial loss. To what activity should we ascribe this cost? Is it a cost of ranching or a cost of farming? We cannot answer this question just by determining whether crop damage is something that ranching *causes*. We must first determine whether the rancher owes the farmer a *duty*. If the rancher has a duty to prevent his cows from trampling the farmer's corn, then the resultant damage is a cost of ranching. But if the rancher has no such duty — if it is the farmer's responsibility to protect his corn crop, say, by building a fence — then, other things being equal, the resultant damage is not a cost of ranching but a cost of farming.

CONCLUSION

Tort law has consistently given one's interest in physical security priority over a conflicting liberty interest of another. That priority underlies the evolution of tort law, from the early intentional torts to the subsequent emergence of negligently liability and its modern development. As an analytic matter, this priority yields a compensation rationale for tort liability.

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FIDUCIARY ROLE OF DIRECTORS IN A CORPORATION

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ABSTRACT

The duty of the director to act in good faith is a fiduciary duty and such a duty of good faith is owed by each director individually. It is the primary fiduciary duty of the director. It is here aimed to analyse the fiduciary duty of the director to act in good faith, the requirements of such duty, the nature of the duty, whether it is subjective or objective in that whether the question of breach or fulfillment of the duty requires to be tested on subjective or objective considerations, and the diverse implications of and issues associated with such determination. Various facts situations are discussed to illustrate the nature of the duty of good faith and what are its requirements. What exactly is meant by the phrase 'interests of the company as a whole' is also considered.

Key Words: Fiduciary Relation/Role, Mismanagement, Accountability.

The duty of the director to act in good faith is a fiduciary duty and such a duty of good faith is owed by each director individually. It is the primary fiduciary duty of the director. It is here aimed to analyse the fiduciary duty of the director to act in good faith, the requirements of such duty, the nature of the duty, whether it is subjective or objective in that whether the question of breach or fulfillment of the duty requires to be tested on subjective or objective considerations, and the diverse implications of and issues associated with such determination. Various facts situations are discussed to illustrate the nature of the duty of good faith and what are its requirements. What exactly is meant by the phrase 'interests of the company as a whole' is also considered.

FIDUCIARY CHARACTER

Directors of a corporation are fiduciary for the entire body of stockholders, and both good morals and common law imperatively demanded that they shall manage all the business affairs of the company with a view to promote, not their own interests but the common interest, and by assuming office, they undertake to give their best judgment in the interests of the corporation in all matters in which they act for it, untrammelled by any hostile interest in themselves or others.

On the position of directors as trustees, the Nigerian Act contains this provision:

“Directors are trustees of the company’s money, properties and their powers and as such must account for all the moneys over which they exercise control and shall refund any moneys improperly paid away, and shall exercise their powers honestly in the interest of the company and shall the shareholders, and not their own sectional interest.”

Although directors are not properly speaking trustees, yet they have always been considered and treated as trustees of money which comes to their hands or which is actually

under their control; and ever since joint stock companies were invented directors have been held liable to make good moneys which they have misapplied upon the same footing as if they were trustees. In *Ramaswamy Iyer v. Brahmayya & Co.*, the Madras High Court observed that:

“The directors of a company are trustees for the company, and with reference to their power of applying funds of the company and for misuse of the power they could be rendered liable as trustees and on their death, the cause of action survives against their legal representatives.”

Norman v. Theodore Goddard (1991) BCLC 1028: Directors of a corporation in managing the corporate affairs are bound to use that amount of care which ordinarily, care and prudent men would use in similar circumstances. A director must have such degree of skill that ‘may reasonably be expected from a person undertaking those duties’. Referring to the case above it was held in a subsequent case that ‘courts may not in future be prepared to accept minimalistic standards of competence said to be tolerated by law’ and that, courts may ‘impose an increasing objectivity in determining whether directors have acted reasonably’.

Miheer H Mafatla v. Mafatal Industries (1996) 4 Comp LJ 124 (SC): AIR 1997 SC 506: Dealing with the question of the scope of company court’s jurisdiction in case of mergers, the Supreme Court held that, ‘the sanctioning courts has to see that the scheme (of merger) as a whole is found to be just, fair and reasonable from the point of view of reasonable men of business taking a commercial decision beneficial to the class represented by them for whom the scheme is meant’.

The Supreme Court only laid down a ‘just, fair and reasonable’ standard. The judgment does not emphasize that the Court must ensure that the board of directors made every efforts to protect the corporation from a raid and secured the best price possible in case of sale of the company. Legal commentators have expressed the view that directors when faced with an unsolicited takeover bid should use all defensive tactics to thwart away the bid and in case the bid is in the interest of the company, they should ensure maximum price for the shareholders.

The Supreme Court in the case of *Sangramsinh P. Gaekwad v. Shantadevi P. Gaekwad*, observed that ‘directors may have a fiduciary duty where a takeover bid is made for a company and its directors advise its shareholders whether to accept or reject the bid, as they owe a duty to advise honestly’.

TRUSTEE FOR WHOM?

Directors are trustees of the company and not of individual shareholders. This principle was laid down in 1902 in *Percival v. Wright*, and still holds ground as a basic proposition. In that case:

“Negotiations for the sale of a company’s undertaking were on foot and without disclosing this, the directors purchased shares from the plaintiff-shareholders. The selling shareholders had written to the company’s secretary asking him if he knew anyone willing to purchase their shares. Three directors offered to buy the shares at a price assessed by negotiating the sale of the company at a price per share considerably higher than the amount offered to the shareholders. The negotiations proved to be abortive, but the plaintiffs claimed that the non-disclosure was a breach of the fiduciary duty entitling them to repudiate the sale.”

But the court held that there was no such fiduciary duty towards individual shareholders and, therefore, the directors were not bound to disclose negotiations which ultimately proved abortive. The court also pointed out that a premature disclosure of this kind will be against the best interests of the company.

The principle of the case was reiterated in *Peskin v. Anderson*. Ordinarily the directors are not agents or trustees of members or shareholders and owe no fiduciary duties to them.

This decision remained unchallenged in common law jurisdictions until the New Zealand decision in *Coleman v. Myers*:

“The case involved a struggle for control of a privately held family company. The company had substantial assets, like cash reserves, valuable lands and buildings. The assets were undervalued in the books of account. They showed the share value to be at \$4.10 on a going concern basis. If accounts were taken of the true asset backing of the shares, they were worth made a takeover offer at \$4.80 per share. The reluctant minority shareholders were given notices of compulsory acquisition of shares. They eventually agreed. They had no access to inside information on the true value of the assets. No information was given to them. When they discovered the true facts they sought setting aside of the sale because of the breach of fiduciary duty.”

In this situations like this where the directors act as an agents for the shareholders, the latter would be liable to the purchasers of their shares for any fraudulent misrepresentation made by the directors in the course of negotiations.

TRUSTEES OF INSTITUTION

The role of the corporation in the modern society is something different from what it was in the previous century. “The modern company should function not simply as an economic machine designed to churn out profits for its shareholders, but rather as an institution which owes social responsibilities to wide circle of interest”. The Supreme Court has already conferred its recognition upon the “social character” of a company. In *Charanjit Lal v. Union of India*, MUKHARJEE J. observed: “A corporation which is engaged in the production of a commodity vitally essential to the community, has a social character of its own and it must not be regarded as the concern primarily or only of those who invest money in it”. Accordingly, the directors become “the administrators of a community system”. A business executive once declared: “I am a trustee of the institution and not merely an attorney of the investor”. If this position comes to be accepted, the corporation law would become “in substance a branch of the law of trusts”. Whether this is so or not, it is widely recognized that the directors have to consider the interests of labour, consumers, the general public and the State. Public responsibility of a company means to take account of outside interests affected by corporate operations. To the extent the directors are bound to consult outside interests, they become the trustees of such interests.

THE ‘INTERESTS OF THE COMPANY AS A WHOLE’

Palmer observes that as long as the directors have correctly informed themselves to how the company is defined in law, it is left to the directors in the exercise of their business discretion to decide how the interests of the company would best be served. Thus, it is a vital issue as to what is meant by ‘in the interests of the company as a whole’.

CENTRAL GOVERNMENT'S POWER TO APPOINT DIRECTORS ON TRIBUNAL'S ORDER (SECTION 408)

The Central Government has the power to appoint such number of persons, known as Government directors, on the Board of directors of a company as the National Company Law Tribunal may direct. The National Company Law Tribunal can take up the matter for such direction on a reference by the Central Government, or on an application by not less than 100 members of the company or of those holding not less than 10% of the total voting power. The Board makes such inquiry as it deems fit in order to find out whether such appointment is necessary to prevent the affairs of the company being conducted in a manner which is oppressive to any members of the company or which is prejudicial to the company's or public interest. The Board has to indicate the period for which such an appointment may be made, but the same should not exceed three years on anyone occasion. Where the members of a housing company out of the sheer frustration abandoned their company to its own fate, the Central Government approached the Tribunal. The latter ordered the appointment by the Central Government of five directors whom two should be from among, plot holders, who would carry further the business of the company.

PREVENTION OF MISMANAGEMENT (SECTION 398)

Section 398 of the Companies Act, 1956, provides for relief in cases of mismanagement. For a petition under this section to succeed, it must be established that the affairs of the company are being conducted in a manner prejudicial to the interest of the company or public interest, or that, by reason of any change in the management or control of the company it is likely that the affairs of the company will be conducted in that manner. If the Tribunal is so convinced, it may, with a view to bringing to an end or preventing the matter complained of or apprehended, make such order as it thinks fit. A very clear illustration of mismanagement contemplated by the section is *Rajahmundry Electric Supply Corpn. v. Nageshwara Rao*.

A petition was brought against a company by certain shareholders on the ground of mismanagement by directors. The Supreme Court found that the vice-chairman grossly mismanaged the affairs of the company and had drawn considerable amounts for his personal purposes, that large amounts were machinery was in a state of disrepair, that the directorate had become greatly attenuated and 'a powerful local junta was ruling the roost' and that the shareholders outside the group of the Chairman were powerless to set matters right. This was held to be sufficient evidence of mismanagement. The court accordingly appointed two administrators for the management of the company for a period of six months vesting in them all the powers of the directorate.

LIABILITIES OF DIRECTORS

Although the relations are established on sound corporate law principles, the proper plaintiff rule could lead to manifest injustices. As a consequence, a number of exceptions to the rule of *Foss v. Harbottle* were developed. Majority of the exceptions are based on Jenkins LJ's formulation in *Edwards v. Halliwell*, a case almost as well regarded in the legal fraternity as *Foss v. Harbottle* itself. The various exceptions can be easily summarized as below:

The 'fraud on the minority' exception: Where the action amounts to a fraud on the minority and the wrong doers are in control of the company, the minority shareholders are permitted to

bring an action against the wrong doers on behalf of the company' to the rule in *Foss v. Harbottle* considering the fact that the right of action under the other exceptions were personal rather than derivative. In order to bring a common law derivative action, the plaintiff had to bring evidence that 'the defendants were in a position of control within the company and had perpetrated a fraud on the minority'.

The ultra vires or illegal act exception: Where an action is illegal or *ultra vires* the company, a shareholder may sue the miscreant directors to restrain the action, because even the majority cannot ratify acts *ultra vires* the company.

The personal rights exception: The individual rights of a member arise in part from the contract between the company and its shareholders, which are implied on his becoming a member, and in part from the general law. Where the personal rights of the shareholder have been infringed, the rule of *Foss v. Harbottle* does not apply, for the shareholders can sue in their own name to protect their personal rights.

The special majority exception: The rule did not prevent an individual member from suing if the matter in respect of which he was suing was one which could validly be done or sanctioned, not by a simple majority of members, but only by some special majority. If this were not so the effect would be to allow a company acting to the company's own regulations or the Companies Act could only be done by special resolution.

The breach of fiduciary duties exception: In cases where the actions of the directors have been in breach of their fiduciary duties owed to the company, the individual shareholders have a right to bring an action to redress the wrong done to the company.

Criminal Liability: Apart from civil liability under the Act or under the common law, directors of a company may also incur criminal liability under common law, as well as under the Companies Act, and other statutes. Some of the provisions of the Companies Act which make directors criminally liable (fine or/and imprisonment) are under Section 44(4) of Companies Act wherein filing of prospectus or statement in lieu of prospectus containing untrue statement is liable for two years imprisonment or/fine upto Rupees fifty thousand.

DRAWING THE LINE BETWEEN AUTHORITY AND ACCOUNTABILITY

The concept of a derivative action, notwithstanding its appealing nature, must be subject to tight judicial scrutiny in order for it to be an effective remedy. Various reasons may be cited in support of the above. *Firstly*, as the Court of Appeal in *Prudential Assurance Co Ltd v. Newman Industries Ltd.* stated, the individual shareholder will not always be in the best position to judge whether or not to commit the company's resources to the costly process of litigation. The commencement of litigation can cause a substantial diversion of management time and resources, quite apart from the financial drain that may occur.

Secondly, even where the individual shareholder is not motivated by malice or personal factors, that shareholder may simply misjudge the issue of whether a piece of litigation is in the company's best interests. Apart from the fact that directors, not shareholders or claimants' attorneys, direct the company's affairs, what looks like a hasty decision by company managers may simply reflect their knowledge of the subject and their desire to avoid the expense of hiring outside experts.

Finally, because of his small stake in the venture, the complaining shareholder has very little incentive to consider the effect of the action on other shareholders, the supposed beneficiaries,

who ultimately bear the costs. It could be argued that shareholders have money invested in the company and so the decision whether or not to bring an action in relation to directors' wrongdoing will often have an economic impact on them. This may often be supposed to sharpen their concern to protect the company, since if the company prospers then, generally speaking the shareholders will also prosper. However, there may well be circumstances in which their economic interests conflict with those of the company. Therefore, a derivative action must at all times be subject to tight judicial scrutiny; as such power to institute action against the management is susceptible to both, abuse all the instance of incessant litigants as well as unnecessary interference and delay in the day to day decisions that modern day Boards need to take.

SUBMISSION

After carrying out the study it is concluded that the duty of a director to act in good faith is based on a subjective test, that of a subjective belief of a director. No breach of this duty will be found as long as the director in good faith, honestly and sincerely gave consideration and applied his mind to the question of interests of the company, they being defined correctly, in acting as director and was of the subjective opinion that he was acting in the interest of the company, as long as such was a view which a reasonable man could have taken in the circumstances. Being a subjective test into the mind of an individual the circumstances surrounding the impeached transaction become of vital importance in determining the *bona fides* of the directors. As to the meaning of the phrase 'interest of the company' it would be seen that the same is a dynamic concept and has changed from traditional times with the concept today comprising not only the interest of the members, but also other domains like those of the creditors and employees.

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KILLING HONOUR FOR THE SAKE OF HONOUR

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ABSTRACT

Recently, there has been a spate of honor killing in the country and has led the government to decide what laws should be put in place to stop this heinous crime. Also whether the Hindu Marriage Act should be reformed or not is being debated. The latest case of honor killing was reported from New Friends Colony, where a couple was murdered by the father of girl, Vimla (20), and a guard name Robin (28), after they found in a compromising position in an under construction building. So what is the definition of honor killing and what leads families to commit this heinous crime so that they can protect their family honour?.The paper is related with the current, burning and most delicate topic of the present scenario i.e. honour killing. It is a tragedy, a horror, a crime against humanity. Most of the victims are young; many are teenagers, slaughtered under vile traditions. ? The murders of the women behead, stabbed, buried alive for the 'honour' of their families are barbaric and shameful.The loose term "honour killing" applies to killing of both males and females in cultures that practice it. In some parts of the world, including Pakistan, India, Bangladesh, Brazil, Uganda and many countries in the middle east, when a woman's family believes that her behaviour has threatened the 'family honour' killing her is seen as the only alternative. The practice of honour killing, which is the murder of a (generally) female relative who is perceived to have brought dishonor to the family (which can be defined in terms as broad as looking at a man in a sexual manner, adultery, refusing a marriage proposal, refusing to have sex or even being raped) by a male member of the family, has the highest level of reported incidence in the nation of Pakistan. During the year 2002 in Pakistan, it is estimated that 245 women and 137 men were killed in the name of Karo-kari in Sindh. These killings target women and men, who choose to have relationships outside of their family's tribal or religious community.

Key Words: Honour Killing, Khap Panchayat, Muslim Community.

Honour killing is defined as a death that is awarded to a woman of a family for marrying against her parent's wishes, having extra marital affair and pre-marital relationship, marrying within the same gotra or outside one's caste or marrying a cousin from a different caste. Women throughout the world have long suffered at the hands of their husbands, fathers and other male relatives. Why would father, husband or brother kill his daughter, wife or sister? According to Frazana Bari lecturer at the Qaid-Al-Azzam University in Islamabad "Honour

for men is connected with women's behavior because they are seen as the property of the family and of the community. They have no independent identities; they are not independent human beings. Men also think of women as an extension of themselves. When women violate these standards, this is a direct blow to the man's sense of identity."

This tradition was first viewed in its most horrible form during the partition of the country, when many women were forcefully killed by family to preserve their honour. "This does not happen only within the Muslim community, but also among Sikhs and Hindus." Though there was no nationwide data on the prevalence of honour killings in India. Figures compiled by the India Democratic Women's Association, according to which Haryana, Punjab and U. P. account for about 900 honour killings and another 100 to 300 in the rest of the country.

Honour killings have been reported in northern regions of India, mainly in the states of Punjab, Rajasthan, Haryana and Bihar, as a result of people marrying without their family's acceptance, and sometimes for marrying outside their caste or religion. In contrast, honour killings are rare to non-existent in South India and the western Indian states of Maharashtra and Gujarat. In some other parts of India, notably West Bengal, honour killings ceased about a century ago, largely due to the activism and influence of reformists such as Vivekananda, Ramakrishna, Ishwar chandra Vidyasagar and Raja Ram Mohan Roy.

Among Rajputs, marriages with members of other castes can provoke the killing of the married couple and immediate family members. This form of honour killing is attributed to Rajput culture and traditional views on the perceived "purity" of a lineage.

Haryana is also known for incidents of honour killing. Bhagalpur in the northern Indian state of Bihar has also been notorious for honour killings. Recent cases include a 16-year-old girl, Imrana, from Bhojpur who was set on fire inside her house in a case of what the police called 'moral vigilantism'. The victim had screamed for help for about 20 minutes before neighbors arrived, only to find her still smoldering. She was admitted to a local hospital, where she later died from her injuries. In May 2008, Jayvir Singh Bhadodiya shot his daughter Vandana Bhadodiya and struck her on the head with an axe. In June 2010 some incidents were reported even from Delhi also.

In a landmark judgment in March 2010, Karnal district court ordered the execution of the five perpetrators of an honour killing, and imprisoning for life the khap (local caste-based council) head who ordered the killings of Manoj Banwala (23) and Babli (19), a man and woman of the same clan who eloped and married in June 2007. Despite having been given police protection on court orders, they were kidnapped; their mutilated bodies were found a week later in an irrigation canal.

The Question is why such a heinous crime is committed?

There are various reasons why people or family members decide to kill the daughter in the name of preserving their family honour. Honour, reputation, status, dignity, prestige, ranking all makes stuff for motive to do away with the lives of the violators, when they are perceived to be transgressors of these attributes, particularly by people who still live in medieval times. People from the rural areas refuse to change their attitude towards the marriage. They think if any daughter dares to disobey her parents on the issue of marriage and decide to marry a man of her wishes another gotra or outside her caste, it would bring disrepute to the family honour and decide to give the ultimate sentence to the daughter.

The main thing is the mentality, people are not ready to change their mentality towards marriage can take place in the same gotra or outside one's caste. Honour killing is not a problem of rural areas it can be seen in metro cities such as Delhi, Jaipur etc.

Honour killing is a sequel to the diktats of Khap Panchayats in Haryana. Those living in a Khap are not allowed to marry in same gotra or any gotra from the same village. All boys and girls within a khap are considered siblings. Young couples have been killed in the past defying Khap rules because love marriage is considered taboo by Khap Panchayats. Khap Panchayats imposes social boycotts and fines and in the same cases end up either killing or forcing the victims to commit suicide. This is done in the name of brotherhood and its honour.

This heinous crime is committed by family to save from shame and embarrassment. Many times such deaths are not reported by family members. Manoj and Babli murder case is example of death sentence given by her family members.

Where is the remedy? How can the legal reform prevent such a thing from happening?

Contribution of Government

In 1990 the National Commission for Women set up a statutory body in order to address the issues of honour killings among some ethnic groups in North India. This body reviewed constitutional, legal and other provisions as well as challenges women face. The NCW's activism has contributed significantly towards the reduction of honour killings in rural areas of North India.

In June 2010, scrutinizing the increasing number of honour killings, the Supreme Court of India issued notices to the Central Government and six states including Uttar Pradesh, Punjab, Haryana and Rajasthan to take preventive measures against the social evil. Alarmed by the rise of honour killings, the Government planned to bring a bill in the Monsoon Session of Parliament July 2010 to provide for deterrent punishment for 'honour' killings.

Conclusion

It is high time to repeal Indian Penal Code, 1860 with Indian Penal code, 2011. British legislated the IPC, 1860 to suit their needs and Independent India needs a IPC, 2011 to suit the needs of the changing crime scenario in India. Public opinion may force the legislators for a prompt action. There should be a strict law to tackle these kinds of killing. Such TV footage and Print Media reports should help courts examine so far as proof, presumption, inference are concerned, particularly in the absence of any direct evidence. With the help of media who cover such incidents promptly should come handy in leading evidence. This does amount to extra-judicial confession under section 21 of The Indian Evidence Act. An extra-judicial confession, bearing on various attendant circumstances would help courts infer the occurrence of the fact in dispute. If it is made by someone not before a magistrate or in court, which can be proved by the witnesses who had heard the speaker's words, constituting the confession. 'Dishonour killings' is one of the factors that are impeding social progress in the country.

Secondly, mentality of the people has to change. Parents should accept their children's wishes regarding marriage if they want to live their life with own his way, it should be. People should leave their narrow way and build-up a broad mind.

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CUSTODIAL TORTURE-VIOLATION OF HUMAN RIGHTS

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ABSTRACT

In RamSagar' case, the Apex Court asserted, "...we would like to interfere upon the government, the need to amend the law appropriately so that policemen who commit atrocities on persons who are in their custody are not allowed to escape by reasons of paucity or absence of evidence....."

Custodial torture is perhaps one of the worst crimes in a civilized society governed by the rule of Law. The rights inherent in articles 21 and 22 (1) of the constitution require to be jealously and scrupulously protected. Any form of torture or cruel, inhuman or Degrading treatment would fall within the inhibition of article 21 of the constitution, whether it occurs during investigation, interrogation or otherwise. If the function of the Government becomes law breakers, it is bound to breed contempt for law and would encourage lawlessness and every man would have the tendency to become law unto him self thereby leading to anarchism. A major cause of the persistence of widespread torture in India is the failure or unwillingness of leading government officials and representatives to acknowledge that torture even exists, let alone that it needs to be vigorously tackled. The government maintains this position despite the fact that judges, journalists, expert commentators, police officers themselves and official commissions have attested to its widespread occurrence. Transparency of action and accountability are two possible safeguards to prevent any abuse of the power to arrest a citizen. In D.K. Bas case, the Supreme Court laid down certain requirements to be followed in all cases of arrest or detention. These must be strictly followed by all agencies.

Key Words: Torture, Personal Liberty, Human Rights, Habeas Corpus.

Police excesses and the maltreatment of detainees/under trial prisoners or suspects tarnishes the image of any civilized nation and encourages the men in 'Khaki' to consider themselves to be above the law and sometimes even to become law unto themselves. The importance of curbing custodial violence gains momentum in light of the blatant abuse suffered by innocent victims at the hands of civil and defense forces. One way of curbing custodial violence is to make such activity on the part of police officers a crime punishable either judicially or departmentally. Section 7 of the Police Act 1861 empowers the higher police officers to "dismiss, suspend or reduce any officer of the subordinate ranks whom they shall think remiss

or negligent in discharge of his duty or unfit for the same.” But experience shows that this sanction has not proved effective. To convert the police into a friendly and accountable force, it is essential that its role be completely transformed. Instead of a willing tool in the hands of the rulers, it has to become a servant of the law charged with the responsibility of protection of life and property of citizens. And it cannot be denied in any case.

There are numerous provisions in the Constitution of India and also in other laws, but unfortunately most of the provisions have remained paper tigers without teeth. It is generally the poor, disadvantaged & weaker sections of the society who are victims of custodial crimes because there is no one to care for them & to protect them. Unless the law of the land is upheld against the guilty law enforcement personnel, custodial violence will continue to rise.

However, there is a new emerging world legal order. The Indian experiment in enacting the protection of Human Rights Act is a hopeful start. The human rights jurisprudence is gaining judicial reverence in India especially where life and liberty are violated by state violence. Let us hope that in coming years, custodial violence would decline until altogether eliminated. It is therefore, for the government and the legislature to give a serious thought to the recommendations of the Law Commission (113th Report) and National Human Rights Commission (1998) and bring about appropriate changes in the law both to curb custodial violence & also to ensure that the guilty may not escape unpunished. If human dignity survives, the future has hope.

Provisions- Art.21 of Indian Constitution mandates that no person shall be deprived of his life or personal liberty except according to procedure established by law. This sacred and cherished `personal liberty includes a right to live with human dignity. There is an in-built guarantee against torture or assault by the State or its functionaries. Chapter V of the Criminal Procedure Code, 1973 in India deals with the powers of arrest of persons and the safeguards required to be followed by the Police to protect the interest of the arrested person. Articles 20(3) and 22 of the Indian Constitution further manifest the constitutional protection extended to every citizen and the guarantees held out for making life meaningful and not a mere animal existence. The Universal Declaration of Human Rights in 1948 which marked the emergence of a worldwide trend of protection and guarantee of certain basic human rights stipulates in Article 5 that “No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment”. Despite this pious declaration & the Constitutional & statutory safeguards, the crime continues unabated though every civilized nation & society shows its concern and makes efforts for its eradication.

Meaning & Approach of the Courts: The Courts must not lose sight of the fact that death in Police custody is perhaps one of the worst kinds of crimes in a civilized society, governed by rule of law and poses a serious right of the citizens recognized by the Constitution and is an affront to human dignity. Police excesses and the maltreatment of detainees/under-trial prisoners or suspects tarnishes the image of any civilized nation and the men in ‘ Khakhi’ to consider themselves to be above the law and sometimes even to become law unto themselves. Rarely in cases of police torture or custodial death, there is any direct ocular evidence of the complicity of the police personnel alone who can only explain the circumstances in which a person in their custody had died. Exaggerated and strict adherence to the principle of proof beyond reasonable doubt in police torture cases, often results in miscarriage of justice. Police often give such deaths a colour of suicide or police encounter attempting to protect the erring

police officials. In the ultimate analysis the society suffers and a criminal gets encouraged. Tortures in police custody, which of late are on the increase, receive encouragement by this type of an unrealistic approach at times by the Courts.

Habeas corpus jurisprudence- The writ of habeas corpus is an extraordinary remedy, and petitioners can only legitimately invoke it when they have exhausted all other administrative and legal remedies. Articles 32 and 226 of the Indian Constitution define the writ jurisdiction of the Supreme Court and the intermediate courts, such as the Punjab and Haryana High Court. These articles allow these courts to use the writ of habeas corpus to enforce the fundamental rights guaranteed in part 3 of the constitution, such as equality and the protection of life and liberty. The petitioner generally files a writ or sends a telegram to the Supreme Court or high court. If the justice of the high court feels that the petitioner has prima facie established a case of disappearance, he orders a district court magistrate, police official, or other person to conduct an inquiry into the facts. *Harinder kaur and pritam singh v. Punjab* stresses that the inquiry is a fact-finding process, not a criminal trial requiring proof beyond a reasonable doubt. The magistrate or official then submits an inquiry report to the high court, and the High court justice decides whether to recommend that the CBI apply for prosecution sanction under Sections 45 or 197 of the Code of Criminal Procedure. These sections require consent from the state or central government for the arrest or prosecution of public servants and members of the armed forces for actions undertaken in their official capacity. If the government sanctions prosecution, the CBI files a charge sheet against the accused, and prosecution begins at the special CBI Court. No concept of laches limits the writ of habeas corpus. The High Court cannot refuse to consider a habeas corpus petition because of disputed facts, inability and inconvenience, or inappropriate prayer for relief. The only requirement is that the petitioner establishes a prima facie case of a disappearance. As Justice K. K. Srivastava wrote in paragraph 15 of *Karnail Singh v. State of Punjab*:

“The standard of proof, as is required at the criminal trial, is not to be adopted. If the evidence ... prima facie shows the allegations leveled by the petitioner to be believable, the matter requires to be thoroughly probed [sic], as it involves the life and liberty of a citizen in a democratic setup”.

Torture in police custody receives encouragement by this type of an unrealistic approach at times of the courts as well because it reinforces the belief in the mind of the police that no harm would come to them once the prisoner dies in lock up because there would hardly be any evidence available to the prosecution to directly implicate them with torture.” By way of caution to the trial and High Courts, the Bench said:” courts must deal with such cases in a realistic manner and with the sensitivity which they deserve, otherwise, otherwise, the common man may tend to gradually lose faith in the efficacy of the system of judiciary itself, which, if it happens, will be a sad day for any one to reckon with.

This court in *Joginder Kumar v. State*, considered the dynamics of misuse of police power of arrest and opined:

“No arrest can be made because it is lawful for the police officer to do so. The existence of the power of arrest is one thing. The justification for the exercise of it is quite another.... No arrest should be made without a reasonable satisfaction reached after some investigation about the genuineness and bona fides of a complaint and a reasonable belief both as to the person’s

complicity and even so as to the need to effect arrest. Denying a person his liberty is a serious matter.”

This case involved arrest of practice lawyer who had being called to the police station in connection with a case under enquiry on 7.1.1994 on not receiving any satisfactory account of his whereabouts .the family member of the detained lawyer preferred a petition ,in the nature of habeas corpus before this court on 11.1.1994 and in compliance with the notice , the lawyer was produce on 14.1.1994 before this court the police version was that during 7.1.1994 and 14.1.1994 the lawyer was not in detention at all but was only assisting the police to detect some cases .The detenu asserted otherwise . This court was not satisfied with the police version. It was notice that though as on that day the relief in habeas corpus petition could not be granted but the question whether there had been any need to detain the lawyer for 5 days and is at all he was not in detention then why was this court not informed, were important question which required an answer. Besides, if there was detention for 5 days, for what reason was he detained .the court there for, direct the district judge, Ghaziabad to make a detailed enquiry and submit his report within 4 weeks.

A realistic approach should be made in this direction. The law of arrest is on of balancing individual rights liberties and privileges. On the one hand, and individual duties, obligation and responsibilities on other; of weighing and balancing the rights. liberties and privileges of the single individual and those of individual collectively ; of simply deciding what is wanted and way to put the weight and the emphasis; of deciding which comes first –the criminal or society , the law violator or the abider Supreme Court then set down certain procedural “requirements” in case of arrest.

In *Neelabali Bahera v. State of Orissa*, this court pointed out that prisoners and detenus are not denuded of there fundamental rights under art 21 and it is only such restriction as are permitted by law , which can be imposed on the enjoyment of the fundamental rights of the arrestees and detenus . It was observed;

“it is axiomatic that convicts , prisoners or under trials are not denuded of there fundamental rights under article 21 and it is only such restriction , as are permitted by law , which can be impose on the enjoyment of the fundamental rights by such persons . It is an obligation of the state to ensured that there us no infringement of the in defeasible right of a citizen to life, except in accordance with law, while the citizen is in its custody. The precious right guaranteed by article 21 of the constitution of India can not be denied to convicts, under trials or other prisoners in custody. Expect according to procedure established by law. There is a great responsibility on the police or prison authorities to ensure that the citizen in its custody is not deprived of his right to life. His liberty is in the very nature of things circumscribed by the very fact of his confinement and therefore his interest in the limited liberty left to him is rather precious. The duty of care on the part of the state is strict and admits of no exceptions. The wrongdoer is accountable and the state is responsible if the person in custody of the police is deprived of his life except according to the procedure established by law”.

It needs no emphasis to say that when the crime goes unpunished, the criminals are encouraged and the society suffers. The victim of crime or his kith and kin become frustrated and contempt for law develops. It was considering these aspects that the law commission in its 113th report recommended the insertion of section 114B in the Indian Evidence Act. The law commission recommended in its 113th report that in prosecution of a police officer for an

alleged offence of having caused bodily injury to a person, if there was evidence that the injury was caused during the period when the person was in the custody of police, the court may presume that the injury was caused by the police officer having the custody of that person during that period. The commission further recommended that the court, while considering the question of presumption, should have regard to all relevant circumstances including the period of custody, statement made by the victim, medical evidence and the evidence which the magistrate may have recorded. Change of burden of proof was, thus, advocated. In Shyam Sunder Trivedi's case this court also expressed the hope that the government and the legislature would give serious thought to the recommendation of the law commission. Unfortunately, the suggested amendment has not been incorporated in the statute so far. The need of amendment requires no emphasis sharp rise in custodial violence, torture and death in custody, justifies the urgency for the amendment and we invite parliaments attention to it.

Police is, no doubt, under a legal duty and has legitimate right to arrest a criminal and to interrogate him during the investigate of an offence but it must be remembered that the law does not permit use of third degree methods or torture of accused in custody during interrogation and investigation with a view to solve the crime. End cannot justify the means. The interrogation and investigation into a crime should be in true sense purposeful to make the investigation effective. By torturing a person and using third degree methods, the police would be accomplishing behind the closed doors what the demands of our legal order forbid. No society can permit it.

Article 21 which is one of the luminary provision in the constitution of India, 1950(in short the constitution) and is part of the scheme for fundamental rights occupies a place of pride in the constitution. The article mandates that no person shall be deprived of his life and personal liberty except according to the procedure established by law. This sacred and cherished rights i.e. personal liberty includes a right to live with human dignity. There is an inbuilt guarantee against torture or assault by the state or its functionaries. Chapter V of the code of criminal procedure, 1973 (for short the code) deals with the powers of arrest of persons and the safeguards required to be followed by the police to protect the interest of the arrested person. Article 20(3) and 22 and the constitution further manifest the constitutional; protection extended to every citizen and the guarantees held out for making life meaningful and not a mere animal existence. It is therefore difficult to comprehend how torture and custodial violence can be permitted to defy the rights flowing from the constitution. The dehumanizing torture, assault and death in custody which have assumed alarming proportions raise serious questions about the credibility of rule of law and administration of criminal justice system. The community rightly gets disturbed. The cry for justice becomes, louder and warrants immediate remedial measures. This Court has in large number of cases expressed concern at the atrocities perpetuated by the protectors of law.

In *Dagdu V. State of Maharashtra* this court observed as under:

....the police with their wide powers, are apt to overstep their zeal to detect crimes and are tempted to use the strong arm against those who happen to fall under their seclude jurisdiction. That tendency and that temptation must in the larger interest of justice be nipped in the bud

It is a pity that some of the police officer, as it happened in this case, have not shed such method even in the modern age .they must adopt some scientific methods than resorting to physical torture. If the custodians of law themselves indulge in committing crimes then no

member of the society is safe and accrue. It police officer who have to provide security and protection to the citizens indulge in such methods they are creating a sense of insecurity in the minds of the citizens. It is more heinous than a game- keeper becoming a poacher.”

It was argued in the case of Er. K.K. Jerath V. Union Territory, Chandigarh Ors that: “accused person could be arrested, it may not be appropriate to detain him in custody in every case when there is presumption of innocence in his favour until the charge against him is established, it would not at all be consistent with the philosophy of the constitution that such a person should be subjected to interrogation by application of psychological or ambient pressure much less physical torture. And he very vehemently stressed that this court has a duty to protect citizen against such inroads of these fundamental rights “

It was held in the State of M.P. V. Shyamsunder Trivedi And Ors that torture in custody flouts the basic rights of the citizen recognized by the Indian constitution and is an affront to human dignity. Police excesses and the maltreatment of detainees/under trial prisoners or suspects tarnishes the image of any civilized nation and encourages the men in ‘Khaki’ to consider themselves to be above the law and sometimes even to become law unto themselves. Unless stern measures are taken to check the malady, the foundations of the criminal justice delivery system would be shaken and the civilization itself would risk the consequence of heading towards perishing. The courts must, therefore, deal with such cases in a realistic manner and with the sensitivity which they deserve; otherwise the common man may lose faith in the judiciary itself, which will be a sad day.

Supreme court in a manner of cases has held that the person accused of any crime is also a human being and possesses certain basic rights which by the virtue of constitution are embodied for each and every human being within the jurisdiction of India, no matter that the person is a citizen or not. Also the guidelines for the prison managers were laid down in the case of D. K. Basu v. State of West Bengal.

As held by the Supreme Court in D. K. Basu case, “custodial torture” is a naked violation of human dignity and a degradation which destroys, to a very large extent human personality. It is a calculated assault to human dignity and wherever human dignity is wounded, civilization take a step backwards- flag of humanity must on each such occasion fly half-mast. The convicts, under trials, Detenues and other persons in custody cannot be denied the precious right of the right to live with human dignity included in the expression “life or personal liberty”, except according to the procedure established by law by placing such reasonable restrictions as are permitted by law. Any form of torture or cruel, inhuman or degrading treatment would fall within the inhibition of Art.21, whether it occurs during investigation, interrogation or otherwise. Using any form of torture for extracting any kind of information would neither be right nor just nor fair and would therefore offend Art.21. a crime-suspect can indeed be subjected to a sustained and scientific interrogation in accordance with law but he cannot be tortured or subjected to third degree methods or eliminated with a view to elicit information, extract confession or derive knowledge about his accomplices, weapons etc.

Remedies Against Custodial Deaths: It is difficult to comprehend how torture and custodial violence can be permitted to defy the rights flowing from the Constitution. The dehumanizing torture, assault and death in custody which has assumed alarming proportions raise serious questions about the credibility of rule of law and administration of criminal justice system. The cry for justice becomes louder and warrants immediate remedial measures. The diabolic

recurrence of police torture resulting in a terrible scare in the minds of common citizens that their lives and liberty are under a new and unwarranted peril because guardians of law destroy the human rights by custodial violence and torture and invariably resulting in death. Unless stern measures are taken to check such deaths, the foundations of the criminal justice delivery system would be shaken and the civilization itself would risk the consequence of heading, towards total decay resulting in anarchy and authoritarianism reminiscent of barbarism. The courts must, therefore, deal with such cases in a realistic manner and with the sensitivity which they deserve, otherwise the common men may tend to gradually lose faith in the efficacy of the system of judiciary itself. While applying the doctrine of Rarest of rare cases The Bench of Justices Markandey Katju and Gyan Sudha Misra said: “We are surprised that the accused were not charged under Section 302 IPC and instead the courts below treated the death of Nandagopal as suicide. In fact, they should have been charged under that provision and awarded the death sentence, as murder by policemen in police custody is, in our opinion, in the category of the rarest of rare cases deserving the death sentence, but surprisingly no charge under Section 302 IPC was framed against any of the accused. We are constrained to say that both the trial court and the High Court have failed in their duty in this connection. The entire incident took place on the premises of the Annamalai Nagar police station and the accused deserve no mercy.”

Conclusion and suggestions- The eighth report of the NPC recommended that protection available to the police officers from prosecution under section 132 and 197 of the Code of Criminal Procedure which mandate prior sanction of the government in order to prosecute any public servant including police official for any act done in discharge of his official duty be withdrawn or that a proviso be added to the section to initiate automatic judicial enquiry in every refusal to prosecute. This recommendation must be implemented. Making the police more accountable would deter police officials from harassing citizens.

1. There should be an independent board composed of civil society members with no police officials on-board which should enquire into any allegations of complaints against police officials. This would ensure that every victim of human rights violation has a platform for redressal, making the police accountable.
2. The law in books must be put to practice and this can only be ensured by imparting human rights education. Principle and practice should not differ and therefore training in human rights laws should be made compulsory for all police officials. This will sensitize and inculcate respect for human rights in them and also improve police-public relations.
3. If any violation of human rights has been committed by a subordinate officer and subsequently the superior officer, even after the incident came to his knowledge, does not institute disciplinary action against him then there should be a presumption about his complicity in executing the incident.
4. That a Chief of Police of a State is to be assured of a fixed tenure of office so as to encourage functional independence. It has been commonplace in India for transfers and postings of officers to be used as a kind of reward and punishment, as a result of which, many chiefs of police have had allegiances to political parties;
5. That there be no external interference in police work;

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INTERNATIONAL CONVENTIONS AND SUMMITS ON PATENT

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ABSTRACT

The concept of IPRs is not a new phenomenon, the protection of industrial property which has started since the second half of the 19th century. The evolution of the concept of IPRs at international level dates back to 1883 when Paris Convention was adopted for protection of Industrial property. Since then many efforts have been made to address the problem of protecting the IPRs and put it at rest. Finally it has been set to rest with the adoption of TRIPs agreement. Intellectual property rights are territorial, as are most rights derived by law. For example, patents protect ideas only in the country that grants the patent. To promote the ease of international commerce, there is a concerted effort by trading nations to standardize the laws of intellectual property via a treaty; particularly a multinational treaty, as opposed to a bilateral treaty.

Although a Patent is territorial in nature, the world community has develop a system of filing convention application through which a single patent application filed in one member country can be accorded priority claim for grant of patent. The evolution of the concept of IPRs at international Level started during the last quarter of the 19th century. The international character of IPRs is recognized in various international conventions for the protection of such property. There are as many as conventions, agreements and treaties entered into at international level. But here I am discussing only those which are related to Patent. The following multilateral conventions cover the domain of Patent in Global sense.

Key Words: Patent, Convention, Industrial Property, Intellectual Property.

Paris Convention 1967

The most important convention in respect of industrial property is the Paris Convention for the protection of industrial property. For the protection of industrial property taking its ambit not only in industry and commerce but in agricultural products including wines, grains, tobacco, fruits processing, cattle, minerals and other natural products etc.

The Paris Convention acts as the international umbrella for the national patent systems. Its origin merits an examination. The initial invitation for an International Conference on Patent Rights was sent by the Austrian Government on the occasion of the Universal Exposition to be held in Vienna in 1883. It is oldest industrial law treaty. 1883 marked the birth of the Paris convention for the protection of industrial Property, the first major international treaty designed to help the people of one country obtain protection in another countries for their intellectual creations in the form of industrial property rights, known as invention, trade marks, industrial design, utility model.

Basic Principles of Paris Convention

The Paris Convention stands for three basic principles:

1. **National Treatment:** Nationals of any country of the Union shall enjoy, in another country of the Union, the same treatment as that other country extends to its own nationals in respect of the protection of industrial property. The convention provides that each contracting state must grant the same protection to the national of the other contracting states as it grants to its own national.
2. **Independence of Patents:** Patent applied for by a national of a member-country of the Union, in other countries of the Union, is independent of patent obtained for the same invention in any other country. It does not matter whether the country where the patent has been granted is a member of the Union or not.
3. **Right to Priority:** The right to priority means that on the basis of a regular first application filed in one of the contracting states, the applicant may within a certain period of time apply for the protection in any of the contracting parties. These later applications will have priority. If a national of a member country of the Union has applied for patent in a Union country, he can claim the same priority date for application in any other country or countries of the union for the same invention as for the first application, provided the subsequent applications are made within a period of twelve months from the filing of the first application.

Paris Convention was the first international convention on IPRs guaranteed the protection of Industrial Intellectual Property signed by the member countries on March 20,1883. The Convention was later revised on July 14,1967 at Stockholm. At present, it has 173 members countries. It is procedural treaty for the grant of patents. The convention permits non-exclusive compulsory licence if the patent is not working. India has become member of the Paris convention on 7th December, 1998.

In Paris Convention, national treatment was the cornerstone. No most favoured nation treatment is accorded in Paris Convention. The registration process was based on the principle of 'first to register is first to protect'

The last revision of the Paris Convention in 1967 also led to the establishment of an International organization for administering and fostering intellectual property, called as the World Intellectual Property Organisation (WIPO).

World Intellectual Property Organisation

The world Intellectual Property Organisation i.e. WIPO succeeded United International Bureau for protection of Intellectual Property which was founded in 1893. WIPO is significantly cooperating with developing countries in their effort for development of Intellectual property. The WIPO was set up to administer the Paris and the Berne conventions. However, WIPO function is a monitoring function only. It does not have global enforcement of the intellectual property rights. In case of infringement the complainant pursues the dispute in the courts of country of infringement. In short, there was no globally harmonised protection standard.

The roots of the WIPO go back to 1883. That year marked the birth of the Paris Convention for the protection of Industrial Property, the first major international treaty designed to help people of one country obtain protection in other countries for their intellectual creations in the form of industrial property rights. The WIPO in its present form came into existence in 1970 through an international convention signed at Stockholm on 14 July 1967 and became a

specialized agency of UN in 1971. By encouraging new international convention and suggesting changes in the laws of the member's countries, the WIPO served the cause of protection of IPRs. Beside the member of UN, the members of Paris and Berne Union can also become member of WIPO. The world Intellectual Property organization is an international organization dedicated to helping ensure that the rights of creators and owners of intellectual property are protected worldwide and that inventors and authors are, thus recognized and rewarded for their ingenuity.

In 1974, WIPO became a specialized agency of the United Nations system of organizations, with a mandate to administer intellectual property matters recognized by the importance IPRs in the management of globalized trade in 1996, by entering into a cooperative agreement with the WTO.

The World Intellectual Property Organization (WIPO) is one of the 16 specialized agencies of the United Nations. WIPO was created in 1967. WIPO currently has 184 member states, administers 24 international treaties. It has headquartered in Geneva, Switzerland.

The Objectives of the WIPO

- A. to encourage creative activity
- B. to promote the protection of intellectual property throughout the world include among others, promotion of IPRs.
- C. Resolution of disputes between individuals and companies through the WIPO Arbitration and Mediation Centre.

Today, the WIPO is the UNO's specialised agency for inter-governmental cooperation on intellectual property, covering both the industrial property, and copyright and neighboring rights. India is a member of the WIPO. The mission of WIPO is to promote through international cooperation the creation, dissemination, use and protection of works of the human mind for the economic, cultural and social progress of all mankind. WIPO is increasingly involved in helping developing countries to receive the full benefits of the creations of their citizens as well as those of outside world. WIPO's help is also available in the preparation and enforcement of laws, in the establishment of institutions and administrative structures and in the training of the personnel.

WTO-TRIPs Agreement

Industrial Countries wanted to bring TRIPs on GATT agenda because they found themselves unable to introduce a hard set of rules on IPRs in WIPO. There is no other international organization whose policies and actions have as wide an economic and social ramification and impact as the WTO.

Objectives of TRIPs agreement

The TRIPs agreement has inter alia the following objectives.

- a) To reduce distortions and impediments to international trade,
- b) To promote effective and adequate protection of intellectual property rights,
- c) To ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade;

Outer Framework of TRIPs

TRIPs Agreement consists of Seven Parts. The seven parts are as follows:

Part I General Provisions and Basic Principles

Part II Standards concerning the availability, scope and use of
Intellectual Property Rights

Part III Enforcement of Intellectual Property Rights

Part IV Acquisition and Maintenance of Intellectual Property Rights
And Related Inter-Partes Procedure

Part V Dispute Prevention and Settlement

Part VI Transitional Arrangements

Part VII Institutional Arrangements: Final Provisions

The TRIPs agreement did just that what was absent in the Paris, Berne Rome treaties. The TRIPs agreement did just that, it allowed the extension of the national treatment and most favoured nation to Paris, Berne and Rome treaties. Enforcement of rights was a big step in the TRIPs agreement.

The TRIPs agreement as such does not encompass something that was already prevalent in other conventions. The only thing that it does is consolidates what was previously included in the Paris convention, Berne Convention and WIPO. The agenda set for negotiation of IPR gave enough vent to this concern and aimed at not only to set new rules on IPRs but also to ensure that they are enforced. TRIPs lays down the minimum standards for the protection of intellectual property rights.

Agreement between WIPO-WTO

Agreement between WIPO and WTO was concluded in Geneva on December 22, 1995. The purpose of this agreement between WIPO and WTO is to establish a relationship conducive for cooperation. It inter alia provides:

- Accessibility of laws and regulations in the WIPO collection by WTO members and their nationals
- Accessibility of the computerised database to WTO members and their nationals
- Accessibility of laws and regulations in the WIPO collection by WTO Secretariat and council of TRIPs.

WIPO is significantly cooperating with developing countries in their effort for development of Intellectual property. WIPO has still not lost its relevance even after TRIPs agreement. TRIPs sets out the minimum standard of protection of IPRs to be provided by each member subject to compliance with WIPO convention.

The Patent Cooperation Treaty

The PCT concluded in 1970 is open to state party to the Paris Convention and entered into force on January 24, 1978. The PCT enables and entitles the nationals or domiciliaries of a contracting state to file an international application for patent protection. The

• Object of the PCT

- a) to seek cooperation of states

b) simplification of procedure in filing patent application in states which are parties to agreement.

The Patent Cooperation Treaty or PCT is an international agreement for filing patent applications, which has come in to force to enable to file a patent application [International application] under the treaty, so that an invention can be protected simultaneously in a larger number of countries without losing the rights of priority.

- **Procedure for filing International Patent Application**

The step involved in international patent applications is

- a) filing an application at receiving Office by the applicant
- b) International search of application by an International Search Authority (ISA)
- c) Issuance of 'International search report' along with written opinion
- d) Publication of application by the International Bureau
- e) Request for an International preliminary examination under Chapter II, and
- f) Entering into national phase application.

- **Advantages under Patent cooperation Treaty**

The main advantages of PCT are international protection of invention via a single patent application, cost effective way of protecting patents in several countries and extended time to take decision to pursue the applications in countries. Further, the applicant can take decision to withdraw his application based the International search report and he can amend his application during preliminary examination before proceeding to national phase application.

The procedure under the PCT has several advantages for the inventor/applicant, the patent office and the general public.

First, the applicant has up to 18 months more than would be the case in a procedure outside the PCT, to reflect on the desirability of seeking protection in foreign countries, to appoint local patent agents in each foreign country, to prepare the necessary translations and to pay the national fees. And also the applicant is assured that, if the international application is in the form of prescribed by the PCT and has met the formal requirements; it cannot be rejected on formal grounds by designated office during the national phase of the processing of the application.

Secondly, on the basis of the international search report from the International Search Authority [ISA] or the written opinion, the applicant can evaluate with reasonable probability the chances of the patentability of the invention in the regions or countries where the patent is sought. The applicant has the possibility during the international preliminary examination to amend the international application with a view to put it in the order most beneficial to the applicant before proceeding by the designated offices.

Thirdly, the search and examination work of patent offices can be considerably reduced or virtually eliminated thanks to the international search report, the written opinion and, where applicable, the international preliminary examination report that accompany the international application.

Since each international application is published together with an international search report, third parties are in a better position to formulate a well-founded opinion about the patentability of the claimed invention.

India became a member of the PCT on 7th December, 1998. A claim for priority is to be stated in the application filed. It is a special agreement under Paris union and any member of the union may become its member. Its object is to simplify the procedure for filing patent application in a state which is party to this agreement.

Patent Law Treaty

An international harmonization treaty on patent formalities, the patent Law Treaty was adopted in June 2000, to standardize divergent formal requirements applied in national and regional patent systems to patent applications and patents. Users of patent system will thus be able to rely upon predictable and simple procedure for filing national and regional patent applications and for the maintaining of patents in all contracting parties..PLT was entered into force on 28 April, 2005.

H. Review

It is submitted that WIPO has still not lost its relevance even after TRIPs agreement. TRIPs sets out the minimum standard of protection of IPRs to be provided by each member subject to compliance with WIPO convention. The TRIPs agreement did just that what was absent in the Paris, Berne and Rome treaties. The TRIPs agreement did just that, it allowed the extension of the national treatment and most favoured nation to Paris, Berne and Rome treaties. Enforcement of rights was a big step in the TRIPs agreement.

The TRIPs agreement as such does not encompass something that was already prevalent in other conventions. The only thing that it does is consolidates what was previously included in the Paris convention, Berne Convention and WIPO. The agenda set for negotiation of IPR gave enough vent to this concern and aimed at not only to set new rules on IPRs but also to ensure that they are enforced as TRIPs lays down the minimum standards for the protection of intellectual property rights. The TRIPs agreement provided that every member nation shall comply with article 1 through article 12 and article 19 of the Paris convention.

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TEACHER COMPETENCIES IN THE ERA OF INCLUSION: A GLIMPSE

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ABSTRACT

The practice of inclusive education does not meet the satisfactory standards developed and accepted in the wider community. For many years, special educators attempted to meet the needs of students with individual education plans in education settings apart from general education for the children with different types of disabilities throughout the world. To ensure support for teachers and students, the role and tasks of in-school professional staff should be redefined in a way that provides for their presence, availability, and active participation in classroom teaching. The increased numbers of students with disabilities being educated part or full time in general education classes, create significant challenges for teacher preparation programs for both special and general education teachers. However, important questions remain regarding the specific knowledge and skills needed by both general and special education teachers to effectively implement inclusive educational models. Teacher's competencies affect values, behaviours, communication, aims and practices in school and also they support professional development and curricular studies. The conversation on Teacher's competencies to improve the teaching-learning process in inclusive setting is of immense value. Teacher's competencies needs to be discussed in many dimensions such as field competencies, research competencies, curriculum competencies, International lifelong learning competencies, social-cultural competencies, emotional competencies, communication competencies, information and communication technologies competencies and environmental competencies. This paper identifies the fundamental competencies for special and general educators needed to effectively educate students with disabilities within inclusive settings.

Key Words: Inclusion, Competencies, Curriculum, Educators

TEACHER COMPETENCIES IN THE ERA OF INCLUSION: A GLIMPSE

India has reiterated its commitment to education for all; she is pursuing the goal to declare education as a fundamental right. Time is now to move from education for 'all' to 'each' and every child in the country. It is only by inclusion of 'each child' that we will be able to achieve education for all. An important focused group in this context is children who are challenged. For, often they get ignored and sidelined under the pretext of 'fate' and 'bad luck'.

Every child born in the country – whether challenged or otherwise is born with the same right to education. It is the obligation of the civil society and educational administration to ensure that every child finds a place in the broad framework of education. Children in special schools were seen as geographically and socially segregated from their peers, and the initial movement to locationally integrate these students in mainstream schools ('integration') shifted to one where the whole school was encouraged to become more adaptable and inclusive in its day-to-day educational practices for all students ('inclusive education'). Pedagogy in particular was highlighted as the key to meeting all students' educational needs by making the curriculum flexible, and so more accessible. By recognizing those teaching methods which can make curriculum accessible to children with disabilities can also make learning accessible to all students, a teacher or a school principal is well on the way to improve the overall quality of their school (Ainscow, 2005; Ainscow, 1991). In this way, inclusive education is not only a disability issue, but an educational quality issue. Inclusion and inclusive education do not look at whether children are able to follow the mainstream education programme, but looks at teachers and schools that can adopt educational programmes to individual needs. Many educational systems have adopted an integrated education model as an interim approach in the move towards inclusive education. Inclusion rejects the use of special school or classrooms to separate students with disabilities from students without disabilities. A premium is placed upon full participation by students with disabilities and upon respect for their social, civil, and educational rights. The fundamental principle of the inclusive school is that all children should learn together, wherever possible, regardless of any difficulties or differences, they may have. Inclusive schools must recognize and respond to the diverse needs of their students, accommodating both different styles and rates of learning and ensuring quality education to all through appropriate curricula, organizational arrangements, teaching strategies, resource use and partnership with their communities.

Inclusive Education

What is inclusive education? The underlying assumption is that it is an attitude or belief system, not an action or set of actions. It is a way of life, a way of living together, based upon the belief that each individual is valued and does belong. Inclusion is the education of students with disabilities in the classrooms and schools they would attend if not identified as disabled, with the appropriate supports and services necessary to enable the student to be successful. Inclusive education is essentially a principled, rights-based approach underpinned by a number of central values. Therefore a values based approach is necessary for developing a profile for competencies of inclusive teachers. Core values identified as essential for all teachers working in inclusive education are used as the basis for then describing the areas of competence. Four core values relating to teaching and learning have been identified as the basis for the competences for teachers working in inclusive education:

- **Valuing pupil diversity:** pupil difference is considered as a resource and an asset to education;
- **Supporting all learners:** teachers have high expectations for all learners' achievements;
- **Working with others:** collaboration and teamwork are essential approaches for all teachers;

- **Continuing personal professional development:** teaching is a learning activity and teachers must accept responsibility for their own lifelong learning.

Thus, areas of competence are made up of three elements: attitudes, knowledge and skills. A certain attitude or belief demands certain knowledge or level of understanding and then skills in order to implement this knowledge in a practical situation.

Universal Ideology underpinning the areas of Competencies proposed for Inclusive Education/Inclusion

The areas of competence for working in inclusive education are necessary for all teachers, just as inclusive education is the responsibility of all teachers. The areas of competence for inclusive education do not only focus upon meeting the needs of specific groups of learners (e.g. those with special educational needs); they provide all teachers with the foundations they need to work with learners with a diverse range of needs within a mainstream classroom. The areas of competence therefore reinforce this critical message - that inclusive education is an approach for all learners, not just an approach for particular groups with additional needs. The areas of competence all teachers need to work in inclusive settings are not in contradiction to the specialist education and training for special teachers who may support mainstream teachers in their work. These areas of competence are the foundations for all teachers' work – generalists, specialists and experts. The areas of competence can potentially be a mechanism for reducing the disconnection that is thought to exist between classroom teachers and other stakeholders in education.

The roles and responsibilities of general educators much depend on the type of inclusive setting in which they work. In some of these, the general educator might be the only direct teacher. In other settings, the school might use a consultant model. In other cases, someone comes into and out of the classroom to assist students. Co-teaching is not always a possibility, nor is Para-educators available in all instructional settings.

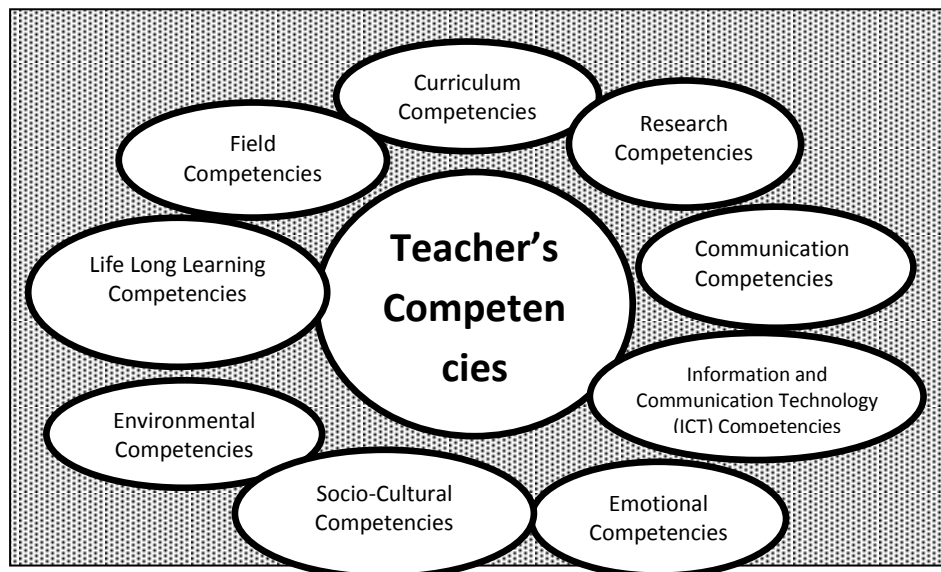
The aims of education change very quickly depending on the demands of the era of inclusion requiring more capability. These demands directly affect educational system. Teachers are responsible for operating educational system and they need strong and efficient professional competencies. Teacher's competencies should be redefined depending on the development of the whole life of human and education. Teachers need to improve knowledge and skills to enhance, improve and explore their teaching practices. Implicit in inclusive settings is the assumption that learners who are exceptional can be served equally as well as in diverse mainstream learning settings as in segregated or pull-out programs. Those promoting fully inclusive practices declare that it is no more than good general education and that teachers must be prepared to teach all children effectively (Kauffman, 1996).

It is common for teacher training programs to develop curriculum around required competencies or standards identified as essential for teachers in particular fields of expertise. In recent years, the lines between general and special education have blurred both in terms of practice (i.e., in the schools and community) and teacher education (Blanton, et al., 1997). What competencies ought to be included in teacher education programs that prepare teachers to work in inclusive settings is really a crucial point to be thought over.

What kind of Teacher's Competencies we need for Inclusion?

Competencies are defined as “the set of knowledge, skills, and experience necessary for future, which manifests in activities” (Katane et. al.; 2006). Gupta defines competencies as “knowledge, skills, attitudes, values, motivations and beliefs people need in order to be successful in a job.” The common understanding related to teacher’s competencies is divided into three main areas as field competencies, pedagogical competencies and cultural competencies. But on the other hand it has been reported that teacher’s competencies can be composed of different dimensions other than the three main areas (Bulajeva 2003; Bridge 1993; Hansen 1998; James et al. 1998; Stoffels 2005; Selvi 2007). Selvi (2007) carried out a research regarding the professional competencies of English Language Teachers and reported that teacher’s professional competencies were composed of four main subgroups such as Curriculum Competencies, Lifelong Learning Competencies, Social-Cultural Competencies and Emotional Competencies. Thus teacher’s competencies can be described in the following dimensions which have also been shown in pictorial form:

- Field Competencies
- Curriculum Competencies
- Research Competencies
- Communication Competencies
- Information and Communication Technologies (ICT) Competencies
- Emotional Competencies
- Social-Cultural Competencies
- Environmental Competencies
- Lifelong Learning Competencies



Field Competencies

Field Competencies are related to the question of “what should school teach?” They refer to the content that the teacher and students will study. For example, the knowledge of math teachers is the main competency for teachers who will teach in classroom. These competencies are the main areas of teacher competencies that include academic studies about content. They are also necessary for teachers to conduct their profession. They are the teacher competencies regarding the subjects that teachers will teach or students will learn. Formerly, field competencies were deemed as the most important competency field based on the concept that teachers were the only responsible in transmitting the content. The concept of the one who knows teaching and the teacher is the responsible for learning in classroom changed over time. Within the context of this change, the importance given to teacher’s field competencies declined as a result of the changing role of teacher as rather than transmitting the content but being a facilitator enabling students to interact with content.

Curriculum Competencies

The Curriculum Competencies can be divided into two sub competencies as curriculum development competencies and curriculum implementation competencies. These competencies contain the knowledge about curriculum philosophies and skills in curriculum development, curriculum design, elements of the curriculum development, models of curriculum development, approaches of designing curriculum development, curriculum development process, selecting and organizing the content, planning the teaching and testing conditions and preparing research for curriculum development. They are related to the understanding of the curriculum plans for the teaching and learning. Curriculum competencies can also be considered as the competencies of teachers oriented towards carrying out their teaching role more effectively. These competencies are related to both theoretical and practical competencies. They determine the framework of the knowledge and skills that teachers will gain. Without curriculum competencies, it is quiet difficult to produce an effective education service in schools.

Research Competencies

Research Competencies include the competencies of research methods and techniques, designing and carrying out research in teacher’s fields. They support collaboration with colleagues and other specialists or people who are interested in curriculum studies and education. These competencies are influential for teachers in following the developments in their fields and developing themselves based on these developments. Besides, the research competencies of teachers are of great importance for students in gaining the scientific thinking and scientific process skills. The research competencies help to improve all of the Teacher’s competencies and also support research-based teacher education that is a new approach in teacher education (Niemi, Sihvonen; 2006).

Communication Competencies

Communication Competencies include communication models, interaction among teachers, students, social environment and learning topics. Teachers also have competencies in using oral, body and professional language in their fields. These competencies include voice, body language and words such as speaking, singing and sometimes tone of voice, sign language, paralanguage, touch, eye contact, or the use of writing. They also include communication

skills in intrapersonal and interpersonal processing, listening, observing, speaking, questioning, analyzing, and evaluating.

Information and Communication Technology (ICT) Competencies

Information and Communication Technology - ICT competencies are based on using tools and technical equipments for the reaching, distributing and transferring the knowledge. They include any technology that helps to produce, manipulate, store, communicate, and disseminate information. These competencies are mainly allied with the use of technology in managing and processing the information and include all technologies for the manipulation and communication of information. Thus, ICT competency is very important to improve the communication in the learning and teaching process.

Emotional Competencies

Emotional Competencies are composed of teacher's and students' values, morals, beliefs, attitudes, anxieties, motivation, empathy and so on. They are related to the implementation of psychological consultation and curriculum of guidance in school. Teacher's emotional competencies can help students to learn and students' willingness to learn can be increased if teachers know how to improve the emotional dimension of students' learning. These competencies also help teachers become effective teachers while monitoring the students' learning. Learning requires emotional supports that create positive feeling for learning-teaching process. Teachers become a learning consultant and mentor about learning for their students.

Social-Cultural Competencies

Social-Cultural Competencies include the knowledge about social-cultural background of students and teachers, local, national and international values, democracy and human rights issues, team and collaborative work with others, and social studies. All of them provide freedom to students and teachers in teaching-learning process and also promote the learning. The individuals become social and cultural being in social life. Thus, there is a strong relationship between learning and students' social-cultural background. Some of the learning theories discussed learning as social-cultural context and Teacher's social-cultural competencies can promote students learning. Humanistic approach and social theories can be put into practice in the classroom by means of teacher's social-cultural competencies.

Environmental Competencies

Environmental Competencies can be defined as competencies for ecological and environmental safety. Salite and Pipere (2006) explained that ecological/environmental aspect is a dimension of the sustainable development of teachers. Knowledge, attitudes and skills about ecological system and environment such as keeping clean and available environment, management of ecological resources, being aware of ecosystem, feasible uses of natural resources, and availability of natural resources etc. can be included in Environmental Competencies.

Lifelong Learning Competencies

Lifelong Learning Competencies include the abilities of learning to learn, and Teacher's responsibilities of their own professional development. These competencies are related to the ability of learning and skills of using the means or tools of learning to improve the learning throughout the human life. Lifelong learning process requires that learners take responsibility

of their learning. As individuals, teachers are acting for their own learning in the lifelong learning process. Lifelong learning activity goes through the whole life continuing between individual and the world (Selvi; 2006). These competencies refer to the teacher's responsibilities for their own learning and development of lifelong learning skills for students. It means that lifelong learning includes two main abilities. The first one is related to Teacher's own lifelong learning ability and the second one is related to teacher's responsibility to develop students' lifelong abilities.

Several studies have examined attitudes toward educating students with disabilities in general education settings. Yasutake and Learner (1996) conducted a study of special and general education teacher perceptions of and attitudes toward inclusive practices, concluding that general education teachers did not possess the practical training to make inclusion successful. In addition, teachers felt that special education supports were insufficient within the general education class to foster successful inclusion. Teaching the competencies in coursework and supporting them in fieldwork and practicum experiences in inclusive general education classrooms in the teacher education program would ensure that the essential knowledge and skills for inclusive education are addressed in the professional training of both general and special education teacher candidates.

Conclusion

To be concluding, we actually require the cavernous discussion of the specific knowledge and skills needed by both general and special education teachers to effectively implement inclusive educational models. The competencies conferred above are considered urgent by three critical stakeholder groups: school principals, special educators, and general educators. Yet, implementing lessons for diverse learners and being flexible in scheduling are competencies that would be important in facilitating learning of students with disabilities in an inclusive model. General education teachers often fear that inclusion requires them to have specialized knowledge and skills that they do not possess. "I don't have the training to teach those students" is a common sentiment of general education teachers considering an inclusive model. Teacher preparation programs need to address these concerns.

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CONCEPT OF VISUAL IMPAIRMENT

(Blindness and Low Vision)

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ABSTRACT

You may have met children with seeing problems. They are not a homogenous lot. Seeing problems range from total blindness to minor visual problems or refractive errors. A number of terms are used in connection with loss of sight: blindness, partial sight, visual handicap, visual impairment, low vision etc. Present educational thinking is moving away from the whole concept of labeling children. The emphasis is on the individual needs of children and on the aspects related to their development & learning. It is therefore necessary to understand the specialized terminology in order to define pupils who have sight problems. Understanding the basic structure of an eye and functioning of each part helps the teacher defining the problem areas of pupil especially when you have a low vision child.

Key Words: Impairment, visual acuity, Congenital, senile, Intervention.

Objectives of the Paper:

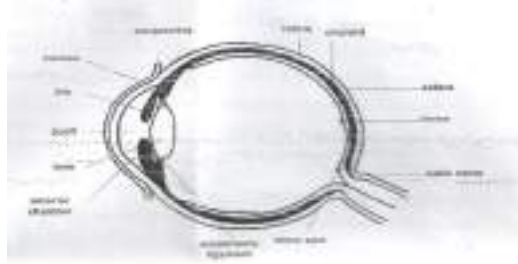
After undergoing through the learning material the learner should be able to:

1. Identify different parts of the eyes.
2. Narrate the functions of the eye.
3. Use the terms blindness & low vision in proper/correct perspective.
4. Classify the children according to their causes.
5. Understand the implications of various eye conditions.
6. Get oriented with the signs for early detection of visually impaired children.

Introduction

1.1. The Structure of an Eye and it's Functions

The eye is the apparatus for seeing a general knowledge of the eye & how it works is useful in helping to understand impaired vision. **An Eye**



The Eye: The eye & brain work together to form images & the things we see. We have two eyeballs. Each eyeball is about 2.5cms. in diameter and is lodged within the socket called orbit between the orbital wall & the eyeball.

Eyelids: These are movable folds of skin which protect the eye from injury and excessive light. The eyebrows and eyelashes also participate in the protective role.

The conjunctive: It is a continuous sheet of tissue. To allow free movements of the eyeball, the conjunctive is carried above & below into folds.

Cornea: Cornea is crystal clear structure in front of surface of the eye. It carries the light rays to the retina in the back of the eye.

Sclera: Sclera is the white of the eye which joins the cornea at the limbos. It is tough and helps to maintain the shape of the eye and supports the delicate structures within the eye.

Anterior Chamber: This is behind the cornea and in front of the iris and lens. A clear aqueous fluid secreted by the processes of the ciliary's body flows constant through the pupil into the anterior chamber & maintains constant pressure within the eyeball.

Iris: The black disc behind the cornea is called iris. It is an extremely delicate, constantly moving diaphragm with a circular opening in middle. It contains pigments, which give colour to the eyes. These pigments control the amount of light entering retina.

Cilliary Body: Cilliary body is the portion of the veal tract between the iris and the choroids.

Choroid: This is vascular, intermediate coat which furnishes nourishment to the other parts of the eyeball.

Crystalline lens: This is transparent, colourless body suspended in the eyeball.

Vitreous humour: Transparent, colourless mass of soft, gelatinous material filling the eyeball behind the lens.

Retina: This is the innermost coat of the eye, formed of light sensitive nerve element. The most specialized part of the retina is 'macula' which lies just lateral to the optic disc. It provides acute central vision used in reading or in threading a needle.

How We See: The eye functions like a camera. Vision is a complex function. The act of seeing requires light to see by and the brain to interpret what is seen. The light rays reflected from an object in a person's field of vision fall on the eyes. The rays pass through the cornea, aqueous humour, and through pupil which dilates or contracts to control light in accordance to the brightness of the object.

The rays then pass through crystal lineless and the rays of light are focused on the retina. The process of focusing is called accommodation. The cornea and the lens combine to bend the light rays as they pass through. The rays as they pass through. The rays pass through the vitreous body and penetrate on retina, where they set up a photo-chemical response in the outermost layers, stimulating the rods & cones.

The impulse is picked by retinal nerve fibres and passes along the optic nerve to the brain where an upside down image is formed. Based on experience, the inverted image is psychologically transposed.

1.2. Definition of Blindness and Low Vision

Definition of visual impairment as adopted in the persons with Disabilities (Equal opportunities, Protection of Right & Full Participation) Act 1995 as well as National Programme for control of Blindness (NPCB).

Blindness: refers to a condition where a person suffers from any of the following conditions, namely:

1. Total absence of sight; or
2. Visual acuity not exceeding 6/60 or 20/200 (snellen) in the better eye even with the correct lenses, or
3. Limitation of the field of vision subtending an angle of 20 degree or worse.

For deciding blindness visual acuity and /or field of vision are considered.

Low vision: As per PWD Act, 1995 also recognizes low vision as a category of disability and defines it as follows:-

“Person with low vision,” means a person with impairment of visual functioning even after treatment or standard refractive correction but who uses or is potentially capable of using vision for the planning or execution of a task with appropriate assistive device.

For teachers this definition is of no use as it does not give the range of visual acuity as well as field of vision.

Practitioners therefore follow the WHO working definition of low vision-

“A person with low vision is one who has impairment of visual functioning even after treatment and/or standard refractive correction, and has a visual acuity of less than 6/18 to light perception or a visual field of less than 10 degrees”.

1.3 Causes of Visual Impairment

Corneal Conditions:-

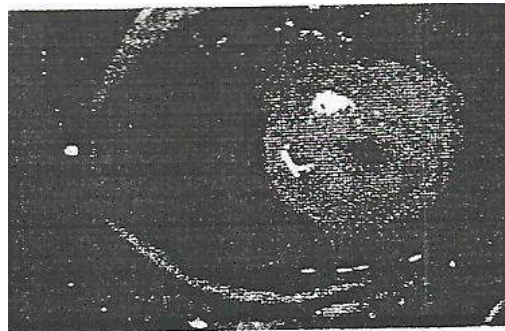
Kerataconus: Usually it affects both the eyes. Cornea becomes cone shaped. There is a distortion of visual field and gradual loss of distance visual acuity. This can be hereditary, or associated with other conditions.

Educational Implications:

Children having these conditions has problems in distance vision (seeing blackboard) confusion in identifying letter and numbers, visual fatigue after long period of close visual work.

Corneal Ulcers: Corneal ulcers caused by bacterial or fungal infections lead to corneal abrasions which result in keratitis.

The symptoms can be extreme pain and photophobia (sensitivity to light). Immediate medical treatment is essential.



Corneal Dystrophies: Corneal dystrophies are degeneration of corneal tissue which is genetically determined. It results in low visual acuity.

Corneal Scarring: Corneal scarring can be a result from infection or penetrating wounds. Refraction is affected, visual acuity is reduced. Through corneal grafts or corneal transplants, vision can be restored.

Aqueous Humour:-

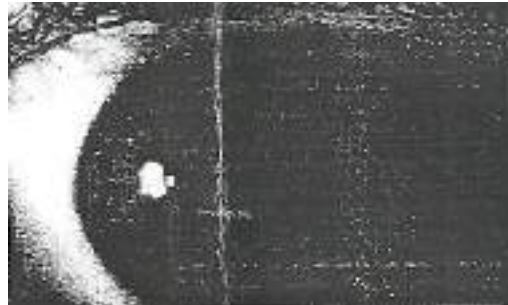
Glaucoma: In glaucoma there is increased intraocular pressure. This high pressure damages tissues of the eye. It results in loss of visual acuity and visual field. Two types of Glaucoma are found:- adult and congenital (Bupthalmos). Cornea becomes hazy and opaque. Cornea is pushed forward to give a bubble-like effect.

This requires surgery as soon as possible. The eye looks abnormal.



Iris:

Aniridia: This is a congenital, inherited condition. Iris fails to develop partially or completely. It affects both the eyes. It can be associated with nystagmus, photophobia, cataract, glaucoma. Photosensitivity, Visual fatigue, headaches or general discomfort are symptoms of glaucoma. Patients require good contrast. Use of low vision aids is possible.



Iritis: Inflammation of **uveal** tract is called iritis. Onset is sudden, accompanied by pain, light sensitivity and blurred vision are the symptoms, Medical attention is essential.

Coloboma of iris: This gives pupil a keyhole appearance. The cause is that iris is not formed completely during prenatal period. This results in photosensitivity and loss of visual acuity.

Lens:

Cataract: In cataract lens becomes opaque. Cloudiness of lens prevents the passage of rays of light on retina. Two main types of cataract are: 1) congenital (by birth) 2) senile (in old age)

Children get operated and lens is removed making the eye aphakic i.e. (without lens). In cataract cases, following care should be taken:

- Glare should be avoided
- Light source behind the child
- Good contrast essential
- Low vision aids are useful
- Reading stand is preferred.

Vitreous Humour:

Vitreous opacities: Vitreous must be clear for the light to pass through it. Any clouding of the vitreous will result in reduced visual acuity. Trauma or inflammations may produce inflammatory cell/debris also bleeding is one cause. Vitrectomy is used to remove the unwanted material.

Retina:

Retinitis Pigmentosa:- This is more common in boys. It is hereditary, progressive and results in tunnel vision and night blindness. It can also be associated with a range of syndromes such as Usher's syndrome (RP + deafness). Leber's amaurosis.



Symptoms of Retinitis Pigmentosa:

1. Photophobia
2. Visual field problems
3. Problems in tracking, scanning (Reading)
4. Problems in gross motor skills
5. Problems in adapting from bright to dull light

The following measures are useful:

1. CCTV may be useful
2. Good contrast is essential
3. Well lit, glare-free environment should be provided
4. Use of smallest print possible
5. Braille
6. Mobility training.

Retinopathy of Pre-maturity: (ROP) Retrolental Fibroplasia occurs in premature babies who receive oxygen therapy. It can cause total blindness. Other associated conditions are severe myopia, micro ophthalmus, retinal detachment, nystagmus.

The following measures are useful:

- Orientation and mobility training
- Visual perceptual skills
- Braille

Diabetes Melitus: High blood-sugar level affects the body including eyes. The blood vessels on the retina may haemorrhage and it may spread into vitreous.

- Complaint of flashing light
- Visual acuity is reduced
- May lose colour vision
- Field maybe affected
- Laser beam surgery may retard to progression.

Retinal Detachment: Retina is separated from its supporting structures. The detached portion atrophies and blind area develop in the field of vision.

- Flashing lights
- Sharp. Stabbing pain in the eyes
- Visual acuity reduced
- Colour vision impaired
- Photocoagulation and cryosurgery is necessary.

Macular Degeneration: Fovea and macula affected reduction in near and distance vision, colour perception and contrast sensitivity is affected.



Following measures are suggested:

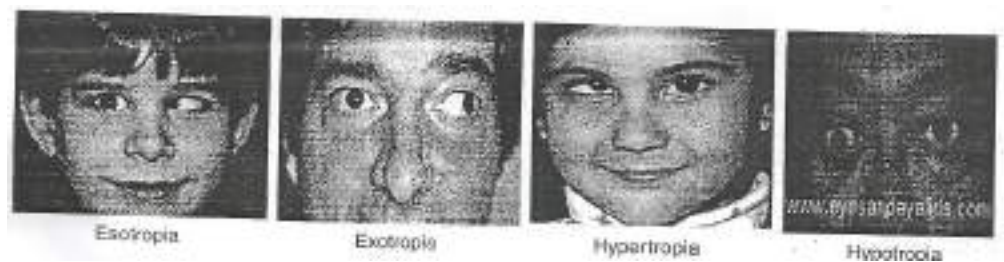
- Use of low vision aids and CCTV
- Good illumination
- Good Contrast
- Training in eccentric viewing
- Avoid glare
- Visual perceptual training.

Optic Nerve: Optic Atrophy: it is degeneration of the optic nerve. The optic nerve transmits messages from the retina to visual cortex of the brain. Range of visual processes can get affected in OA. Vision fluctuations are seen. Contrast sensitivity is affected. Central as well as peripheral field are affected. The person has difficulties in adapting to reduced illumination. Glare and lighting conditions are important. Low vision aids are useful.

Eye Movements: Six extrinsic muscles of each eye work in coordination to turn and rotate each eyeball up, down, to the side and towards the nose. Each muscle has a primary function in turning the globe of the eye in various directions.

Ocular Muscle Disorders:

Strabismus: Defect of eye-muscle system. Defect in the length, placement or ability to function. Eyes are not aligned correctly. Images transmitted to brain may be too dissimilar to be fused. Results in Amblyopic (Lazy eye) people with strabismus have following conditions.



This is an inherited condition, may also be caused by partial paralysis.

Treatment is most effective before age 1, becomes more difficult by age 5, ineffective after age 5.

Early diagnosis and occlusion for preventing amblyopia (lazy eye), surgery is one more option for shortening the muscles or eye exercises are also prescribed.

Nystagmus:

Nystagmus is an involuntary, rhythmical, repeated movements of one or both eyes in horizontal, vertical or circular direction. Two types: Pendular nystagmus-up and down movements of equal speed, amplitude and duration. This is characterized by slow movements in one direction followed by faster return to original position. Nystagmus results in low visual acuity because of inability to maintain steady fixation. Dizziness or vertigo also occurs sometimes with nystagmus.

Nystagmus is always an associated condition observed with albinism, aniridia, cataract, corneal opacity, optic atrophy. Children having Nystagmus can use line-markers/typoscopes for reading. These children need reading and writing material in good bold print. Teacher can give close visual tasks for shorter duration for these children. Tilting of the head for obtaining best focusing gives good results.

1.4 Early Intervention Signs of Vision Problems:

General symptoms that may occur from birth:

- The Child squints or blinks when looking at something.
- The child's eyes are crossed.
- The child favours one eye more than the other when looking at an object.
- One or both of the child's eyes turn in or out.
- The child's pupils are hazy.
- The child's eyes are tearing excessively, are red or the eye-lids are encrusted with matter.
- The Child turns or tilts his head abnormally.
- The child has frequent or persistent sties.

School Age:

Teacher or Parent may observe:

- Child's body is rigid while looking at distant or near objects.

- Child has short attention span and day dreams.
- Child places head close to book or desk when colouring, reading or writing
- Child uses unusual or fisted pencil grasp, frequently breaking pencil.
- Child has spidery, excessively sloppy, or very hard to read handwriting.
- Child closes or covers one eye.
- Child dislikes tasks requiring sustained visual concentration; is nervous, irritable, restless or unusually fatigued after maintaining visual concentration.
- Child loses place while reading and uses the finger or marker to guide the eyes.
- Child has difficulty in remembering what is read.
- Child skips words and re-reads.
- Child has difficulty remembering, identifying, and reproducing basic geometric forms. Child has difficulty in sequential concepts.
- Child has poor eye-hands co-ordination and unusual awkwardness including difficulty with stairs, throwing and catching ball, buttoning and unbuttoning and tying.
- Child is easily frustrated, is withdrawn and has difficulty getting along with children.

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A STUDY OF ENVIRONMENTAL ATTITUDE OF PROSPECTIVE TEACHERS

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ABSTRACT

The world has been a beautiful living habitat for homo sapiens. For centuries India has been a country full of scenic beauty. Its fauna and flora and widely spread pastures have been a subject of pride. Unfortunately, environmental situation in India is not the same today. Pollution has divested the environmental challenges, we are facing today include water and sanitation energy and industrial growth, rural development and international environmental issues (Bhargava, 2004).

School systems provide the largest organization for environmental education and action. Education can be viewed as the transmission of the values and accumulated knowledge of the society (Siwaswaroop, 2004). Environmental education is a way of creating knowledge, understanding, values, attitudes, skill, abilities and awareness among individuals and social group towards the environment and environmental protection (Kukreti, 1993).

Key Words: Enironmental Atitude, Prospective Teacher.

Our environment is today on the sick and entire world is worried about it. We have reached this stage because we have been trained to look upon nature as a resource. The mindless competition for industrialization and progress, we have exploited the environment with out any thought of its consequences. The attitude of our modern civilization is reflected in the criteria of development which include such parameters as the consumption oriented life style. If the same trend continues, the world will soon become in hospitable place for mankind. Now the time has come for men to realize that instead of trying to be the master of nature.

Aim of the present study is to cheak out the attitude of prospective teachers towards environment and related problems.

Keeping in view the above situation, in the present investigation researcher has tried to study the environmental attitude of prospective teachers in the present investigation.

OBJECTIVES OF THE STUDY

The present study was based on the following objectives:-

1. To know the attitude of male and female prospective teachers towards environment.
2. To study the attitude of prospective teachers towards environment in respect of their medium of examination.

The researcher made an extensive search through theses, journals, periodicals, bulletins, abstracts and surveys to get relevant studies. Some researchers like Ghose (1988), Khattar (1988), Khanna (1990), Manuja (1983), Rane (1989), Gopal Krishan (1992), Sahoo (1992), Saenowski (1978), Maghenda (1990), Joshi (2002), Comber (1973), Dhaliwol (1982), Kinsey (1980), Riley (1995), Jaus (1984), Rajput (1988), Taskin (2003), Yilmaz (2004), Mary Kalen (1996) Leeming (1995) and Shahnawaj (1990) worked on the environmental attitude and awareness.

Jashi and Archana (2002) studied the innovations teaching environmental science”.

The main findings of the study were:

1. Difference between pre test & post test scores for all the units and all the types of tests was significant.
2. All the students favored learning through such intervention programmed it makes use of different teaching strategies.

Taskin (2003) clarifies the stand points of environmental attitude (EA), knowledge scales, and affiliated studies. Considering the quality of the environmental education studies, this paper tries to give a sharp and concrete message to environmental science education and researchers and strengthen the point of environmental education studies four main problems throughout the research process and discussed; (1) inconsistency of environmental characteristics; (2) theoretical frame work and interpretations; (3) development of attitude and knowledge scales; and (4) research mythology.

Yilmag, Boone and Andersen (2004) is criticized on four grounds, first the paper does not have adequate definitions of “urban” and “sub urban”, second the interpretation of these terms forankara does not reveal the particular socio-economic circumstances existing there, third no respondents. Other recent studies are subjected to similar criticisms.

Gregory (2007) using phenomenological analysis, the authors examined the long term effects of an environmental education school field trip on fourth grade elementary students who visit great smoke mountains national park, the author findings suggest that one year after the experience, many students remembered what they had seen and heard and had developed a perceived pro-environmental attitude. The authors discuss the phenomenological analysis. Cite interviews with students, and draw conclusions on the effect of the fieldtrip.

Gihar & Saxena (2008) conducted a study on rural and urban women in Ghaziabad. They found that urban women are more aware of measure of pollution control than rural women.

HYPOTHESES

1. There is no significant difference between attitude of male and female prospective teachers towards environment.

- 2 There is no significant difference between attitude of prospective teachers towards environment in respect of their medium of examination.

POPULATION

The present investigation was conducted in Ambala District of Haryana State. All prospective teachers studying in B.Ed. colleges of Ambala District constituted the population for present study.

SAMPLE & SAMPLING TECHNIQUE

For the present study, the sample was selected from different B.Ed. Colleges of Ambala District of Haryana State. The simple random sampling technique was used to draw the sample for present veature. 150 Prospective teachers studying in B.Ed. Colleges of Ambala District were selected randomly.

TOOL USED:

The success of any study depends on the administration of suitable and appropriate tools for measuring different variables of the study (Saxena, 2002). Keeping in view, the researcher gathered the information from various sources regarding the availability of standardized tool for the present study. After collecting the necessary information, the investigator reached at the conclusion that a scale, to collect the data for present venhue Environmental Attitude Scale (EAS) used.

Analysis and interpretation

Mean Scores of Male and Female Prospective Teachers on Environmental Attitude Scale (EAS)

Sr.no	Dimension	Male (no. 47)		Female (no. 103)		't' Value (df=148)
		M	SD	M	SD	
1	Prevention of Pollution	61.57	9.60	61.83	7.19	0.16 (n.s)
2	Environmental Quality Management	58.53	9.88	60.65	8.33	1.40 (n.s)
3	Ecological Balance	34.04	5.47	34.64	4.68	0.65 (n.s)
4	People's Involvement in Environmental Action	40.40	6.04	40.93	5.11	0.53 (n.s)
5	Conservation of Natural Resources	43.40	6.19	43.03	6.32	0.33 (n.s)
6	Total	238.08	32.33	240.80	25.50	0.44 (n.s)

Leads us to conclusion that female prospective teachers had scored highs mean value on environmental attitude scale than there counterpart male prospective teachers. However, this difference is not significant. The probable cause for this may be that the females have natured mother instinct, so they have better attitude towards environment.

Mean Scores of English and Hindi Medium Prospective Teachers on Environmental Attitude Scale (EAS)

sr.no	Dimension	English Medium (no. 39)		Hindi Medium (no. 111)		't' Value (df=148)
		M	SD	M	SD	
1	Prevention of Pollution	61.66	7.80	61.78	8.33	0.08 (n.s)
2	Environmental Quality Management	60.15	7.83	55.93	9.24	2.77* (s)
3	Ecological Balance	41.00	5.71	40.63	5.32	0.35 (n.s)
4	People's Involvement in Environmental Action	34.66	4.99	31.37	4.93	3.55* (s)
5	Conservation of Natural Resources	43.66	7.48	42.97	5.62	0.50 (n.s)
6	Total	240.38	28.42	239.80	27.64	0.11 (n.s)

**significant at .05 level of significance*

there no significant difference was found between English and Hindi medium prospective teachers on Environmental attitude scale. The researcher concluded that there exist no significant difference in environmental awareness among medium of post graduate students.

FINDINGS

- (1) The first null hypothesis that there is no significant difference between attitude of the male and female prospective teachers towards environment is partially accepted and partially rejected. The findings related to above hypothesis are as follows:
 - 1.1 Male and female prospective teachers have more or less same mean value on prevention of pollution dimensions of E.A.S
 - 1.2 There is no significant difference between male and female prospective teachers on environment quality management dimension of E.A.S.
 - 1.3 Male and female prospective teachers have more or less same mean value on ecological balance dimension of E.A.S.
 - 1.4 Male and female prospective teachers do not differ significantly on people's involvement in environment dimensions of E.A.S
 - 1.5 There is no significant difference between male and female prospective teacher on conservation of natural resources dimensions of E.A.S.
 - 1.6 Male and female prospective teachers do not differ significantly on Environmental Attitude Scale.

- (2) The second null hypothesis that there is no significant difference between attitude of prospective teachers towards environment in respect of their medium of examination is partially accepted and partially rejected. The findings related to above hypotheses are as follows.
- 2.1 Male and female prospective teachers of English and Hindi medium have more or less same mean value on prevention of pollution dimensions of E.A.S
 - 2.2 Male and female prospective teachers of English and Hindi medium are differ significantly on environment quality management dimensions of E.A.S.
 - 2.3 There is no significant difference between male and female prospective teachers of English and Hindi medium on ecological balance dimensions of E.A.S.
 - 2.4 There exists significant difference between male and female prospective teachers of English and Hindi medium on people's involvement in environment dimensions of E.A.S.
 - 2.5 Male and female prospective teachers of English and Hindi medium do not differ significantly on conservation of natural resources dimensions of E.A.S.
 - 2.6 There is no significant difference between male and female prospective teachers of English and Hindi medium on Environmental Attitude Scale.

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DISINVESTMENTS IN INDIA

(AN ASSESSMENT OF POLICY AND PROGRESS OF DISINVESTMENT FROM
1991 TO 2008)

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ABSTRACT

This research paper aims to analyze the process and progress of disinvestment from 1991 and onward. The results shows that only near about 50% proceeds from disinvestment has been released by Govt during 18 years of economic reforms against the target of disinvestment . Moreover proceeds from disinvestment have not been properly utilized for revival of sick units and infrastructural development. Study reveals that Govt adopted this policy in hesitant way and without comprehensive vision. Transparency in methodology of disinvestment also remains questionable.

Key Words: Disinvestment, Budget, Enterprises, UPA

Disinvestment perspectives:

The Indian economy was pursuing the path of development in which public sector was expected to be the growth engine for almost four decades since independence. However, the public sector had overgrown itself and their shortcomings started manifesting in the shape of low capacity utilization and low efficiency due to over-manning and poor ethics, over capitalization due to substantial time and cost overruns, inability to innovate, take quick and timely decisions, large interference in decision making process etc. The Central and the State Governments had become weak in terms of political stability by mid-1991. Though sufficient money could have been mopped up through effective mobilization of excise duties, income tax, custom duty, corporate dues, etc. but neither the Central Government nor the State Governments were prepared to opt for the hard measures. There was no preparedness on the part of either the Central Government or the State Governments to prune public expenditure. So they preferred to approach the international lending agencies or sell Government assets and resort to Disinvestments as a measure of political balancing.

Since the beginning of 1980s, the functioning of the public sector began to be questioned. It was held that the public sector performed well only when protected through State monopolies, entry reservations, high tariffs and quotas etc. Since quite a large number of public enterprises incurred losses year after year, it was argued that the State should not be called upon to meet the losses of these enterprises out of taxpayers' money. Since, the public sector had entered into too many areas the question of withdrawing from these areas was also raised. Though public enterprises fulfilled some of the objectives, due to their poor performance, in terms of productivity and growing financial losses, they became a burden on Government revenue. Most of the public enterprises required budgetary support from the Government to meet their losses. Public enterprises absorbed disproportionate share of domestic credit and scarce public resources too. Though economic criteria are the main consideration of privatization/ Disinvestments, a combination of other factors, also exert pressures on privatization. They are identified as financial, economic, external and non-economic factors.

REVIEW OF LITERATURE

Sankar, T.L., Reddy, Y. Venugopal (1988) raised some issues like political economy of economic liberalization and diversification of ownership of public enterprises. The study suggested that privatization in United Kingdom is a lesson for India to undertake disinvestments process. Reddy, Venugopal (1991) in his paper delineates the development of the theory of privatization and possible approaches to it in India. The purpose of the study is to provide an overview of the theoretical background to the privatization debate, briefly narrate the approaches towards privatization indicated in India, and propose a framework for analysis with regard to privatization with special reference to the core sector. Stephan, Sherry. M. (1991) concluded in his study that the true measure of success of privatization in developing as well as in the developed countries, was not the number of firms transferred from State ownership but it was the improved allocation of resources reflected in the higher growth, increased profitability, expanded production from capital projects and reduced budgetary deficits. Gupta, P. Anand (1993) argued public enterprises in India were under unprecedented pressure. It was, mainly, the increasingly difficult public finance situation of the Government and of local authorities. Many public enterprises may have to be privatized. However, the research strongly suggested that privatisation should not be done in a hurry without analysing the prerequisites. Raghavan (1994) has suggested the entire proceeds of disinvestments should flow to the independent authority i.e. the trust which could utilize it for restructuring loss-making and sick units. The process of reforming PSUs can be carried out efficiently if the entire pack is assigned to an independent authority, which could draw up a well-defined policy agenda for this purpose. Dhankar (1995) observed in his study that disinvestments of Government holding was an economic necessity. The study pointed out that the Government failed to realize not only the best value but also the other objectives of the disinvestments programme. Mishra, R.K., Nand Gopal R. and A. Lateef Syed Mohammad (1995) analyzed in their study the disinvestments experience of the Government and highlighted the quantum of funds which could have been realized had the Government acted in a financially prudent manner. It also analyzed that the Government failed to realize not only the best value but also the other objectives of the disinvestments programme.

Objectives of the study

- 1) To review the overall performance of public sector units in general through selected indicators.
- 2) To diagnose the process, progress and selection criterion for disinvestments of PSUs.
- 3) To evaluate the impact of disinvestments on profitability / return on investment of selected PSUs.
- 4) To describes the major findings of the study based upon analysis and make recommendations to overcome the previously faced problems with reference to disinvestments in India.

RESEARCH METHODOLOGY

There are scores of studies conducted by different authors and scholars on PSU,s. Some of them strongly emphasize the importance and contribution of the Public Sector in India, while others criticize the existence of PSU,s in context of profitability and contribution. Disinvestments and privatisation phenomenon started in 1991, when Indian economy was

suffering the problem of fiscal deficit. The loss making units had been major factor of fiscal deficit due to overstaffing and outdated technology and problem of management also. After launching the disinvestments programme several efforts were made by researchers to evaluate the policy, problems, and modalities of the disinvestments programme in India. Also some studies reveal the problems of sick units. Some of the studies highlighted the employment problems and productivity of the particular industry. In this regard some efforts have been attempt to make assessment of disinvestment progress and methodologies exercised by Govt for disinvestment

Information sources, According to the objectives of the study, secondary data has been used to carry out the research process. The different sources of data include, books, Committee Reports, Economic Survey, various issues of Public Enterprises Survey, Reports on Disinvestments Policy & Procedures, Progress published by Ministry of Disinvestment (GOI), and periodicals covering the areas of study.

Data analysis, The published data has been diagnosed with the help of percentage method for the available information on disinvestments in India. Further, to review the performance of public sector units and to diagnose the process, progress and success of disinvestments programme all disinvested units have been undertaken for the purpose of the study.

Study Period, The study period starts from inception of New Industrial Policy of the Government of India, 1991 as the concept of disinvestment was accepted for the first time in India as a part of this policy.

Disinvestments Process

Normally the Disinvestments process is carried out with the assistance of an Advisor (known as Global Advisor or Financial Advisor). They could be Merchant Bankers or Consultancy Advisory Firms but in addition legal advisors, chartered accountants, assets appraisers and other valuation agencies are also required for specific services. Advisors assist Government in all aspects of privatization transactions. In addition to implementing the basic steps, advisors also counsel Government regarding the strategic options open to it for privatization. The responsibilities of advisor inter-alia cover rendering of advice and assisting Government in Disinvestments, suggesting measures to enhance sale value, preparing a detailed information memorandum, marketing of the offer, inviting and evaluating for bids, assisting during negotiations with prospective buyers, drawing up the sale/other agreements and advising on post sale matters. Advisers are appointed by the competitive bidding procedure. The fee payable to the advisors generally consists of two components. The first component is called 'success fee', which is fixed percentage of the gross proceeds to be received by the Government from the Disinvestments. Since it is directly linked with the amount of money realizable from Disinvestments, it serves as an incentive to the advisor to get the best price from Disinvestments. The other component of the fee is called 'drop dead fee' which is a lump sum amount payable to the advisor only in the event of transaction being called off by the Government.

Valuation Parameters. In any sale process, the sale will materialize any whom the seller is satisfied that the price given by the buyer is not less than the value of object being sold. Therefore, determination of that threshold amount, which the seller considers adequate, is the first pre-requisite for conducting any sale. This threshold amount is called the Reserve Price. Reserve Price in case of sale of a company is determined by carrying out valuation of the

company. In companies, which are listed on the stock exchanges, market price of the shares serves as a good benchmark for assessing the fair value of the company, though the market price is usually characterised with significant short-term variance due to investor's sentiments being influenced by short-term events and environmental aspects. Most importantly, most of the PSU are either not listed on the Stock Exchanges. They are, therefore, not correctly valued. Thus, deciding fee worth of a PSU is indeed a challenging task. Based on the recommendations of the Disinvestments Commission and in keeping with the best market practices the following four methodologies are being used for valuation of PSUs.

1. Discounted cash flow method.
2. Balance Sheet method
3. Translation multiple method
4. Asset valuation method

While the first three are business valuation methodologies generally used for valuation of a going concern, the last methodology would be relevant only for valuation of assets in case of liquidation of a company.

Disinvestment Progress:

Budget 1991-92, in this pronouncement, the capital of 20 percent for disinvestments was reinstated and the eligible investor's universe was again modified to consist of mutual funds and investment institutions in the public sector and the workers in these firms. The Government reconstituted the Committee in Nov. 1992 with Dr. R.C. Rangrajan, the then Member, Planning Commission as its Chairman and Dr. V. Venugopal Reddy as its Member Secretary. The Committee gave its report on 20-4-1993. The Committee took upon itself to indicate the objectives sought to be achieved through disinvestments in public sector equity.

Objectives of the Disinvestment were:-

- To mop up resources of non-inflationary character to meet the budgetary needs which include requirements of developmental activities and social obligations?
- To sub serve, in the medium term, the overall fiscal objective of gradually reducing the fiscal deficit and bringing about a positive overall impact on future liabilities and income flows to Government.
- To improve overall economic efficiency by bringing about a more competitive atmosphere with emphasis on the cost and quality of product and service to the customers of public sector enterprises.
- To enhance the efficiency of individual enterprises by imparting a new dynamism in the management of these enterprises through diversification of ownership and control as also larger and freer access to the expanding capital markets in India.
- To realign the extent of ownership, control and regulation in different activities consistent with the technological needs and development in industrial policy.

The Committee did not suggest any criteria for selection of enterprises for disinvestments on the ground that the financial year 1992-93 was about to end. Regarding level of disinvestments, the Rangrajan Committee recommendations emphasized the need for substantial disinvestments.

Disinvestments in 1992-93 According to the announcement made in the Budget Speech for 1992-93, Rs. 3500/- crores (35 billion) were to be raised by disinvestments of shares in Public Sector Companies during the year. Out of this Rs. 1000 crore (10 billion) was meant for National Renewal Fund (NRF) to be set up in February 1992 to protect the interest of workers and provide a social safety net for labour. Thus, the disinvestments target for the year was Rs. 2500 crores (25 billion). Table 2 reveals the amount of disinvestments realized by the Government in 8 public sector enterprises. It was first tranche of disinvestments during 1992-93, in which the Government achieved 681.95 crore. The largest part of proceeds has been received from two PSEs BPCL and HPCL 24.16 and 26.12 respectively. Auctioning of share was done with minimum bid at Rs 2.50 crore instead of bundling approach. 286 bids were received from eligible financial institutions, mutual funds, and individuals. By the recommendations of merchant bankers ICICI, IDBI and State Bank of Capital Market, a minimum reserve price also fixed in the form of upset price

TABLE: 1 (Total Disinvestments during 1992-93)

Month	No. of PSEs Disinvested	No. of share sold (Rs crore)	Amount Released (Rs crore)
October, 1992	8	12.87	681.95
December, 1992	12* ¹	31.06	1183.83
March, 1993	9* ²	1.01	46.73
Total	16* ³	44.94	1912.51

Source: 1. Compiled from Department of Public Enterprises, New Delhi.
2. Sudhir Naib (2004) Disinvestment in I/Ondia Policy Procedure Progress.

*¹ These 12 Enterprises included 7 Enterprises in 1st round

*² These 9 Enterprises included 6 Enterprises included in 1st round and 2nd round.

*³ Out of 16 Enterprises, 14 were disinvested in 1991-92 also. Only two were the new enterprises disinvested in 1992-93 (Hindustan Copper and NDMC)

Table 5 gives the summary of total proceeds through disinvestment in three rounds, during 1992-93. The table clearly indicates that the Government could not achieve the fixed target of Rs 2500 crore; instead it received only Rs 1912.51 crore as total proceeds.

Disinvestments in 1993-94 Owing to certain unfavourable market conditions, the disinvestments process was hampered during this period. The fixed target of Rs 3500 crore could not be realized. However the Government sold equities of seven companies but only to receive the proceeds amount in the financial year 1994-95.

Disinvestments in 1994-95 keeping in view the previous experience, the Government brought about two significant changes in the process. The bidding amount was lowered from Rs 1 lakh to Rs 25000 or value of 100 shares whichever was higher, so that the wider public participants could be lured. In addition to the lowering of the bidding amount, the government also permitted the FII registered with SEBI to participate in the auctions of PSEs share.

The details are total proceeds realizations during 1994-95 are given in Table 2 below:

Table 2 (Total Disinvestments In 1994-95)

Month	No. of PSUs Disinvested	No. of shares sold (Rs.Crore)	Amount Released
March/April	06	11.317	2282.156
October, 1994	06	4.194	2230.360
January, 1995	5* ¹	4.260	330.568
Total	16*²	19.771	4843.084

Source: 1. Data compiled from Public Enterprises Survey 1995-96, Vol. I.
2. Sudhir Naib (2004) Disinvestment in India Policy Procedures and Progress.
3. Compiled from Department of Public Enterprises, New Delhi.

*¹ these five enterprises in 3rd round included IOC which was there in 2nd round also.

*² Out of these 16 nine enterprises were disinvested in 1991-92 also. Thus, only 7 (Container Corporation of India, IOC, ONGC, EIL, GAIL, ITDC and Kundermukh Iron ORE Ltd.) were disinvested for the first time.

Thus, an amount of Rs. 4843.08 crore (48.43 billion) was released from sale of 19.77 crore (197.7 million) shares in 16 Public Sector Enterprises in all, during 1994-95 against an envisaged target of Rs. 4000 crore (40 billion) for the year.

Disinvestments in 1995-96

TABLE: 3 Total Disinvestments During 1995-96

Name of the Enterprise	No. of Share sold (Rs crore)	Amount Released (Rs. crore)	% age of proceeds
MLNL	0.87	135.90	80.66
SAIL	0.44	13.30	07.90
CONCOR Ltd.	0.20	14.12	08.39
ONGC Ltd.	0.02	05.16	03.06
Total	1.53	168.48	

Source: 1. Public Enterprises Survey 1995-96, Vol. I
2. Sudhir Naib (2004) Disinvestment in India Policy Procedures and Progress.
3. Compiled from Department of Public Enterprises, New Delhi.

Table 3 presents the summary of disinvestments during the financial year 1995-96. In this period the Government disinvested 1.53 crore shares of 4 PSEs for Rs 168.48 crore against the target of Rs 7000 crore. The method for disinvestments of 14 PSEs shares was reserve price as was adopted in 1992-93. The largest part of disinvestments was from MTNL having the contribution of 80.66 percent. Further the Government received Rs 193 crore from sale of equities of IDBI. It is not revealed in P.E. Survey, yet Ministry of Finance takes this into account. Thus the total amount of proceeds was Rs 362 crore (Rs168.48+193, IDBI) during 1995-96.

Disinvestments in 1996-97, In the budget speech for 1996-97, a target of Rs. 5,000 crore (50 billion) was fixed for mobilization of resources through disinvestments of Public Sector Enterprise shares. In the process of identifying the enterprises to be taken up for disinvestments during 1996-97, the Government considered names of enterprises from the

petroleum and communication sector. However, the Government finally decided to take up two Public Sector Enterprises (IOC and VSNL) initially for the two trenches. While Indian Oil Corporation and VSNL were earmarked and preparatory work had also been initiated for the GDR Issue (Global Depository Receipts is a means to raise resources from abroad). Only VSNL could be taken up for disinvestments (in GDR) during the said period and IOC GDR could not be launched due to unfavourable market conditions. In the GDR, 39 lakh shares of VSNL could be disinvested resulting in realization to Rs. 380 crore (3.8 billion).

Disinvestments in 1997-98 The budget for 1997-98 had taken a credit for an amount of 4800 crore (48 billion) to be released from disinvestments of Government held equity in Public Sector Companies. This was proposed to be achieved by disinvestments in MTNL, GAIL, CONCOR and IOC. A GDR issue of 40 million shares (4 crore) held by the Government in MTNL was offered in the international market in the month of November 1997. The issue was a success and an amount of Rs. 902 crore (9.02 billion) was realized. However, due to extremely unfavorable conditions in the market, it was decided to defer the issues of GAIL, CONCOR and IOC.

TABLE: 4 (Total Disinvestments during 1998-1999)

Name of the Enterprise	Mode of disinvestments	No. of share in sold (Rs crore)	Receipts (Rs crore)	% age of proceeds
CONCOR	Domestic Issue	9000	221.65	4.12
GAIL	(i) Divested/sold to institutional investors	3.0610	181.78	
	(ii) Cross holding by ONGC	4.0840	245.04	
	(iii) Cross holding by IOC	4.0840	245.04	
Total			671.86	12.51
IOC	Cross holding by ONGC	3.1272	1208.96	22.51
ONGC	(i) Cross holding by IOC	12.5349	2034.96	
	(ii) Cross holding by GAIL	2.7719	450.00	
Total			2484.96	46.26
VSNL	GDR Issue	1.000	783.68	14.60
Total		31.5630	5371.11	

- Source:
1. Data compiled from Public Enterprises Survey 1995-96, Vol. I.
 2. Sudhir Naib (2004) Disinvestment in India Policy Procedures and Progress.
 3. Compiled from Department of Public Enterprises, New Delhi.

Table 4 reveals the disinvestments summary for the financial year 1998-99. In 5 PSEs, the Government offered 31.5630 crore shares and realized the proceeds from disinvestments Rs 5371.11 crore against the target of Rs 5000 crore. The total proceeds amount Rs 221.65 crore was realized by the Government in selling the equities of CONCOR in domestic market. The amounts of disinvestments in GAIL through cross holding and by making offer to institutional investors. 22.51 percent proceeds was received by Government during 1998-99 from IOCL having the amounts of Rs 1208.96 crores. Disinvestment in IOCL was also made by Government through cross holding. ONGC which contributes the highest with 46.26 percent. ONGC was also disinvested by the Government through cross holding. The disinvestment in

VSNL made by the government through the mode of GDR and realised the amounts of Rs. 783.68 crore.

Disinvestment in 1999-2000: Government strategy towards Public Sector Enterprises will continue encompass a judicious mix of strengthening strategic units, privatizing non-sale ones through gradual disinvestment or strategic sale and devising viable rehabilitation strategies for weak units.

TABLE: 5 (Total Disinvestment during 1999-2000)

Enterprise	Mode of disinvestment	No. of share sold (Rs. Cores)	Receipts (Rs. Crore)	% age of proceeds
GAIL	GDR issue	13.5000	945.00	60.04
IOC	Cross holding by ONGC	0.4212	162.79	10.34
ONGC	(i) Cross holding by IOC (ii) Cross holding by GAIL	1.1718 .6548	190.19 106.29	
Total			296.48	18.84
VSNL	Domestic market	0.1000	75.00	4.77
MFIL	Strategic sale of 74 per cent equity	0.0920 Face value Rs. (1000)	94.51 *After Adjustment	6.06
Total		15.9398	1573.78	

Source: 1. Data compiled from Public Enterprises Survey 1995-96, Vol. I.
2. Sudhir Naib (2004) Disinvestment in India Policy, Procedures and Progress.
3. Compiled from Department of Public Enterprises, New Delhi.

* It excludes the amount realized from BALCO. After this amount would be 1818.20 (1573.78 + 244.42).

The Table 5-During this financial year 1999-2000, it was first time that Government transferred the management of company to private investors. The 74 per cent equities of MFIL were sold to a strategic partner (HLL) for the amounts of Rs. 94.51 crores. By GDR issue government sold the shares of GAIL for Rs. 945 crores. GAILs proceeds from disinvestments was 60.04 per cent out of total proceeds. The equities of IOCL and ONGC disinvested by the Government through cross holding. IOCL realised disinvestment proceeds for the amount of 162.79 crores, while ONGC produced Rs. 296.48 crores through disinvestment. The Government makes sale for the equities of VSNL in domestic market and realised the amount of Rs. 75 crores. Further the government realised Rs. 242.40 crores through financial restructuring of BALCO. Thus the Government actually received Rs. 1818.20 crore (1573.78+244.42) against the target of Rs. 10000 crore.

Disinvestment in 2000-2001: The highlights of the policy for the year 2000-2001 were that for the first time the Government made the statement that it was prepared to reduce its stake in the non-strategic Public Sector Enterprises even below 26 per cent if necessary, that there would be increasing emphasis on strategic sales and that the entire proceeds from disinvestment / privatization would be deployed in social sectors, restructuring of Public Sector Enterprises and retirement of public debt (Budget speech 2000-2001).

TABLE: 6 (Total Disinvestments during 2000-2001)

Name of the Enterprise	Mode of Disinvestments	Receipts (Rs. Crore)	%age of proceeds
BALCO	Strategic sale of 51 per cent	551.50	29.50
BRPL and Chennai Refineries	Taken over by IOC	658.13	35.21
Kochi Refineries	Taken over by BPCL	659.10	35.28
Total		1868.73	

Source: 1. Data compiled from Public Enterprises Survey 1995-96, Vol. 1.

2. Sudhir Naib (2004) Disinvestment in India Policy Procedures and Progress.

3. Compiled from Ministry of Disinvestment and Department of Public Enterprises, New Delhi.

Table 6 reveals the summary of disinvestment during the financial year 2000-01. The Government could achieve through disinvestment of PSEs equities Rs. 1868.73 crores against the target of 10,000 crores. The amount Rs.551.50 crore obtained by the Government through the 51 per cent strategic sale of BALCOs equities to Sterlite Industries. BRPL and Chennai Refineries taken over by IOCL, and Government realised Rs. 658.13 crore. Also the Government received Rs. 659.10 Crore by selling the equities of Kochi Refineries. The Kochi Refineries taken over by the BPCL.

Disinvestment in 2001-02: Table 7 highlights the summary of disinvestment during 2001-02. In this financial year the Government adopted the strategic sale as a mode of disinvestment in 6 PSEs. Government through strategic sale realised the amount of Rs. 3130.94 crore against the target of Rs. 12000 crore. The largest 74 per cent strategic sale has been made by the Government in HTL for the amount of Rs. 55 crores, whereas contribution in total proceeds was only 1.76 per cent. PPL also disinvested through 75 per cent strategic sale and Government realised Rs. 151.70 crores. Largest part of proceeds by 25 per cent strategic sale in VSNL for the amount of Rs. 1439 crore. Its contribution in total proceeds was 45.97 per cent. Government received the amount of Rs. 1153.68 crore through the 33.58 per cent strategic sale of IBP. Further the Government realised Rs. 152 crore by 51 per cent strategic sale in CMC Ltd, and also the Government realised Rs. 159.56 crore as a proceeds of disinvestment in ITDC. A number of ITDC hotels have been sold, at Agra Gaya, Hassan, Mamallapuram, Madurai, Udyapur, Qutub and Lodhi Hotel in Delhi. The ITDC hotel at Bangalore has been given on long-term lease. In addition, these hotels of Hotel Corporation of India Ltd. Hotel Airport Mumbai, Hotel Juhu Mumbai, and Hotel Rajgir were sold for Rs. 242.51 crore (2.42 billion). However, as HCIL is a subsidiary of Air India, the disinvestment proceeds went to Air India. As disinvestment process in being initiated in MMTC and STC, reserves were withdrawn from time to extent of Rs. 100 crore (1 billion) (MMTC – 60 crore, STC – Rs. 40 crore)

TABLE: 7 (Total Disinvestments during 2001-2002)

Name of the Enterprise	Mode of disinvestments	Receipts (Rs. crore)	% age of proceeds
CMC	Strategic sale of 51 %	152.00	4.85
HTL	Strategic sale of 74 %	55.00	1.76
IBP	Strategic sale of 33.58 %	1153.68	36.85
VSNL	Strategic sale of 25 %	1439.00	45.97
PPL	Strategic sale of 74 %	151.70	4.84
ITDC	Sale of 8 hotels and long term lease of one hotel	179.56	5.73
Total		3130.94	

Source: 1. Data compiled from Public Enterprises Survey 1995-96, Vol. I.
2. Sudhir Naib (2004) Disinvestment in India Policy Procedures and Progress.
3. Compiled from Ministry of Disinvestment and Department of Public Enterprises, New Delhi.

Disinvestments in 2002-03: Table 8 presented the summary of disinvestment during the financial year 2002-03. The Government, during this financial year, could realised the disinvestment proceeds Rs. 3267.17 crore against the target of Rs. 12,000 crores. The Government received Rs. 445 crore through the strategic sale of HZL and it yields Rs. 6.18 crore through the disinvestment of 1.46 per cent equities in the favour of employees. So total amount realised by disinvesting the HZL was Rs. 451.18 crore. The Government received Rs. 1,000 crore through disinvestment of Maruti Udyog Ltd. largest part of disinvestments proceeds was received by the Government through the 26 per cent strategic sale in IOCL. As a result, the amount of Rs. 1491 crore was realised by the Government which was 45.66 per cent out of total proceeds. During this financial year 10 hotels of ITDC have been sold by the Government for the amount of Rs. 272.81 crore. (In June 2002, four ITDC properties Kovalam, Ashok Beach Resort (Rs. 40.39 crore), Hotel Airport Ashok Kolkota (Rs. 19.39 crore), Hotel Aurangabad Ashok (Rs. 16.50 crore) and Hotel Nanali Ashok (Rs. 3.65 crore) were sold yielding a total of Rs. 79.93 crore. Another five ITDC hotels were sold in July, 2002 for Rs. 163.60 crore. The details of these hotels are Hotel Krishna (92.37 crore), Hotel Inderprastha (Rs. 43.39 crore) ITDC's incomplete project in Chandigarh (Rs. 17.27 crore), Hotel Varansi Ashok (Rs. 8.38 crore), and Hotel Khajurahu Ashok (Rs. 2.19 crore). Hotel Ranjit was sold in October 2002 for Rs. 29.28 crore). The residual 26 per cent equities of MFIL for Rs. 44.08 crore have been sold to its strategic partner HLL. Further the Government disinvested the 6.06 per cent equities of CMC in the favour of employees for Rs. 6.07 crore.

TABLE: 8 (Total Disinvestments during 2002-2003)

Name of the Enterprise	Mode of disinvestments	Receipts (Rs. crore)	% age of proceeds
HZL	(a) Strategic Sale of 26%	445.00	
	(b) 1.46 per cent equity disinvested In favour of employees	6.18	
Total		451.18	13.82
Maruti Udyog Ltd.	Control premium for sell off to Suzuki	1000.00	30.62
IPCL	Strategic sale of 26 %	1491.00	45.60
ITDC	Sale of 10 properties	272.81	8.35
MFIL	Residual sale of 26% equity	44.08	1.350
CMC	6.06 per cent equity disinvested in favour of employees	6.07	0.19
Total		3265.17	

Source: 1. Department of Public Enterprises and Ministry of Disinvestment (Annual Report 2002-2003)
2. Data compiled from Public Enterprises Survey 1995-96, Vol. I.
3. Sudhir Naib (2004) Disinvestment in India Policy Procedures and Progress.

Disinvestments in 2003-04: “Budget speech, the pace of disinvestments to accelerate in the coming year. Details about the already announced Disinvestments Fund and Assets Management Company, to hold residual shares post disinvestments, shall be finalized early in 2003-04.” In 2003-04 there were 13 PSUs, both listed and unlisted, in which disinvestments through strategic sale was at various stages of the process. In case of ITDC, strategic sale in 5 hotel units and 7 joint venture hotels and in the case of Hotel Corporation of India, Strategic Sale in 2 hotel units were in hand in 2003-04. In addition, the process for offer of sale of residual shares to public in BALCO and VSNL had been under negotiation with the strategic partner.

Table 9 presents the summary of disinvestments during the financial year 2003-04. The Government realised Rs. 15547.42 crore against the target of Rs. 14500 crore. The Government adopted offer for sale method for disinvestment in 7 PSEs out of 10 PSEs. Through IPO Government sold 27.5 per cent equities of MUL for the amount of Rs. 993.34 crore. Government realised 18.18 crore through the 72 per cent strategic sale of equities of Jesop & Co. Ltd. In case of HZL Government exercised the call option method and realised the amount of Rs. 332.88 crore that is, 18.9 per cent of disinvestments. Next, the Government sold 9.2 per cent equities of ICI Ltd. and realised the amount of Rs. 77.10 crore. 26 per cent residual equities of IBP were sold by the Government for the amount 350.66 crore. Amounts realised by Government In IPCL, CMC, DCIL, GAIL and ONGC through offer sale method Rs. 1202.85, 190.44, 221.20, 1627.36 and 10542.40 respectively. ONGC is the largest contributor proceeds of disinvestments having the percentage of 67.80.

TABLE: 9 (Total Disinvestments during 2003-2004)

Name of PSU	Methods of Sale	%age of Equity Sold	Amount (Rs.Crore)	%age of Proceeds
Maruti Udyog Ltd.	Offer for sale	27.5	993.34	6.39
Jessop and Co. Ltd.	Strategic sale	72.0	18.18	0.12
HZL	Call option	18.9	332.88	2.140
ICIL	Limited Auction	9.2	77.10	0.50
IBP	Offer for sale	26.0	350.66	2.25
IPCL	Offer for sale	29.9	1202.85	7.64
CMC	Offer for sale	26.3	190.44	1.28
DCIL	Offer for sale	20.0	221.20	1.42
GAIL	Offer for sale	10.00	1627.36	10.46
ONGC	Offer for sale	9.9	10542.40	67.80
Total			15547.42	

- Source:
1. Disinvestments in India (Thesis 2004 Allahabad University Allahabad)
 2. Data compiled from Public Enterprises Survey 1995-96, Vol. I.
 3. Sudhir Naib (2004) Disinvestment in India Policy Procedures and Progress.
 4. Compiled from Ministry of Disinvestment and Department of Public Enterprises, New Delhi.

U.P.A.'s Policy on Disinvestments (2004-2005) "The UPA Government is committed to a strong and effective public sector whose social objectives are met by its commercial functioning. But for this, there is need for selectivity and a strategic focus. The UPA is pledged to devolve full Managerial and Commercial autonomy to successful, profit making companies operating in competitive environment. Generally profit making companies will not be privatized. All privatizations will be considered on a transparent and consultative case by case basis. The UPA will retain existing "navratna" companies in the public sector while these companies raise resources from the capital market. While every effort will be made to modernize and restructure sick public sector companies and revive sick industry, chronically loss-making companies will either be sold off, or closed, after all workers have got their legitimate dues and compensation. The UPA Government will induct private industry to turn around companies that have potential for revival. The UPA Government believes that privatisation should increase competition, not decrease it. It will not support the emergence of any monopoly that only restricts competition. It also believes that there must be a direct link between privatisation and social needs, like for example, the use of privatisation revenues for designated social sector schemes. Public Sector Companies and nationalized banks will be encouraged to enter the capital market to raise resources and offer new investment avenues to retail investors."

The responsible factors that leads slow process of disinvestments programmes:

The Government carried out the whole exercised of disinvestment in a hasty, unplanned and hesitant way. Thus, it failed to realize not only the best value but also the other objectives of the Government programme.

The Government launched the programme without creating the required market conditions for its take off. This would be clear from the fact that it did not try to list the shares of Public Sector Enterprises on the Stock Exchanges.

The efforts were not made to build up the linkage between Public Enterprises and the Capital Market.

The Government did not adopt suitable method to oversee the disinvestment of Public Enterprises holdings.

The Finance Ministry and Department of Public Enterprises adopted techniques and methods, which resulted in far lower realization than justified.

Further the disinvestment proceeds were not used for concerned enterprises for its expansions and improving efficiency, but the Government has been using such amount for bridging their budget deficit.

Transparency about the approach toward restructuring and methods are main responsible for downward trend of disinvestments.

Because of bureaucratic procedure the private investors discouraged.

Valuation process, procedures and surplus employers are major attributes. It was estimated that there were 19.94 lakh employees in the Public Sectors and nearly 25% of them are surplus.

Lack of comprehensive policy on disinvestments programme.

Conclusion The data presented in the table shows that the performance on the disinvestment front over the period 1991-92 to 2007-2008 has been not satisfactory. Only in four years 1991-92, 1994-95, 1998-99, 2003-2004, the targets for disinvestment were exceeded. The success in 1991-92 was due to the decision to accept extremely low bids for share 'bundles' which included equity from PSU's which would have otherwise commanded a handsome premium.

Since Govt hesitant and lack of proper plan regarding disinvestment programme leads its failure. Assessment of market conditions in stock market and methodology of sale of equities in many units have not been satisfactory. Govt could utilized the proceeds of disinvestment in expansion of existing units and revival of sick units to strengthening their market. Strong political will towards restructuring and transparent methods should be adopted by Govt .Moreover comprehensive policy is also required for this programme which may acceptable by all political outfit.

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INDIA PAKISTAN DIALOGUE: CONFIDENCE BUILDING MEASURES AND BEYOND

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ABSTRACT

India and Pakistan are the core states of South Asia which have a similar culture, they are geographically close and historically related. Yet their relations are predominantly conflictual. The root of the tension lies basically in their history. Dispute over territory and ideology have locked the two in a regional cold war which has in four instances broken out into full scale interstate wars. The region is often referred to as a high risk conflict zone owing to history of relations, border-clashes limited or large scale wars between these two neighbours. The urgency and the need of congenial relationship between these two countries become evident by the detail which follows. Both India and Pakistan tried to normalize their relations through a peace process of dialogue.

Key Words: Shimla Agreement, CBMS, SAARC, UN Charter.

Declaration after 1965 war

The peace process and efforts for reconciliation are neither new nor are the result of target-oriented practice between India and Pakistan. Indo-Pakistan history shows several low- and high-intensity conflicts between the two neighbours. These conflicts were managed through initiatives and pacts. This part of the study would briefly discuss two most important pacts in the India-Pakistan history: The Tashkent Declaration and the Shimla Agreement. The pacts were signed after two major wars in 1965 and 1971.

The differences between India & Pakistan focus on the disputed state of Kashmir. While Pakistan's stand on Kashmir is based on the principle of two-nation theory, India considers the state an integral part of the Indian Union. Pakistan has been constantly pleading with the international community especially USA and members of the Organisation of Islamic Countries (OIC) to assist in settling the Kashmir issue, but India insists that it is a bilateral issue and should be resolved by the two countries themselves without any third country's intervention. None of the accords could, however, resolve the Kashmir dispute. Tashkent Declaration was one of such accords, signed by India and Pakistan in order to settle their differences in the wake of the 1965 war.

The Prime minister of India and the President of Pakistan, having met at Tashkent and having discussed the existing relations between India and Pakistan, hereby declared their firm resolve to restore normal and peaceful relations between their countries and to promote understanding

and friendly relations between their peoples. The Prime Minister of India and the President of Pakistan agreed that both sides would exert all efforts to create good-neighbourly relations between India and Pakistan in accordance with the United Nations Charter. They reaffirmed their obligation under the Charter not to have recourse to force and to settle their disputes through peaceful means.

The Prime Minister of India and the President of Pakistan had agreed that all armed personnel of the two countries shall be withdrawn not later than 25 February, 1966, to the position they held prior to August 5, 1965, and both sides would observe the cease-fire terms on the cease-fire line. They have agreed that relations between India and Pakistan shall be based on the principle of non-interference in the internal affairs of each other. They have agreed that both sides would also discourage any propaganda directed against the other country, and will encourage propaganda which promotes the development of friendly relations between the two countries.

Both the countries agreed to consider measures towards the restoration of economic and trade relations, communications, as well as cultural exchanges between the two countries, and to take measures to implement the existing agreements between two countries. The two countries also agreed to give instruction to their respective authorities to carry out the repatriation of the prisoners of war, (POW).

They agreed that the two sides would continue the discussions of questions relating to the problems of refugees and evictions/illegal immigrations. They also agreed that both sides would create conditions to prevent the exodus of people. They further agreed to do discuss the return of the property and assets taken over by either side during the conflict.

The Government of India and the Government of Pakistan resolved to put an end to the conflict and confrontation that had hitherto marred their relations and work for the promotion of a friendly and harmonious relationship for the establishment of durable and ever lasting peace in the sub continent. Both Governments agreed to take all steps within their power to prevent hostile propaganda directed against each other.

In order to initiate the process of the establishment of durable peace, both the Governments of both the countries agreed that the Indian and Pakistani forces shall be withdrawn to their side of the inter- national border. In Jammu and Kashmir the LOC resulting from the cease-fire of December 17, 1971, shall be respected by both sides without prejudice to the recognized position of either side. Neither side shall seek to alter it, unilaterally, irrespective of mutual differences and legal interpretation. Both sides further undertake to refrain from the threat or those of force in violation of this line.

It was further agreed that the Shimla agreement would be subject to ratification by both countries in accordance with their respective constitutional procedure and would come into force with effect from the date on which the instruments of ratification are exchanged. It was further agreed that the respective heads would meet again at a mutually convenient time in the future.

Shimla Agreement marked a beginning of a new phase in Indo-Pak relations. They agreed to abide by the principles of the U.N. Charter and to resolve their differences mutually by peaceful means. They also agreed to respect the territorial integrity of each other and refrain from the use of threat or of force. They further agreed to stop hostile propaganda and bring

about improvement in the field of diplomatic relations and cultural exchange.

Lahore Diplomacy

India and Pakistan declared their overt entries into the international nuclear club on 11 and 28 May 1998 respectively. The two countries had different reasons to develop their nuclear arsenals.

India and Pakistan realised the need for dialogue to reassure the world community that they were responsible nations. On February 20-21, 1999, India's Prime Minister Atal Behari Vajpayee paid an official visit to Lahore on invitation from his Pakistani counterpart, Nawaz Sharif. This historic visit concluded with the Lahore Declaration. Three documents were signed a Memorandum of Understanding (MoU), Joint Statement and Lahore Declaration. The Declaration recognised

- That "the nuclear dimension of the security environment of the two countries adds to their responsibility for avoidance of conflict between the two countries".
- It reiterated the determination of both countries to implement the Simla Agreement in letter and spirit.
- It reaffirmed their commitment to the objective of universal nuclear disarmament and non-proliferation.
- It stated that both countries were convinced of the importance of mutually agreed confidence-building measures for improving the security environment.
- It recalled their agreement of September 23, 1998, that an environment of peace and security is in the supreme national interest of both sides and that the resolution of all outstanding issues, including Jammu and Kashmir, is essential for this purpose.

The Lahore Declaration was an assurance to the world community that the South Asian nuclearisation achieved by two responsible nations of the region India and Pakistan would never fall victim to any strategic miscalculation of the two leaderships. The declaration along with the Memorandum of Understanding and Joint Statement emphasised the bilateral initiatives and efforts of India and Pakistan to discuss and resolve their conflict in future, regional cooperation under the auspices of South Asian Association of Regional Cooperation (SAARC). The Joint Statement clearly discussed issues of mutual and international concerns; information technology, terrorism, liberalising visa and travel regime, trade issues etc. The MoU, signed by the foreign secretaries of the two countries (K. Raghunath – India and Shamsad Amhad – Pakistan) laid out a framework for bilateral meetings and dialogues in future, revitalising communication links to avoid any miscommunication between the two countries and specifically focussed on nuclear restraint and risk reduction in the region.

- The two sides shall engage in bilateral consultations on security concepts, and nuclear doctrines, with a view to developing measures for confidence building in the nuclear and conventional fields, aimed at avoidance of conflict.
- The two sides undertake to provide each other with advance notification in respect of ballistic missile flight tests, and shall conclude a bilateral agreement in this regard.

- The two sides are fully committed to undertake national measures to reduce the risks of accidental or unauthorised use of nuclear weapons under their respective control. The two sides further undertake to notify each other immediately in the event of any accidental, unauthorised or unexplained incident that could create the risk of a fallout with adverse consequences for both sides, or an outbreak of a nuclear war between the two countries, as well as to adopt measures aimed at diminishing the possibility of such actions, or such incidents being misinterpreted by the other. The two sides shall identify/establish the appropriate communication mechanism for this purpose.
- The two sides shall continue to abide by their respective unilateral moratorium on conducting further nuclear test explosions unless either side, in exercise of its national sovereignty, decides that extraordinary events have jeopardised its supreme interests.

The Lahore Summit assumed greater importance as it had regional and international dimensions. It was the first ever meeting between the leaders of the two countries after the Simla Agreement, July 1972, and it was the first bilateral summit held post-nuclearisation. The two countries reiterated their pledge to resolve the Kashmir issue through peaceful measures. However, New Delhi's stance remained that the India-Pakistan relationship should not be held hostage to one issue. Pakistan's position, on the other hand, was that whatever small gains were made in other areas in terms of normalisation, these were neither significant nor may be permanent unless and until the core issue of Kashmir is resolved.

The Lahore Summit would have been one of the greatest achievements throughout the history of the peace process between India and Pakistan since 1947. But in the same year (1999), India and Pakistan fought their 'fourth war' in Kargil that brought large-scale violence in the region ever since 1971. The crisis was managed with the involvement of the US. Under the Washington Accord, July 4, 1999, Pakistan agreed to withdraw from Kargil.

Agra Summit

India and Pakistan summit was held at Agra on July 15 But India and Pakistan could not reach any goal as the attitude on both the sides was different. Its main reasons were

- The positions taken by the two countries on Jammu and Kashmir were very divergent. Although it seems that they narrowed down the gap at Agra, but finally they failed to bridge it. Blaming each other would not help.
- Musharraf says that without resolving the Kashmir dispute it would not be possible for both sides to make any headway on other issues.
- Lack of preparation, so the summit letdown.

But the Indian as well as Pakistani scholars and political leaders say that the summit has not failed. At this stage the best option would be to continue bilateral negotiations with Pakistan. In future, both the governments should try to find some meeting ground in order to pursue measures to enhance interaction and co-operation between both the countries.

There was a fundamental difference between India and Pakistan about the agenda of the talks. President Musharraf wanted Kashmir to be at the top of the agenda. India, on the other hand, wanted confidence building measures and trust-enhancing measures to be the centrepiece of the talks. Another point of difference was President Musharraf's desire to meet the APHC leaders. The Indian government did not want any such meeting to be held during the summit.

However, reluctantly, New Delhi went along with the meeting. It was not more than a personal interaction, but it reinforced Pakistan's stand that Kashmiris should be a party in the dialogue.

Considering President Musharraf as the man behind the Kargil crisis, hardliners in India were against any talks on Kashmir with his government. They issued several warnings to the Indian government against any agreement on Kashmir during the Agra Summit.

Two rounds of talks were held between President Musharraf and Prime Minister Vajpayee at Agra. It is said that they were on the verge of signing a joint declaration when the Indian hawks moved in and sacked the deal. The process of dialogue drifted, with no visible means of charting a course for peace again.

The stalemate that persisted after the Agra Summit turned into a military stand-off between India and Pakistan as a fallout of 9/11 September. The car bomb blasts outside the State Assembly in Srinagar on 1 October and the attack on the Indian Parliament building provided India with a reason to make it a prelude to get Islamabad declared as a terrorist state. It took stringent measures and completely severed air, rail and road links with Pakistan.

New Delhi followed a single track policy of threatening Pakistan, demanding an end to what it called infiltration and labelling the Kashmiri freedom struggle as a terrorist movement. Pakistan responded with restraint and reason, refraining from diplomatic brickbatting. The stand-off gradually led the two states to the verge of war. The world community was concerned about the worsening relations between New Delhi and Islamabad.

Composite Dialogue in Indo – Pak relations

Intense international pressure and diplomatic efforts moved India-Pakistan towards detente. In April 2003, Prime Minister Vajpayee announced a reversal high commissioners would be assigned again, overflights would be permitted, road and rail communications would be revived, cricket would be allowed, and dialogue would be resumed. Pakistan reciprocated by announcing a unilateral cease-fire on the LoC and lifting its ban on overflights.

The peace process was initiated after India proposed a set of '12 CBMs' on 22 October 2003, ranging from full sporting ties to increased air, rail and maritime links, which Pakistan reciprocated with its '14 CBMs' on 29 October 2003.

This instalment of the CBMs was more comprehensive and some of them were those which had fulfilled the heartfelt desires of the millions of people of both the sides of Kashmir and those living across the borders of India and Pakistan. The Indian proposal met some of the most urgent and long felt needs of the people of the two countries and would give new opportunities to increase people-to-people link. Pakistan was not expecting such an all-embracing package of confidence building steps. It was immediately welcomed the world over. Therefore, it was not possible for Pakistan to reject it out rightly. It replied to Indian package after ten days with a package of its own. There were several Indian proposals, which it could not reject. However, it added some proposals of its own which were meant to provoke India. All these were marked with a new thrust on improving India-Pakistan relations. It also needs to be acknowledged that these created visible improvement in their relations at different levels.

After this a meeting was held between Prime Minister Vajpayee and President Musharraf on the sidelines of the SAARC summit in Islamabad on January 6, 2004. They called for carrying

the process of normalisation of relations forward and agreed to commence the composite dialogue in February. The foreign secretaries of the two states held talks in Islamabad on February 15-17, breaking the deadlock of over three years. The second round was held in Islamabad on December 27-28 during which Foreign Secretary Riaz H. Khokhar presented to Indian Foreign Secretary Shyam Saran a list of 20 proposals on strategic, conventional and Kashmir-related CBMs.

The 12th SAARC Summit was important and productive for the bilateral relations between India and Pakistan, although the SAARC Charter strictly disallows discussing regional problems with political orientation and does not deal with bilateral disputes and conflicts. But the summit was held amidst the ongoing Indo-Pakistan peace initiatives. It broke the diplomatic ice between the two members prevailing since 2001; the military stand off-of 2002 did not allow the two countries to initiate dialogue and discuss the contentious issues. However, the discussions they held on the sidelines of the SAARC Summit were positive. An India-Pakistan Joint Press Statement was also released on January 6, 2004, which was a remarkable achievement.

With a positive conclusion of the Islamabad Summit, the two countries started moving ahead with peace initiatives through different confidence and trust-building measures.

After SAARC Summit in April 2005 was important for two main reasons, first on April 7, 2005, Srinagar-Muzffarabad bus service was started and second on April 18, India and Pakistan signed a joint statement known as the “Delhi Joint Statement” in the wake of President Pervez Musharraf’s three-day visit to India. The two leaderships not only reviewed the progress over issues under the on-going composite dialogue but also reaffirmed their commitment to settle their differences through negotiation. They termed the peace process “irreversible”. They agreed on re-establishing the Khokrapar-Munabao rail link by January 2006, continuation of talks on Jammu and Kashmir, early start of Amritsar-Lahore bus service, opening of consulates in Mumbai and Karachi, a meeting between the petroleum and natural gas ministers in May 2005 on energy cooperation as well as to discuss the gas pipeline project, and mutually acceptable solutions for Sir Creek and Siachen issues through existing institutional arrangements. They also pledged not to allow “terrorism to impede the peace process”.

In May 2006 various issues were discussed between India and Pakistan, a joint statement was issued on May 10, 2005 announcing the start a bus service linking Amritsar and Nankana Sahib. The meeting was held between Alok Rawat, Joint Secretary, Indian Department of Road Transport and Highways and Muhammad Abbas, Additional Secretary, Pakistan Ministry of Communications, in Islamabad on May 9-10, 2005. Talks on communication links were also held between Indian Coast Guard and Pakistan Maritime Security Agency on May 10, 2005 in Rawalpindi. They decided on signing a memorandum of understanding by the two governments to “provide a mechanism for exchange of information regarding exclusive economic zone violations, search and rescue operations, control of pollution, natural disasters and calamities, smuggling and drug trafficking”.

On October 3, 2005 two parts were signed

- A five-year agreement on giving advance notice of 72 hours before ballistic missile testing.

- An MoU to establish a hotline between the coast guards of the two countries.

The October 8, 2005 earthquake that devastated some parts of Pakistan provided an opportunity to the two countries to get closer. As a result of 'earthquake diplomacy', India and Pakistan reached an understanding on opening five points along the LoC from November 7, for the benefit of people of two sides. These points were

- Nauseri-Tithwal
- Chakothe-Uri
- Hajipur-Uri
- Rawalkot-Poonch
- Tattapani-Mendhar.

The dialogue between India and Pakistan throughout the past years has various dimensions. This is evident that the regional as well as international situation impacted greatly on their bilateral relations. The composite dialogue has been welcomed with great enthusiasm on the part of the two governments as well as the two people. One important fact to note is that the euphoria and excitement witnessed before and during the three summits (Lahore, Agra and Islamabad) has always been there at public and private levels.

After these summits India-Pakistan dialogue on Terrorism both leaders agreed that terrorism is the main threat to both countries. Both leaders affirmed their resolve to fight terrorism and to cooperate with each other to this end Prime Minister S. Manmohan Singh reiterated the need to bring the perpetrators of Mumbai attacks to justice. Prime Minister Gilani assured that Pakistan will do everything in its power in this regard. He said that Pakistan has provided an updated status dossier on the investigations of the Mumbai attacks and had sought additional information/evidence. Prime Minister Singh said that the dossier is being reviewed. Both leaders agreed that the two countries will share real time credible and actionable information on any future terrorist threats.

After this once again the stage is set for Foreign Secretary-level talks between India and Pakistan in New Delhi. It will be held on February 25, more than 14 months after India suspended the dialogues with neighbouring country in wake of the Mumbai attacks.

India proposed February 18 or February 25 for the talks and Pakistan Prime Minister Yousuf Raza Gilani today has held a high-level meeting in which it was decided that Bashir would come to New Delhi on February 25.

According to Pakistan's official news agency APP, the Foreign Secretaries would discuss how the two countries could move forward to resume the 'composite dialogue' process.

Recently Pakistan Foreign Minister visited India in July, 2011 both countries agreed to fight terrorism and boost Trade and Travel, a step forward in reducing Tension in the world's most dangerous region. This is indeed a new era of bilateral cooperation between the two countries. A joint statement specifying measures the two sides have broadly agreed on the issues.

- Terrorism : Both sides are satisfied with holding of meetings on counter terrorism including progress on 26/11 trail.
- Nuclear CBMs : Agreed on convene separate meeting of expert groups on nuclear and conventional CBMs in Islamabad in September.
- Kashmir : Both Countries agreed on need for continued and health discussion on Kashmir issues at bilateral level.

- Encourages mutually beneficial trade.
- Information Technology & Telecommunication.
- People - to - People and cultural exchange.

If these composite dialogue's process comes with the happy ending then Indo-Pak relations may be turned into new context.

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INDIA – ASEAN RELATIONS SINCE POST COLD WAR ERA TO FREE TRADE AGREEMENT

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ABSTRACT

In the post cold war scenario, as a result of disintegration of USSR and changed political scenario, India and ASEAN both come closer to each other. Earlier there had been doubts in Southeast Asian countries about India's position due to its policies towards Afghanistan obstacles were removed from their way. In the year 1991, India unveiled a look East policy of befriending its Asian neighbours, particularly the member countries of the ASEAN with a more open trade and investment regime. Moreover, the end of the cold war, the dissolution of the Soviet Union, the emergence, of China as a regional great power, the liberalization of economic policy in India and ASEAN'S desire to find new markets investments opportunities have combined to improve the environment for India – ASEAN economic relations. India's trade with ASEAN has increased at a faster pace than its trade with other regions of the world. With this renewed vigour, India not merely re-discovered an ancient link with the region but turned them beneficial for both of them. Thus it will be fair to say that the ancient cultural and economic ties offer only a distant background to contemporaneous economic relations. Today ASEAN has as much to offer to India, as India has to offer to ASEAN and the relationship is seen as mutually beneficial in largely economic terms.

Key Words: USSR, ASEAN, FTA, SAARC, ROO.

From the ASEAN side granting of sectoral dialogue partnership in January 1992 was an acknowledgement of the usefulness of collaboration in a designated area, primarily economic, with a possibility of moving towards a full dialogue status. A meeting followed this between ASEAN and Indian officials in New Delhi in March, 1993 to identify specific areas of collaboration within the designated sector. This meeting also led to the establishment of the ASEAN-New Delhi Committee (ANDC) comprising ASEAN heads of mission in New Delhi ; the ASEAN-India joint Sectoral Cooperation Committee (AIJSCC) which is an inter-governmental consultative body; and the ASEAN-India Business Council (AIBC)

Comprising private sector representatives, India's position was elevated to full dialogue partner during fifth ASEAN Summit meeting in December 1995. The second AIJSCC meeting was held in New Delhi in February 1995. Where the ASEAN Secretary-General called for an ASEAN-India round-table conference to fully exploit the opportunities opened up in the wake of ASEAN Free Trade Area (AFTA)

As full dialogue partner and since 1996, India has been participating at the ministerial level in the ASEAN Post Ministerial Conferences (PMC), held in end-July every year, after the main ASEAN Ministerial Meeting. At the 7TH ASEAN Summit, held on 5-6 November 2001 in Brunei Darussalam, India's status was upgraded to Summit level partner. This decision was

recognition of the sincere and sustained efforts by India to expand and deepen cooperation with ASEAN, as well as with the individual member countries bilaterally, in diverse fields. The Federation of Indian Chamber of Commerce and Industry has begun to hold India-ASEAN Business Summit meeting since 2002 to encourage greater private sector participation. First, India-ASEAN Business Summit was held in New Delhi in October 2002 was addressed by then Prime Minister A.B. Vajpayee, since then this Business Summit has become an annual feature before the India-ASEAN Summits, as a forum for networking and exchange of business experiences between policy makers and business leaders from ASEAN and India. At 1st ASEAN-India Summit (Phnom Penh, Cambodia, 5 November 2002) India called for an ASEAN –India FTA within a 10-year time frame and also expressed willingness to extend special and differential trade treatment to ASEAN countries based on their level of development, to improve their market access to India. 2nd ASEAN –India Summit (Bali, Indonesia, 8 October 2003) was a significant landmark in India-ASEAN relations. India and ASEAN concluded the Frame work Agreement for Comprehensive Economic Cooperation signed by leaders of the ASEAN and India. It envisages the establishment of an Indo-ASEAN Regional Trade and Investment Area, which includes a free Trade Area in goods, services and investment. At 3rd ASEAN-India Summit (Vientiane, Laos, on 29-30 November 2004) PM signed an agreement on “India-ASEAN Partnership for Peace, Progress and Shared Prosperity”. One of the key features of this Agreement was to work through both conventional and innovative trade and economic arrangements and full implementation of the ASEAN-India Free Trade Area by 2011 for ASEAN-5 and India by 2016 the four new ASEAN Members Countries, including the early implementation of the early Harvest Programme, to achieve freer movement of goods, services, investment, and cooperation in other economic areas. At 5th India-ASEAN Summit (Cebu, Philippines, January 14, 2007) one of the points highlighted by Prime Minister, Dr. Manmohan Singh was to deepen our Economic Partnership Agreements, both with ASEAN as a whole and with individual countries of the region . At 6th ASEAN-India Summit (Singapore, 21 November 2007) India proposed to enhance bilateral trade with the ASEAN countries to a target of US\$ 50 billion by 2010.

Since October 8, 2003, when the agreement on CECA between two sides was signed, there has not been much more than just halting progress in the different subjects under negotiation, the entire process got mired in the fundamental issues of the contents of the “negative list” and ROO. India-ASEAN FTA is concluded after six years of long negotiations. Initially both India and ASEAN has different viewpoints on various fundamental issues such as rules of origin, number of items under tariff concession, sensitive list of items and time schedule for tariff cuts.

As per WTO provisions, any regional trade agreement should also be notified by the WTO While negotiating on FTA both India and ASEAN agreed initially on 25% for ROOs, which meant that the tariff on an imported commodity will be reduced in a country if there is at least 25% of very low and it was the cumulative of the percentages of the ROOs, for all 11 countries, India therefore, started demanding a product-specific ROO as in NAFTA there is specific ROO for each commodity. India submitted a list of commodities to keep under tariffs in order to safeguard Indias interests in particular commodities. However, ASEAN rejected this idea. Now in the FTA finalized there is provision for 35% ROO.

Another important hurdle was the issue of number of items under tariff concessions. India and ASEAN both submitted their list of items on which full tariff concessions could not be given. India's long list contained more than 2,000 items. As a result, ASEAN rejected India's long list and the Early Harvest Scheme could not be signed. India reduced its list initially to 1400 items but due to ASEAN's constant opposition India again reduced its negative list to about 500 items. It contained 10% of the total number of the traded items. A part from the negative list, India, also proposed a highly sensitive list of nearly 400 items on which there would be no tariff reduction.

For ten years, ASEAN countries as Malaysia and Indonesia, however, did not want to see some commodities such as vegetable oil in the negative list of India.

Both India and ASEAN were not talking about their mutual welfare, but for individual welfare. Even within ASEAN, the welfare of the whole group was overshadowed by the interests of a few countries which were not ready to sign FTA with India. Sensitive list of items emerged as the most important hurdle in completing India-ASEAN FTA negotiations. India's federal agriculture ministry headed by pro-liberalization minister Sharad Pawar, wanted the farm commodities mentioned to be included in a "sensitive" list under the FTA, while ASEAN members including the single product exporting countries, wanted India not only to bring import tariffs on these commodities down to zero but also to be removed from the sensitive list. This is particularly a sensitive issue as what we are dealing with is not just trade but the livelihoods of large numbers of people. India's agriculture ministry says that commodities mentioned are in a list of "special products" in the world trade Organisation and should not hence have zero tariffs on them under any FTA. Sri Lanka under Indo-Sri Lanka FTA has adversely impacted farmers in south Indian states like Kerala. The problem was to be further compounded by the fact that Malaysia and Indonesia have huge supply potential and big comparative advantages in the case of vegetable oils and therefore India adopted a unilateral policy of putting this commodity in the sensitive list. Tariff concessions will benefit Indian consumers by reducing the prices of these commodities in the Indian market. However, the interests of Indian farmers, who produce these commodities, will be hard hit due to price reduction. However, taking care of the interests of farmers especially of Kerala, black pepper, tea, palm oil and rubber has been placed in negative list in the FTA finalized. According to the original schedule, the FTA was to be signed in December 2008, with duty cuts being carried out in predetermined slabs placed at 12 months starting January 2009. Since the treaty could not be signed, ASEAN members wanted the first round of duty cuts to be implemented as and when the deal was signed in 2009, followed by the next round in January 2010, according to the original schedule. However, India declined to undertake duty cuts twice in a period of one year. These differences have been sorted out now. India will undertake duty cuts only one in a period of 12 months. The new arrangement on ASEAN FTA is likely to lead to the first round of tariff cuts being implemented a year later than the original schedule thereafter, the tariff cuts will be announced in various slabs every January.

Finally, India and the Association of South East Asian Nations on Thursday, August 13, 2009 signed a free Trade Agreement, which took nearly six years to negotiate. The FTA, relating only to goods, was signed by Union Commerce and Industry Minister Anand Sharma and his ASEAN counterparts at a ceremony in Bangkok after the two sides held annual consultations. The accord, India's first with a trade bloc, will cover 11 countries with a combined Gross

Domestic Product of over \$2 trillion. The combined population is of the order of 1.6 billion. The press statement said the mutually agreed tariff liberalization would “gradually” cover 75 per cent of the two-way trade, beginning from January 2010. India-ASEAN trade was of the order of \$30 billion during 2006-2007 and \$40 billion during 2007-2008. The regional bloc was now India’s fourth largest trading partner. The bulk of trade between the two regions includes textiles, steel, processed food plantation crops, iron and steel, ready-made garments and chemicals.

Various provisions of India-ASEAN Free Trade Agreement are:

The implementation of FTA would take off from January 1, 2010.

Tariff on 3200 commodities will be removed by the year 2013.

Tariff on remaining 800 commodities will be removed by the year 2019.

Under the trade pact India has included 489 items from agriculture, textiles and chemicals in the negative list, meaning these products will be kept out of the duty reduction

Addressing concerns of domestic planters black tea, coffee, pepper and rubber have been included in the sensitive list which mean duties will be cut by 2019 only. However, duty on these items at no time will be eliminated.

This agreement is very significant for both India and ASEAN. After coming into force of this agreement target of US\$ 50 billion trade between India and ASEAN set up during 6th ASEAN-India Summit in Singapore, in November 2007 can be realized India-ASEAN will emerge as the 4th largest trading block. This agreement will pave the way for free trade in service and investment sector. Interests of Indian farmers have been taken care of by placing black pepper, palm oil, rubber and tea in negative list. This agreement will prove diplomatically very significant for India as SAARC, BIMSTEC and ASEAN will become large trading blocks and India will emerge as the leader of these trading blocks because of its size, population and service sector technique etc. Diplomatic significance of this agreement is at both levels national as well as international. At national level it will lay foundation for the progress of northeast. Internationally it will balance the increasing effect of China in ASEAN South-South cooperation will get a new direction and India and ASEAN will be having same viewpoints at international level.

India-ASEAN FTA has been concluded after six year long negotiations and various important issues have been resolved but still there are shortcomings such as sensitive list is very long (489items). At present India-ASEAN trade balance is in favour of ASEAN and after implementation of FTA, it is expected to be imbalanced. Rules of Origin are technically vague and can create problem of dumping. As result of this cumulative ROO, a country like Singapore can produce an item in any ASEAN country and export it to India under the 35% of ROO provision India’s proposed deadline i.e.2019 for the removal of tariff barriers can prove to be self-defeating since ASEAN economies will already be integrated with the economic power houses of Northeast Asia by 2015. India’s access to ASEAN market in 2019 will not yield much gain since the ASEAN market will be than likely be dominated by Chinese or Japanese goods. Addressing concerns of domestic planters, black tea, coffee, pepper and rubber have been included in the sensitive list duties on these items will be cut by 2019. Only However, duty on these items at no time will be eliminated but farmers in South India especially Kerala, fear of lower duty on plantation crops like coffee and pepper would lead to

a deluge of imports from ASEAN members like Indonesia, Malaysia which could leave domestic farmers vulnerable to competition.

Dispite the problems in the negotiations, the FTA is nevertheless, a win-win proposition for both. This FTA could be the building block for a long lasting economic relationship between India and ASEAN and the means by which the Southeast Asian “arc of advantage” along with India can be converted into a “sphere of prosperity”.

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HINDU CONSCIOUSNESS AND CONGRESS LEADERSHIP IN U.P: 1937-39

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ABSTRACT

Community consciousness was the important aspect of Indian nationalism. It was quite evident that earlier this nationalism strengthened the national movement. But after 1920s, it turned into communal clashes. This study deals particularly with Hindu consciousness among the Congress' leadership of U.P. ministry period. Activities of communitarian leadership destroyed the sectarian ideology of the Congress. Communitarian leadership of Congress actively participated in the Hindu religious organizations which remained aloof from the common Muslims from the Congress. All such activities were not only affected the Congress image but also weakened the anti-imperial struggle. Later on Muslim League got opportunity against the Congress and spread its programme among the Muslims. This ideological overlapping of the Congress leadership affected the provincial politics last phase of the pre-independence Indian society in general, and U.P. in particular.

KeyWords: Congress, MahaSabha, Landlords, Hindu, Muslims, Communitarian.

Present study explores about the Hindu consciousness during the ministry period in the United Province. Period of ministry 1937-39 was an important phase in the pre-independence politics of India in general and U.P. in particular. It was not only reflecting the Congress politics but it also gave new dimension to the Muslim politics. It was time when community consciousness increased among the Hindu people of the province. It was very important in concern of U.P. that community consciousness was emerging in the majority community of the province. Hindus were the majority community of the province. Later on this fear developed into the community consciousness. This community consciousness was influenced by the major political parties of the province. This study focused on these political activities. It is a moderate attempt to illustrate the Hindu consciousness among the Congress leadership in the U.P. The study tries to narrate that how Hindu minded leaders of the Congress were supporting the Hindu consciousness in the U.P. It also discusses that later on in which way such consciousness influenced the provincial politics.

It was an important fact that after the election of 1937, historians of the subcontinent are argued that after the provincial elections of 1937 and the subsequent formation of ministries, the politics of United Provinces was polarized between the Congress and the Muslim League. After 1937, party politics in the province was, evidently, divided on communal lines as compared to the previous ministries. Most of the historical interpretations of these pivotal years have emphasized the importance of negotiations between the Hindu and the Muslim elites and their subsequent influence on a malleable electorate. The situation of cooperation between the Congress and the Muslim League in 1936 and during the elections in 1937, was contrasted with the situation in 1938 and 1939 when the Congress and the League competed for the Muslim 'masses', where the League was using communal propaganda. The breaking

point between the League and the Congress can be explained in terms of the collapse of negotiations, shortly after the elections. The League's request for its inclusion in the ministry was rejected by Nehru and the Congress both because of the League's decision not to merge itself into the Congress as a whole. The analysis of this break emphasizes competition among the U.P. elites, and the degeneration of this competition into communal polarization.

The study illustrates the problem of the ministry period in the context of a communal problem. It looks at the nature and growth of Hindu communal force. It is also a study about different Hindu organizations who were considering the Congress ministry as the Hindu ministry and later on Hindu minded leaders of these organizations took part actively in the communal conflicts. It grew the problem of the Pant's ministry and affects the secular image of U.P. Congress. The relation of local disputes to the formulation of national and separatist ideas after 1937, investigated through detailed examples of Hindu- Muslim riots and conflicts which took place between 1937 and 1939. Moreover, the failure of the Congress to overcome the decreasing remedy of Muslim support, despite the fact that influential Muslim groups were backing it up in the U.P, as has already been discussed.

The election of 1937 was a prolonged process of the Constitutional reforms of the British India. The process of constitutional initiatives by the British government started with the first act introduced in the local self government at the district and municipal levels in the 1880s. Morley-Mento in 1909 and Montague-Chemsford in 1920. The franchise was extended greatly through the Reform Act of 1919. The process of constitutional initiatives by the British government starting with the Round Table Conferences, (RTCs), finally reached its culmination in the Government of India Act, 1935. Although all the parties criticized the Government of India Act 1935, still they decided to contest the elections of 1937. There was still a real prospective of the Congress mending its fences with Muslim politicians, in particular, and Muslim electorates in general. This was because of the fact that in 1935 'Muslim League' politics in U.P. was fragmented and feeble. Large number of membership of the League was dominated by landed conservatives.

However, those who were not mobilized as landed independents joined the National Agriculturalist Party of Agra or Oudh. Rest of the Muslim politicians who were the 'progressive' type-Congressmen, Swarajists, Khilafatists, Ulemas, even the odd Landlords, had come together after the announcements of the Communal Award to form an electoral organization called the Muslim Unity Board. While many members of this board were broadly sympathetic to the Congress still they were feeling uneasy about Congress' attitude towards the Communal Award and felt the need for a separate organization at a certain distance from the Congress, especially during elections when the Congress endorsement was something of a liability. Although there was no coherence between the Congress and the Muslim League, yet the united 'Muslim Front' was working like a bridge between the Congress and the Muslim League. On the Muslim politics, Khaliqzaman, the organizer of the Muslim Unity Board and the Muslim League in U.P. agreed to merge themselves into a single body. To make this proposal acceptable to the members of the Muslim Unity Board, Jinnah promised to purge landlords of the U.P. League, who were dominating in it. He assumed Khaliqzaman that the members of the Muslim Unity Board would be given a majority to the body after its merger to the Muslim Parliamentary Board. The Muslim Unity Board was in favour of this Union which was created by the U.P. Muslim League Parliamentary board. Nehru was unhappy with this

merger but it was not a subject of tension because of the informal electoral alliance between Board and the U.P. Congress. Besides the Congress and the Muslim League's negotiations, the Landlords of U.P. were a very important part of the provincial politics. Landlord group of U.P. formed the National Agriculturist Party of Agra and Oudh was formed in 1934. However, like the Congress and the Muslim League, Hindu MahaSabha, its annual session at Poona on December 29, 1935, decided to contest the elections. The MahaSabha's wanted to sole representative body of Hindus and secondly, there was pressure from the branches of the Hindu MahaSabha in the Muslim majority provinces, i.e. Sindh, Punjab and N.W.F.P, for the elections.

Besides all the negotiations, all the parties contested elections under the Government of India Act 1935. The election results were surprised many. As it turned out, the Congress won a clear majority with 133 seats in a House of 228 seats. But it was a lopsided success because it won no Muslim seat. Its main rival, the Muslim League, could win only 27 seats. The Land lords' could win only 25 seats in the election. Congress fielded 159 candidates, while the Muslim League contested on 66 seats. The Congress losing on all the Muslim seats, it contested. The Muslim League's only candidate, later returned on a Congress ticket, was Hussian Zaheer who won from the university seat. The rest of the Muslim seats were won by independent candidates. The huge victory of the Congress was the result of its Faizpur agrarian programme to appease the peasants mentioned in its election manifesto. For this All India *KissanSabha* and the All India Trade Union Congress supported the Congress candidates and campaigned for Congress candidates. All the working class organizations also supported the Congress. All of the contemporary official Congress historians stressed on the strength of the Congress as a movement in explaining this success. Wiled election promises were also the major reason of the Congress victory. The ties between the local urban Congress leaders and the rural areas and another important factor of Congress victory were dependent on careful candidate selection, vote manipulation and links with dominant groups in each Locality.

After the election, there were many local Congress leaders from U.P. who were against the Congress taking up office. On this issue Nehru was opposed to the acceptance of office. The Congress Socialist Party had also banned their candidates from becoming a part of the legislature. In the 1930s, the Socialist wing was very powerful within the U.P. Congress. Madan Mohan Malaviya a prominent Hindu minded leader of Allahabad was also not in favour of the accepting the office. Another prominent Congress leader of U.P, Purushotam Das Tandon was also against the accepting of office. Above all these negotiations, the second question was related to the Congress-League coalition ministry. It remained an issue of debate among historians from 1937 to the present day that if the Congress had formed a coalition government with the League, the partition might have been averted. It was a landmark in the course of communal politics in the province. In these circumstances, Hindu minded Congress personalities like Malaviya and others spoiled its image among the Muslims. Pant and other Congressmen who wanted Muslims support. It was interesting that Maulana Azad was the convener of the U.P., yet Nehru had much influence on the provincial leadership. Both Pant and Kidwai were close to Nehru and advocates of coalition ministry. While, Congress's Hindu minded leaders P.D.Tandon, Narendra Deva, etc were the main opponents of a coalition with the League. Despite these things, Congress's factional politics was the major cause behind this. As soon as the Congress formed a ministry in the province, the rift between the Congress

and Muslim League begins. The League used the religious platform to organize Muslims in favour of the Muslim League. At this time, the Muslim League and its leaders started campaigning against the Congress ministry. During the rule of the Congress in the province, the communal problems or communal allegations imposed on the Congress by the provincial League. The Muslim League shouted that the Congress was representing the Hindu interest or League leaders declared it as a 'Hindu Raj' which was imposed on the Muslims. During this time, the Muslim League rejected the singing of *VandeMatram* in schools, boycotted hosting national flags on government institutions and refused to accept *Wardha* Educational scheme. All these and some other local issues led to communal conflicts in the towns and major cities of the U.P. Later on, communal tension converted into major communal riots. In this context, two things in the United Province need to be stated. The First was that some local level Congressmen were involved, actively, in the Hindu communal organizations. For example among these communitarian Congress' leaders, like Radha Kant Malaviya, who made communal statements several times. Secondly, some Muslims organizations namely *Jamit-Ulemaa-A-Hind*, *Arhar* and other nationalist Muslim leaders were aloof themselves to the Congress, earlier they were supporting the Congress. Now ministry had to face two issues. Firstly, the Congress ministry wanted to avert the label of *Hindu Raj* and secondly, the Congress wanted to sustain its Muslim support in the province.

There were several events when Hindu minded leaders were working with the communal sentiments during the election. For example, during the festival of *Jananastami* on 11 August 1936, in Allahabad, the Local Congress committee used the festival for election campaign and Vijay Lakshmi Pandit depicted Congressmen as lord *Kirshna*. While Pandit Madan Mohan Malaviya spoke at a meeting in favour of Congress' candidate Acharya Narendra Dev. Malaviya addressed that after the victory in election, larger benefit of welfare work for Hindu section would be done by the Congress ministry. Again he appealed vote for the Congress in Azamgarh. Malaviya appealed to the Hindus to vote for the Congress candidate and also for the Hindu interests. During his election tour in Almora, Pandit Govind Ballabh Pant narrated an incident of a farmer who was beaten by the Muslim *Zamindar* for the cause of supporting the Congress in the province election. That story was linked with *Hiranya Kahyap and Prahlad* by Pant to garner votes of the Hindus and, lastly, he advised the listeners that if one went to a temple for worship, one did not see whether the idol was good or bad looking. Like wise, voting for the Congress is like offering flowers to worship *BharatMata*. All these activities of Congress' leaders were creating differences between the Hindus and Muslims.

After the ministry formation the Hindu consciousness among the communitarian leaders of Congress was increasing. To counter the League, these leaders were involved, simultaneously, in both Congress and Hindu Sabha and Sanghathans. These prominent figures of Congress advocated the volunteer activity or volunteer organizations as the necessity of Hindu community. Some socialist leaders were also involved in these activities. For example, one prominent Arya Samaj and Civil Disobedience leader, Algu Rai Shastri, moved towards the Hindu sangathans. In 1935, he was the Secretary of the Meerut Arya Samaj and same time an active worker of *Gurukul Daurli* of Meerut district. Shastri raised the Issues of Hindu rights in his political activities. In Azamgarh, Shastri criticized the Muslims for their unnecessary demand of restriction on playing music before mosques. Shastri also remained involve in the training of Congress Rashtriya Dal at Azamgarh in 1940. Like Shastri, another local level Congress leader, Mahabir Tyagi, had been a leading Congressman since the days

of the non-Cooperation Movement in Dehradun. In the election campaign of 1937, Tyagi used the platform of Arya Samaj to mobilize Hindu people towards the Congress. These activities were overlapping too much with each other which clearly seen at the Congress meeting in Dehradun. Prominent leader of Congress, Nehru addressed the Congress workers' meeting with Mahabir Tyagi at the Arya Samaj Temple in July 1936. Tyagi also involved himself with the several religious Hindu organizations like *Mahabir Dals*, *Hanuman Dls*, *Arya Vir Dal* and *Rastriya Swayamsevak Sangh* (RSS). It was important thing that some time nobody could not understand that it was Congress meeting or Arya Samaj meeting. These were the examples of communitarian activities of Congress's leaders at the local level in the U.P.

Another prominent activist, Purshottam Das Tandon who started his career as a Congress's volunteer was also inspired by the Hindu revivalism. His nationalism was explicitly cultural in shape and he visualized Hindi as well as Hindu religion, implicitly, as the basis of the nation. In 1939, Tandon formed the *Hind Rakshak Dal*. This organization was supporting the Congress activities. Tandon also attended the open ceremony of the Allahabad *Qaumi Sena* Camp. Later on, Tandon was involved actively in these volunteer organizations, like *Hind Raksha Dal* and 'Congress *Raksha Dal* for a long time. These organizations, regularly worked for the Hindu intrests and cause. These organizations had their own style of working. Sometimes, these *Dals* protected the Hindu intrests and some other times, volunteers of these *Dais* worked like the *Sewak Sangh*. But it was important fact that Congress volunteer activities overlapped with at the Hindu organizations at District levels. Some Congress leaders opposed these activities among both the Hindu and the Muslim. Therefore, in December 1938, Congress Working Committee, in its meeting at Wardha, declared the Muslim League and the Hindu MahaSabha to be a communal organization and debarred their members from holding any office in the party. Due to these protests, Lala Ram Ratan Gupta, the president of the Kanpur City Congress Committee and Pandit Raghubir Dayal Dutt had to resign from the Hindu Sangathan. This was a clear sign of the increasing Hindu consciousness among the Congress leaders.

Like Tandon, Shampurnanand also Hindu bent of mind leader. In January 1938, the Congress's socialist leader, Shampurnanand addressed youths at Faizabad that they should organize themselves for a Hindu cause or a Hindu revolution. Although, Sampurnanand was Minister of Education. His working style spreaded rumor that the government was going to abolish *Maktabs*, *Madaras* and other Islamic schools. Congress ministry had been appointed, Nawab Ismail Khan, president of the U.P Muslim League, as a president of the Education reorganization Committee. In 1938, at Lucknow, Sampurnanad strongly opposed communal activity in schools when he addressed a meeting of school officers. But, all the above efforts by the Congress and its government ministers could not satisfy the Muslim leaders of the province.

After the bitter experience of 1937 elections, the Muslim League and it's leaders wanted to draw the attention of Muslims by highlighting the actions of the Congress Ministry. Now the Muslim League criticized the U.P government's anti-Muslim policies because the Muslims were in a minority In the United Province. For example, a student conference was held at the Christian college of Lucknow. Miss Snehlata, who was the president of the Student Union, presided over the student conference. At the end of function some Muslim students did not agree with the song of *Bande Matram* and left the conference. They said to Mr.Nane,

Principal that *Bande Matram* is the song of the Hindu community which was not acceptable to Muslims. Objections of the Muslims to *BandeMatram*, hosting the Tricolor flag, and national scheme of education, provoked the Muslims in the U.P. into uniting themselves under the Muslim League banner. By this Hindu consciousness was increasing among the Hindu minded leaders of the Congress. For example, due to these kinds of activities, four Hindu members had given their resignation against the objection of hosting flags of Muslim League on the Municipal board building at Sahanjhpur in the Bareilly district. Here, Muslim members were in a majority in the municipality of Sahanjhpur. Earlier, these Muslim members had been denied to hosting the national flag on the municipality building.

With the emergence of Hindu consciousness and Muslims separatist ideology U.P. had become the central point of community struggle. The result of this struggle turned into the severe communal riots which were happened in the U.P. In the big incident of communal conflict was reported when *Dadri* fair and *Tanda* firing transpired in the United Provinces. The violence at the *Dadri* fair witnessed the Hindu aggression as well as the *Tanda* firing was in reaction to Muslim hostility. One thing was very important in this episode that Hindu minded Congress leaders were actively participating in these communal riots. For example, Baba Ragho Das of Barhaj Ashram who was president of the Gorakhpur Congress Committee actively involved in the *Dadri* incident. The Hindu mob frequently shouted *Gandhi ji Ki Jai*, *Congress Zindabad* and Cow protection. By these activities, one thing was clear that both the Congress and the Hindu communitarian ideology seemed to overlap with each other.

It is logically appropriate to say that the period of the Congress ministry is having an important place in the escalation of Hindu consciousness among the Congress leadership in the U.P. as well as increase separatist thoughts among the Muslims. The number of riots described the bitter relationship of the 'Hindu-Muslim' community throughout the period. In this regard, important thing was involvement of Congress leaders at local level into different Hindu Sangathans like the Hindu Sabhas, the Hindu MahaSabha, the Arya Samaj and other organizations. These organizations were providing platform to the Congress to increase nationalism in the U.P, during the period of 1930s. After the formation of the Congress ministry, such type of involvement of Congress workers remained within the religious organizations. **Due to this, the Muslim League leaders called it 'Hindu Raj'**. The Hindu consciousness was not a new thing among the Congress leadership. It had long roots since the early 1920s when religious nationalism became part of national struggle. Latterly, the symbols of religion were remaining with the memory of these leaders. Due to this these leaders were remain influence with these religious sentiments. After the formation of the ministry, these Hindu communitarian leaders actively participated in the Hindu organizations. Though, Congress had banned Congress leaders to participate in the communal organization. Despite all this, these leaders actively worked with these organizations. With these activities, the Muslims remained aloof themselves from Congress. Even nationalist Muslims were also separated themselves who earlier supporting the Congress. All these problems had to face by the Congress ministry.

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COMPARATIVE STUDY OF PRE-COMPETITIVE ANXIETY OF CHAMPION AND NON-CHAMPION MALE GYMNASTS

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ABSTRACT

Competitive anxiety is one of the psychological parameters which affect the performance of a player. The present study intends to investigate some basic treats related to pre-competitive anxiety of champion and non champion women gymnasts. A total 24 men gymnasts were surveyed as a sample for the present study. The data was collected administering the Hindi version of the STAI (Speilberger, Sharma and Singh1973). Inventory, as this language was more familiar to the competitors. Four men teams of Inter College Gymnastics Kurukshetra University, Kurukshetra held at Kurukshetra University. The main findings of the present study are: Champion team out of the four teams revealed the most stable anxiety level. Men gymnasts of IInd position holder in this tournament and shows stable anxiety level as compared to Men gymnasts of IIIrd and IVth respectively. Third and Fourth team gymnasts was having moderate level of pre-competitive anxiety. It was found the there is significant difference in the pre-competitive anxiety level of men gymnasts belonging to high and low performance group. High performing men gymnasts were having more stable pre-competitive anxiety in comparison to low performing men gymnasts.

Keywords: Pre-competitive Anxiety, Champion Gymnasts, Non -Champion Gymnasts

Competitive anxiety is one of the psychological parameters which affect the performance of a player. Keeping in view the determining the role of anxiety in competitive performance the investigator decided to undertake the research to study the level of pre-competitive anxiety of champion and non-champion men gymnasts. Such a study would enable us to make an assessment of competitive anxiety of men gymnastic teams. The situation specific analysis will reveal how the gymnasts perceive the various competitive situations as threatening before actual competition.

The present study intends to investigate some basic treats related to pre-competitive anxiety of champion and non champion men gymnasts. By knowing a player pre-competitive anxiety level one could predict performance eliminate situations that produce undesirable behavior improve coach-player interactions and differentiation between players of equal skill.

Pre-competitive anxiety consists of a particular intense anxious reaction immediately preceding an even resulting insufficiency or incapacity. This is naturally more frequent is sports where every event ends with an immediate result. The player may have lowered mental elasticity incapacity for greater concentration involuntary reduction in analytical capacity. In addition to variation in heart rate, respiration blood pressure. Thus higher level of pre-start anxiety may make the players rigid impulse and reduce their analytical capacity in taking appropriate measures to reduce the anxiety so that the players perform better in the field. Thus it is under this back ground that the present study is planned to be undertaken.

METHODOLOGY

SAMPLE:

Total 24 men gymnasts were surveyed as a sample for the present study. The sample consists of all the men gymnasts. Four women teams' i.e. Guru Nanak Khalsa College, Yamuna Nagar, S.A.Jain College, Ambala City, G, M. N. College, Ambala Cantt. And S.D. College, Ambala Cantt.

TOOLS USED:

The investigator selected the State, Trait Anxiety Inventory by Spielberger *et. al.* (in English) and adopted by Sharma and Singh (1973).

The inventory has two forms-one to measure State anxiety and other to measure trait anxiety. In the present STAI Form X-I was used which measure state anxiety. This scale (Hindi Version) consists of twenty statements which ask people to respond how they feel that a particular moment in time.

The Hindi edition of the STAI appears to provide internally consistent, reliable and valid scales for measuring state and trait anxiety. Since the Hindi STAI is essentially equivalent to the English form of the scale, it provides a useful tool for research on State and trait anxiety in the Hindi Culture, and for the study of cross-cultural differences (Spielberger, Sharma and Singh, 1973).

The data was collected administering the Hindi version of the STAI (Speilberger, Sharma and Singh1973). Inventory, as this language was more familiar to the competitors. Four men teams of Inter College Gymnastics Kurukshetra University, Kurukshetra held at Kurukshetra University. This championship was held from 25st November to 27nd November 2010 at Kurukshetra University, Kurukshetra. The four teams were Guru Nanak Khalsa College, Yamuna Nagar.S.A.Jain College, Ambala City, G, M. N.College, and Ambala Cantt. And S.D. College, Ambala Cantt. Each team consisted of 6 players. The data was collected one hour before each competition. The gymnasts were asked to sit for 3 minutes to cool down. Then the questionnaire was explained and the subjects were asked to fill up. The pre-competition State Anxiety was estimated between all teams.

STATISTICAL TECHNIQUES:

The obtained data were analysed by applying mean, standard deviation an the 't' test

RESULTS:

The study was undertaken to investigate the pre-competitive anxiety level of champion and non-champion men gymnasts and also to find out the differences pre-competitive anxiety level among gymnastics teams. On the basis of their performance and position held in tournament. The main findings of the present study are as under:

1. Champion team out of the four teams revealed the most stable anxiety level. Men gymnasts of IInd position holder in this tournament and shows stable anxiety level as compared to Men gymnasts of IIIrd and IVth respectively.Gymnasts of III and IV position holder was having moderate level of pre-competitive anxiety.

Thus on the basis of men gymnasts included in the present study, it can be inferred that pre-competitive anxiety level seems to be inversely related to performance of the men gymnasts.

2. It was found the there is significant difference in the pre-competitive anxiety level of men gymnasts belonging to high and low performance group. High performing men gymnasts were having more stable pre-competitive anxiety in comparison to low performing men gymnasts.
3. It was found that Ist position holder men gymnasts was having significantly most stable pre-competitive anxiety competitive level in comparison to IInd, IIIrd and IVth position holder men gymnastic teams.
4. It was found the Ird position holder men gymnasts was having significantly stable pre-competitive anxiety level in comparison to IIIrd and IVth position holder men gymnasts.
5. It was found there is a significant difference anxiety level of IIIrd and IVth position holder men gymnasts. IIIrd position gymnasts was having less pre-competitive anxiety level in comparison to IVth Position holder.

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RTI: A NEED IN MODERN ERA

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ABSTRACT

The Right to Information Act is, thus, well designed for effective enforcement of Right to Information recognized under Article 19(1)(a) of the Constitution. This will not only strengthen the concept of open government but also introduce accountability in the system of Government. Outside the government, there is no justification for secrecy in public undertaking except with a very limited area of "economic espionage". Revelation of information in actual practice is likely to conflict with other public interests including efficient operation of Governments, optimum use of limited fiscal resources and preservation of confidentiality of sensitive information. It is necessary to harmonise these conflicting interests while preserving the paramountcy of the democratic ideal—Government of the People, for the people and by the people.

Key Words: Right to Know, Freedom, Democracy, Corruption, Transpaency.

Freedom of information (FOI) is a human right. In order to make governments accountable, citizens have the right to know - the right of access to official documents. Freedom of information has been developing at a strong pace only recently, but it is hardly a new concept. The roots of the FOI principle date back to the 18th Century, the Age of Enlightenment. In Sweden and Finland, 2006 is observed as the 240th Anniversary of the Freedom of Information. The world's first freedom of information legislation was adopted by the Swedish parliament in 1766. This publication includes the English translation of this ordinance on freedom of writing and the press. The enlightenment thinker and politician *Anders Chydenius* (1729-1803), from the Finnish city of Kokkola, played a crucial role in creating the new law. As Professor *Juha Manninen* describes in

his article, the key achievements of the 1766 Act were the abolishment of political censorship and the gaining of public access to government documents. With the creation of the United Nations and international standards on human rights, the right to information began to spread. Freedom of information is recognized in international law. Article 19 of both the Universal Declaration on Human Rights and the International shall have the right to seek and impart information. There is growing recognition that the right to seek information includes a right of freedom of information. Over the last 40 years there has been a dramatic increase in the number of countries that have adopted freedom of information laws. A milestone was the US Freedom of Information Act (FOIA) of 1966, and many countries started to follow the FOIA model on access to government documents. According to a global survey, some 70 countries

have now adopted comprehensive Freedom of Information Acts. Fifty countries have legislation pending.

As is once said by Abraham Lincoln, “Democracy means a Government by the people, of the people and for the people”. In world there are two types of democracy direct democracy and indirect democracy. In India there are indirect democracy where people elect their representative who carry on the administration of the government.

The Indian Parliament had enacted the Freedom of Information Act, 2002. However, the Union Government realized that to make the right to seek information simplistic, purposeful, effective progressive and people-friendly, there was a need to enact an altogether new legislation. Consequently, Parliament passed a Bill providing for the right to information which received the President’s assent on June 15, 2005. Thus came into force the Right to information Act. It was formally implemented from October 12, 2005.

The object of the Act is to promote openness, transparency and accountability in administration.

Now a person desirous of obtaining information shall make request in writing or through electronic means to the concerned Public Information Officer specifying the particulars of the information sought by him. The Act makes provision for appointment of Public Information Officers. According to Section 5, every public authority shall designate as many officers as the Central Public Information Officers or the State Public Information Officers in all administrative units or offices under it as may be necessary to provide information to persons seeking information under this Act.

Sec.8(1) imposes certain restrictions on the freedom of information, under which the Central Public Information Officers or the State Public Information Officers may, for reason to be recorded in writing, withhold the information, the disclosure or contents of which are exempted from disclosure for any of the grounds mentioned in cls. (a) to (j) of s. 8(1).

Section 20 provides that if a Public Information Officer without any reasonable cause refuse to receive an application for information or refuse to furnish information within the specified under Section 7(1) or mala fide denies information or destroy information, a penalty of two hundred and fifty rupees for each day till application is received or information furnished, can be imposed. However, in no case it shall exceed more than 25,000 rupees.

Meaning of ‘Information’ Section 2 (f) of the Act defines information as any material in any form, including the records, documents, memos, e-mails, opinions, advices, press releases, circulars, orders, logbooks, contracts, reports, papers, samples, models, data material held in any electronic form and information relating to any private body which can be accessed by public authority under any law for the time being in force. Information is foundation of democratic structure. Dis-information, mis-information and non-information create an un-informed citizenry which would finally make a democracy monarchy and a force. Thus, the Right to Information act 2005, postulates balancing of social interest in freedom of information and social interest in general security. In our country we have the Right to Information Act for the last seven years. The spirit of the Act can be best summarized by stating that without informed citizens there is no democracy. It recognizes that in a democracy citizens are the masters and servants cannot deny information to their masters. In fact, servants

act as trustees and hold the information belonging to their masters. But for almost six decades, the servants behaved like masters and the masters simply accepted this treatment.

That the right to information is a fundamental right, a facet of “speech and expression” flowing from Art. 19(1) (a) of the constitution is now well settled. Over the years, the Supreme Court has consistently ruled in the favour of the citizen’s right to know. The nature of this right has been discussed by the Supreme Court in a number of cases.

In Bennett Coleman, the right to information was held to be included with in the right to freedom of speech and expression guaranteed by ART. 19 (1) (a).

In Raj Narain, the court explicitly stated that it is not in the interest of public to “cover with the veil of secrecy the common routine business ... the responsibility of official s to explain and to justify their acts is the Chief Safeguard against oppression and corruption.”

In S.P.Gupta, the right of the people to know about every public Act, and the details of every public transaction undertaken by public functionaries was described.

In cricket association of Bengal, the right to impart and receive information from electronic media was included in the freedom of speech. The airwaves were held to be public property and hence distribution of these waves between government and private channels was to be done on an equitable basis. In P.U.C.L., the right to information was further elevated to the status of human right, necessary for making governance transparent and accountable. it was also emphasized that governance must be participatory. in union of india v.association for democratic reforms the apex court ruled , “Voter’s ‘right to know’ antecedents including criminal past of the candidates contesting election for mp or mla is fundamental and basic for survival of democracy”. holding that democracy cannot survive without free and fair elections, without free and fairly informed voters, the court said that the voters have the right to get material information with respect to a candidate contesting election for a post ,which is of utmost importance in the democracy . on 2nd September, 2009, a division bench of the Delhi High Court had given a landmark ruling that, the information on assets declared by the supreme court judges, in possession of the CJI, would come within the ambit of the rti act .since, the CJI held the information pertaining to assets declaration by him and his brother judges , the CJI was held to be “a public authority” under the RTI Act. the ruling it may be stated, deserve to be lauded because it will promote transparency and accountability in the judiciary .if the judges support the RTI, like voluntary asset disclosures, it would go a long way in enhancing their moral stature, empower the people and give a fillip to the movement of the right to know the meaning of articles 19 (1) (a).

As can be seen, the above judgments cut across freedom of the individual, privacy, freedom of the press, duties of Governments, duties of public authorities, right to seek disclosure of information about candidates contesting in elections and so on and so forth and also to the exceptions contained in Art. 19(2) of the Constitution

The nexus between politicians, bureaucrats, criminals and Police is a known clumsy fact. Corruption has rooted in all walks of life. Every wing of the administration is rotten with corrupt practices; even judiciary is also grappled by the devil of corruption. The right to know or need of transparency in public administration becomes too important to keep it away any longer.

Transparency means knowing the reasons, facts, logics and basis of the decision taken by the administration. Transparency in public administration in legal terms means that a citizen of India has a right to know as to:

What the Government is doing

How it is doing

Why it is doing

Denial of such information to the public by the public authorities without appropriate reasons would be offence under the law. The following major scams have occurred in India, apart from others, which are a daily occurrence:

2G Spectrum Scam; Commonwealth Game Scam; Telgi Scandal; Satyam Scam; IPL Scam; Hawala Scam; Fodder Scam; Bofors Scam; Ketan Parekh Scam, Stock Market Scam by Harshad Mehta.

It is no secret that no deal worth its name, no transaction whether of the land, or other property, is complete, without a substantial component of black money. Combating corruption which has been a major concern for our country for decades has a solution in the hands of the RTI.

How can you apply for information: Draft your application on a normal sheet of paper and submit it by post or in person to the Public Information Officer (PIO) & keep a copy of the application for your personal reference.

Where do you submit the application for information: You can do that with PIO or APIO of the Govt. department you are questioning.

In the case of all Central Government Departments, certain “post offices” have been designated as APIOs. This means that you can go to any of these post offices and submit your “fee” and “application at the RTI counter in these post offices.

They will issue you a receipt and acknowledgement and it is then the responsibility of the post offices to deliver it to the right PIO.

Who will give you the information you are looking for: One or more officers in every Government Department have been made “Public Information Officer”. If you want some information, you need to file an application with the PIO. The PIO’s are responsible for collecting information wanted by you.

Right to Information vis a vis Right to Reputation

The legal foundation for exposure of corruption, misconduct or maladministration by public servant was laid by the Supreme Court in **R. Rajagopal v. State of Tamil Nadu** the case involved the publication of serious misconduct of public servants by a convict who was serial killer. The case squarely deals with the right to know and the limits of privacy of public servants. The Supreme Court referred the judgment of American Court in **New York Times v Sullivan**, and another judgment of the House of Lords in England reported in **Derbyshire v. Times Newspaper LTD**. The Supreme Court Held that while decency and defamation were two of the grounds stated in clause (2) of Art.19, still any publication against any person will not be objectionable if such publication was based on `public record`. With regard to the disclosure of information, which may be prejudicial to the reputation of a person, *the Right*

to Information act,2005 provides for the disclosure of such information, if public interest in disclosure outweighs the harm to the protected interests.

Short Coming of the Act

This Act is not free from shortcomings .Under Section 4 and 5, there are some glaring defects. There is need to provide for compensation to the petitioner, if information is denied to him /her, by amending Section 4(1) (B). Also a senior officer should be appointed in each state to ensure its effective implementation.

Under Section 26 (1), no steps have been taken to educate the people, train the information officers and create logistics. According to a survey, only 13 per cent rural people , 33 per cent urban people , 12 per cent women, and 26 per cent men are aware of the Ac. While 47 per cent are unaware of the procedure to file petitions, 89 per cent have failed to see records and 39 per cent are unaware of the Information Commissions, decisions. The State Information Commission Commissions are facing problems. Owing to inadequate staff and poor infrastructure, they are unable to do justice to their work. Reports of increasing attacks on those seeking information under the Act in many States are alarming. The murder of Satish Shetty, a key RTI activist, in Pune by the land mafia was most unfortunate. Indeed, attacks on RTI activists are assault on freedom and democracy.

The effective machinery of `right to information` Act 2005 has enabled thousands of Indians to get their ration cards, passports and water connections without paying any bribe. The beginning is good but the complete value of this Act can only be realized when the whole society will be aware of this right and how to exercise the rights. For this the government should develop and organize educational programmes disseminate information about it , train its staff well etc.

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INDIA'S AMBITIONS FOR BMD- PROBABLE RESPONSE OF PAKISTAN

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ABSTRACT

Missile defence in South Asia is relatively a recent development, which acquired attention during the late 1990s when there was news regarding the quest of India to get a shield against the threat of ballistic missiles. India, in its pursuit of ballistic missile defence, has taken two fundamental routes: one to acquire missile defence systems from abroad; and, second, to develop the system indigenously. India's missile defence acquisition efforts have revolved around variants of Russian S-300 Ballistic Missile Defence (BMD) system, the Israeli Arrow BMD and the American Patriot Advanced Capability-3 (PAC-3). India's indigenous efforts have centered on the domestically designed, Akash, a long range surface-to-air missile (SAM). The present paper explores the efforts taken by India to get ballistic missile defence system. It also speculates the possible reaction of China in general and Pakistan in particular.

Keywords: Ballistic Missile Defence, Surface-to-air Missile, Arrow Missile, PAC-3.

India's pursuit of missile defence dates back to the 1990s. As early as 1995, there were reports that India was negotiating to acquire air defence missile systems from Russia – the S-300 PMU-1, or later versions like S-300. The then Russian Deputy Defence Minister, Kokoshin, offered to sell S-300 missiles during his trip to India in 1995. Subsequently, in August 1995, the then Indian Defence Secretary, Nambiar, went to Russia to observe tests of the missiles near Moscow. Reportedly, in June 1996, the deal was finalised, and 27 S-300 missiles were delivered to India. The \$1 billion purchase was said to include six S-300 systems, with each combat system consisting of 48 missiles. These anti-missile batteries are reportedly already in operation.

According to other reports, Russia has already provided India with the Antey battalion module.¹ The Antey Corporation's S-300V, also known by its NATO designation, SA-12, is an advanced Russian surface-to-air missile system comprising two missile systems - the Gladiator for destroying ballistic missiles, and the Giant for use against aircraft and cruise missiles. In 1998, Antey unveiled a modification of the S-300V, nicknamed the "Antey-2500." The Antey-2500 module operating within an integrated air defence system can simultaneously engage up to eight IRBMs from a distance of 2500 km, or sixteen Tactical Ballistic Missiles (TBM) launched from a distance of 3000 km. In February 2006, it was reported in the Russian press that Russia has offered India to create a comprehensive air defence system using different air defences, including S-300 missile systems of various modifications. If the reports about Indian acquisition of Russian missile defence systems prove to be true, it would bring a qualitative improvement in the deterrence potential of India vis-à-vis China and Pakistan.

India has also shown interest in the Israeli Arrow ballistic missile defence system. Indo-Israeli relations improved considerably in the 1990s. Israel assumed the role of becoming the second

biggest seller of weapons to India after Russia. India has acquired a number of weapons systems from Israel. The Arrow was jointly developed by Israel and the US. Arrow-2, an advanced version of Arrow, is designed to intercept short and medium-range ballistic missiles, and can detect and track up to 14 missiles simultaneously at distances as far as 500 km away. The Arrow system could potentially be used by India to counter Pakistan's nuclear-capable *Ghauri* and *Shaheen* missiles. Although Tel Aviv seems keen on selling Arrow system to New Delhi, the sale requires the approval of the US, since Arrow was a joint project and was partly funded by Washington. To date the US has not given approval for the sale of Arrow.

However, Israel has already sold India the Green Pine radar system, a component of the Arrow system, which tracks incoming missiles and transmits data to Arrow's management systems and interceptors. The radar can detect targets at ranges up to about 500 km. It can simultaneously track dozens of TBMs, and can discriminate between TBMs, aircrafts and other missiles, as well as distinguish between real threats and decoys. Green Pine is transportable and is capable of predicting impact points of incoming tactical ballistic missiles. Out of the two Green Pine radars ordered by India, the first was delivered in 2001, and the system has been reportedly deployed.

The Green Pine radar's deployment along the Indian-Pakistani border potentially provides India with strategic advantage. Reportedly, the system covers all of Pakistan's military command centres and bases between Islamabad, the capital, and the Indian frontier and also provides India with surveillance of Pakistan's nuclear centres and missile sites. The Green Pine combined with the Russian S-300 or Antey ABM systems would provide India with missile defence cover to key parts of its territory against Pakistan and China's IRBMs.

In March 2004, Israel signed a \$1.1 billion deal to sell three Phalcon Airborne Early Warning Command and Control Systems (AWACS) to India. The United States had given Israel the green light to sell the Phalcons to India which will be mounted on Russian Ilyushin aircraft.² The Phalcon system can pick up aircraft, including at low altitude, hundreds of kilometres away in any weather, day or night. Once deployed, the Phalcon system would provide India surveillance over much of Pakistan's territory. Combined with missile defence systems, Phalcon would enhance India's ability to counter a first strike by Pakistan.

Discussions have also been underway since 2002, for the sale of the US PAC-2/PAC-3 missile defence system to India. In February 2005, a US team, headed by Edward Ross from the Defence Security Cooperation Agency, had briefed New Delhi on technical details of PAC-2.³ Moreover, India has attended several BMD workshops, conferences, and missile defence exercises over the past few years.⁴ The Bush Administration has been giving signals that it is keen on selling the PAC system to New Delhi. In June 2005, the US cleared the sale of the (PAC-3) system to India on the eve of Defence Minister Pranab Mukherjee's visit to the US.⁵ Again in September 2005, a high-level US defence team held detailed classified briefings of Indian officials on the PAC-3 system.⁶ PAC-3 is a surface-to-air guided missile defence system that provides advanced capability against cruise missiles, aircrafts, and short and medium-range ballistic missiles. The PAC-3 system has four main components – radar, command centre, launcher, and interceptor missiles. The system is capable of targeting and destroying multiple targets while evading countermeasures and decoys. The PAC-3, unlike previous models, relies on hit-to-kill technology to eliminate short and medium-range missiles. The PAC-3 interceptors are mounted on mobile launchers which can hold up to 16

interceptors each. The launchers are arranged to provide overlapping coverage, allowing PAC-3 to respond rapidly to attacks from all directions.

Other reports suggest that India has also been working on developing a missile defence system of its own. India's DRDO has reportedly been engaged in efforts since 1993 to modify its *Akash* surface-to-air missile into an interceptor capable of engaging ballistic missiles. *Akash's* range is approximately 27 km. According to India's DRDO, its range will be increased to 60 km and eventually to 120 km.⁷ One of its important features is the Rajendra phased array radar which is capable of multi-target tracking and engagement.⁸ It can reportedly track up to 64 targets at a range of 50 km. The stated goal of the eventual upgrade project is to intercept missiles with ranges up to 2000 km. This goal may be a little too ambitious and unrealistic given the difficulties the US has experienced developing the Theatre High Altitude Area Defence (THAAD) designed to intercept missiles with ranges up to 3500 km. Moreover, so far there have been no reports of *Akash* tests against ballistic missiles. However, it would be of great concern to both China and Pakistan if the US decides to transfer missile defence technologies to India since missile defences erode their nuclear deterrents vis-à-vis India.

In early 2005, there were reports that India was working on another missile defence system on the basis of *Prithvi* missile and the Israeli Green Pine radar. According to these reports, the DRDO intended to integrate this system into a missile defence system within a five-to-seven-year timeframe. The head of DRDO's Integrated Guided Missile Development Programme, V. K. Saraswat, confirmed the ballistic missile defence programme, saying that the system was intended to provide a missile defence cover in a radius of over 200 km. Again, in July 2005, Indian Defence Minister Pranab Mukherjee said that there was no question of accepting a missile shield from anyone and that India was developing its own.

Space satellites are integral components of missile defence systems. India also has some satellite potential to complement its missile defence efforts. These can be used for early warning to detect a ballistic missile from its launch, its approximate flight course, etc. The ISRO has been developing defence support programme satellites and their space-based infrared system. The Indian Remote Sensing (IRS) series of satellites are in orbit, which can be used for missile defence purposes.⁹

Table 5.7 India's Missile Defence Options

System		Origin	Range(km)	Effective Against
S-300V	SA-12A Gladiator	Russia	6-75	Aircraf
S-300V	SA-12B Giant	Russia	13-100	TBM, Cruise missile
Antey-2500		Russia	40-200	8 IRBMs with 2500 km range or 16 TBM with 3000 km range
Arrow 2		Israel	500	SRBM and MRBM
PAC-3		US	150	Cruise missiles, aircrafts, SRBM, MRBM
Akash		India	27	-
Prithvi		India	-	-

Source: Gregory Koblentz, "Theatre Missile Defence and South Asia: A Volatile Mix,"

Nonproliferation Review, Spring-Summer 1997; Andrew Feickert and K. Alan Kronstadt, **Missile Proliferation and the Strategic Balance in South Asia**, CRS Report for Congress, RL32115, October 17, 2003; and **Federation of American Scientists**, Washington D.C.

India's likely missile defence choices are, however, not clear so far. Although the DRDO and leading Indian defence technocrats have repeatedly asserted that the country has the capability to build missile defences, these claims need to be treated with care.¹⁰ Many experts are sceptical of Indian claims to be able to build a truly indigenous BMD system, at least in the short to medium term.¹¹ In the past, many Indian initiatives termed as indigenous have faced critical snags or lagged far behind schedule. These include: the Light Combat Aircraft (LCA); the *Trishul* short-range SAM; and the *Nag* anti-tank guided missile. There are also recent, though unconfirmed, reports of possible abolition of the *Akash* missile programme, which would indicate that the project was not technically successful.¹² Even a technologically advanced state like the US has discovered that developing and integrating missile defence systems present unique challenges. India's capability to develop such complicated technologies is questionable in the short term since these require a high degree of technological expertise, and decades of research and testing.¹³

Therefore, in the short to medium term, India's option could be to acquire the systems from abroad or go for a mix of imported systems and indigenous ones. Given the size of the country, a national BMD system is unlikely. Since BMD systems cost billions of dollars, from an economic point of view India cannot afford a nation-wide missile defence. This would suggest a limited point defence system to protect targets such as Nuclear Command Authority and other nuclear and missile establishments.

The architecture of such a system is also unclear. One possibility is deployment of a layered system with imported systems such as S-300, Arrow or PAC-3 providing the first layer of defence architecture while modified *Akash* providing a second layer of defence. While a near foolproof BMD system would require several layers of defences, the exorbitant costs of BMD systems would make any complex missile defence deployments unviable. Moreover, it seems unlikely that the US would allow the sale of Arrow system to India. The sale of the US PAC-3 systems might materialise in the next few years and provide India with limited missile defence cover. However, at present, India's most likely option seems to be the deployment of a variant of Russian S-300 system. India also has the option to integrate the Green Pine radar with Russian ABMs or its own systems.

However, there are a lot of other related issues that confront India as far as deployment of missile defences is concerned. There is some opposition within India against going for missile defences. Even if India managed to deploy missile defences, there is a question mark about its effectiveness against a ballistic missile attack.¹⁴ Moreover, the astronomical costs of BMD systems weighed against the dubious gains from such a system is another major concern of the opponents of missile defences.

Some analysts question India's decision to acquire missile defences in the light of the country's perspective on nuclear weapons and deterrence. India's nuclear doctrine emphasizes the political utility of nuclear weapons i.e. the potential of nuclear weapons to deter a nuclear war rather than winning one. Rajesh Rajagopalan states that, "there could be no clearer indicator that BMDs do not fit well within Indian strategic thought than the fact that no Indian doctrinal statements – neither the Draft Indian Nuclear Doctrine of the NSAB nor the official

statement about India's nuclear doctrine that the Prime Minister's Office (PMO) released in early January 2003 – even hint at the need for BMDs. In fact, I would go further: a decision to acquire such an ABM system directly contradicts the basis of the Indian nuclear doctrine.”¹⁵

Moreover, the Indian government has yet to explain to public the decision to acquire missile defences. Whatever the shape and size of Indian missile defence system are, its purpose seems neutralisation of a first strike by the adversary and having an assured second strike capability.

In response to India's BMD system, Pakistan would be forced to act in order to ensure the integrity of its nuclear deterrent. Although it is difficult to gauge Pakistan's response, it would depend on the type, size and shape of an Indian BMD. There are a number of options that Pakistan could possibly pursue. Pakistan could either go for its own defence systems or build up its offensive forces to overwhelm India's defences.

Pakistan's ability to produce its own missile defence systems is extremely limited both from technological point of view as well as from an economic one. Its prospects for acquiring the systems are also not very bright. The US, while showing eagerness to provide India with PAC-3 systems, has not shown any such inclination towards Pakistan. Russia is unlikely to provide its ABM systems to Pakistan since Indo-Russia relations have been strong for the past several decades, and Russia's relations with Pakistan have been minimal. Since Pakistan does not recognize Israel nor has any diplomatic relations with it, acquisition of BMD systems from Israel is not an option for Pakistan. China is perhaps the only country that could provide Pakistan with such systems since the two countries have a history of defence cooperation, and former is believed to be working on its own ABM capability. However, high cost of such systems may prevent Pakistan from going for this option.

A less costly and more effective option for Pakistan could be a qualitative and quantitative improvement in its nuclear and missile forces and its strategy. The simplest solution for Pakistan would be to go for a larger number of nuclear warheads and delivery systems, especially ballistic missiles. This would entail an increase in the number of missiles both Multiple Independently Targetable Re-entry Vehicles (MIRV-ed) and single warheads. Pakistan would also have to increase its fissile material production in order to have more warheads. The purpose of the numbers approach would be to saturate Indian defences. This would mean, for example, if India has the capability to intercept twenty-five missiles, Pakistan should have thirty.

Pakistan can also go for development of cruise missiles which are harder to defeat by missile defence systems. Pakistan has already taken steps in this direction by developing its *Babar* cruise missile. *Babar* is capable of carrying either conventional or nuclear warhead and has a range of 700 km. It can reportedly hit its target with pinpoint accuracy and can be fired from warships, submarines and aircrafts.¹⁶ Most important of all, it is designed to avoid radar detection and penetrate undetected through a defensive system. If all these claims prove to be true, *Babar* could be an invaluable asset against Indian missile defence systems.

Pakistan can opt for strategies like mobility, dispersion and concealment to enhance survivability of its nuclear force in case of pre-emptive strike. This can be done through mobile launchers, using different systems, and by introducing simultaneous launches under combat conditions from dispersed sites. Pakistan could disperse and store its missiles in hardened silos, could build dummy missile silos, and deploy dummy missiles as well.

Another option for Pakistan could be deployment. This could entail maintaining assembled

form of missiles to reduce the reaction time. This could be taken a step further to the level of actually deploying the assembled missiles tipped with nuclear warheads. However, this approach has many inherent dangers and should be a last resort option. India may also go for deployment of nuclear-tipped missiles in response, which would increase the risk of nuclear war. Maintaining missiles on hair-trigger alert would also increase the chances of accidental war. An extremely short missile flight time of 3-11 minutes between India and Pakistan combined with conflict-prone history of South Asia could give rise to an extremely dangerous and unstable situation. This option would, therefore, be counter-productive and should only be adopted as a last resort.

Pakistan can also go for a triad of nuclear forces. At present, Pakistan has land and air-based nuclear forces but no sea-based one. Although this approach would diversify Pakistan's nuclear forces and may ensure survivability of nuclear capability, it would be too costly for Pakistan and not viable in the short term.

The drawback of the quantitative approach is that it would be costly and would engage Pakistan in an arms race with India. Pakistan can also pursue a qualitative approach to increase deterrence stability. This would include technological improvements in its offensive and defensive capabilities. These options could include improvements in the technical base of the delivery systems and associated technologies. Certain technologies can be developed to fog the enemy ABM systems and also to improve the penetration capacity of Pakistan's delivery systems. Some of these technologies can be improvement in electronic warfare capacity to confuse and defeat Indian radar ability to home-in on incoming targets; manoeuvring warheads to create problems for the interceptors; and adding decoys to the delivery systems.¹⁷ In the short term, a mix of qualitative and quantitative improvements in Pakistan's offensive capabilities might be a more viable solution for Pakistan. In the long term, Pakistan needs to acquire advance technologies, like perfecting cruise missile technology, reducing the conventional asymmetry between India and Pakistan, to neutralise the effects of Indian missile defence systems.

Moreover, Pakistan can also pursue a diplomatic course by suggesting an ABM treaty between India and Pakistan, or by negotiating a zero missile regime between the two countries. However, these kinds of proposal like zero missile regime and many other nuclear restraint proposals have been rejected either by India or Pakistan in the past. Still the diplomatic option needs to be simultaneously pursued. The success of this option would depend on the willingness of both the states to cooperate.

As far as China is concerned, in the short to medium term, it might respond to Indian missile defences by changing its deployment strategy, by increasing the readiness of its missiles, and by producing more tactical nuclear weapons. China may respond by tripling or even quadrupling of its deployed missiles against India. China could enhance its targeting capability against India through the proposed multiple independently re-entry vehicle (MIRV) capability that it is developing. However, placing multiple warheads on China's ballistic missiles would probably require Beijing to design and test a new warhead, which is currently prohibited by China's signature on the CTBT. China would also go for countermeasure technologies to defeat an Indian missile defence.

In the long term, China may even respond by increasing the number of nuclear warheads and by deploying missile defences of its own. In the past, China has shown interest in having

missile defences of its own. In 1993, China was reported to have acquired over a hundred Russian S-300 and S-300V systems which included technology transfer as well. There were also reports of Chinese acquisition of Patriot missile technology from Israel in early 1990s.¹⁸ China is also thought to have several defence research and development efforts underway.¹⁹ This means that in future China could develop and field limited missile defences of its own

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PAC-3 test in November 2005 was unsuccessful. The Israeli Arrow system has a better success rate which has been estimated at 75-95%. The S-300V tests against 600 km TBMs have demonstrated a single shot probability of 40-70%. For details see, Gregory Koblentz, "Theatre Missile Defence and South Asia: A Volatile Mix," Nonproliferation Review, Spring- Summer 1997, p. 55.

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QUEST FOR IDENTITY IN ROHINTON MISTRY'S FICTION

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ABSTRACT

Rohinton Mistry is a famous Indian writer in English literature. He is a diasporic writer who lives in Canada. He belongs to Parsi community. A person belonging to so many places and to a minority community is always confused over his identity. And if the person happens to be a writer, the confusion is obvious to enter his writings. One can easily observe the quest for identity in Rohinton Mistry's fiction. Rohinton's characters quite commonly represent the Parsi community, whose case of Indian Parsis, the identity is essentially constituted by their religious and cultural positions and practices. But the characters are always in crisis and try hard to establish and maintain their age old identity and keep it safe from other social forces that can corrupt them. The research paper is an attempt to know these forces and show how the characters deal with them.

Key Words: Quest expedition, Identity uniqueness, Parsi, Expulsion eviction.

“A cold coming we had of it, Just at the worst time of the year for a journey. Such a long journey”.

The epigraph to ‘Such a Long Journey’ reminds the readers of the glorious Parsi heritage, their expulsion from their homeland and their journey from one country to another struggling to retain their culture and identity. Not only in ‘Such a Long Journey’ but in each and every work of Rohinton Mistry we can find an overzealous attempt at detailing the lifestyle and culture of the Parsis and a quest for identity. The question of identity has become very important for every community, especially if the community has a minority character in these post-colonial, post-modern times. The word ‘identity’ though so familiar and real, refers to different aspects of the great human race. According to oxford dictionary, identity refers to, “the sameness of a person or fact that a person or thing is itself and not something else.” Though Erickson observed that a sense of identity, “is never gained or maintained once and for all, like a good conscience it is constantly lost and regained” but there are always some particular general elements in every community that provides it a particular identity and the members of that community always strive hard to maintain and safeguard that identity. A few of them put them into their writings. Rohinton Mistry's characters quite commonly, represent the Parsi community, whose identity has been historically problematized. In the case of Indian Parsis, the identity is essentially constituted by their religious and cultural position and practices. Since the question of cultural identity is rooted in history, the historical trajectory needs to be explored in detail here. The Parsis belong to one of the oldest civilizations on the Earth. They have a glorious past. The people of ancient Iran belonged to the Indo-European branch of the Aryans and their history goes as far back as 2000 B.C, when Zorathistra, the Prophet of ancient Iran is believed to have been born. Some of the great figures of the past whose names are etched in the minds of the Parsis are Cyrus the great and Khushran I, in 614 A.D,

Khushran II attacked Jerusalem and captured it killing 50,000 Christians. As a result the Christian forces counter attacked bringing much misery to the Parsis. After the death of Prophet Mohammad, the Arabs started a series of invasions on Iran and were successful in 641 A.D in capturing it. Their avowed intent was to spread their faith through force. The last king of the Persian empire Yazdegard went into hiding but after ten years he was captured and assassinated by the Muslims. The followers of Zarathustra had to flee, get converted or lie low. Rohinton Mistry is well versed about his history and represents it in his writings now and then. How the Parsis take pride in recalling their glorious past is very well shown by the words spoken in the Parsi wedding, in which the day and year is calculated from “Emperor Yazdegard of the Sassanian Dynasty of auspicious Iran... in accordance with the rites and rules of the Mazdayasnans.”

While discussing about Parsis and their identity one would always ponder over a question: Who is a true Parsi? Rohinton Mistry tries to delineate a true Parsi in his fiction. The characters have Parsi names, they pray and observe rituals, the way Parsis are expected to do. Also they dress and eat in a particular way. Though all of them are not ideal. In the ‘ Tales from Firozsha Baag’ we do meet a number of characters who need not be remembered like Rustomji or Khorshedbai. But there is this lad Percy who grows into a thinking individual and the one who has the courage and vision to put his ideas into action and lead an authentic life. In ‘ Such A Long Journey’, we come across Gustad Noble, who, true to his name, transcends the self and remains unshaken in his essential goodness in the face of countless vicissitudes of life – a son turning hostile, an ailing daughter, the pin-pricks of neighbors and the unsavory and overmuch risky adventure foisted upon him by his one time friend Major Bilimoria. If he is shown praying in the opening scene of the novel, he is no less religious even at the end of the novel. If anything, this religiosity has taken a new meaning, for he prays “as much for Tehmul as for Jimmy and for Dinshanji, for Pappa and Mamma, for Grandpa and Grandma, all who had had to wait for so long”(SALJ 337). In the end he is shown tearing the black paper off the window panes in a symbolic move to let into his home the light from ‘outside’. There is no need for fear thereafter! That is his net gain even though poetic justice has resolved all his problems. He has realized himself and attained a kind of salvation through identifying the self with society.

An individual could be sincere towards himself he could hear and be answerable to his own inner voice and that would be the true authentic identity, but in the human society in which we live, the identity is known by the parameters decided upon by society, for it is a mark of social recognition and import and plays a vital role in social interaction and commerce. This identity carries the burden of history and is transmuted into categories like race, creed, colour, nationality etc. There are also the markers of age, sex, vocation that are of importance in day to day transactions of work. But when we talk about the identity we mean by and large, the earlier set of categories. In this, as suggested, past becomes more important than even the present. The Parsis left the shores of ancient Persia for the sake religion and have maintained their separate identity on that basis. But the modern Parsi youth, a product of western education and upbringing, is distancing himself from religion. Perhaps for this reason, Mistry has portrayed in his novels a fallen world where prayers do not usher in a equitable and human society. The youth Meneck Kohlah, who, in utter desperation, calls God ‘the bloody fool’ and questions his judgment of fair and foul which, according to him is as simple as reading a balance sheet. Says Maneck,” He would have been sacked long ago if he were managing a

corporation.(A Fine Balance 505). The child Jehangir asks in his innocence,” If only Dada Ormuzd could help me understand, why must prayer and religion lead to so many fights between father and son? Is that His will?” (Family Matters 466). Who would give answers to such questions. The education in the Parsi religion is not organized well. At best, they have semi – literate dusfoors or priests. Religious debates are unheard of. This leaves a lot to be desired from the point of view of the young generation who are always confused about whom they should identify with’.

It has also been observed that population is an important factor in the visibility and viability of any ethnic identity. Over the years, there has been a drastic fall in the population of the Parsis. Rohinton Mistry is quite concerned about the declining population and once commented, “When the Parsis have disappeared from the face of the Earth, his writings will preserve a record of how they lived”. Thus his writings are an effort to eternalize the Parsi culture and identity. But fixing a particular identity for all the Parsis is not an easy job, for there is an inherent incoherence amongst the Parsis themselves.

While expecting the world around to change, their own house must be set in order by the Parsis. In the situation in which the community finds itself, organizations claiming to work for the community should have discharged their duties honestly and zealously in safeguarding the cultural identity and in instilling its awareness in the Parsi youth. But clearly, Rohinton Mistry is not satisfied. Therefore, in his oeuvre the work of the Parsi Panchayats and trusts takes a drubbing. Rustomji of ‘Auspicious Occasion’(TFFB 5) loses his cool at the very mention of the Parsi trust because it has failed to maintain well the apartment block in which he stays with his wife. One big reason for the failure of the Parsi Panchayats is reported to be their hereditary character. The Panchayats are doing nothing to provide a particular identity to the Parsis in their respective societies.

While safeguarding its identity, an ethnic community has also to adjust with other communities in society. It is quite normal to see stereotypes at play in this field. While the dominant community is quoted in ‘ Such A Long Journey’ as calling Parsis ‘ Crow Eaters’ the latter retaliate by referring to their liking for asafetida. Similarly in ‘Tales from Firozsha Baag’, the Parsis call the natives ‘ghaties’ and the maid servants ‘gangas’ the dominant community members call them ‘bawaji’. Such instances show how the Parsis are always in dilemma as far as the question of identity is concerned.

The issue of identity confusion is all the more severe in the case of a person living the life of an exile, for it is the case of what Derrida would call ‘double displacement’. According to Derrida,” the nation is rooted first of all in the memory or anxiety of a displaced or displaceable population. It is not only time that is out of joint, but space, space in time, spacing”(Bharucha 55). The exile is haunted by the nostalgia of his homeland. While, he is hardly at home in his adopted country. This is what is popularly known as Dilemma of Exile. Rohinton Mistry was himself an expatriate and has experienced this dilemma and the identity crisis. His personal experiences has crept into his writing unknowingly.

Concludingly it can be said that Rohinton Mistry is a wonderful writer with great skill of writing. He himself has experience dilemma of exile and an identity crisis for being a Parsi, then an Indian and then an expatriate living in Canada. All these factors have enriched his experience and writing skills. Whether it is Percy or Gustad Nobel or Rustomji, all are passing

through the same quest for identity. Being doubly marginalized they are always confused about whom they should identify with. And the quest is still going on...

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NANO-SIZED PLATINUM METALS AND THEIR SIMPLE COMPOUNDS – A POTENTIAL FIELD OF STUDY

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ABSTRACT

Ruthenium, Osmium, Rhodium, Iridium, Platinum and Palladium which form part of the transition metals are more collectively called platinum metals. Their synthesis/fabrication at nano level in various forms and study of these nano –sized materials is of immense importance. Some of the simple compounds of these metals at nano level have the potentials of exhibiting some new properties. Some valuable work in this direction has been carried out and this field needs to be explored more. The purpose of this study is to explore the possibilities of synthesis of such nano sized particles by chemical and electrochemical methods which are more accessible to every person interested in research in this area. Nanometer is one millionth of a millimeter i.e 10^{-9} meter . Materials falling in this range- 1-100nm, more specifically, are known as nano materials. Elements at nano scale exhibit changed/improved behavior. Gold changes its state from solid to liquid & can be converted into many colours. Carbon nanotube is about 100 times stronger & six times lighter than steel, Silicon at nano level becomes good conductor. Aluminium becomes combustible, copper transparent & platinum becomes catalyst. Changed properties of nano sized materials have been ascribed to the increased surface area & the quantum effects that intervene at such a small scale. New optical properties are exhibited by nano particle because of confinement effects & the colour of quantum dots is dictated by confinement phenomenon & particle localization. Quantum dots are three dimensionally confined nanoparticles with semiconducting properties. Two new developments, in semiconductors, take place when electrons are restricted to very small region. First, HOMO-LUMO energy gap increases & second the energy levels of electrons are quantized. Quantum confinement also reduces the linear momentum to minimum & therefore, transitions do not require any momentum. Coherent oscillations occur at the interface of a metal with a dielectric medium which are called Plasmons. To excite colours from bulk metals the momenta of the Plasmons & photons must match. In nanoparticles the surface plasmons are localized & have no characteristic momenta & the momenta of plasmons & the photons do not need to match & the excitation of plasmons occur with greater intensity. The nature of the metal, the dielectric surrounding, size & shape of the nanoparticles are the guiding factors for Plasmon absorption.

Key Words:-Nanometer, Compounds, Quantum, Plasmons, Dielectric.

Nano materials can be fabricated by carving out nano scale features to the bulk material – top down fabrication or by assembling atoms or molecules in a controlled manner – bottom up fabrication. Various methods of synthesis of nanoparticles find mention in literature. Solution based synthesis which is a method of choice, utilizes a short burst of homogeneous nucleation in solution by moving the solution quickly to a highly non-equilibrium condition in which the guiding force for nucleation becomes very large & barrier becomes very small. Surfactants (stabilizers) are also added to avoid unwanted Ostwald ripening. In vapour phase synthesis of the nano particles also the basic mechanism is the same. Here the short burst of nucleation is caused by the sudden fall of temperature. Vapour phase techniques can be classified on the basis of the physical state, the material used, & the reaction method. The various versions of this techniques are: flame pyrolysis, laser pyrolysis, plasm synthesis & chemical vapour deposition. Between the two, the solution based technique is preferred because the size dispersion of nano-particles is better in this technique. The crystallization is highly monodisperse & uniformly shaped nano-particles becomes available. But for particles where continuous operation is required or where solution based method is unable to produce good qualities of nano particles, the vapour phase method is preferred. Heterogeneous nucleation using nano sized frame works & supports has also been used to make nano materials. These may include micelles & embossed supports. Using such supports & framework the size of the reaction volume is restricted & nano sized materials can be synthesized. Inverse micelle which has an aqueous core is of great use in the synthesis of nano sized material. Electrochemical methods have also been found of immense use in the preparation of nanosized particles of metals and their compounds.

Current scenario:

In the periodic table, these six metals are placed and occur in native form & less frequently in compounds & constitute about 10^{-8} – 10^{-7} % of the igneous rocks of the earth. Their atomic number, atomic masses and electronic configuration are important. The standard electrode potentials, ionization energies & the conductivities of these metals have great part to play in the nano technology of these metals. Platinum metals are generally more popular as catalysts in the form of their complexes. Chemical & electro chemical reduction of these metals in colloidal forms on polypyrrole support (9) has widened the scope of their tremendously enhanced catalytic activity. Electrochemical deposition of platinum (5) has been reported. Template deposition of palladium arrays by chemical method (2) and synthesis of ruthenium oxide by electrochemical method have also been reported. Phase transfer studies of nano particles of some of the platinum metals (1,11) by capping the molecules have also been carried out.

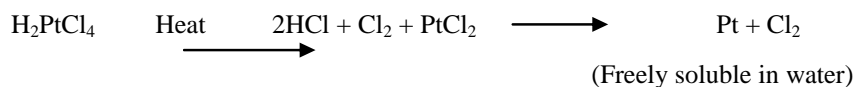
There are various methods of bringing metals to nano size & platinum metals are no exception. The most frequent methods are the colloidal preparations by dispersion methods or by condensation methods. In dispersion methods, electrical dispersion by Bredig's method or by ultrasonic vibrations can be easily approachable methods of colloidal preparations; reduction method is more frequently used & is more suited for the preparation of sols of the metals. Platinum for example, has been prepared in different forms – Platinum black, Spongy Platinum, Colloidal Platinum & Platinised asbestos – in addition to its original compact form.

The anisotropic characteristics of the metals can be studied & utilized only when the crystalline form of the metal is preserved. The crystallinity requires repetition of group of atoms in a regular fashion & this repetition should be of long range. And if this repetition is made to exist throughout a certain piece of material, it is said to constitute a single crystal. In a such crystal the mono crystals have their axis in a particular direction & the substance is said to exist in nano state. The whole crystal has one face only, in other words one continuous crystal on a particular face & such a face can be identified in terms of Miller indexes. Single crystals of platinum metals can be prepared by controlled growth from vapours of metals or by cutting the metals at a particular angle. Scanning tunneling microscopy & atomic force microscopy are the highly advanced techniques to prepare single crystal of metals. The tip of STM has been used as an electrode & the controlled pulses have used to reproducibly produce minute clusters of few a few atoms & resolution to 1nm have been achieved. The tip of an AFM can be used as a patterning tool in which molecular entities acting as ink self assemble in monolayer's.

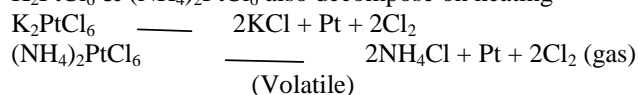
Chemistry of Platinum metals' and Potentials of their nano materials:-

The chemistry of platinum metals is basically that of complexes but here we are more concerned about the simple compounds of platinum metals-oxides, sulphides, halides, sulphates & nitrates. Ruthenium & Osmium exist as RuO_4 & OsO_4 (tetrahedral yellow violet) molecules soluble in carbon tetrachloride. Rhodium & Iridium exist as RhO_2 & IrO_2 . Tetrahedral PdO_2 decomposes to PdO at 200°C & comes in di-positive state & in that state is insoluble in all acids but decomposes reversibly to produce Palladium & Oxygen. Platinum exists as PtO & PtO_3 & both these oxides decompose to metal & oxygen on heating. PtO_2 (platinum IV oxide) dissociates into metal & oxygen. Palladium also in divalent state also forms PdS which is a hard bluish or silvery lustrous substance having tetragonal structure & insoluble in nitric acid or aqua regia. Rhodium (III) & Iridium (III) form yellow coloured sulphates $\text{Rh}_2(\text{SO}_4)_3 \times \text{H}_2\text{O}$. Metal reacts with boiling concentrated H_2SO_4 to produce sulphate. Palladium (II) Sulphate in $\text{PdSO}_4 \cdot 2\text{H}_2\text{O}$ & $\text{Pd}(\text{NO}_3)_2$ crystalline in yellow prisms when PdO is dissolved in corresponding acids. Platinum sulphate $\text{PtSO}_4 \cdot 4\text{H}_2\text{O}$ is also a crystalline salt having orange colour. RuF_6 & OsF_7 the highest fluorides of Ruthenium & Osmium may be reduced to their fluorides of the lower oxidation state by the action of mild reducing agents or decomposition or both. The highest chlorides of Ruthenium & Osmium are RuCl_3 & OsCl_4 respectively. Rhodium & Iridium though form tetra chlorides & hexafluoride's but the trichlorides of Rhodium & Iridium are of importance.

As the most stable oxidation states of palladium & platinum are (II) & (IV) respectively, the chlorides of these two metals exist in these oxidation states. PtCl_2 is insoluble in water but dissolves in HCl to give complex acid $\text{H}_2[\text{PtCl}_4]$ & $\text{K}_2[\text{PtCl}_4]$ a red brown crystalline salt & $[\text{PtCl}_4]^{2-}$ has a square planar structure. PtCl_4 is readily soluble in water & is present in solution as complex acid $\text{H}_2[\text{PtCl}_4(\text{OH})_2]$ & when dissolved in HCl it forms hexachloroplatinate or hexachloroplatinic acid H_2PtCl_4 which decompose on heating.



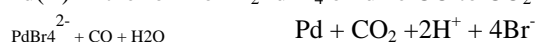
K_2PtCl_6 & $(\text{NH}_4)_2\text{PtCl}_6$ also decompose on heating



Only Pt is left

Pd(II)Cl_2 which is in red crystalline form also decomposes on heating to give palladium & chlorine.

Pd(II) in the form of K_2PdBr_4 oxidize CO to CO_2 in aqueous solution.



The above reaction may take place for PdCl_4^{2-} also.

Of six platinum metals platinum & palladium dissolve in hot aqua regia as their chloro complexes while the remaining four – ruthenium, osmium, rhodium & iridium form insoluble chlorides. Pt (IV), Pd (II), Rh (III) & Ru(III) act as ‘‘two equivalent’’ oxidants and Os & Ir(IV) act as ‘‘one equivalent’’ oxidants.

Size and Shape Determination:

Determination of the shape & size of the nano particles is also an important aspect of the nano technology of platinum metals. As regards the colloidal particles, different shapes are available. Symmetric colloidal particles exist as polyhedral units, compact spheres & loose coils whereas asymmetric colloidal particles are in the shape of short rods, long rods leaf – lets & linear. The linear shape may further be in loose anisometric loops or as branched threads. More reliable methods of particles shape determination are x- ray method & electron diffraction method. Dynamic light scatter method & scanning electron microscopy are being frequently used now. Various methods for the determination of the size of the nano sized platinum nano particles. Conventional methods – light scatter method, rate of diffusion method, ultrafiltration, and ultracentrifugation, (sedimentation velocity method & sedimentation equilibrium method) & x-ray method electron microscope can be used to determine the particle size of the colloidal particles. But now more advanced methods – Scanning electron microscopy (SEM), Scanning tunneling microscopy (STM), atomic force microscopy (AFM) & scanning near field microscopy (SNFM) are being frequently used as characterization methods.

Conclusion:-

The study of nano sized Platinum metals and there simple compounds will enhance the area of the study of the methods of synthesis of nano particles. It will also increase the scope of hybridizing nano sized Platinum metals with conducting polymers. Some of the composites of polypyrrole and Platinum, Palladium and even the oxides of Ruthenium have already been synthesized. This study has helped in making Electro-process and Electro catalysis more fast and more refined. Well defined single crystal electrodes give much more information then

polycrystals. Composites of nano sized Platinum metals will generate some novel properties and will thus enhance the area of study and applicability of these materials.

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Rohinton Mistry's Fiction and Parsi World: A Cultural Study

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ABSTRACT

Rohinton Mistry is one of the major diasporic Indian writer in English literature. Born in Bombay Rohinton is now settle in Canada. The present study aims at Rohinton Mistry's work of fiction from cultural studies approach. Rohinton Mistry's fiction from depicts Parsi world in post colonial Indian scenario. Since the main goal of cultural studies is to view a work of art keeping in mind various elements like Marxism, new historicism, feminism, gender studies, urban studies and post colonial studies, the work tries to research into Rohinton's fiction to ascertain these elements. Moreover the study also tries to find out how deftly has Rohinton presented his Parsi world, life and culture.

Key Words: Diaspora, Cultural studies, Marxism, New historicism, Post colonialism, Parsi.

The Indian Charles Dickens, the Mumbaiiya now settled in Canada is well known to all-Rohinton Mistry. Famous amongst his readers for his fine balance between subject -matter and style, Rohinton Mistry has been able to create his own space amongst Indian writers in English literature. This was quite explicit from his very first writing 'Tales from Firozshah Baag'. His residence in Canada has least affect on his insight into the Indian reality and Parsi community, specifically. His deftness as a writer and as a social and cultural painter has attracted critics from all over the world. Everyone tries to read and comprehend his text in the light of various approaches. Since he writes a lot about Indian and Parsi culture, some critics find cultural studies approach the most appropriate to study Rohinton Mistry. But what is "cultural studies"? It is hard to define cultural studies mostly because the word culture is notoriously hard to pin down. Unlike most of the other approaches cultural studies is not really a discrete "approach" at all, but rather a set of practices. As Patrick Brantlinger points out cultural studies is not "a lightly coherent group of tendencies, issues and questions." Arising amidst the turmoil of the 1960's, cultural studies is composed of elements of Marxism, new historicism, feminism, gender studies of race and ethnicity, film theory, sociology, urban studies and post colonial studies those fields that focus on social and cultural forces that either create community or cause division and alienation.

Cultural study is against power structures of society; they question inequalities within power structures, including the classroom and seek to restructure the relationships among dominant and subordinate cultures because meaning and subjectivity are culturally constructed, they can thus be reconstructed. Cultural studies, taken to an extreme, denies the autonomy of the individual, whether an actual person or a work of literature. This constitutes a rebuttal of the humanist "Great Man" or "Great Book" approach and moves aesthetics and culture from the ideal realms of taste and sensibility into the arena of a whole society's everyday life, of its common construction. This is what we find in Rohinton's work of fiction. The Tales of Firozshah Baag, Such a Long Journey, A Fine Balance, Family Matters, and Scream, all present common man, usually Parsi, stuck into day to day problems and how he tries to face and tackle with it. This is nowhere clearer than in the first story from Mistry's collection

“Auspicious Occasion”. Here the Bawaji (an affectionate and bloody minded pejorative term for a Parsi can possible be. While travelling to his worship place someone spat on his crisp white coat leading him hysterical. He tried to pay back the person but unfortunately he was beaten and he saved himself by acting as a lunatic. The novel ‘Such a Long Journey’ also depicts the life of Parsi community, their day to day rituals and the problems they face while dealing with the non Parsi world. The novel is set in Mumbai and depicts how the Parsi world gradually moves out of its self imposed isolation. While doing so a real picture of the contemporary society is depicted. Not only social but political issues have been dealt with deftly. The Shiva Sena monopoly, the Hindu Muslim riots, the day to day corruption, nepotism, administration of Indira Gandhi and others have been presented with great ease and grace without hurting anybody’ feelings.

While studying Rohinton Mistry one is struck by the writer’s enlightened concerns for the underdog and the downcast. His realistic portrayal of the life in Indian villages with its problems of caste prejudices, serfdom, lack of amenities etc. in ‘A Fine Balance’ shows his concern for the human being. Similarly he speaks of the city slum dwellers and their hellish life. There is focus on pavement dwellers, crowded local trains noise and pollution, dirt and squalor that is evident all around in any Indian city. The Indian middle class also finds wide mention in his fiction. The writer’s heart fleeds for the poor, sufferings people that form to bulk in society. Dina Dayal along with two Darji’s is seem to cope with adversaries. The depiction of Indian caste system is remarkable. Rohinton has presented various social and cultural issues in a very touching manner. Every single line and incident of the book is worth allusion. The life of poor down caste people, how they make their both ends meet, how mother loose her chastity at the hands of an orchard owner for a few mangoes, the way people treat the boys when they change their profession, how one of them is killed with family by the upper class, shows the post colonial India in reality. Not only in villages but in towns also the situation is no different. Bombay, the cosmopolitan city is a place where high and low meet. The life in slum and the life in a flat hardly has any differences. Everywhere the common man has to endeavor to maintain the fine balance in their life. One who is able to maintain this balance survive other perish.

In Family Matters Rohinton shows how the Paris maintain their purity. In a sarcastic manner Nariman, the protagonist says that it is better to marry a Parsi divorcee woman than to marry a virgin untouchable. In the very beginning we find Nariman’s unacceptance of Parsi culture but ultimately his succumbs to his cultural pressures. The whole life he tries to keep his wife and children (step) happy but couldn’t succeed Nariman’s commentary over various social and political issues develops a picture of contemporary world in reader’s mind.

The whole study shows how Rohinton has presented the Parsi and non-Parsi community in his novels and stories. Being a Parsi himself he has given a detailed picture of Parsi way of living, thinking, worshipping and their attitude towards the non-Parsis. His work of fiction is a keyhole to Parsi world. Moreover a cultural study of his work brings the things more explicitly and systematically though there are some other approaches also that can be attributed to Rohinton’s work but that would be studied later on in some other issue.

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CIVIL DISOBEDIENCE MOVEMENT IN HISAR

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ABSTRACT

Civil disobedience movement was the second main movement of Gandhiji its started with historical Dandi march from Sabarmati Ashram with 78 trained followers to the small village Dandi from 12 March 1930 to 5th April, 1930. On 6th April, Gandhiji reached the sea shore and broke the salt law. It was the signal for the people of India to come forward in this direction. People in the other parts of the country also broke the salt law and the places, where the salt law could not violated in absence of saline water other laws were broken. According to this movement Gandhi adopted the Policy of disobedience of the orders of the British Government with mild protest and attitude so that the path to the freedom of India could be open up.

Large number of people of Hisar came forward and join the movement. Thus this movement gained momentum and shook the British Government. Programmes of the movement were very clear, so on the call of Mahatma the people of entire country participated. The British Government was very much perturbed by the increasing popularity and strength of the movement. A great number of the Satyagrahis were sent behind the bars and lathi-charges took place at several places in order to suppress the satyagrahis but the spirit of the Indians could not be subdued.

Leader of the movement in this area were Pt. Neki Ram Sharma and Ghopi Chand Bharghwa. Villages and cities of Hisar District were active from begning to last National Leader K.A. Desai started this movement in Village Barwa. Different programme like picketing, Boycot of foreign cloth and mobilization of public were in good responce. Leader of this area were kept in Gujarat Special Jail in poor condition.

Civil disobedience movement was the turning point in the History of freedom movement of India. This movement started with historical Dandi march from Sabarmati Ashram with 78 trained followers to the small village Dandi from 12 March 1930 to 5th April, 1930. On 6th April, Gandhiji reached the sea shore and broke the salt law. It was the signal for the people of India to come forward in this direction. People in the other parts of the country also broke the salt law and the places, where the salt law could not violated in absence of saline water other laws were broken. According to this movement Gandhi adopted the Policy of disobedience of the orders of the British Government with mild protest and attitude so that the path to the freedom of India could be open up.

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As it is clear that Civil-disobedience movement was popular in whole of India. But this paper deals with Hisar of modern Haryana region. At the time of study this region was the part of Punjab. So it is not possible to discuss the event of this region only. In this regard there are some events which are related with total Punjab or South-east Punjab are also mentioned

I

At a meeting held at Lahore on 29th January, 1928, under the presidentship of Lala Lajpat Rai, Dr. M.A. Ansari, Maulana Abul Kalam, Mohammad Ali urged non-cooperation with the Commission and asserted that only a Round Table Conference composed of British and Indian members of equal status to frame a constitution for India could satisfy India's political demands. They called upon the people to observe strike on 3rd February, 1928, the day of the statutory commission's arrival in India.¹ In Jullundur, Ludhiana and Hisar district, there was a very half-hearted hartal by a few shopkeepers for a part of the day.²

In a speech at Lahore, Lala Duni Chand, a prominent Congress leader admitted that Lahore could not observe hartal on 3rd February, 1928, due to undesirable tactics employed by the government's supporters against it.³ At the same time, however, The Tribune, reported that the hartal was observed at Bhiwani and Hisar, though at some places it was only partial.⁴ On arrival of the commission, the District Magistrate had issued orders under section 144 CPC to regulate processions within the limits of the Lahore Municipality, directing the public to abstain from organising or joining any procession.⁵ Despite his old age and ill health, however, Lala Lajpat Rai urged defiance of the orders. A procession carrying black flags with the inscription 'Simon Go Back' led by prominent leaders like Lala Lajpat Rai, Pandit Madan Mohan Malviya, Sardar Mangal Singh, Dr. Mohammed Alam, Sardul Singh Caveeshar. Lala Duni Chand, Lala Bodh Raj Raizada, Hans Raj, Dr. Gopi Chand Bhargava, Maulana Zafar Ali, Abdul Qadir Kasuri, were forced to stay away from the Railway Station. On its arrival at the barriers which had been posted at some distance from the station, a deliberate and unprovoked attack was made by the police on Lala Lajpat Rai and other leaders.⁶ As a result of the attack, Lala Lajpat Rai died on 17 November, 1928.⁷

Thereafter, the Punjab Provincial Political Conference met at Rohtak on 8 and 9 March, 1929, under the Presidentship of Dr. Satyapal. Many important resolutions were passed at the Conference. A resolution of condolence on the death of Lala Lajpat Rai was moved from the Chair and passed by all standing in solemn silence. Lala Bodh Raj moved a resolution condemning the action of those police officers who had assaulted Lala Lajpat Rai on the day of Simon Commission's arrival at Lahore.⁸ Lala Sham Lal moved a resolution which sympathized with the peasants of the Skinner's Estate, a reference to which has been made earlier, and promised them support in their struggle against the officials of the Estate.⁹

At Rohtak Pandit Shri Ram Sharma, Editor "Haryana Tilak" Jhajjar and prominent Congressmen of Rohtak started organisational work. He began his tour from 1 May, 1929, addressed public meetings and helped to reconstitute and form Congress Committees.¹⁰ In Hisar, similar work was undertaken by Pandit Thakur Dutt Sharma, Bakshi Ram Kishan and Lala Manu Ram also helped. At Sirsa, the local workers went round the city. Many Congress members were enlisted.¹¹

The forty-fourth session of the Indian National Congress commenced its sitting on Sunday, 29 December, 1929 at 5.00 p.m. amidst unique enthusiasm at Lajpat Rai Nagar, Lahore. The huge pandal, which could accommodate about fifteen thousand men was packed to its utmost capacity.¹² Pandit Neki Ram Sharma was the member of the Reception Committee of the Lahore Congress.¹³ In this session Congress passed resolution fixing Sunday, 26th January, 1930 for a countrywide demonstration supporting the Congress creed of Purna Swarajya or Complete Independence. Pandit Jawahar Lal Nehru, President of the Congress issued the appeal.¹⁴

The working Committee of the Indian National Congress also issued a comprehensive resolution for adoption at meetings, to be held all over India on 26th January, the Purna Swarajya Day.¹⁵

On 26th January, 1930, the Independence Day was celebrated all over the province with unprecedented enthusiasms, great grandeur. Thousands of people hoisted national flags over their houses and many had illuminations at night. Prominent leaders like Gopi Chand Bhargava, Dr. Satyapal Pandit K. Santhanam, Maulana ZafarAli Khan, Caveeshar, Dr. Khan Chand Dev, Mulana Adbul Qadir Kasuri, Dr. S.D. Kitchlew, Sardar Kharak Singh and Pandit Neki Ram Sharma unfurled the national flags and participated in the processions.¹⁶

On the whole as a result of the celebrations, the Congress succeeded in giving a large measure of publicity to its programme and prepared ground for the Civil Disobedience Movement that it soon was to launch.¹⁷

Under the circumstances, Gandhi ji called a meeting of the Congress Working Committee which met at his Ashram on Sabarnati on 14, 15 and 16, February 1930. It decided to launch Civil Disobedience.¹⁸ And finally on 12 March, 1930, "Victory or Death" with this as motto, Gandhi ji started on his Civil Disobedience campaign in the morning at 6:30 a.m. with a batch of 78 satyagrahis which include Pyarelal, Lala Suraj Bhan and Prem Raj from Haryana region.¹⁹

On 4 April, 1930 the All India Congress Committee asked the Provincial Congress Committee to start Salt Satyagraha on 8 April, or which in a day or two of the 8 April, 1930 and in any event Satya graha should begin in the National Week (i.e. 6 April - 13 April)²⁰

II

An important Provincial Conference was held at Gujranwala on 5-7 April, 1930, Maulana Zafar All Khan, a popular leader of the Punjab, was the President of this Conference Congress workers from all over the province attended the Conference. Among the leaders who attended the Conference were Pandit Jawahar Lal Nehru, Lala Duni Chand, Dr. Satyapal, Dr. Gopi

Chand Bhargava, Babu Purshotam Das Tandon, Dr. Mohammad Alam, Maulana Atta Ullah Bukhari, Major Tara Singh and Sardar Kishan Singh.²¹

At its meeting held on 26th April, 1930, the Punjab Provincial Congress Committee appointed Chhabil Dass, members In Charge of the movement in the Punjab for preparing Salt and picketing of liquor shops. He was to be assisted by a Committee of seven persons which included Lala Duni Chand. Dr. Mohammad Alam Hamid and Lala Mohan Lal. A committee of seven persons which included Dr. Gopi Chand Bhargava, Mrs. Zutshi, Lala Achint Ram and others, was formed to assist him in his work.²²

At Barwa (Hisar) on 21 February, 1930 K.A. Desai after exhorting the people to expel the foreign government said The labourers and the people of England earn Rs. 32 per day, but we Indians cannot get more than Rs. 3/- You should prepare from now and establish Panchayats in every village.²³

Dr. Gopi Chand Bhargava also spoke in the same way to the Police and to the army at Lahore on 30th April, 1930. While exhorting the Police and the Army to revolt, he said, "It is now time that persons employed in the police and the Army should give up service and have this country liberated. The Punjab is a military province and if brave men do not rebel who else will rebel. A person who at present does not work against the government, is a traitor".²⁴

Programme for the Salt Satyagraha in Punjab, as we have seen, was announced by Dr. Satyapal on 8th April, 1930. As such at Lahore on 11 April, 1930 the Satyagrahis, led by Dr. Satyapal and Dr. Mohammad Alam, started from Bradlaugh Hall followed by huge crowd of people, to break the Salt Laws near the river Ravi. Dr. Gopi Chand and other Congress leaders garlanded them. A group of ladies including Mrs. Lajpat Rai, Smt. Paravati Devi, daughter of Lala Lajpat Rai, Mrs. K. Santhanam put marks of Sindhur and Sandal on their foreheads and garlanded them amidst repeated shouts of jails.²⁵

On 23 April, 1930 a jatha of eleven men of the Naujawan Bharat Sabha arrived at Bhiwani and Sirsa to go to villages to break the Salt Laws and to do Congress propaganda.²⁶

At Bhiwani, the local merchants formed a foreign Cloth Boycott Committee to see that the pledges, the individual merchants had given, were duly observed.²⁷ People at different places also signed pledges not to use the foreign cloth.

Picketing continued in October 1930, a fresh agreement was arrived at between the Congress and the local foreign cloth dealers in Hisar in which the merchants agreed not to sell foreign cloth altogether till it was allowed by the Congress and to get their stock of foreign cloth sealed by the Congress.²⁸

In August 1930, as mentioned earlier, the Punjab Provincial Congress Committee included the picketing of liquor shops in the programme and also to stop sale of other intoxicants.²⁹ The liquor shops were picketed at many places such as Hisar and Bhiwani. At Bhiwani where the picketing of liquor shops continued for several weeks, the local Municipal Committee intervened and requested the Congress Committee to call off picketing on the understanding that the Municipal Committee would take steps under the Local Option Act to close the shops.³⁰ In June 1931, at Bhiwani, picketing of cloth shops by the Congress workers and leaders led to altercation between the shopkeepers and the Congress workers. Sometimes, some

purchasers were kept back because the picketers, most of whom as reported by the government, were low class people engaged for their daily bread or sharbat said : , “:Have you come to buy cloth for a coffin.” As a result of such picketing the purchasers used to go away without purchasing foreign cloth.³¹ The government cancelled licences of some of the leaders for their Congress activities. The licences of Pandit Neki Rain Sharma of Bhiwani for a revolver and a gun were also cancelled after his conviction in 1930.³² Step of government was the organisation of the Aman Sabhas, emphatically styled as the Indian National Reconciliation League which was set up by the government and had its headquarters at Lahore to counteract anti- government propaganda and to do publicity work among the masses.³³ The Aman Sabha had its branches at Bhiwani and Hisar. Members who were mostly Nambardars, susedposhes, Zaildars or men of bad character on register No. 10, were enlisted. The zamindars were told that if they become³⁴ the members of the Aman Sabha, they would be able to get a remission of their land revenue. At Bhiwani, the members of Aman Sabha who were mostly pensioners or seekers of favours accompanied officials to distribute Takavi or in connection with some other form of famine relief work.³⁵ Soon after the Congress leaders were released from Jail, the Congress started the work of setting up a parallel government. The appointment of Congress Thanedars were made in the Hisar district also. The Congress workers exhorted the people to bring their cases of disputes before the Congress Thanedars. People were told about the significance of the National Week and were exhorted to use Khaddar. At Lahore, Dr. Gopi Chand Bhargava appealed to the people to promote inter-communal unity, discard foreign cloth and resort to peaceful picketing of foreign cloth shops.³⁶ The Congress leaders alleged that although after pact it was announced that prisoners convicted for the offences in connection with the Civil Disobedience Movement would be released, yet a larger number of political prisoners, some of whom were as mentioned below, had not been released after the Gandhi-Irwin Pact.

III

After Second Round Table conference Civil Disobedience Movement restarted so activity of the movement also started again. Efforts were made to revive the prestige of the Congress by holding District and Punjab Provincial Conferences.³⁷ Boycott and picketing of the foreign cloth shops were the most common forms of open activities in the towns.³⁸ On 28 April, 1932, the son of Dr. Gopal Chand Bhargava who was undergoing imprisonment in the Borstal Jail, Lahore was attacked by the local police in lieu of the fine of Rs. 200 imposed on him and his wife in connection with the Civil Disobedience Movement.³⁹ Pandit Jawahar Lal Nehru, Lala Duni Chand of Ambala, Raizada Hans Raj, Dr. Gopi Chand Bhargava, M.L.C. interviewed some of these prisoners including Bhagat Singh and B. K. Dutt and had conversations with them.⁴⁰ In the Gujarat Special Jail as a result of the poor state in the Jail, J. N. Sahni, Editor of the Hindustan Times, lost 6kg in weight in 17 days and Dr. Gopi Chand Bhargava 12 kg in the same period.⁴¹ Not only this, in the last quarter of the year 1930, the privilege of remission that were generally entitled to for doing labour work in jail was denied to them. Eminent physicians like Dr. Ansari, Dr. Gopi Chand Bhargava, Dr. Khan Chand and Dr. Satyapal were prohibited from treating their fellow prisoners. All interviews with them were banned by the

⁴² government. There were complaints regarding diet also. It was alleged that parched dal was served only in the morning followed by two big chapatis with vegetables at 11:00 a.m. The evening meal consisted of two large chapatis with dal. The prisoner with hard labour got ten annas per month as his wages in exchange for which he might have 9 chks of Indian sugar (gur) week of 4½ chks of gur and two pedro cigarettes a day. Food for about 500 persons was cooked in one kitchen by a batch of langaris. The whole process had to be completed within a few hours, twice a day. The vegetables were baked into pieces with a hatchet in the way fodder was prepared for cattle. Sometimes it was crushed with feet and thrown into pot. The dal was cleaned not with hands but with feet. The flour was also kneaded with feet. The mere sight of the cooking processes was to give many people nausea. Every prisoner was given two flat iron bowls. He used to put sag in one and water in the other with chapatis in his left hand or he could put chapatis in one of iron bowls and take water out of the small earthen pitcher. He was not given a lota. Some ten years ago, the iron utensils were disapproved on medical grounds and aluminium was agreed upon in place of iron. But the same rejected iron utensils were still in use in spite of the fact that these iron utensils were rejected by the Punjab Jail Committee also.⁴³ At last on the basis of preceding account of Civil Disobedience Movement it is clear that people of Hisar took part in the movement with great zeal and determination. The declaration of complete Independence was in a way a recognition accorded to the Spirit manifest in the region. The people of Hisar as well as Haryana were ready to take part in the movement, when the call for it actually was given by Mahatma Gandhi after he himself broke the salt law at Dandi on 6th April, 1930.

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INDIA-WEST ASIA RELATIONS

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ABSTRACT

West Asia has always been an important and comfortable neighbour for India. This region is of immense strategic, commercial and cultural interest to India. After successful pursuance of “Look East Policy,” India enthusiastically announced its “Look West Policy” in 2005 to pursue closer relations with West Asian Nations. India accelerated the mission through various high level visits. MOUs on trade, Diaspora, security and energy issues were signed between India and Countries of this region. India views the region with full of opportunities in the field of energy security. This paper highlights the efforts taken by India to reap the benefits out of its ‘Look East Policy’. It also analyses the Indian Prospects and the reciprocal responses of the countries of the West Asia Region.

Keywords: India, West Asia, Middle East, Energy Security, Trade, Indian Diaspora.

West Asia is the proper geographical description for the region, which is known as ‘Middle East’ the world over (Gharekhan, 2009, p. 405). West Asia broadly refers to those countries that are members of the League of Arab States, Israel (with its Jewish and Arab population), and the non-Arab countries of Turkey and Iran (which have small Arab populations). These countries are clustered into three sub regions: (a) North Africa, which includes the countries of Algeria, Egypt, Libya, Morocco and Tunisia. (b) The area along the eastern part of the Mediterranean is the Fertile Crescent (Levant of the colonial times) that includes Syria, Lebanon, Jordan, Israel, the West Bank and Gaza Strip, as well as non-Arab Turkey to the north. (c) Lastly, the oil-producing countries of the Gulf and Arabian Peninsula, namely, Iraq, Saudi Arabia, Bahrain, Kuwait, Qatar, the United Arab Emirates, Oman, Yemen and the non-Arab, Persian state of Iran. The UN includes Armenia and Azerbaijan (parts of Caucasus) also in extensive categorization of West Asia. Afghanistan is also sometimes included in a broad definition of “Western Asia.” The region covers more than 4 million km approaching 2.5 percent of world’s total land area.

Though India has historical relations with this region; the changed circumstances required a relook in its policy. To secure the growing interests in the western neighborhood—from energy security to counter-terrorism—India reoriented her adhoc responses to individual crises and define what we call a ‘Look West’ policy. The terminology got acceptance in the academic and intellectual circles in juxtaposition to ‘look east’ policy of India. (Khurshid Imam, 2010). Historically, West Asia has always been a comfortable neighborhood to the Indian subcontinent. But the relationship has touched the new heights since the beginning of India’s “Look West Policy” in 2005. New Delhi felt that the Gulf region, like South-East and South Asia, is a part of its natural economic hinterland. After successful pursuance of “Look East Policy” India enthusiastically announced its “Look West Policy” to pursue closer economic relations with West Asian Nations and began negotiations with the Gulf Cooperation Council (GCC) to conclude a Free Trade Agreement (FTA), and

also approved negotiations with all individual member countries of the GCC for a Comprehensive Economic Cooperation Agreement (CECA) covering the services and investment sectors (Pradhan, 2011).

West Asia is of immense strategic, commercial and cultural interest to India. Nearly 5 million Indians are working in the region, mostly in the six countries of Gulf Cooperation Council (GCC). They remit billions of dollars to their families back home every year. Then there is the energy factor. India imports at least 60 per cent of its hydrocarbon needs from west Asia, and this dependence will only grow in future. There is another reason why India should be concerned about the situation in west Asia. It is one of the two epicenters of global terrorism. It has achieved this dubious distinction largely because of American policies in the region—its failure to use its clout to resolve the Palestinian conflict and its disastrous intervention in Iraq. All these factors have their implications for India.

India has accelerated its mission of “Look West Policy” through various high level visits. The visit of Prime Minister Manmohan Singh to Oman and Qatar in November 2008 culminated into important agreements with both the countries. Three Memorandums of Understanding (MoUs) were signed with Qatar. These include agreements on defence and security, investment, energy and manpower development. The agreement on defence and security covers maritime security, piracy, intelligence sharing on terrorism, money laundering, narcotics and transnational crimes, including training and exchange of visits. The agreement on law and security enforcement lays out the framework for sharing of information and databases on threats posed by extremists and other legal matters. During the visit, Prime Minister Manmohan Singh requested Qatar to supply an additional five million tonnes of liquefied natural gas (LNG). Qatar is already the largest LNG supplier to India, and supplied 8.25 billion cubic metres (BCM) of LNG in 2009. Manmohan Singh visited Oman from November 8-9, 2008. India and Oman signed an MoU for establishing a joint investment fund with a seed capital of US\$ 100 million, which will be expandable to US\$ 1.5 billion. The joint fund is designed to identify projects in infrastructure, tourism, health, telecommunications, utilities, urban infrastructure and other sectors in both the countries. The agreement on manpower seeks to protect the interests of the Indian workers in Oman, particularly those of women and those engaged in household sector which does not come under the purview of labour laws.

Three agreements were signed during the visit of Vice President Hamid Ansari in April 2009 with Kuwait. These were- Educational Exchange Programme for the period 2009-2011, Agreement on Cooperation in Science & Technology, and Cultural Exchange Programme for the period 2009-2011. All the three agreements signed are intended to increase India’s soft power in the country. In February-March 2010, Prime Minister Manmohan Singh visited Saudi Arabia. During his visit the Riyadh Declaration was signed with the Saudi King Abdullah bin Abdulaziz Al Saud. The implementation of the Delhi Declaration, signed in 2006 during King Abdullah’s visit to India, was also reviewed. In the Riyadh Declaration, the two leaders condemned terrorism and extremism, agreed to enhance cooperation in the exchange of information relating to terrorist activities, money laundering, narcotics, arms and human trafficking, and to develop joint strategies in combating these threats. Both leaders also agreed to develop a broad-based economic partnership including infrastructure, energy and enhancing bilateral trade. The Riyadh Declaration has been termed as “a new era of strategic

partnership” by both countries. The Prime Minister proposed a strategic partnership between the two countries in the energy sector. He said that it is time to move beyond the traditional buyer-seller relationship and to forge a comprehensive energy partnership. India invited Saudi Arabia to participate in the crude storage facilities in India. The Saudi side also assured the Indian Prime Minister the Kingdom’s “desire and readiness” to provide India with its “present and future” oil needs.

In November 2010, President Pratibha Patil visited UAE to discuss business, political and community-related issues. President Patil stated that “India is committed to pursuing a common strategic vision for promoting regional peace and security and for the enhancement of our relations in the political, economic, security and cultural fields.” President Patil said that UAE would continue to be important for India’s energy security. The relations have a broader strategic dimension in political, trade, economic and cultural fields. President Patil discussed investment opportunities in India with the UAE leaders and said that India was looking at \$1 trillion in investments in the infrastructure over the next five years and that the government was planning to disinvest up to \$8.7 billion in public sector undertakings. During the visit, she also inaugurated the Indian Workers Resource Centre (IWRC) in Dubai which is a free, walk-in resource centre providing Indian workers, especially semi-skilled and unskilled labourers, direct access to welfare services in the United Arab Emirates. This was a remarkable achievement of India in the field of welfare of the Indian people working in UAE.

Iran has a special and prominent place in India’s Look West policy. Though the relationship between the two has gone through many difficult phases it has strengthened after a couple of high level visits exchanged between New Delhi and Tehran. Iran has been defined as a part of India’s “proximate neighbourhood.” Its geopolitical and strategic location, long coastline along the Gulf, and its influence over the Straits of Hormuz make it an important country in the region. For India, Iran is an important source of energy to cater for her growing energy needs. Iran has the third largest proven oil reserves and second largest proven gas reserves in the world. Iran’s close geographical location with India would be beneficial for transporting oil and gas at relatively lower cost. Another potential area of cooperation between India and Iran is in maritime security. The Indian interest in the Indian Ocean region and the proximate neighbourhood focuses on the need for regional peace and stability, mutually beneficial relations with littoral states, accessibility of oil and gas resources, the freedom of navigation through the Gulf and the Straits of Hormuz, and access to regional markets for Indian goods, technology, investment, labour and services.

India has a big stake in the region (Tripathi, 2013). Energy is the most obvious case in point. 70 per cent of India’s imported energy needs come from west Asia, and this dependence will only increase if Indian economy continues to grow at 8 per cent or more (Gharekhan, 2009, p. 412). The Middle East has around 40 percent of the world’s oil reserves making it a hub of the global energy market. Saudi Arabia holds 21 percent of global oil reserves, while Kuwait and the UAE have around 8.1 percent and 7.8 percent respectively. Other significant players are Iran and Qatar with 136.2 billion barrels/948 trillion cubic feet (tcf) and 27.1 billion barrels/890 tcf of oil and natural gas respectively (Ghoble, 2013). India is currently the fourth largest energy consuming country in the world and it may go up to third position in next couple of decades. Gulf countries are already the main crude suppliers to India with Saudi Arabia at the top supplying 14,049.15 million tonnes followed by Iran and the UAE at

10,193.27 and 5,448.84 million tonnes, respectively. The growing energy necessity has undoubtedly dictated India's initiative of building up a 'strategic energy partnership' with the region to secure long term energy supply for the country. And the region of West Asia is full of energy resources.

The countries of GCC have also been centre of attraction for India in case of trade and investment. The trade figures have been consistently going up especially with countries like the UAE, Saudi Arabia and Iran. The UAE is India's foremost non-oil trading partner in the world with a total trade of 43,469.50 million dollars. Saudi Arabia is the fourth largest non-oil trading partner with a total trade of 21,004.57 million dollars. The Gulf countries look at India as a fast growing economy which holds the potential to compete with the major world economies. Realizing the trade potential of the Gulf countries, India has entered into a negotiation with the GCC to finalise a Free Trade Agreement. Both the sides have already met for four rounds of negotiations on the FTA. Attracting Foreign Direct Investment from the cash rich Gulf region is also a priority for India. The Gulf countries have huge potential for investing in different sectors in India for mutual benefit. According to the Department of Industrial Policy and Promotion, from April 2000 to October 2010 the UAE was the top investor in India from the region with investments worth US\$ 1,815.29 million, followed by Oman which has invested US\$ 326.55 million. During the same period, Saudi Arabia invested US\$ 31.59 million, Bahrain US\$ 26.78 million, Kuwait US\$ 15.70 million and Qatar US\$ 1.13 million. India offers the foreign investors opportunities in various sectors such as infrastructure development, science and technology, information technology, biotechnology, healthcare, higher education etc. India also places the region on high agenda in its foreign policy as a proper place for investment.

Both India and gulf countries are realizing the need of going beyond the trade partners status. India is looking forward to enhance strategic ties with the region. India needs to engage the Gulf countries to further its own influence in the region as well as the world. India has already discussed its intention with the Gulf countries to join the United Nations Security Council (UNSC) as a permanent member. By forging ties in sectors other than energy and trade with the Gulf region, India is developing a warm relationship with the Muslim world. This would help in building up India's engagement with organizations like OIC and the Arab League. Particular attention has been paid on military cooperation to deal with common security threats. The growing threats of Islamic extremism, terrorism and maritime piracy have become concerns for both India and the Gulf countries. There is a growing concern over the rise of criminal activities, money laundering and illegal arms trade between the two regions. India has signed defence cooperation agreements with the UAE, Oman, Qatar and Saudi Arabia. The defence agreements are aimed at providing military training, cooperation in military medical services, joint exercises, joint development and manufacture of sophisticated military hardware, cooperation in product support, services, defence science and technology etc and jointly combating pollution caused by the military at sea. The Indian Navy has been at the forefront of conducting military exercises with the Gulf region. The Indian Navy has conducted exercises with the navies of Kuwait, Oman, Bahrain, Saudi Arabia and UAE. Besides, the Indian Air Force has also come forward to conduct Ariel exercises with their counterparts. In September 2008, India conducted its first joint air force exercise with the United Arab Emirates at the Al Dhafra base in Abu Dhabi. In December 2006 India signed a strategic Memorandum of Understanding on Defense Cooperation with Oman that

included exchange of expertise in military training and information technology, utilization of military and educational courses and programs, exchange of observers attending military exercises and exchange of formal visits (Jeffrey, 2011). In October 2009 the Indian Air Force conducted a joint exercise with Oman codenamed 'Eastern Bridge' at the Royal Air Force of Oman (RAFO) base at Thumrait. The exercise, though ostensibly conceived to increase interoperability between the RAFO and the IAF, also served to underline the strategic reach of the Indian Air Force. The recent spurt in the piracy activities off the Gulf of Aden in the Indian Ocean has affected both India and the Gulf countries. For India, the security of the Indian Ocean is important as large number of oil tankers pass through these waters. Cooperation with the Gulf countries in fighting piracy would also strengthen India's presence in the strategic waters of the Indian Ocean. India has already deployed its naval ships to deter the pirates. The military ties undoubtedly will increase the confidence of both the sides to overcome the risk of threats from state and non-state actors.

The rising India is very conscious about its image worldwide with a view to enhance its soft power status. There is a conscious effort on the part of India to bring back Indian cultural influence in the region which India enjoyed in the past. In recent years India has attempted to strengthen cultural ties with the Gulf countries by signing and renewing the existing cultural exchange programmes. India signed an Executive Programme for Cultural Cooperation for 2007-2010 in 2007. An Executive Programme for the Cultural and Information Exchanges between India and Kuwait was signed for the years 2009-2011 in April 2009. India signed an MoU on Cultural Cooperation with Oman in July 2010 for a period of five years. These cultural ties with the countries of the region definitely enhanced the soft power status of India.

In the field of education, the Cooperation is also witnessed between India and the Gulf region. Under the Education Exchange Programme 2009-2011, signed between India and Kuwait, both the countries have agreed to exchange information on studies and researches in the fields of education and learning, and exchange specialists in the fields of general education, adult education, special-needs education, and social and psychological services. An MoU on education was signed between India and Oman in December 2007 which encourages cooperation between the two countries through visits of academics, officials and students from universities and academic institutions, organising seminars, scientific programmes and training courses, and exchange of books, scientific documents and library materials. India has also pledged to assist Saudi Arabia in setting up an ICT Centre of Excellence as well as institutes of higher learning, involving both education and research in the field of technology. India and Saudi Arabia signed a memorandum on higher education in the year 2006 which calls for exchange of teaching faculty and students, encourage direct scientific and educational communications among the institutions and exchange of delegations between the two countries. Further efforts are continued in this direction.

India is also committed to protect the interest of its five million Diaspora in the Gulf. The Indian maids working in the households are in the most vulnerable situations as they are not covered under the local labour laws. India has taken up the issue with the governments of the region and has appealed for the safety and security of the Indian house maids in the region. India has signed labour agreements with the Gulf countries which call for protecting the workers from exploitation by the employers (like sexual harassment, physical abuse, holding the payment, overtime work without extra incentives etc.), checking the illegal and

unauthorized recruiting agencies and unhealthy working and living conditions. The Indian Diaspora in the Gulf is a major source of foreign currency. According to the World Bank report on the Remittances and Migration, India is the top remittance receiving country in the world with US\$ 55 billion of remittance in 2010. The Reserve Bank of India estimates that for the period of 2006-07 to 2009-10, the Gulf region accounted for an average of 27 per cent of the total remittance inflows to India. The UAE and Saudi Arabia are the major source countries for the remittance. In the year 2008-09, the remittances from the Gulf reached US\$ 14, 430 millions constituting 30.7 per cent of the total remittances received during that financial year surpassing that of the North America. Hence, 'Look West Policy' has more important role to play in Indian foreign policy.

It is not only one way traffic from Indian side but gulf also responded reciprocally with enthusiasm. Impressed by the economic development of India and the growing stature of the country in the region and beyond, the Gulf countries have looked upon India as a responsible and trusted player. The GCC countries have adopted a 'Look East' policy focusing on India and China – two major Asian giants. The rise of Asia in general and India in particular has impressed the Gulf countries that have started trusting India and its increasing profile. A number of leaders from the Gulf have also visited India in recognition of the importance they attach to the country. The visit of King Abdullah of Saudi Arabia in 2006 to New Delhi was a landmark visit as it improved the bilateral relations between the two countries. Since then a number of heads of States and high level delegations have paid visits to India and have openly expressed their desire to improve their relationship with India. For them India has emerged as a reliable partner beyond trade and business. Lot of other opportunities are open for both the sides in this relationship.

Keeping in mind all pros and cons the policy needs to be supplemented with more proactive Indian involvement in the various sectors. With the rapid economic growth and rising profile of India, devising such policy of engaging with the extended neighbourhood has become imperative for India. The focus of the Indian interest in the Gulf region remains in the fields of trade, energy supply and protecting interests of Indian workers there. India is robustly pushing its soft power in the form of education and culture in the region emphasizing exchange and cooperation. But India has adopted a cautious approach while dealing with the political and military issues. India is careful so as not to be blamed as an interventionist big power in the region. Strengthening the relationship in the areas of education and culture has been intended to maintain India's soft power dominance by spreading Indian culture and contributing to human resource development in the region, while the defence and strategic partnerships have been driven by the need to tackle the increasing threats of terrorism and piracy, and to deal with the changing political and strategic environment in the region and the neighbourhood. By attempting to forge strategic ties, India has expressed its desire to engage the Gulf region in all possible new sectors while, at the same time, strengthening the all-important energy and trade ties between the two. The need of the hour is that India should play a more active but cautious role regionally and globally to emerge and portray as a trustworthy partner in world affairs.

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A STUDY OF FDI INFLOWS AT DEVELOPED COUNTRIES LEVEL: AN ANALYSIS OF TRENDS

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ABSTRACT

Foreign direct investment (FDI) is an essential part of an open and effective international economic system and a major catalyst to development. Yet, the profits of FDI do not accrue automatically and evenly across countries, sectors and local communities. National policies and the international investment architecture matter for attracting FDI to a larger number of developing countries and for reaping the full benefits of FDI for development. The objective of this paper to analyze the emerging dimension of FDI inflows at developed countries level from 1991 to 2011 i.e. 20 years. The study concludes that developed countries have benefited from FDI inflows and their strong economic base motivated these countries to invest their surplus funds in transition and developing countries which provides abundance opportunities and strong consumer demand and poor infrastructure.

KEYWORDS: UNCTAD, Transition Economies, FDI, Investment, Developed Economies

Foreign investment can be categorized into two forms i.e. foreign direct investment (FDI) and portfolio investment. The present study focuses only on the FDI. Further, FDI may be outward FDI and inward FDI. Outward FDI refers to direct investment in abroad while inward FDI refers to direct investment in host countries. Other categorizations of FDI include vertical and horizontal FDI. The former takes place when a multinational corporation owns some shares of a foreign enterprise which supplies input for it or uses the output produced by the MNCs. The horizontal FDI happens when MNCs carries out a similar business operation in different countries. FDI is defined as a long-term investment made by a foreign investor directly in an enterprise resident in an economy other than that in which the foreign investor is based. FDI is one of the most real means by which transition economies and developed countries become integrated to the world economy as FDI provides capital, technology and management know-how necessary for restructuring firms in the host economies (Estrin, Hughes, and Todd; 1997); (Lankes and Venables; 1996). There is also evidence that there is a positive correlation between FDI inflows and economic growth of the host country via the spillover effects of advanced technology (Borenzstein, De Gregorio, and Lee, 1998). The global financial crisis originated in the developed world, and has been rapidly spreading to developing and transition economies. Its economic impact varies widely, depending on region and country. Developed countries have been directly hit, and FDI inflows to these countries were the most affected. Indeed, UNCTAD estimates show that FDI inflows have fallen in many developed countries in 2008, mainly as a result of the protracted and deepening problems affecting financial institutions and the liquidity crisis in financial markets.

REVIEW OF LITERATURE

A substantial amount of empirical studies have been conducted on the factors determining foreign direct investment (FDI). There exists a large amount of literature on the variables that determine the FDI inflows and outflows to and from any country. The existing literature includes a large number of surveys, case studies and a number of econometric studies relating to Asian countries, European countries and rest of world. Lucas (1993) examined the determinants of FDI flows in seven East and Southeast Asian economies i.e. South Korea, Malaysia, Indonesia, Philippines, the Singapore, Taiwan and Thailand over the period 1960-1987, employing a model based on the derived demand for foreign capital of a profit maximizing, multiple product monopolists. FDI inflows were found less elastic with respect to the costs of capital than to wages and more elastic with respect to aggregate demand in export markets than domestic demand. Billington (1999) analyzed those factors which determine the choice of location for FDI by employing two models: multicountry models which containing seven industrialized countries; and a multi-region model, consisting of the 11 regions of the United Kingdom (UK). At country level, it was found that market size, variables (income and growth), unemployment, level of host country imports and certain policy variables (corporate tax and interest rates) were significant determinants of location for FDI. At regional level, population density, unit labour costs and unemployment (again positive) were the most influential variables.

Carstensen and Toubal (2004) examined the determinants of FDI in Central and European countries and found that traditional determinants like market potential, low relative unit labour costs, skilled workforce and relative endowments had significant and plausible effect. In addition, transition-specific factors like the level and method of privatization and country risk played important roles in determining the flows of FDI. McDermott (2008) investigated the effect of fluctuations in and volatility of the real exchange rate on foreign direct investment by using panel data of 55 countries from 1980 to 1997. The result found that both weak host currencies and greater volatility of exchange rate discourage FDI flows. Singla (2011) examined the determinants of FDI inflows in India from 1993 to 2010 by using correlation and multiple regression analysis. The findings revealed that FDI inflows depend on stock market, index of industrial production (IIP), gross domestic product (GDP) and foreign institutional investors (FIIs) net investment. On the other hand, exchange rate and foreign exchange reserves do not have any significant effect on FDI inflows in India.

OBJECTIVE & METHODOLOGY OF THE STUDY

The main objective of the study is to analyze the emerging dimension of FDI at developed countries level. The present study is based on secondary time series data ranging from 1991 to 2011 i.e. 20 years. Further, the study period is sub-divided into four parts and each part consists of five years to make comparison of time series data. Data used in this study have been collected from World Investment Report (various issues), For the purpose of analysis, simple average, percentage to point, and annual percentage change in comparison to previous year have been used. For presentation of data, tables are used.

ANALYSIS & INTERPRETATION

1991-95

Table 1 reveals that FDI inflows to the developed countries in 1991 were \$114035 million and the FDI inflows as a percentage of GDP and FDI inflows as a percentage of GFCF and developed countries' share in global FDI inflows were 0.62 per cent (Table 2), 2.84 per cent (Table 3) and 74 per cent (Table 4) respectively. However, the picture differed considerably by region and country. Table 5 exhibits that developed America¹, Asia², Europe³, and Oceania⁴ together represents the inward FDI received by developed countries. In 1991, developed Europe accounted for \$82760 million, which was the largest share of inward FDI to developed countries followed by developed America to \$25680 million, developed Oceania to \$4261 million and developed Asia to \$1334 million.

FDI inflows to the developed countries fell in 1992 by 2.54 per cent from the previous year (Table 1). Several factors i.e. sluggish economic growth, declining profitability, poor business performance in banking, finance and real estate industries was responsible for the decline (UNCTAD, 1993). Therefore, FDI-to-GDP ratio and FDI-to-GFCF ratio decreased to 0.56 per cent (Table 2) and 2.64 per cent (Table 3) respectively. The share of developed countries also reduced to 67 per cent by 7 percentage points from the 1991 (Table 4). Table 5 reveals that developed Europe recorded 6 per cent decline in inflows in 1992 (\$78111 million, down from \$82760 million in 1991). Developed America recorded 6.75 per cent decline in inflows in 1992 (\$23946 million, down from \$25680 million in 1991). Developed Asia FDI inflows increased by more than 128 per cent and developed Oceania FDI inflows increased by more than 41 per cent.

Table 1 exhibits that a new wave of FDI inflows in developed countries began in 1993 following the end of the FDI recession. FDI inflows in developed countries accounted for \$143435 million in 1993, \$150575 million in 1994 and \$222484 million in 1995 in absolute terms, whereas in percentage terms, FDI inflows in developed countries increased by 29 per cent in 1993, 5 per cent in 1994 and 48 per cent in 1995. FDI inflows in developed countries increased between 1991 and 1995, except 1992. Inflows of FDI to developed countries increased from 1991 to 1995, to \$222484 million. Table 2 reveals that FDI inflows as a percentage of GDP was 0.72 per cent in 1993, 0.71 per cent in 1994 and further increased and reached to the level of 0.95 per cent in 1995. The position of FDI inflows as a percentage of GFCF was also somewhat similar to the FDI-to-GDP ratio, i.e. 3.46 per cent in 1993, 3.38 per cent in 1994 and 4.52 per cent in 1995 (Table 3).

However, the share of developed countries in world FDI inflows fell in next two years and again rose in 1995 and reached to the level of 64.98 per cent (Table 4). Table 5 reveals that after experiencing a decline in 1992, FDI inflows in the developed Europe recovered and accounted for \$79857 million in 1993, \$88823 million in 1994 and \$136637 million in 1995. The growth of inflows has slowed down due to lingering economic recession in some countries of Europe combined with the slow transition towards a market economy. The 1995 level is, however, the first highest yet reached during the period from 1991 to 1995. Developed America FDI inflows increased substantially by 131 per cent in 1993 but declined by 3.79 per cent in 1994 and again increased by 27.64 per cent in 1995. The 1995 level is, however, the first highest yet reached during the period from 1991-1995. Developed Asia recorded more than 77 per cent decline in inflows in 1993, a further increase of 100 per cent

was registered, which accounted for \$1364 million in absolute terms in 1994 and increased again by 18.62 per cent and accounted for \$1618 million in 1995 with signs of recovery in inward FDI thereafter. Developed Oceania FDI inflows increased by more than 24 per cent in 1993 but declined by 5.41 per cent in 1994 and again increased by 128 per cent and accounted for \$16203 million in 1995.

During 1991-1995, average FDI inflows to GDP ratio and FDI inflows to GFCF ratio was 0.71 per cent (Table 2) and 3.4 per cent (Table 3) respectively. However, the average world FDI inflows during the period of 1991-1995 were \$148334 million, which were more than first three years FDI inflows (Table 1). The average percentage share of developed countries in global FDI inflows was 65.81 per cent during the period of 1991-1995 (Table 4). Table 5 reveals that average share of America, Asia, Europe and Oceania in total share of developed countries was \$45269 million, \$1611 million, \$93238 million and \$8217 respectively during the period of 1991-1995. Europe region accounted for 62.86 per cent followed by 30.52 per cent America region, 5.54 per cent Oceania region and 1.09 per cent Asia region of average total inflows in developed countries over the period 1991-1995.

1996-2000

FDI inflows in developed countries accounted for \$236035 million in 1996 as compared to \$222484 million in 1995; growth rate of 6 per cent was recorded from the previous year (Table 1). Their share of world total FDI inflows declined to 60.75 per cent in 1996, from 64.98 per cent in the previous year (Table 4). Both FDI-to-GDP ratio and FDI-to-GFCF ratio increased to 1.00 per cent (Table 2) and 4.79 per cent (Table 3) respectively. Table 5 reveals that developed America have strengthened its role as the second largest developed country FDI inflows recipient region, with \$94094 million of inflows in 1996 (an increase of 38.32 per cent over 1995), accounted for 39.86 per cent of total developed country FDI inflows. Developed Asia FDI inflows increased by 14.03 per cent over the 1995 level, accounted for \$1845 million in 1996. Developed Europe recorded 3.75 per cent decline in inflows in 1996 (\$131517 million, down from \$136637 million in 1995, accounted for 55.72 per cent (the largest developed country FDI inflows recipient region) of total developed country FDI inflows. Inflows to developed Oceania fell to \$8580 million in absolute terms and declined by 47 per cent in 1996.

Table 1 exhibits that Inflows of FDI increased by 21 per cent in 1997. FDI inflows to developed countries reached new heights of \$508743 million, accounted for 78 per cent increase in 1998 over 1997. FDI inflows as a percentage of GDP were 1.23 per cent in 1997 and 2.18 per cent in 1998 (Table 2), whereas FDI inflows as a percentage of GFCF were 5.92 per cent in 1997 and 10.43 per cent in 1998 (Table 3). Developed countries remained the prime destination of FDI inflows, accounting for nearly 72 per cent of global inflows in 1998. Cross-border mergers and acquisitions (M&As) remained the main stimulus behind FDI, and these are still concentrated in the developed countries.

Table 4 exhibits that the share of developed countries in world FDI inflows declined to 58.68 per cent in 1997 and increased by 13.22 per cent and accounted for 71.90 per cent in 1998.

Table 5 shows that developed America attained record FDI inflows in 1997 and 1998 to the level of \$114966 million (22.18 per cent increase over 1996) and to \$197345 million (71.66 per cent increase over 1997). Developed Asia recorded 182.66 per cent increase in inflows in 1997 (\$5215 million up from \$1845 million in 1996) but declined to \$5159 million in 1998.

After confronting a decline in 1996, inflows into developed Europe were increased by 17.85 per cent in 1997 and 91.33 per cent in 1998. Developed Oceania FDI inflows increased by 19.14 per cent over 1996 and further fell to \$9705 million in 1998.

Table 1 reveals that inflows in developed countries have risen substantially in 1999, to reach \$852131 million from \$508743 million in 1998. FDI inflows as a percentage of GDP increased by 1.29 percentage points and reached to 3.47 per cent in 1999 (Table 2), whereas FDI inflows as a percentage of GFCF rose by 5.97 percentage points and reached to 16.40 per cent (Table 3), which was the second highest percentage during the period under study. Therefore, the share of developed countries in world FDI inflows rose to 78.21 per cent and it was also second highest percentage in the period under study (Table 4).

Table 1 shows that inflows to developed countries increased by 34 per cent in 2000 and amounted to a little over \$1 trillion. However, the average world FDI inflows during the period of 1996-2000 were \$604066 million. In the decade of 1990s, the highest FDI inflows in developed countries was in the year of 2000 in absolute terms and highest percentage increase on year-on-year basis was in 1998 i.e. 78 per cent. Average FDI inflows during the period of 1996-2000 were four times greater than average FDI inflows during the period of 1991-1995. Table 2 depicts that FDI inflows as a percentage of GDP increased to 4.58 per cent which was the highest percentage in the decade of 1990s. During the period of 1996-2000, average FDI-to-GDP ratio was 2.50 per cent.

Table 3 depicts that FDI-to-GFCF ratio showed an increasing trend over the period of 1996-2000 and reached to the level of 21.53 per cent in 2000. However, during the period of 1996-2000, average FDI inflows to GFCF ratio was 11.81 per cent. Table 4 exhibits that developed countries share in global FDI inflows rose to level of 81.13 per cent in 2000. During the period of 1996-2000, average share of developed countries in world FDI inflows was 70.13 per cent. Table 5 reveals that developed America recorded an increasing trend in inflows and reached to \$380859 million in 2000. Developed Asia inflows increased by 228.14 per cent in 1999 and decline by 9.74 per cent and accounted for \$15280 million in 2000. Developed Europe recorded increasing trend in inflows and accounted for \$523381 million (76.5 per cent increase over 1998) in 1999 and again increased to \$724934 million in 2000. Developed Oceania recorded decline in inflows by 65.58 per cent in 1999 and increased by 407.8 per cent in 2000. From 1996 to 2000, average share of America, Asia, Europe and Oceania in developed countries was \$219149 million, \$8886 million, \$366271 million and \$9761 million respectively. Europe region accounted for 60.63 per cent followed by 36.28 per cent America region, 1.62 per cent Oceania region and 1.47 per cent Asia region of average total inflows in developed countries over the period of 1996-2000.

2001-2005

Table 1 depicts that FDI inflows to developed countries amounted to \$601041 million in 2001, a drop of 47 per cent was recorded. FDI inflows to GDP decreased to 2.43 per cent (Table 2) and FDI inflows to GFCF fell to 11.79 per cent (Table 3). A decrease of more than 45 per cent recorded in both FDI inflows to GDP and FDI inflows to GFCF in 2001 as compared to 2000. The share of developed countries also declined by 8.38 percentage point, which accounted for 72.75 per cent in 2001 (Table 4). Table 5 shows that developed America FDI inflows decreased by more than 50 per cent over the 2000 level, accounted for \$187183 million. Developed Asia recorded a decline of 47.55 per cent in inflows in 2001. The position of

developed Europe FDI inflows considerably declined and accounted for \$395156 million (45.49 per cent decrease over 2000). Developed Oceania recorded a 37 per cent decline in inflows in 2001.

FDI inflows to developed countries fell by 27 per cent, from \$601041 million in 2001 to \$440732 million in 2002 (Table 1). Both FDI-to-GDP ratio and FDI-to-GFCF ratio were 1.71 per cent (Table 2) and 8.67 per cent (Table 3) and share of developed countries in world FDI inflows was 70.31 per cent (Table 4). Both developed America and Europe FDI inflows decreased by more than 48 per cent and 19 per cent over the 2001 level respectively, whereas developed Asia and Oceania FDI inflows increased by more than 35 per cent and 54 per cent over the level 2001 (Table 5).

Table 1 shows that in 2003, FDI inflows fell by 16 per cent and it was a continuous decline from 2001. Again, FDI inflows as a percentage of GDP and FDI inflows as a percentage of GFCF fell to 1.27 per cent (Table 2) and 6.49 per cent (Table 3) respectively. Both ratios showed a continuous down from 2001. Table 4 shows that the share in world FDI inflows reached to 64.45 per cent, however there was a decline in inflows in all developed country regions in 2003 (Table 5). Developed America recorded 37.27 per cent, developed Asia recorded 10.87 per cent, developed Europe recorded 9.31 per cent and developed Oceania recorded 29.5 per cent decline in inflows in 2003. Table 1 exhibit that inward FDI in developed countries registered an increase in 2004, after three years of significant decline from 2001. That decline was mainly due to sluggish growth in the developed countries, in particular in the euro area and Japan. Inflows reached to the level of \$418830 million with 13 per cent growth rate in 2004 over the 2003 level and recorded a 48 per cent growth rate in 2005 over the 2004 level, accounted for \$619171 million. In 2004 and 2005, inward FDI rose by 13 per cent and 48 per cent respectively. Inward FDI as a percentage of GDP increased to 1.30 per cent in 2004 and 1.83 per cent in 2005 (Table 2). Inward FDI as a percentage of GFCF rose to 6.51 per cent in 2004 and 8.93 per cent in 2005 (Table 3). However, the share of developed countries in global FDI inflows increased to 63.01 per cent in 2005 (Table 4).

Table 5 depicts that developed America FDI inflows considerably increased by more than 124 per cent, developed Asia inflows increased by 11.57 per cent, developed Oceania inflows increased by 285 per cent over the 2003 level, while developed Europe inflows decreased by 21 per cent over the 2003 level. The picture differed considerably by region and country in 2005 as compared to 2004. Developed Europe recorded a growth rate of 121.9 per cent in inflows and reached to \$503730 million over the 2004 level. All other developed country region recorded a decline in inflows in 2005. However, the average inward FDI from 2001 to 2005 were \$489789 million. Average FDI inflows during the period of 2001-2005 were down by nearly 19 per cent than average FDI inflows from 1996 to 2000 (Table 1). During 2001-05, average FDI inflows to GDP ratio and FDI inflows to GFCF ratio was 1.71 per cent (Table 2) and 8.48 per cent (Table 3) respectively. During the period of 2001-05, average share in world FDI inflows was 65.39 per cent (Table 4). During the period of 2001-05, an average share of America, Asia, Europe and Oceania in developed countries was \$122252 million, \$9368 million, \$345966 million and \$12203 million respectively. Europe region accounted for 70.64 per cent followed by 24.96 per cent America region, 2.49 per cent Oceania region and 1.91 per cent Asia region of average total inflows in developed countries over the period of 2001-05 (Table 5).

2006-2010

FDI inflows to developed countries in 2006 rose by 58 per cent, well over the growth rates of the previous two years, to reach \$977888 million (Table 1). Inward FDI to GDP ratio increased by 0.92 percentage points and reached to 2.75 per cent (Table 2), whereas inward FDI to GFCF ratio rose by 4.24 percentage points and reached to 13.17 per cent in 2006 (Table 3). The share of inward FDI to global FDI inflows increased to 66.89 per cent (Table 4). Table 5 depicts that all developed country regions maintained their upward trend of FDI inflows in 2006 i.e. developed America inflows increased by more than 128 per cent, developed Asia inflows increased by more than 15 per cent, developed Europe inflows increased by more than 26 per cent and developed Oceania inflows increased by more than 56 per cent over the 2005 level.

In 2007, inward FDI rose by 34 per cent, to \$1306818 million (Table 1). Both FDI-to-GDP ratio (Table 2) and FDI-to-GFCF ratio (Table 3) increased to the level of 3.35 per cent and 16.03 per cent respectively. However, the share of developed countries to world FDI inflows fell to 66.30 per cent (Table 4). In 2007, all developed country regions maintained an upward trend of FDI inflows as compared to previous year. FDI inflows of developed countries plunged in 2008, with inflows declined by 26 per cent, to \$965113 million (Table 1). FDI inflows fell further as the financial crisis entered a new phase in September 2008 following the collapse of Lehman Brothers (one of the largest financial institution in the United States), and as major developed economies fell into economic recession.

Following the 2008 decline, FDI inflows to developed countries further contracted by 38 per cent in 2009 (Table 1). Falling profits resulted in lower reinvested earnings and intra-company loans, weighing on FDI flows to developed countries. At the same time, a drop in leveraged buyout transactions continued to dampen cross-border M&As. After six years of uninterrupted growth, FDI inflows to developed countries contracted further in 2010, accounted for \$601906 million (Table 1). FDI inflows as a percentage of GDP reached to the level of 1.48 per cent in 2010 (Table 2). The FDI inflows as a percentage of GFCF fell to the level of 8.52 per cent in 2009 (Table 3). The share of developed countries in global FDI inflows was down to 48.40 per cent in 2010 (Table 4).

Table 5 exhibits that developed America recorded an increase of 9.73 per cent in inflows in 2008 and a decrease of 52.06 per cent in 2009. In 2010, inflows increased to the level of \$251872 million with 44.58 per cent growth rate over the 2009 level. Developed Asia recorded 12.61 per cent increase in inflows in 2008 and a decrease of 53.61 per cent in 2009 and 76.17 per cent in 2010, accounted for \$3902 million. Developed Europe maintained a downward trend in inflows in 2008, 2009 and 2010 and reached to the level of \$313100 million in 2010. Developed Oceania recorded an increase of 5.99 per cent in inflows in 2008 and a decrease of 52.5 per cent in 2009 and with 35.24 per cent increase in inflows in 2010 reached to the level of \$33032 million.

It is found that during the period of 2006-2010, average inward FDI were \$890912 million, which were up by nearly 82 per cent than average FDI inflows during the period of 2001-2005. The cumulative developed countries FDI inflows during the period under study were \$10665508 million. The highest inward FDI to developed countries was in the 2007 (\$1306818 million) in absolute terms and in percentage terms, the highest growth rate was in 1998 i.e. 78 per cent (Table 1). Average FDI inflows to GDP ratio were 2.3 per cent (Table 2)

and during the period of 2006-2009, FDI inflows to GFCF ratio were 12.27 per cent (Table 3). During the period under study, both FDI inflows as a percentage of GDP and FDI inflows as a percentage of GCFC were highest in 2000 i.e. 4.58 per cent (Table 2) and 21.53 per cent (Table 3) respectively.

During the period of 2006-2010, average share of developed countries in global FDI inflows was 57.56 per cent. The highest share of inward FDI in developed countries to global FDI inflows was also in the year 2000 i.e. 81.13 per cent (Table 4). Table 5 reveals that average share of America, Asia, Europe and Oceania in developed countries was \$283670 million, \$19143 million, \$549497 million and \$38601 million respectively. Europe region accounted for 61.68 per cent followed by 31.84 per cent America region, 4.33 per cent Oceania region and 2.15 per cent Asia region of average total inflows in developed countries over the period 2006-2010.

Table 1: FDI Inflows by Host Region and Economy (1991-2010)

(US\$ million)

Year	Developed Countries	Year	Developed Countries	Year	Developed Countries	Year	Developed Countries
1991	114035	1996	236035 (6)	2001	601041 (47)	2006	977888 (58)
1992	111141 (-2.54)	1997	285390 (21)	2002	440732 (-27)	2007	1306818 (34)
1993	143435 (29)	1998	508743 (78)	2003	369173 (-16)	2008	965113 (-26)
1994	150575 (5)	1999	852131 (67)	2004	418830 (13)	2009	602835 (-38)
1995	222484 (48)	2000	1138032 (34)	2005	619171 (48)	2010	601906 (-0)
Average	148334	Average	604066	Average	489789	Average	890912
Total FDI Inflows (1991-2010) : US\$ 10665508 million							

Note: The figures in parentheses shows growth rate calculated on year-on-year basis.

Source: www.unctad.org/fdistatistics

Table 2: FDI Inflows as a percentage of Gross Domestic Product (1991-2010)

(per cent)

Year	Developed Countries	Year	Developed Countries	Year	Developed Countries	Year	Developed Countries
1991	0.62	1996	1.00 (0.05)	2001	2.43 (-2.15)	2006	2.75 (0.92)
1992	0.56 (-0.06)	1997	1.23 (0.23)	2002	1.71 (-0.72)	2007	3.35 (0.6)
1993	0.72 (0.16)	1998	2.18 (0.95)	2003	1.27 (-0.44)	2008	2.32 (-1.03)
1994	0.71 (-0.01)	1999	3.47 (1.29)	2004	1.30 (0.03)	2009	1.54 (-0.78)
1995	0.95 (0.24)	2000	4.58 (1.11)	2005	1.83 (0.53)	2010	1.48 (-0.06)
Average	0.71	Average	2.50	Average	1.71	Average	2.30

Note: The figures in parentheses show percentage point change compared to previous year.

Source: www.unctad.org/fdistatistics

Table 3: FDI Inflows as a percentage of Gross Fixed Capital Formation (1991-2009)
(per cent)

Year	Developed Countries	Year	Developed Countries	Year	Developed Countries	Year	Developed Countries
1991	2.84	1996	4.79 (0.27)	2001	11.79 (-9.74)	2006	13.17 (4.24)
1992	2.64 (-0.2)	1997	5.92 (1.13)	2002	8.67 (-3.12)	2007	16.03 (2.86)
1993	3.46 (0.82)	1998	10.43 (4.51)	2003	6.49 (-2.18)	2008	11.34 (-4.69)
1994	3.38 (-0.08)	1999	16.40 (5.97)	2004	6.51 (0.02)	2009	8.52 (-2.82)
1995	4.52 (1.14)	2000	21.53 (5.13)	2005	8.93 (2.42)	2010	N.A.
Average	3.37	Average	11.81	Average	8.48	Average	12.27

Note: The figures in parentheses show percentage point change compared to previous year.

Source: www.unctad.org/fdistatistics

Table 4: Percentage of Global FDI Inflows into Developed Countries (1991-2010)
(per cent)

Year	Developed Countries	Year	Developed Countries	Year	Developed Countries	Year	Developed Countries
1991	74.01	1996	60.75 (-4.23)	2001	72.75 (-8.38)	2006	66.89 (3.88)
1992	67.00 (-7.01)	1997	58.68 (-2.07)	2002	70.31 (-2.44)	2007	66.30 (-0.59)
1993	64.23 (-2.77)	1998	71.90 (13.22)	2003	64.45 (-5.86)	2008	55.34 (-10.96)
1994	58.82 (-5.41)	1999	78.21 (6.31)	2004	56.42 (-8.03)	2009	50.87 (-4.47)
1995	64.98 (6.16)	2000	81.13 (2.92)	2005	63.01 (6.59)	2010	48.40 (-2.47)
Average	65.81	Average	70.13	Average	65.39	Average	57.56

Note: The figures in parentheses show percentage point change compared to previous year.

Source: www.unctad.org/fdistatistics

Table 5: FDI Inflows by Host Region and Economy (1991-2010)
(US\$ million)

Year	Developed Countries (Total)	America	Asia	Europe	Oceania
1991	114035	25680	1334	82760	4261
1992	111141	23946 (-6.75)	3059 (128.35)	78111 (-0.06)	6025 (41.40)
1993	143435	55396 (131.34)	682 (-77.71)	79857 (2.24)	7500 (24.48)
1994	150575	53295 (-3.79)	1364 (100)	88823 (11.23)	7094 (-5.41)
1995	222484	68027 (27.64)	1618 (18.62)	136637 (53.83)	16203 (128.4)
Average	148334	45269	1611	93238	8217
1996	236035	94094 (38.32)	1845 (14.03)	131517 (-3.75)	8580 (-47.05)
1997	285390	114966 (22.18)	5215 (182.66)	154987 (17.85)	10222 (19.14)
1998	508743	197345 (71.66)	5159 (-1.07)	296534 (91.33)	9705 (-5.07)
1999	852131	308481 (56.32)	16929 (228.14)	523381 (76.50)	3340 (-65.58)
2000	1138032	380859 (23.46)	15280 (-9.74)	724934 (38.51)	16959 (407.8)
Average	604066	219149	8886	366271	9761
2001	601041	187183 (-50.85)	8015 (-47.55)	395156 (-45.49)	10687 (-37)
2002	440732	96661 (-48.36)	10823 (35.03)	316728 (-19.85)	16520 (54.58)
2003	369173	60636 (-37.27)	9647 (-10.87)	287238 (-9.31)	11653 (-29.5)
2004	418830	136236 (124.68)	10763 (11.57)	226980 (-20.98)	44851 (284.9)
2005	619171	130545 (-4.18)	7594 (-29.44)	503730 (121.9)	-22697 (-49.4)
Average	489789	122252	9368	345966	12203
2006	977888	297691 (128.04)	8789 (15.74)	635832 (26.22)	35575 (56.8)
2007	1306818	331181 (11.25)	31348 (256.67)	895753 (40.88)	48535 (36.43)
2008	965113	363397 (9.73)	35300 (12.61)	514975 (-42.51)	51441 (5.99)
2009	602835	174210 (-52.06)	16377 (-53.61)	387825 (-24.69)	24423 (-52.5)
2010	601906	251872 (44.58)	3902 (-76.17)	313100 (-19.27)	33032 (35.24)
Average	890912	283670	19143	549497	38601
Total (1991-2010)	10665508	3351701	195043	6774858	343909

Note: The figures in parentheses shows growth rate calculated on year-on-year basis.

Source: www.unctad.org/fdistatistics

CONCLUSION

The overall benefits of FDI for developed country economies are well documented. Given the appropriate home-country policies and a strong level of development, a preponderance of studies shows that FDI triggers technology spillovers, assists human capital formation, contributes to international trade integration, helps create a more competitive b

usiness environment and enhances enterprise development. All of these contribute to higher economic growth and development. In addition to economic benefits, FDI may help improve

environmental and social conditions in the developed countries. The study concludes that developed countries have benefited from FDI inflows and their strong economic base motivated these countries to invest their surplus funds in transition and developing countries which provides abundance opportunities and strong consumer demand and poor infrastructure.

Notes

- 1 Developed America consists of Canada and United States.
- 2 Developed Asia consists of Israel and Japan.
- 3 Developed Europe includes the following economies: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Czechoslovakia, Denmark, Estonia, Faeroe Islands, Finland, France, Germany, Gibraltar, Greece, Holy See, Hungary Iceland, Italy, Latvia, Lithuania, Luxemburg, Malta, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland and United Kingdom.
- 4 Developed Oceania consists of Australia and New Zealand.

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CAPITAL PUNISHMENT

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ABSTRACT

Capital Punishment is the end of the life of criminals. If we look our jurisprudence then we will study the theories about the crime and the capital punishment is one of them. Now the question is, whether it is the end of crime or not. The debate of whether we should or should not reintroduce the death penalty for murder has been going on for 50 years. Whether to retain or to abolish the sentence of capital punishment has been a universal subject of endless debate, countless studies, several researches and plenty of experiments but no conclusion has been reached yet which can socially, morally and legally be accepted. Almost all states have two groups –one who supports the retention of capital punishment and other who argues to abolish it. Many are for its reintroduction while others are not. But mainly it depends on the country and their circumstances. Today United Nation Organization is also agreeing that the capital punishment should be banned, because it is against the morality as well as the legality. Now in this paper we will examine that the capital punishment should be given but only in rarest of rare cases.

Keywords: Capital Punishment, Legalized, Hanging, Rare cases, Offences, Deterrent

The term “capital punishment” is derived from the Latin word CAPUT, meaning ‘head’. It originally referred to death by decapitation, but now applies generally to state sanctioned executions. Some Middle East countries still practice decapitation for certain offences, but more common forms of the death penalty include electrocution, gas, squad, lethal injection and hanging. For many years there has been a dignified movement on part of thousands of enlightened and humane individuals to eliminate the capital punishment. In England, the movement against capital punishment was carried on by ‘Romilly’ and some other reformers and in recent past by ‘Sydeny Silverman’ whose efforts led to the almost total abolition of capital punishment under the Murder (Abolition of Death Penalty) Act, 1965.

In USA, the trend for abolition of capital punishment commenced in the 19th century when the state of Michigan abolished it, except for treason, in 1847. Since then, many more states have followed the suit. In 1972, the United States Supreme Court in a well-known case *Furmen v. Georgia* declared that the under then existing laws, “the imposition and carrying out of the death penalty constitutes cruel and unusual punishment in violation of the Eighth and Fourteenth Amendments”. In 1976, the Supreme Court moved away from abolition, holding in *Gregg v. Georgia* that “the punishment of death does not invariably violate the constitution”. The court ruled that the now death penalty statutes contained “objectives standards to guide, regularize, and make rationally reviewable the process for imposing the sentence of death”. The General Assembly of the United Nations has adopted a non-binding resolution regarding the global moratorium on executions; capital punishment is still currently practiced in more than 59 countries. However, 97 countries have abolished capital punishment

completely, 36 countries have not used it for the past 10 years, and 8 countries only practice it under particular circumstances.

Capital Punishment

There are two era in Indian concept, one is pre independence and one is after independence. The ancient law of crimes in India provided capital punishment for quite a good number of offences. The great Hindu law-giver “Manu” said that ...in order to refrain people from sinful murders, death penalty was necessary and in absence of this mode of punishment, state of anarchy will prevail and people would devour each other as the fish do in the water, the stronger eating up the weaker. But after independence, a bill was introduced in the Lok-Sabha in 1956, to abolish the capital punishment which was rejected by the house. Efforts made in the Rajya-Sabha in 1958 and in 1962 were also fruitless. The law commission, in its 35th report (1967) observed:

“Having regard to the conditions in India, to the variety of the social upbringings of its people, to the disparity in the level of morality and education in the country, to the vastness of its area and to the paramount need for maintaining law and order in the country at the present juncture, India cannot risk the abolition of capital punishment.”

To abolish the capital punishment

Abolitionists, on the other hand, urge that the arguments against capital punishment are much stronger than any argument supporting its retention. Specifically, abolitionists point out that there are incurable procedural flaws which allow for its discriminatory application, as well as the potential for execution of innocent individuals. Given the fact that this punishment causes irreversible harm, abolitionists argue that this apparent inability to safeguard the imposition of capital punishment suggests that there is no way to fairly administer such an extreme punishment or at least that such a system has not yet been implemented. Each year, since 1976, three more countries a year have added their names to the list of countries that have abolished the death penalty. A majority of nations have ended capital punishment in law or practice. In India, the provisions for the death penalty have been made in the India Penal Code, 1860, which was given to us by the British colonial masters in the 19th century. Interestingly enough, while the United Kingdom has abolished the death penalty, India chooses to retain it. However, several judges of our Supreme Court have, from time to time, favoured the abolition of death penalty.

Death Penalty Failed as a Deterrent

Some criminologist claim they have statistically proven that when an execution is publicized, more murders occur in the day and weeks that follow. A good example is in the Linberg kidnapping. A number of states adopted the death penalty for crime like this, but figures showed kidnapping increased. Publicity may encourage crime instead of preventing it. Death is one penalty which makes error irreversible and the chance of error is inescapable when based on human judgment. On the contrary, sometimes defendants insist on execution. They feel it is an act of kindness to them. The argument here is - Is life imprisonment a crueler fate? Is there evidence supporting the usefulness of the death penalty securing the life of the citizens. Does the death penalty give increased protection against being murdered? This argument for continuation of the death penalty is most likely a deterrent, but it has failed as a

deterrent. There is no clear evidence because empirical studies done in the 50's by Professor Thorsten Sellin, (sociologist) did not give support to deterrence.

Conviction of the Innocent Occurs

The states that have the death penalty should be free of murder, but those states have the most murders, and the states that abolished the death penalty has less. Conviction of the innocent does occur and death makes a miscarriage of justice irrevocable. Two states Maine and Rhode Island abolished the death penalty because of public shame and remorse after they discovered they executed some innocent men.

Right to live and dignity of a person

The general idea shared by many Philosophers, beginning in the 17th century, was that each person by nature that is, apart from the laws of the state and simply by virtue of being born a human being--had the right to live. It followed from this that is violation of the right to murder another person, and it is the responsibility of government to protect human rights, prohibit murder, and try to arrest, convict and punish anyone guilty of this crime. This, the right to life can be thought of first as underlying the prohibition against murder common to the criminal law of all of countries. On some versions of the theory, god was thought to be the source of this and other "natural rights" still few philosophers assumed a necessary connection between everyone's having the right to life and existence of god as the creator. Hence, the right to life can be understood without significant distortion as a secular notion, free of any essential religious overtones, and thus available to the moral philosophy of theist, and agnostic alike. In addition to being natural, the right to life traditionally understood to be universal and inalienable. A universal right is a right that everyone has, regardless of where one is born or lives and regardless of sex, socioeconomic class, or race. An inalienable right is a right that the possessor cannot transfer, sell, or give away to another person. Thus killing anyone person is as much a violation of the right to life as killing any other person and we cannot authorize others to kill us by giving up to them our right to life.

Long delay in Execution

It is an undisputed fact that litigation in India is a very time consuming affair. Extensive delay in the execution of a sentence of death does not serve any kind of purpose and is sufficient to invoke Article 21 and demand its substitution by the sentence of life-imprisonment.¹ Expressing his compassion for the condemned accused Mr. Justice V.R.Krishna Iyer in *Rajendra prasad's* case observed: "This convict has had the hanging agony hanging over his head since 1973 with near solitary confinement to boot! He must by now is more a „vegetable“ than a person and hanging a „vegetable“ "is not death penalty".

Moral Arguments

Morality plays second fiddle to none, when it comes to design the society. Following moral aspects are to be kept in perspectives before wrapping up the issue at hand:

(i)By allowing the death penalty in our country we are achieving nothing but more death, suffering, and pain. (ii). Why should let a person die a quick, almost painless death if he murdered another person violently? Let him languish in prison up to his natural death! (iii). By it we accomplish nothing. We cannot undo the culprit's evil deeds by killing him. It only causes pain to those who love him. Capital punishment adds to a never-ending cycle of pain

and should be abolished. (iv) If we truly believe that killing is wrong, we must abolish the death penalty.

To Legalize the Capital Punishment

But there is some jurist, legal specialist and parliamentarian, who are agree to implement capital punishment. According to them in developing countries, they have to introduce the death penalty because there are some internal and external problems. For Example, Terrorism, Growth in Rape cases, so to stop these crimes they have to punish the criminal.

Death Feared

Most people have a natural fear of death- its a trait man have to think about what will happen before we act. If we don't think about it consciously, we will think about it unconsciously. Think- if every murderer who killed someone died instantly, the homicide rate would be very low because no one likes to die. We cannot do this, but if the Justice system can make it more swift and severe, we could change the laws to make capital punishment faster and make appeals a shorter process. The death penalty is important because it could save the lives of thousands of potential victims who are at stake. In a foot note Bedau (1982) cites, "Actually being dead is no different from not being born, a (non) experience we all had before being born. But death is not realized. The process of dying which is a different matter is usually confused with it. In turn, dying is feared because death is expected, even though death is feared because it is confused with dying". Death is an experience that cannot be experienced and ends all experience. Because it is unknown as it is certain, death is universally feared. "The life of a man should be sacred to each other.

Necessity

In *Triveniben v. State of Gujrat*, the Supreme Court reinforced the need for retention of capital punishment in the following words: "In our country, although there is a shift from „sentence to death“ to „lesser sentence“ yet there is a clear intention of maintaining this sentence to meet the ends of justice in appropriate cases."

In *R v. Howells* Court of Appeal, Criminal Division said: "Court should always bear in mind that sentences were in almost every case intended to protect the public, whether by punishing the offender or reforming him, or deterring him and others, or all of those things."

Appropriate punishment must be given

Justice demands that courts should impose punishment befitting the crime, so that the courts reflect public abhorrence of the crime. The court must not only keep in view the rights of the criminals but also the rights of the victims of the crime and also the society at large while considering imposition of appropriate punishment.⁵⁸ In this connection, it is pertinent to note the observation of the Supreme Court in *Ravji v. State of Rajasthan*, which is as follows: "The court would be failing in its duty if appropriate punishment is not awarded for a crime which has been committed not only against the individual victim but also against the society, to which the criminal and victim belong."

Life is Sacred

In an interview with Professor van den Haag, a psychoanalyst and adjunct professor at New York University, was questioned, "Why do you favor the death penalty?" His answer was that the Federal prison had a man sentenced to Life who, since he has been in prison committed

three more murders on three separate occasions .They were prison guards and inmates. There's no more punishment he can receive, therefore, in many cases, the death penalty is the only penalty that can deter. He went on saying "I hold life sacred, and because I hold it sacred, I feel that anyone who takes some one's life should know that thereby he forsakes his own and does not just suffer an inconvenience about being put into prison for some time.

The death penalty prevents future murders

Society has always used punishment to discourage would-be criminals from unlawful action. Since society has the highest interest in preventing murder, it should use the strongest punishment available to deter murder, and that is the death penalty. If murderers are sentenced to death and executed, potential murderers will think twice before killing for fear of losing their own life. For years, criminologists analyzed murder rates to see if they fluctuated with the likelihood of convicted murderers being executed, but the results were inconclusive. Then in 1973 Isaac Ehrlich employed a new kind of analysis which produced results showing that for every inmate who was executed, lives were spared because others were deterred from committing murder. Similar results have been produced by disciples of Ehrlich in follow-up studies. Moreover, even if some studies regarding deterrence are inconclusive, that is only because the death penalty is rarely used and takes years before an execution is actually carried out. Punishments which are swift and sure are the best deterrent. The fact that some states or countries which do not use the death penalty have lower murder rates than jurisdictions which do is not evidence of the failure of deterrence. States with high murder rates would have even higher rates if they did not use the death penalty. Ernest van den Haag, a Professor of Jurisprudence at Fordham University who has studied the question of deterrence closely, wrote: "Even though statistical demonstrations are not conclusive, and perhaps cannot be, capital punishment is likely to deter more than other punishments because people fear death more than anything else. They fear most death deliberately inflicted by law and scheduled by the courts. Whatever people fear most is likely to deter most. Hence, the threat of the death penalty may deter some murderers who otherwise might not have been deterred. And surely the death penalty is the only penalty that could deter prisoners already serving a life sentence and tempted to kill a guard, or offenders about to be arrested and facing a life sentence. Perhaps they will not be deterred. But they would certainly not be deterred by anything else. We owe all the protection we can give to law enforcers exposed to special risks." Finally, the death penalty certainly "deters" the murderer who is executed. Strictly speaking, this is a form of incapacitation, similar to the way a robber put in prison is prevented from robbing on the streets. Vicious murderers must be killed to prevent them from murdering again, either in Arguments for and Against the Death Penalty prison, or in society if they should get out. Both as a deterrent and as a form of permanent incapacitation, the death penalty helps to prevent future crime.

Rarest of rare cases

The Apex Court has laid down the following propositions to determine the cases in which the capital punishment can be justified.

- i. Death penalty need not be inflicted except in gravest cases of extreme culpability i.e. *rarest of rare* cases.

- ii. Circumstances of the criminal to be taken into account along with circumstances of the crime. Due regard must be paid to the crime and to the criminal while examining whether special reasons exist for award of death penalty.
- iii. Life-imprisonment is the rule and death penalty is an exception.
- iv. A balance sheet of aggravating and mitigating circumstances has to be drawn up and in doing so, the mitigating factors have to be accorded full weightage, and a just balance must be struck between the two before the option is exercised.
- v. It would be desirable to indicate the broad guidelines, without formulating rigid standards for categorizing cases in which death penalty could be imposed, because standardization would leave little room for 'judicial discretion'.

The court concluded that the capital punishment might have some significant deterrent effect. It must be, however, noted that the minority view (Bhagwati, J.) was diametrically opposite that death penalty does not serve any social purpose or advance any constitutional value and is totally arbitrary and unreasonable. The Supreme Court also laid down certain guidelines to ascertain the *rarest of rare* cases, and according to it the factors that are to be considered are as follows:

- i. Manner of commission of murder;
- ii. Motive for commission of murder;
- iii. Anti-social or socially abhorrent nature of crime;
- iv. Magnitude of crime
- v. Personality of the victim of murder.

If upon taking an overall global view of all the circumstances in the light of the aforesaid propositions and taking into account the answers to the questions posed by way of the test for the *rarest of rare* cases, the circumstances of the case are such that death penalty is warranted, the court would proceed to do so.

Conclusion and Suggestion

Capital Punishment is the way to punish the criminals but it is not the best way to punish the criminals. Today we know very well if we do any work which is against the nature, than the result would be also very bad. And the capital punishment theory is totally against the nature. Capital Punishment is a continuous debate because the people having the both type of strong views, and that could be right in their place. But this is totally depends on the particular country and its laws. There are several countries in the world which can't abolish the death penalty and they have their compulsion. Like in india, there are so many internal as well as external problems, so we cannot abolish the death penalty but we admit that it is the violation Human Rights and the morality. But every country has the objects to safe and provides the security to their resident. And this is not only limited to India (For Ex. Can the U.S forgive to Osama Bin Laden) and we must not because he has killed lots of innocent people.

If the court will not punish the criminal, there would be more chances to create the new criminals. But yes I agree with one point that the court should consider the case and nature of crime and criminal. If the criminal is habitual then the curt should pronounce the death penalty but only in rarest of rare cases. But I want to add one more thing; i.e the Government should provide the better education in every school because every person is not criminal from birth.

So we should teach every child the nature of crime and the effect on society from starting and that will be also helpful for to reduce the crime rate.

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A STUDY OF FDI INFLOWS AT DEVELOPING COUNTRIES LEVEL: AN ANALYSIS OF TRENDS

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ABSTRACT

Foreign Direct Investment (FDI) plays an important role in the economic development of a country particularly developing and low-income developed countries. The objective of this paper to analyze the emerging dimension of FDI inflows at developed countries level from 1991 to 2011 i.e. 20 years. The study concludes that FDI has substantially accelerated as a result of many factors such as rapid technological progress, emergence of globally integrated production and marketing networks, existence of bilateral investment treaties, recommendations from multilateral development banks and positive results from developing economies that have opened their doors to FDI.

KEYWORDS: Developing Economies, MNCs, FDI, Spillovers, Business Environment.

Developing countries considered FDI to as much as a source of economic development. Because, it triggers technology spillovers, assists human capital formation, enhances international trade integration and creates competitive business environment (United Nations, 2004). FDI is treated as an important component of privatization schemes in many developing countries, because countries that have directed their economic policies toward private ownership have attracted more Multi-National Companies (MNCs) to bring more FDI (Baer, 1994). It is generally acknowledged that FDI produces economic benefits to the recipient countries in terms of capital, foreign exchange, technology, competition and by enhancing access to foreign markets (Crespo and Fontura, 2007). FDI also plays significant role in achieving rapid economic growth in the developing countries by bridging the gap between domestic savings and investment and to import the latest technology and management know-how from developed countries (Khondoker and Mottaleb, 2007). The importance of FDI for economic growth and development, both directly and also through spillover effects has been amply recognized by the Government of India which can be evidenced from the publication of Government of India (Economic Survey, 2001-2002). FDI is seen as a means to supplement domestic investment for achieving a higher level of economic growth and development. FDI benefits domestic industry as well as the Indian consumers by providing opportunities for technological up-gradation, access to global managerial skills and practices, optimal utilization of human and natural resources, making Indian industry competitive globally, opening up export markets, providing backward and forward linkages and access to qualitative goods and services at global level.

REVIEW OF LITERATURE

It is important to recognize that the relative importance of FDI determinants depend on the motive, the type of investment (vertical FDI or export-oriented or horizontal FDI or market access-oriented) and the investor's strategy. Vertical FDI is explained by lower production costs (cheap labour, tax incentives and physical infrastructure). For horizontal FDI, the size of

host country and its growth is the most important (Helpman, 2006). The multinationals sometimes create export platforms in low-costs countries (localization advantages) from which they serve developed countries around the world. Wang and Swain (1997) study provided an econometric investigation of factors influencing foreign capital inflow into Hungary and China during the period 1978-92. The results supported the hypotheses that FDI was determined by the size of the host-country market, cost of capital and political stability. In case of China, the study showed that foreign capital seems to be sensitive to exchange rates and labour costs, whereas average real growth rates in Organization for Economic Co-operation and Development (OECD) countries was found an important factor determining investment flows in Hungary.

Bhatt (2000) study of FDI in Association of Southeast Asian Nations (ASEAN) economies found that there was a positive impact of size of economy (proxied by Gross National Product (GNP)) on FDI inflows for Indonesia and Singapore. In case of Malaysia, the investment-GNP ratio was significant while openness of the economy was significant in attracting FDI for Thailand, Philippines and Malaysia. Further the study concluded that, however, exchange rate had no influence on FDI. Wei (2000) examined a bilateral panel of FDI data and provided the evidence that corruption in a host country negatively affects inward FDI.

Hyun (2006) analyzed the short-run and long-run dynamics between quality of institutions and foreign direct investment in the sample of 62 developing countries covering the period 1984-2003. An error correction model is estimated using fixed effect regression followed by unit root test and co-integration test. The empirical findings advocated that there is a long run relationship between two variables and the causality is bi-directional. However, there is no clear evidence in favor of short-run causality between institutional quality and FDI. Amal, Tomio and Raboch (2010) in their study analyzed economic and institutional determinants of FDI in 8 Latin American countries by using panel data model within the period 1996-2008. The empirical results confirm the hypothesis that FDI in Latin America is positively correlated to economic stability, growth and trade openness and also to the improvement in the institutional and political environment. Furthermore, the study found that MNCs are developing market and efficiency seeking strategies in the region. Dhingra and Sidhu (2011) found that the financial strength of the state, development level of the state which is manifested in the high Human Development Index, high literacy rate, high per capita income, freedom from corruption, market size and level of physical infrastructure are the core factors influencing the FDI inflows to Indian states.

OBJECTIVE & METHODOLOGY OF THE STUDY

The main objective of the study is to analyze the emerging dimension of FDI at developing countries level. The present study is based on secondary time series data ranging from 1991 to 2011 i.e. 20 years. Further, the study period is sub-divided into four parts and each part consists of five years to make comparison of time series data. Data used in this study have been collected from World Investment Report (various issues), For the purpose of analysis, simple average, percentage to point, and annual percentage change in comparison to previous year have been used. For presentation of data, tables are used.

ANALYSIS & INTERPRETATION

1991-95

FDI inflows to the developing countries in 1991 were \$39834 million (Table 1) and the FDI inflows as a percentage of GDP (Table 2) and FDI inflows as a percentage of GFCF (Table 3) and developing countries' share in global FDI inflows (Table 4) were 0.97 per cent, 4.21 per cent and 25.85 per cent respectively. Table 5 exhibits that developing country regions i.e. Africa¹, America², Asia³, and Oceania⁴ together represents the inward FDI received by developed countries. In 1991, developing Africa recorded \$3535 million inflows, developing America recorded \$11611 million inflows, developing Asia recorded \$24155 million inflows and developing Oceania recorded \$534 million inflows. Developing Africa accounted for 8.87 per cent, America region accounted for 29.15 per cent, Asia region accounted for 60.64 per cent and Oceania region accounted for 1.34 per cent of total FDI inflows to developing countries.

FDI inflows to the developing countries rose in 1992 by 33.24 per cent (\$53076 million) from the previous year. The growth in inflows has affected all developing regions and is associated with continued strong economic expansion in Asia and Pacific, Latin American countries and trends towards liberalization (Table 1). Therefore, FDI-to-GDP ratio (Table 2) and FDI-to-GFCF ratio (Table 3) increased to 1.20 per cent and 5.02 per cent respectively. The share of developing countries also rose to 32 per cent by 6.15 percentage point from the 1991. Table 5 reveals that Africa region accounted for 7.5 per cent growth rate of FDI inflows as compared to 1991. Africa's main attraction for foreign investors is still its natural resources. Fuelled by high growth rates, large and increasingly affluent domestic markets, low production costs in a number of countries and liberalization of FDI policies, FDI inflows to Asia region accounted for \$32933 million in 1992, an increase of 36 per cent was recorded over the previous year. America region recorded 39 per cent increase in inflows, whereas Oceania region recorded 63.86 per cent decline in inflows in 1992.

Table 1 exhibits that in 1993, developing countries attracted a record \$76739 million estimated FDI inflows, about double the amount of inflows in 1991. The most important factors making developing countries attractive to foreign investors were rapid economic growth, privatization programmes open to foreign investors and the liberalization of the FDI regulatory framework. However, the growth of FDI inflows to developing countries was unevenly distributed among regions and groups of developing countries. Most FDI inflows were still concentrated in 10 to 15 host countries overwhelmingly in Asia and Latin America. FDI inflows to developing countries increased by 33 per cent in 1992, 45 per cent in 1993, 35 per cent in 1994 and by 12 per cent in 1995. Developing countries received \$76739 million in 1993, \$103380 million in 1994 and \$115801 million in 1995 FDI inflows. FDI inflows to developing countries maintained an upward trend during the period of 1991-1995.

The average inward FDI during the period of 1991-1995 were \$77766 million, which were more than first three years FDI inflows. The boom in FDI inflows to developing countries, which accounted for \$115801million in 1995, was a reflection of sustained economic growth and continuing liberalization and privatization in these countries, as well as the increasing integration of the developing countries in the investment plans of TNCs. FDI inflows as a percentage of GDP were 1.59 per cent in 1993, 1.99 per cent in 1994 and 1.96 per cent in 1995 (Table 2). The position of FDI inflows as a percentage of GFCF was also somewhat similar to the FDI-to-GDP ratio. They were 6.31 per cent in 1993, 8.02 per cent in 1994 and 7.85 per cent in 1995 (Table 3). However, the share of developing countries in world FDI

inflows rose in next two years since 1992 and again down in 1995 and reached to the level of 33.82 per cent. The average share of developing countries in global FDI inflows was 33.28 per cent from 1991 to 1995 (Table 4).

During 1991-1995, average FDI inflows to GDP ratio and FDI inflows to GFCF ratio was 1.54 per cent (Table 2) and 6.3 per cent (Table 3) respectively. Table 5 shows that the picture differed considerably by region and country. Africa region inflows increased by 43.24 per cent in 1993, 12.16 per cent in 1994 but decreased by 7.37 per cent in 1995 to reach \$5655 million. America region inflows declined by 6.27 per cent in 1993 but increased by 91.62 per cent in 1994 and again increased by 1.74 per cent to reach \$29513 million. Asia region inflows accounted for 69.94 per cent increase in 1993, 21.68 per cent in 1994 and 17.59 per cent increase in 1995 to reach \$80082 million in 1995. Oceania region inflows position declined by 1.55 per cent in 1993, 13.68 per cent decline in 1994 but increased by 236 per cent in 1995. During 1991-1995, average share of Africa, America, Asia and Oceania FDI inflows in developing countries was \$4908 million, \$20284 million, \$52248 million and \$326 million respectively. Asia region accounted for 67.19 per cent followed by 26.08 per cent in America region, 6.3 per cent Africa region and 0.42 per cent Oceania region of average total inflows in developed countries.

1996-2000

FDI inflows in developing countries accounted for \$146649 million in 1996 as compared to \$115801 million in 1995 (Table 1). Their share of world total FDI inflows grew to 37.74 per cent in 1996, from 33.82 in 1995 (Table 4). The share of developing countries in global FDI inflows has been increasing since 1990, reaching 39 per cent in 1997, with a little slowdown in 1995 (i.e. 33.82 per cent). Both FDI-to-GDP and FDI-to-GFCF ratio increased to 2.28 per cent (Table 2) and 9.13 per cent (Table 3) respectively in 1996. Inflows of FDI increased by 30 per cent in 1997 (Table 1). FDI inflows as a percentage of GDP were 2.83 per cent in 1997 and 3.01 per cent in 1998 (Table 2), whereas FDI inflows as a percentage of GFCF were 11.46 per cent in 1997 and 12.58 per cent in 1998 (Table 3). The year 1997 witnessed a complex mix of economic changes around the world i.e. the financial crisis in Asia and the halting of high economic growth in East and South-East Asia, the worst economic recession in Japan since the mid-1970s, continued high economic growth in the United States, strong economic recovery in the European Union and Latin America, weak commodity and petroleum prices that affected the economies of Africa and West Asia, and the reversal of economic decline in Central and Eastern Europe for the first time since the end of central planning. Despite different and divergent performances in different regions reflecting these developments, FDI continued to grow in all regions, with some changes in the relative importance of different host countries as well as in the pace at which FDI is growing (UNCTAD, 1998).

Table 5 shows that within the developing economies, FDI has certainly played a vital role in the economic progress of most developing countries in Asia. Developing Asia has shown significant increase in FDI inflows during the decade of 1990s. FDI inflows recorded 17.65 per cent increase in 1996 and 12.31 per cent increase in 1997. Developing Africa attracted little FDI in 1996, though more than in 1995 but increased by 82.73 per cent in 1997 to \$11033 million. Developing America inflows increased significantly to \$46263 million in 1996 (56.75 per cent growth over 1995) and \$73504 million in 1997 (58.88 per cent growth

over 1996). Developing Oceania inflows declined by 76.36 per cent in 1996 but increased by 129 per cent in 1997.

FDI inflows to developing countries, after stagnating in 1998, seemed set to resume their earlier growth trend. Their value reached \$228876 million in 1999, an increase of 20 per cent over 1998. The driving force behind the 1999 increase in FDI inflows continued to be cross-border mergers and acquisitions (M&As), accounting for a substantial share of total inflows- a higher share in developed and a lower share in developing countries (Table 1). FDI inflows as a percentage of GDP increased by 0.55 percentage points and reached to 3.56 per cent in 1999 (Table 2), whereas FDI inflows as a percentage of GFCF (Table 3) rose by 2.8 percentage points and reached to 15.38 per cent. It was the first highest percentage since 1991 and second highest in the period under study. Therefore, the share of developing countries in world FDI inflows fell to 21.01 per cent in 1999 (Table 4) and it was also second lowest percentage in the period under study. FDI inflows to developing countries also rose, accounted for \$257625 million in 2000 (13 per cent increased as compared to 1999) (Table 1). However, their share in world FDI inflows (Table 4) declined for the third year in a row since 1997 (39.20 per cent), to 18.37 per cent in 2000 as compared to the peak of 40.38 per cent in 1994.

Table 5 reveals that FDI inflows to developing Asia as a whole have weathered the financial crisis that hit the region in 1997-1998 and the economic downturn that followed. Inflows in the region were \$94846 million in 1998 as compared to \$105814 million in 1997. FDI inflows were declined by 10.37 per cent in 1998 for the first time since 1991, however, remained above the level of 1996 and well above the average of annual inflows recorded during the period of 1991-1995 (\$52248 million). Inflows of FDI to developing Asia increased by 17.60 per cent and reached to a record level of \$111540 million in 1999. It was contrary to the decline that was widely anticipated in the wake of the Asian financial crisis of 1997-1998. Developing America FDI inflows recorded 16.41 per cent increase in 1998 and 21.81 per cent increase in 1999. Africa region inflows fell by 9.79 per cent in 1998 and increased by 26.55 per cent in 1999. Oceania region inflows recorded 22.15 per cent increase in 1998 and 39.56 per cent increase in 1999.

In developing Asia, FDI inflows reached a record level of \$148747 million in 2000. The greatest increase took place in East Asia, Hong Kong (China), in particular, experienced an unprecedented FDI boom, with inflows amounting to \$64 billion, making it the top FDI recipient in Asia as well as in developing countries. This upsurge in inflows has several explanations. First, it reflects a recovery from the economic turmoil of the recent past. Second, TNCs planning to invest in mainland China have been “parking” funds in Hong Kong (China), in anticipation of China’s expected entry into the WTO. Third, the increase reflects a major cross-border M&A in telecommunications which alone accounted for nearly one-third of the territory’s total FDI inflows. Fourth, there is an element of increased “round-tripping” of capital flows into and out of Hong Kong (China) (UNCTAD, 2001). Inflows to Africa declined in 2000 from \$11033 million in 1997 to \$10967 million in 2000. America region inflows recorded 6.28 per cent decline in 2000 over 1999. Oceania region inflows recorded 56 per cent decline in 2000.

Table 1 reveals during the period of 1996-2000, the average inward FDI were \$202906 million. In the decade of 1990s, the highest FDI inflows in developing countries was in the year of 2000 in absolute terms and highest percentage increase on year-on-year basis was in

1993 i.e. 45 per cent. Average FDI inflows were two times greater than average FDI inflows during the period of 1991-1995. An average FDI inflows to GDP ratio (Table 2) and FDI inflows to GFCF ratio (Table 3) were 3.07 per cent and 12.88 per cent respectively. However, in the decade of 1990s, both FDI inflows as a percentage of GDP and FDI inflows as a percentage of GFCF was highest in 2000 i.e. 3.69 per cent and 15.86 per cent respectively. Table 4 reveals that an average share of developing countries in global FDI inflows was 28.66 per cent. The highest share of inward FDI to global FDI inflows was in 1997 i.e. 39.20 per cent. During 1996-2000, average share of Africa, America, Asia and Oceania in developing countries was \$10117 million, \$81451 million, \$111033 million and \$305 million respectively. Asia region accounted for 54.72 per cent followed by 40.14 per cent America region, 4.99 per cent Africa region and 0.15 per cent Oceania region of average total inflows in developed countries.

2001-2005

Inward FDI to developing countries declined by 16 per cent, to \$215623 in 2001 (Table 1). FDI inflows to GDP decreased to 3.14 per cent (Table 2) and FDI inflows to GFCF (Table 3) fell to 13.48 per cent. A decrease of nearly 15 per cent observed in both FDI inflows to GDP and FDI inflows to GFCF in 2001 as compared to 2000. The share of developing countries also increased by 7.73 percentage points, to 26.10 per cent in 2001 (Table 4). Table 5 reveals that Africa region inflows increased by 90.52 per cent over 2000 to \$20894 million. America region recorded 17.56 per cent decline in 2001, Asia region recorded 23.37 per cent decline and Oceania region recorded 4.93 per cent decline in 2001 over 2000.

In 2002, FDI inflows to developing countries fell by 19 per cent, from \$215623 million in 2001 to \$174876 million in 2002 (Table 1). Both FDI-to-GDP ratio (Table 2) and FDI-to-GFCF ratio (Table 3) were 2.47 per cent and 10.41 per cent and share of developing countries in world FDI inflows was 27.90 per cent (Table 4). However, the picture differed considerably by region and country in 2002. All developing country regions recorded a decline in inflows. Africa region recorded 22.98 per cent, America region recorded 27.31 per cent, Asia region recorded 12.16 per cent and Oceania region recorded 41.51 per cent decline in inflows in 2002 over 2001 (Table 5). Inflows to developing countries rose by 5 per cent from \$174876 million in 2002 to \$183590 million in 2003 (Table 1), but varied region-wise. The share of developing countries in global FDI inflows rose by 4.15 percentage points, to 32.05 per cent in 2003 (Table 4). Again, FDI inflows as a percentage of GDP (Table 2) and FDI inflows as a percentage of GFCF (Table 3) fell to 2.34 per cent and 9.55 per cent respectively. Both ratios showed a continuous decline from 2001.

Table 5 reveals that developing Africa recorded 26.88 per cent higher inflows in 2003 (\$20418 million, up from \$16093 million in 2002), driven mainly by natural-resource projects and continued liberalization of FDI policies. Developing Asia recorded 17 per cent higher inflows in 2003 (\$117205 million, up from \$10021 million in 2002). Developing America, however, experienced a fourth consecutive year of decline from 2000 and it was 6 per cent in 2000, 18 per cent in 2001, 27 per cent in 2002 and 22 per cent in 2003. Developing Oceania region recorded 179 per cent increase in inflows in 2003. Inflows to developing countries rose by 60 per cent and accounted for \$293124 million in 2004 (Table 1). As a result, their share in

global FDI inflows reached to 39.48 per cent, which was the highest ever since 1997 (Table 4). FDI inflows as a percentage of GDP increased to 3.21 per cent (Table 2) and FDI inflows as a percentage of GFCF increased to 12.52 per cent (Table 3). Table 5 shows that in 2004, all developing country regions experienced upward trend in their share to total developing countries. FDI inflows to developing countries increased by 13 per cent in 2005 (Table 1). Thus, despite record inflows in developing countries, the share of developing countries in world FDI inflows (Table 4) fell slightly to 33.82 per cent, thereby increasing the gap in FDI inflows between developed and developing countries to \$286864 million in 2005. Inward FDI as a percentage of GDP decreased to 3.08 per cent in 2005 (Table 2), whereas inward FDI as a percentage of GFCF fell to 11.86 per cent in 2005 (Table 3).

It is evident that the average inward FDI during the period of 2001-2005 were \$239904 million, which were up by nearly 18 per cent than average FDI inflows during the period of 1996-2000. The highest percentage growth rate in inflows was 60 per cent in 2004 since 1991 (Table 1). During the period of 2001-2005, average FDI inflows to GDP ratio and FDI inflows to GFCF ratio was 2.8 per cent (Table 2) and 11.56 per cent (Table 3) respectively. Table 4 reveals that average share of developing countries in global FDI inflows was 31.87 per cent. The highest share of inward FDI to global FDI inflows was also in the year 2004 i.e. 39.48 per cent. Table 5 depicts that during the period of 2001-2005, average share of Africa, America, Asia and Oceania in developing countries was \$23460 million, \$71828 million, \$144355 million and \$262 million respectively. Asia region accounted for 60.17 per cent followed by 29.94 per cent America region, 9.78 per cent Africa region and 0.11 per cent Oceania region of average total inflows into developed countries.

2006-2010

FDI inflows to developing countries rose by 29 per cent and reached to \$429459 million in 2006 (Table 1). Inward FDI to GDP ratio increased by 0.34 percentage points and reached to 3.42 per cent (Table 2), whereas inward FDI to GFCF ratio rose by 1.07 percentage points and reached to 12.93 per cent in 2006 (Table 3). The share of inward FDI to global FDI inflows decreased to 29.38 per cent (Table 4). All developing country regions experienced upward trend in their share in inflows to developing countries in 2006. While developing Africa experienced an increase of 21.22 per cent in FDI inflows with a record of \$46259 million and in developing Asia, FDI inflows rose by 31.33 per cent, with inflows of \$283463 million. In developing America and Oceania inflows increased by 26.16 per cent and 378 per cent respectively over 2005 (Table 5).

In 2007, inward FDI rose by 33 per cent, to \$573032 million (Table 1). Both FDI-to-GDP ratio (Table 2) and FDI-to-GFCF ratio (Table 3) increased to 3.85 per cent and 14.05 per cent respectively. However, the share of developing countries to world FDI inflows fell to 29.07 per cent (Table 4). In developing Africa, FDI inflows in 2007 rose to a historic high of \$63132 million. The inflows were supported by a continuing boom in global commodity markets. Cross-border M&As in the extraction industries and related services continued to be a significant source of FDI, in addition to new inbound M&As deals in the banking industry (UNCTAD, 2008). FDI inflows to developing Asia and America increased by 19.68 per cent

and 72.17 per cent respectively. However, inflows declined by 11.27 per cent in Oceania in 2007 (Table 5).

Developing economies registered an increase in FDI inflows in 2008 to record levels i.e. \$658002 million (Table 1) with their shares in global FDI inflows growing to 37.73 per cent from 29.07 per cent in 2007 (Table 4). However, both FDI-to-GDP ratio (Table 2) and FDI-to-GFCF ratio (Table 3) decreased in 2008 to 3.81 per cent and 13.35 per cent respectively. Inflows to developing Africa which peaked in 2008 amidst the resource boom reached to \$73413 million. Developing America recorded 21.96 per cent increase in inflows and developing Asia recorded 10.73 per cent increase in inflows and developing Oceania recorded 93 per cent increase in inflows in 2008 (Table 5).

Table 1 reveals that FDI inflows to developing countries declined by 22 per cent in 2009 and reached to \$510578 million. FDI inflows to developing economies increased by 12 per cent (to \$573568 million) in 2010, thanks to their relatively fast economic recovery, the strength of domestic demand, and burgeoning South-South flows. The value of cross-border M&As in developing economies doubled due to attractive valuations of company assets, strong earnings growth and robust economic fundamentals such as market growth (UNCTAD, 2011).

FDI inflows as a percentage of GDP declined further to 2.99 per cent (Table 2), whereas FDI inflows as a percentage of GFCF fell to 10.17 per cent (Table 3). However, the share of developing countries in world FDI inflows increased by 5.36 percentage points and reached to the level of 43.09 per cent (Table 4). FDI inflows as a percentage of GDP started to decline in 2008 and reached to the level of 2.60 per cent in 2010 (Table 2). The share of developing countries in global FDI inflows was up to 46.12 per cent in 2010 (Table 4). Table 5 reveals that Africa region recorded 8.52 per cent decline in inflows and Oceania region recorded 19.93 per cent decline in inflows in 2010. While developing America recorded 12.89 per cent increase in inflows and developing Asia recorded 16.36 per cent increase in inflows in 2010.

It is evident that during the period of 2006-2010, average inward FDI were \$548928 million, which were up by nearly 129 per cent than average FDI inflows during the period of 2001-2005. The cumulative FDI inflows during the period under study were \$5347520 million. The highest inward FDI to developing countries was in the 2008 (\$658002 million) in absolute terms and in percentage terms, the highest growth rate was 60 per cent in 2004 (Table 1). During the period of 2006-2010, average FDI inflows to GDP ratio was 3.3 per cent (Table 2) and during the period of 2006-2009, FDI inflows to GFCF ratio was 12.63 per cent (Table 3). During the period of 1991-2010, FDI inflows as a percentage of GDP were highest in 2007 i.e. 3.85 per cent (Table 2) and FDI inflows as a percentage of GFCF (Table 3) was highest in 2000 i.e. 15.86 per cent. Table 4 reveals that average share of developing countries in global FDI inflows was 37.08 per cent from 2006 to 2010. The highest share of inward FDI to global FDI inflows was also in the year 2010 i.e. 46.12 per cent. Table 5 reveals that during the period of 2006-2010, average share of Africa, America, Asia and Oceania into developing countries was \$59602 million, \$154975 million, \$332751 million and \$1600 million respectively. Asia region accounted for 60.62 per cent followed by 28.23 per cent America region, 10.86 per cent Africa region and 0.29 per cent Oceania region of average total inflows into developed countries.

Table 1: FDI Inflows by Host Region and Economy (1991-2010)

(US\$ million)

Year	Developing Countries	Year	Developing Countries	Year	Developing Countries	Year	Developing Countries
1991	39834	1996	146649 (27)	2001	215623 (-16)	2006	429459 (29)
1992	53076 (33.24)	1997	190650 (30)	2002	174876 (-19)	2007	573032 (33)
1993	76739 (44.58)	1998	190731 (0)	2003	183590 (5)	2008	658002 (15)
1994	103380 (35)	1999	228876 (20)	2004	293124 (60)	2009	510578 (-22)
1995	115801 (12)	2000	257625 (13)	2005	332307 (13)	2010	573568 (12)
Average	77766	Average	202906	Average	239904	Average	548928
Total FDI Inflows (1991-2010) : US\$ 5347520 million							

Note: The figures in parentheses shows growth rate calculated on year-on-year basis.

Source: www.unctad.org/fdistatistics

Table 2: FDI Inflows as a percentage of Gross Domestic Product (1991-2010)

(per cent)

Year	Developing Countries	Year	Developing Countries	Year	Developing Countries	Year	Developing Countries
1991	0.97	1996	2.28 (0.32)	2001	3.14 (-0.55)	2006	3.42 (0.34)
1992	1.20 (0.23)	1997	2.83 (0.55)	2002	2.47 (-0.67)	2007	3.85 (0.43)
1993	1.59 (0.39)	1998	3.01 (0.18)	2003	2.34 (-0.13)	2008	3.81 (-0.04)
1994	1.99 (0.4)	1999	3.56 (0.55)	2004	3.21 (0.87)	2009	2.99 (-0.82)
1995	1.96 (-0.03)	2000	3.69 (0.13)	2005	3.08 (-0.13)	2010	2.60 (-0.39)
Average	1.54	Average	3.07	Average	2.8	Average	3.3

Note: The figures in parentheses show percentage point change compared to previous year.

Source: www.unctad.org/fdistatistics

Table 3: FDI Inflows as a percentage of Gross Fixed Capital Formation (1991-2009)

(per cent)

Year	Developing Countries	Year	Developing Countries	Year	Developing Countries	Year	Developing Countries
1991	4.21	1996	9.13 (1.28)	2001	13.48 (-2.38)	2006	12.93 (1.07)
1992	5.02 (0.81)	1997	11.46 (2.33)	2002	10.41 (-3.07)	2007	14.05 (1.12)
1993	6.31 (1.29)	1998	12.58 (1.12)	2003	9.55 (-0.86)	2008	13.35 (-0.7)
1994	8.02 (1.71)	1999	15.38 (2.8)	2004	12.52 (2.97)	2009	10.17 (-3.18)
1995	7.85 (-0.17)	2000	15.86 (0.48)	2005	11.86 (-0.66)	2010	N.A.
Average	6.28	Average	12.88	Average	11.56	Average	12.63

Note: The figures in parentheses show percentage point change compared to previous year.

Source: www.unctad.org/fdistatistics

Table 4: Percentage of Global FDI Inflows into Developing Countries (1991-2010)
(per cent)

Year	Developing Countries	Year	Developing Countries	Year	Developing Countries	Year	Developing Countries
1991	25.85	1996	37.74 (3.92)	2001	26.10 (7.73)	2006	29.38 (-4.44)
1992	32.00 (6.15)	1997	39.20 (1.46)	2002	27.90 (1.80)	2007	29.07 (-0.31)
1993	34.36 (2.36)	1998	26.96 (- 12.24)	2003	32.05 (4.15)	2008	37.73 (8.66)
1994	40.38 (6.02)	1999	21.01 (- 5.95)	2004	39.48 (7.43)	2009	43.09 (5.36)
1995	33.82 (- 6.56)	2000	18.37 (- 2.64)	2005	33.82 (- 5.66)	2010	46.12 (3.03)
Average	33.28	Average	28.66	Average	31.87	Average	37.08

Note: The figures in parentheses show percentage point change compared to previous year.

Source: www.unctad.org/fdistatistics

Table 5: FDI Inflows by Host Region and Economy (1991-2010)

(US\$ million)

Year	Developing Countries (Total)	Africa	America	Asia	Oceania
1991	39834	3535	11611	24155	534
1992	53076	3800 (7.5)	16150 (39.09)	32933 (36.34)	193 (-63.86)
1993	76739	5443 (43.24)	15138 (-6.27)	55967 (69.94)	190 (-1.55)
1994	103380	6105 (12.16)	29008 (91.62)	68103 (21.68)	164 (-13.68)
1995	115801	5655 (-7.37)	29513 (1.74)	80082 (17.59)	550 (235.37)
Average	77766	4908	20284	52248	326
1996	146649	6038 (6.77)	46263 (56.75)	94218 (17.65)	130 (-76.36)
1997	190650	11033 (82.73)	73504 (58.88)	105814 (12.31)	298 (129.23)
1998	190731	9953 (-9.79)	85567 (16.41)	94846 (-10.37)	364 (22.15)
1999	228876	12596 (26.55)	104232 (21.81)	111540 (17.60)	508 (39.56)
2000	257625	10967 (-12.93)	97688 (-6.28)	148747 (33.36)	223 (-56.10)
Average	202906	10117	81451	111033	305
2001	215623	20894 (90.52)	80533 (-17.56)	113984 (-23.37)	212 (-4.93)
2002	174876	16093 (-22.98)	58539 (-27.31)	100121 (-12.16)	124 (-41.51)
2003	183590	20418 (26.88)	45621 (-22.07)	117205 (17.06)	346 (179.03)
2004	293124	21734 (6.45)	96400 (111.31)	174630 (49)	360 (4.05)
2005	332307	38160 (75.58)	78046 (-19.04)	215834 (23.60)	267 (-25.83)
Average	239904	23460	71828	144355	262
2006	429459	46259 (21.22)	98459 (26.16)	283463 (31.33)	1278 (378.65)
2007	573032	63132 (36.48)	169514 (72.17)	339252 (19.68)	1134 (-11.27)
2008	658002	73413 (16.28)	206733 (21.96)	375665 (10.73)	2192 (93.30)
2009	510578	60167 (-18.04)	140997 (-31.80)	307527 (-18.14)	1887 (-13.91)
2010	573568	55040 (-8.52)	159171 (12.89)	357846 (16.36)	1511 (-19.93)
Average	548928	59602	154975	332751	1600
Total (1991-2010)	16572891	490435	1642687	3201932	12465

Note: The figures in parentheses shows growth rate calculated on year-on-year basis.

Source: www.unctad.org/fdistatistics

CONCLUSION

FDI by MNCs has grown rapidly in recent decades and developing countries have attracted an increasing share of it and its significance for developing countries also has increased. Yet, the magnitude and especially the timing of increases in FDI inflows into developing countries have varied greatly. The study concludes that FDI has substantially accelerated as a result of many factors such as rapid technological progress, emergence of globally integrated production and marketing networks, existence of bilateral investment treaties, recommendations from multilateral development banks and positive results from developing economies that have opened their doors to FDI.

Notes

1. Developing Africa consists of Eastern Africa, Middle Africa, Northern Africa, Southern Africa and Western Africa.
2. Developing America consists of Caribbean, Central America and South America.
3. Developing Asia consists of Eastern Asia, Southern Asia, South-Eastern Asia and Western Asia.
4. Developing Oceania includes the following economies: American Samoa, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Micronesia, Nauru, New Caledonia, Niue, Northern Mariana Islands, Pacific Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis and Futuna Islands.

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DECLINE OF SOVIET UNION: FAILURE OF A STATE SYSTEM OR IDEOLOGY

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ABSTRACT

The Russian revolution divided the whole world in two blocs on the basis of ideology. The Marxist ideology was considered as emancipation for the deprived section of the society. This ideology was an outcome of exploitative character of capitalism. With the decline of Soviet Union, the social scientist of the entire world has started to question whether the decline of Soviet Union can be considered as end of ideology or this was failure of state administration in Soviet Union. In this research paper it has been tried to find out the reasons of this decline and to relate them with the main source of these reasons. The basic of Marxist philosophy is the end of the exploitation of man by man and that is possible only when resources will be owned by the society and its benefits will distributed among the society but it did not happen in Soviet union, the resources were used to provide military as well as other assistance to other nations and the proletariat of Soviet Union were left miserable. Gorbachev initiated political and economic reforms which were fundamentally opposite to Marxist core and proved fatal for Soviet Union.

Key Words: Proletariat, Capitalism, Ideology, Communism, Glasnost

The Russian Revolution is one of the great events of world's history. October revolution of 1917, which established first socialist state in the world, was rooted in Marxist-Leninist ideology, which was the most progressive ideology of its time. This ideology gave a new direction to the submerged strata of the entire world and it showed the way of abolishing exploitation of man by man. This ideology exposed the real character of the capitalist world. It conveyed a message of an exploitation free society to not only the Russian people but to the depressed classes of the entire world.

Man has been concerned with the role of ideas in shaping of human behavior ever since the first member of the species attempted to influence the behavior of another by exhortation instead of by blows.¹ The Marxist ideology is also not an exception to it. This ideology emerged as a reaction to the exploitative character of capitalism. At one time capitalism itself was a progressive ideology against feudal state. But today's progressive ideology became tomorrow's reactionary ideology and capitalism is clear manifestation of this idea. 16th century progressive capitalist ideology became the reactionary ideology of 19th and 20th century. Nature of capitalism has been clearly exposed in this century. During First World War the position of labour class had deteriorated so much so that it became intolerable for the poor masses to continue with it. To get rid of this gloomy situation there emerged the anti-thesis of capitalism in form of the idea of socialism, which was based on the egalitarian ideology and become the hope for downtrodden classes submerged strata to get rid of exploitation of capitalism.

The war had left throughout the Europe with a sense of disillusionment and despair which calls aloud for a new religion as the only force capable of giving men the energy to live vigorously. Bolshevism supplied this new religion. It promised an end to injustice of rich and poor, and end to economic slavery and an end of war. It promised an end of commercialism that subtle falsehood that leads men to appraise everything by its money value often merely by caprices of idle plutocrats. It promised a world where all men and women shall be kept safe by work, and where all work shall be value to the community and where all work shall be value to the community not only few wealthy vampires.²

First blow to Tsarist regime came in form of 1905 revolution. In this revolution rulers tried to rule Russia on Western line but it was short lived. Lenin organized Communist Party in 1903 and overthrew the rulers of 1905 revolution. This was the last blow to Tsarist Russia and Lenin provided an alternative in form of a Socialist State. To implement Marxist ideology in real practice Lenin made a member of modifications in Marxist ideology. “Reacting to the situation as they arose, Lenin continued to add new conceptions and to abandon or modify old ones.”³

From 1917 to 1985 there were many ups and downs in Soviet Union. It consolidated its economic, political and military power and attained big power status in the world and Soviet Union became a super power in the bipolar world and because of the consequences of Second World War many socialist states emerged in Eastern Europe. But after 1985 when Gorbachev came to power Soviet Union started to lose its dominant power, not only in international arena but also in domestic arena.

For last seventy years, communism in Soviet Union was not only an ideology rooted in Marxism, it was at the same time an economic system, a social system and indeed a way of life for nearly 300 million people ruled by Kremlin. As an ideology it structured their thought process, as an economic system it organized their economic potential and as a social system and way of life it gave them little choice but to survive through mastery of the technology of obedience and conformity.⁴

Vast socialist Soviet Union which was a super power of the world, disintegrated in 1991, major questions arise why such a vast socialist empire fell into pieces? What are the factors responsible for the breakdown of Soviet Union? The critical question is why the things came to a head only now? Was it a sudden down fall or was it a steady process? What was wrong, Communist ideology or the state system? What role the imperialist world played in the down of Soviet Union. Different views prevail regarding the decline which led to the disintegration of the Soviet Union. Some scholars have seen it in the content of history. Other in the light of decline of economy and ideology some other has blamed Gorbachev. Here an effort is made to analyze the different versions.

According to the some scholars the breakdown of Soviet Union is not a sudden incident but it is a steady process. The grievances of people accumulated for the last seventy years and when they could not be contained any longer they erupted and led to the breakdown of Soviet Union. Marx never gave the idea of party for the establishment of socialist state. It was purely an innovation of Lenin to overcome the practical realities of administration. This new concept of party led to establish democratic centralism which became responsible for the authoritarian dominance of Communist Party over the society. Real power was not vested in the workers but in the party. Till Lenin, some opposition was tolerated within the party but

during Stalin's regime this tolerance too disappeared. Even the party members had no right to dissent within the party. This factor accumulated the grievances not only among the party members but also among the people. From the very early period of group of Soviet leaders led by Trotsky opposed the totalitarian socialist state. They opposed the suppression of freedom and demanded the freedom of press.⁵

The war of succession which began after the death of Lenin also created discontentment among leaders and people. Trotsky was main opponent of Stalin and he was sent into exile. Stalin eliminated all types of opposition and established naked dictatorship of one man. Stalin's image was that of a ruthless dictator, inexorable liquidator of factions, classes and nations.⁶

Another crisis in Soviet Union came during the period of Khrushchev. After the death of Stalin he came into power and he reversed the policies of Stalin. He adopted a soft attitude towards western countries and started the liberalization process in Soviet Union. In domestic arena and in foreign policy context he relaxed the tight grip of dictatorship of proletariat. In 1955, Khrushchev publicly apologized in Belgrade for the Stalin's deeds.⁷

Khrushchev even tried to reverse the methodology of achieving socialism of violent revolution and dictatorship of proletariat. He believed that Communist parties in capitalist countries might come in power through parliamentary road and propagated and practiced the policy of peaceful co-existence.⁸ In this way Khrushchev turned the direction of socialist ideology which is based on violent revolution. After Khrushchev this strategy was adopted by Gorbachev after 1985 and within five years the whole Soviet Union broke down.

Gorbachev took more radical steps but in line of Khrushchev which proved suicidal to Soviet Union. Both the leaders adopted liberal approach and tried to govern Soviet Union on western democratic lines but both the leaders failed. Khrushchev could not succeed because he was frustrated by his own opponents in communist party but when Gorbachev had no opponent there was no Soviet Union to govern on democratic lines. So the First version of declining of Soviet Union is that too much liberal attitude of Soviet Leaders towards capitalist ideas in Soviet Union and soviet leaders did not show any commitment for curbing capitalist feelings because they were not in favour of using force against capitalist propaganda which led to the disintegration of Soviet Union.

But to some extent use of force is essential in socialist state to curb capitalism and capitalists. Capitalist forces in the entire world are so strong that they cannot be curbed without using some kind of force and socialist state is a transitory period from capitalism to communism and use of force is required to curb the capitalism and it leads to communism. Socialist ideology itself is based on revolutionary ideas that if the working class does not suppress the capitalist class then capitalist class will suppress the working class. It is a matter of survival and there will be the dictatorship of minority instead of the dictatorship of majority. Example of Chile is clear manifestation of this idea. When Chile's communists came in power through parliamentary method, they were crushed by capitalists. Paris commune failed because of the lack of the use of force. So some kind of force is required to stabilize socialist state. Till 1985, there was united Soviet Union but where Gorbachev relaxed in matter of force than capitalist force got the opportunity and Soviet Union broke down into various republics.

Gorbachev started economic and political reforms in 1985 and he was very confident that these reforms would be milestone for new Soviet Union and it will progress very fast with these reforms but he could not foresee the consequences of these reforms. They themselves become the cause of the disintegration of the Soviet Union. Instead of steady reforms Gorbachev took hasty steps, he wanted to change Soviet Society overnight, without preparing the proper ground for reforms. It was only the imposition of the reforms which led to the breakdown of Soviet Union itself. On the one side Gorbachev declared multi-party elections in Soviet Union but people were not aware about this type of polity and they were not trained for such type of system.

On the other hand, competitive market system on western line was adopted which was unknown to Soviet people but this was based on the feelings of nationalism which inculcated the nationalistic feelings among the people of various republics and there emerged chaos and in this chaos and complex situation leaders of these republics gave the slogan of nationalism instead of socialism and demanded that their independence should be recognized on nationalistic lines. In his early calculations Gorbachev simply overlooked this problem. Even when he released that nationalism was an important political force, he continued to underestimate its disruptive potential. Gorbachev believed that economic recovery based on preserving the Soviet Union as an integrated economic unit would result in the loss of political legitimacy of the nationalist movement.⁹ After 1985, the issue of nationalism suddenly grew. Soviet Union was a vast country, including various nationalities. It is claimed by liberal leaders that Soviet Union suppressed the various nationalities and these nationalities rose as a protest against Soviet Federalism. Soviet Union was not based on the idea of nationalism but on the idea of socialism. The first commitment was socialism not nationalism. Predecessors of Gorbachev tried to assimilate the nationalities through the idea of socialism. But when Gorbachev abandoned the very notion of socialism than the problem of nationalism became prominent. Further problem of nationalities was inflamed by liberal leaders of Soviet Union and Western Countries. After 1985, ambitious republic leaders got the opportunity to protest against Soviet Union and demanded their independence.

Although Gorbachev had no intention of breaking Soviet Union and he resisted till the last minute to give independent status to republics but his own reforms forced Gorbachev to accept the disintegration of the Soviet Union. Gorbachev had not assumed the leadership of the country for liquidation of the empire. In fact, he wanted to reform the empire into a modern, efficient and humane end. In other words, he wished to preside over a model empire, the envy of the other super power and other capitalist countries. He had entertained many excellent ideas but he lacked the wisdom to translate them into reality without disturbing his own empire.¹⁰

When Gorbachev accepted the disintegration of Soviet Union, the people, who still had some hope of United Soviet Union, were considered hardliners, tried to save Soviet Union by overthrowing Gorbachev on 19th august 1991. But till then the leaders of republics and Soviet liberal leaders, Boris Yeltsin consolidated their power and this last attempt to save Soviet Union proved futile. Entire capitalist world and the new leaders in Soviet Union considered this coup as the desperate attempt of hardliners of Glasnost and Perestroika and democratization but were consistently conspiring to dislodge him and other liberal leaders before they were finally crushed and dumped into dustbin.

Reforms are done to reform the system not to destroy it. Liberal leaders of Soviet Union and its republics took the help of these reforms in destroying Soviet Union. Lithuania was the first republic to declare its independence from the Union of Soviet Socialist Republics in March 1990. It was followed by other republics. Within one year, all the republics declared their independence with some variant. Final blow to united Soviet Union was given on 21st December 1991 when leaders of 11 republics – Azerbaijan, Armenia, Byelo Russia, Kazakhstan, Kirghizia, Moldova, Russia, Tajikistan, Turkmenistan, the Ukraine and Uzerbekistan signed in Alma-Atva and established commonwealth of independent states. The commonwealth of independent states is based on a number of political principles alien to former Soviet Union, including mutual respect for state sovereignty and self-determination, equality and non-interference in internal affairs of other states and support for the development of democratic, law governed states.¹¹

Another view regarding the decline of the Soviet Union is that of the non-communists and western liberal thinkers who saw the downfall of Soviet Union as the problem rooted in socialist ideology itself. According to this idea, there is something wrong in communist ideology itself and it is victory of liberal and capitalistic ideology. According to this idea, there is something wrong in communist ideology itself. Downfall of Soviet Union is the downfall of communism itself and it is victory of liberal and capitalistic ideology. The dramatic changes in Soviet Union are generally viewed in context of the failure of communist system to fulfill the minimum expectations of Soviet people.¹²

According to some thinkers Marxism is a utopia, it can only be studied as a theory but in practice it cannot be implemented. Idea of equalitarian society is myth and the days of communism are over with the dismantle of Soviet Union. They equate the communism with Soviet Union and people have discarded communist ideology. Inherent weakness in communist ideology is major cause of the downfall of Soviet Union. Next generations will not accept communist ideology because its true character has been exposed with the downfall of Soviet Union. The death of communism of Soviet Union compounds and complicate its survival elsewhere, as there is no centre or headquarters to consult or seek solace.¹³

Other scholars believe that even the idea of socialism and communism has faded with the developments in socialist countries. Socialism has suffered a defeat of immense proportions during last decade. For over seventy years the Russian Revolution and Soviet State and Society provided inspiration to millions all over the world struggling against all kinds of oppression and, then, suddenly the entire edifice of socialism seems to have collapsed. Everywhere those committed to socialism are on defensive.

So this idea propounds that it is not the failure of state system but it is the failure of ideology. But an ideology which is based on the idea of abolition of exploitation of man by man, how can it be demised when exploitation still exists. Socialist ideology will disappear when all form of exploitation disappears from the earth and an egalitarian society will be established, in which there will be no class. But all these elements still prevail in society, so how can the thinkers claim that communist ideology has failed. Ideology is not a state but it is an idea about a society. Secondly, it can be stated that collapse of Soviet Union does not mean that it is the victory of liberalism and capitalism. Capitalist ideology is in more danger because it is based on exploitation and it is reactionary and status quoits' ideology. Low and middle income Communist countries have scored over their capitalist counterparts in ensuring a

much more egalitarian distribution internally of income and wealth than their capitalist equivalents, and in providing much superior mass access to education and culture. In spite of evidence of fifty years of experience there are so many today who believes that capitalism if only it is allowed to operate properly is the surest route to prosperity for all or most countries, then it means that the end of Stalinist self-delusion has assuredly not meant the end of Capitalist Self-delusion.¹⁵

It is a wrong perception that downfall of Soviet Union is the downfall of socialism and Communism. Now it is a proper time to understand socialism and communism with more depth because gap between rich and poor is growing widely day-by-day. Even Gorbachev who is responsible for decline of Soviet Union to some extent was not a critic of socialism. About Lenin Gorbachev wrote “Works of Lenin and its ideas of socialism remained for us an inexhaustible source of dialectical creative thought, theoretical wealth and political sagacity. His very image is an undying example of lofty moral strength, all loaned spiritual culture and selfless devotion to the cause of the people and socialism.¹⁶ In an interview of Gorbachev which was published in *Literaturnaya Gazeta*” Gorbachev claimed that nobody has worked out any idea specifically for the destruction of socialism. As long as rational man exists, he will continue searching. At the same time, we are not going to idealize capitalist society.¹⁷

Another issue which is considered as the factor responsible for the decline of Soviet Union is the role of imperialist powers. Growing popularity of communism became a threat to western capitalist world. Socialist ideology was itself the product of inherent contradiction of capitalism became a threat to the survival of capitalism itself. USSR was like a shield against imperialist power for third world countries and could not be tolerated by imperialist powers, whose motive is to capture more and more markets and to gain and more profit by their exploitation. When the Capitalist countries saw that their interests were being harmed by U.S.S.R. then they started to fight collectively against communism and Communist countries. To contain the growing ideas of Communism they provided weapons and economic aid to non-Communist Countries and they instigated Soviet Liberal leaders to protest against socialist regime.

Mismanagement of economy of Soviet Union was also the cause of Soviet’s decline. Gorbachev after 1985 adopted the competitive market capitalists who could invest money. Therefore, black-marketing, hoarding, and large scale corruption among top class bureaucrats become common place as earn wanted more a d more money to build up capital for investing in the industries. This also created large scale unemployment and the younger strata of Soviet became discontented. There was huge fall in production, people started to hoard the essential goods which led to steep price rises. There was decline of consumer items such as radio, television, electronic bulbs etc. There was severe shortage of construction material causing chaos in housing sector and collapse of several state enterprises resulting from steep falls in capital investment. There was accelerating inflation with consumer prices increasing dramatically by 20 per cent in January, 27 per cent in February and 30 per cent in March. The cumulative impact of these economic trends was manifested by a sharp decline in soviet foreign trade.¹⁸

Another reason for the decline of the economy was that the Socialist ideology is based on the notion of distribution of surplus value to be working class and Marx said that surplus value will be extracted by the workers. Bid in soviet Union this was not the case. Surplus value

was extracted by the state not by the workers. This surplus value was not distributed among the workers, according to his work and according to his needs. This surplus value was used for making huge military preparations and to providing aids to other countries and workers who worked hard for their bright future were left miserable and it was the reason that resulted in the crisis in Soviet economy. Workers could not raise their living standard in comparison to western workers. So there was discontentment among the workers against Soviet regime. Socialist regime in U.S.S.R. did not follow the true principles of Marxism which led to the downfall of Soviet Union.

In this way various trends can be seen while analyzing the factors responsible for the disintegration of Soviet Union and on the basis of these trends two ideas can be formulated. Firstly, idea is that there was mismanagement in Soviet Union and Soviet leaders did not follow true principles of socialism. Secondly there is inherent weakness in communist ideology and in Soviet Union people have rejected the idea of socialism if the first idea is followed then one can be optimistic about social and communism because true principles of socialism can be followed and mal-practices can be avoided and a true socialist state can be established. But if second idea is accepted then there is no hope for further establishment of socialist state or communism because when the ideology itself is wrong, then it cannot be implemented in practice.

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A COMPARATIVE STUDY OF INDIAN PUBLIC AND PRIVATE SECTOR BANKS

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ABSTRACT

Banking services constitute a hybrid type of “Offering” by an organization. The offer consists of the many tangible services such as various brands of accounts, the size of lockers, the loan schemes and intangible services also such as the ambience, behavior of the staff, speed and accuracy of transactions and reliability of the bank. Traditionally, the offices and branches of the public sector banks have dominated bank offices in India, however with the liberalization of financial sector in 1990, the private sector bank and foreign banks also set up their shops all over the country. These newly set up commercial banks are offering aggressive and technology savvy competition to the public sector bank in the form of innovative products and services.

Key Words: NBFC, PSU's, DFI's, ATM, Tele-Banking.

Banking in India has its origin as early as Vedic period. It is believed that the transition from money lending to banking must have occurred even before Manu, the great Hindu jurist, who has devoted a section of his work to deposit and advances and laid down rules relating to the rate of interest during the Mughal Period. The indigenous banker played a very important role in lending money and financing foreign trade and commerce. During the days of the East India Company, it was the turn of the agency house to carry on the banking business. The General bank of India was the first joint stock bank to be established in the year 1786. The other, which followed, was the Bank of Hindustan and Bengal Bank. The bank of Hindustan is reported to have continued till 1906 while other two failed in the meantime. In the first half of the 19th century the East India company established three banks; the Bank of Bengal in 1809, the Bank of Bombay in 1840 and the Bank of Madras in 1843. These three banks also known as Presidency Banks were independent units and functioned well. These three banks were amalgamated 1920 and new bank; The Imperial Bank of India was established on 27th January 1921. With the passing of the State Bank of India act in 1955 the undertaking of the Imperial Bank of India was taken over by the newly constituted State Bank of India. The reserve Bank which is the Central Bank was created in 1935 by passing Reserve Bank of India Act 1934. In the wake of swadeshi movement a number of banks with the Indian Management were established in the country namely, Punjab National bank Ltd., Bank of Baroda Ltd., and Canara bank Ltd. On 19th July 1969, 14 major banks of the country were nationalized and on 15th April 1986 more commercial private sector bank were also taken over by the Government. Besides, several foreign banks are allowed to operate as per Guidelines of RBI. Even though the Indian banking system made considerable progress both functionally and in terms of geographical coverage during the above period, there were still many rural and semi-urban areas, which were not served by banks. Moreover, large industries and big and established houses tended to the detriment of the priority sectors such as agriculture, small-scale industries and exports.

Thus, to bring about a wider diffusion of banking facilities and changes in the pattern of bank lending, the scheme of social control over banks that envisaged organizational and legislative changes was initiated by the Government. The systems of credit planning which identified priorities for loans and advances and the Lead Bank Scheme that sought to make the banking system a vehicle of development were used as instruments of social control over banks. The reform in the financial sector was attuned to the reform of the economy, which now signified opening up. Greater opening up underscores the importance of moving to international best practice quickly since investors tend to benchmark against such best practices and standards. Since 1991, the Indian financial system has undergone radical transformation reforms have altered the organizational structure, ownership pattern and domain of operation of banks, Development Financial Institutional and Non Banking Financial Companies. The main thrust of reforms in the financial sector was the creation of efficient and stable financial institutions and markets. Reforms in the banking and non banking sectors focused on creating a deregulated environment, strengthening the prudential norms and the supervisory system, changing the ownership pattern, and increasing competition.

The policy environment was stanchd to enable greater flexibility in the use of resources by banks through reduced statutory pre-emption, interest rate deregulation rendered greater freedom to banks to price their deposits and loans and the Reserve Bank moved away from micromanaging the bank on both the asset and liability sides. The idea was to impart operational flexibility and functional autonomy with a view to enhancing efficiency, productivity and profitability. The objective was also to create an enabling environment where existing banks could respond to changing circumstances and compete with new domestic private and foreign institutions that were permitted to operate. As a result of the introduction of competition of banking sector, the environment in the industry changed rapidly. Private-sector banks and foreign banks entered the domain of public sector by providing some value added services, such as ATM services, Tele-Banking, Net Banking, Multi-option deposit schemes, offering attractive consumer durable loans, educational loans and personal loans at low interest rate, provision of credit cards and free 'demat' services to the customers.

Moreover the customers were not willing to accept the time consuming banking services in the public sector bank. This trend has forced the public sector bank to re-examine and revise their strategies to retain their existing customer. All three major groups (i.e., the public sector bank, private-sector banks, foreign banks) are wooing customers towards their own respective establishment by providing customer desired products and customer-savvy services. In present environment, banking in India almost entirely based on customer needs. Hence provider of services according to the needs of customer will only remain in business.

REVIEW OF LITERATURE

Indian is an important market as far as banking is concerned. It is also interesting to study, not only due to its sheer size, but also because of the sweeping changes the sector has witnessed in the last decade. The process of financial sector reform as a part of the broader programme of structured economic reform started in Indian in 1992. With initiation by the Narasimham committee report and later in 1994 by constituting the board of Financial Supervision, the government took several important steps to strengthen the functioning of the financial sector. Some of the important steps were reduction in the level of cash reserve ratio and statutory liquidity ration and creation of more competitive environment in the financial sector through

reform measure like relaxation of entry-exit norms, reduction in public ownership in banking industry and letting bank access capital market for meeting their fund requirement (Reserve Bank of India, 1999a). In spite of all these reformatory measures, which were aim at providing a level playing field to the nationalized banks of the country, the government in October 1999 had to constitute the Verma Committee to identify the weak public sector banks and develop a restructuring policy for them with the motive to equip them to sustain in this new liberalized regime (Verma Committee, 1999). Therefore, we feel it is important to find out how the Indian banks, belonging to both public and private sector, would be able to compete with the multinational banks. The framework of strategic grouping would be necessary for a bank to identify its position vis-à-vis competitors and to enable poor performing banks willing to with over to better groups. A bank needs to understand the inherent dimensions, which make that group more efficient. Is also ha to comprehend what sort of structural changes in its long-term business policy are required.

The banking industry in India has been a witness for the last decade to several regulatory changes that have resulted in a heightened level of competition among the banks. The entry of private sector banks and foreign banks, subsequent to the recommendations of the Narasimham committee, have increased manifold the expectations of the customers in all areas relating to customer service (Thampy and Madanmohan 1999). India's banking system responded to the post-liberalization reforms in a creditable manner by showing admirable alacrity in absorbing the impact of reforms (Savhani, 2000). Thanks to maturing markets and global competition, bankers have been forced to explore the trade-off between wining new customers and retaining old ones. The focus of marketing has shifted to managing relationship with customers. The advent of private sector and foreign banks has also been instrumental in providing greater benefits and new service options to customer (Panigraphy 2000). Though Indian banking is subjected to severe criticisms for its high amount of band debts and lower profits, on crucial aspect of its performance that stand out glitteringly is its contribution to the development and diversification of the Indian economy which witnessed a great surge in the last three decades.

Banking is no longer regarded as a business dealing with money transactions alone, but it also sees as a business related to information on financial transactions (Padwal, 1995.) In other words, it is believed that information technology (IT) plays a significant role in providing better customer service, presumably at a lower cost. Several innovative IT- based services such a automated teller machines (ATM), electronic fund transfer, anywhere anytime banking, smart cards, net banking etc. are no longer alien concepts to Indian banking customers (Rawani and Gupta 2000). But the diffusion of technology is somewhat slow in public sector banks when compared to private sector banks and foreign banks. In the case of private sector banks, bank automation has been far easier as their size is small and they also started their operations afresh. As regards the foreign banks, they already have the advantage of good automation experience in several banking applications (Kaujalgi, 1999).

Although the presence of private sector banks and foreign banks have kindled a competitive spirit among the state owned nationalized banks, the nationalized banks are not up to the task yet, as far as challenging the private sector and foreign banks with respect to the quality of services delivered by them – in terms of the intensity, depth, diversity, and range of services offered. Nevertheless, the reserve Bank of India, the country's central regulatory bank continues to move to towards greater liberalization, in order to faster competition among the

nationalized banks (Angur, et al. 1999) The Indian monetary and credit policy adopted in 1997 has wide economic Implications for banks as it contains provisions that allow greater freedom for banks (Kaushik, 1997).

In essence, Indian banking is in the grip of profound structural changes as evident from the phenomenal growth in the size, spread and activities undertaken by them. Many leading business magazines like Business Today and Business India have, of late, started ranking the banks of several criteria such as operation ratios, profitability ratio, productivity ratios, financial parameters, net profits, total assets, advances and total deposits (Business India, 1995; 1996; 1998; Business Today, 1998a, b: 1999). These rankings were in essence based on financial aspects rather than on quality of service delivered. Therefore and analysis of banks in India from a “service quality perspective” may sound interesting at this juncture. Such an investigation may provide the banks with subtle, intricate details that will help them to achieve the elusive competitive edge that they are searching for. Moreover these service-quality issues have long been neglected in developing economics when compared to information available about developed economics like the USA and Europe (Kassem, 1989) and this also applies to the banking industry (Angur et al., 1999). India, being a huge developing economy, and its banking sector with a wide geographical reach catering to the needs of huge clientele, offers an excellent scope for research on the issue of quality in banking (as perceived by the customer) and can provide the beacon for the evaluation of effectiveness of banking in developing economies.

Banking institutions throughout the world are facing a fast paced dynamic environment where efficiency and competitiveness hold the key to survival. The process of establishing a competitive advantage is at the heart of competitive marketing strategy. With intense competition from both domestic and international players, rapid innovation and introduction of new financial instruments, explosive growth in information technology, the way in which a commercial banking firm conducts business and reaches out to its customers has significantly changed. Widespread mergers and acquisitions in the banking sector point to this quest for attain competitive advantage in a crowded market place. In order to survive and apart to the changing environment, banking firm are putting more stress on understanding the drivers of success, like better utilization of its resources (like technology, infrastructure and employees, process of delivering quality service to its customers and performance benchmarking,. Leading commercial banks throughout the world are aggressively strengthening their strategic marketing and operational capabilities as a source of competitive advantage. While traditional bank performance parameters like transaction, deposit and income are significant indicators, the criterion of efficiency has become changed. It is becoming increasingly relevant from a marketing perspective to not only outperform competitors on deposit or income, but also be cost competitive. A bank is considered to be cost competitive, if it spends equal amount of money on resources as others but generates higher level of performance or if it spends less amount of money on resources to generate same level of performance as others in the industry. The need to be cost competitive is at the heart of effective competition in today’s financial markets, because cost competitiveness imparts the ingredients to long term commercial success. Therefore efficiency of banks is critical as a basis for effective competition from a marketing perspective. Extant literature on marketing efficiency of firms mentions several financial variables as inputs, like marketing expenses, Investment ,number of employees and

administrative overhead measured in terms of financial parameters like profit, sales, number of units sold and market share.

The performance challenges and the need to be cost competitive are apparent throughout the world. The situation is no different in the banking sector in India, one of the world's largest emerging economies. Significant changes have been taking place in the Indian commercial banking sector as a part of the financial sector reform initiative undertaken by the government of India and the Reserve Bank of India's since the early 1990s. As the country's banking system, which is still dominated by the public sector performance and efficiency issues are gradually emerging as the touchstone of success. There is an emerging need for a comprehensive framework for measuring performance of Indian banks and understand their strategies, both from the point of view of the corporate and retail customers as also the regulators. On the conceptual front, a bank typically performs two functions; it provided product and services to its clients and engages in financial intermediation and management of risk.. The servicing function is typically measured using the level of quality services provided and the intermediation actively is measured using its risk management skills. There is empirical performance of financial institutions and also that of risk-taking skill on the overall performance benchmarking on the basis of overall financial performance and resultant strategic grouping can help the banks to restructure their policy choices to compete in this dynamic environment. Analyzing its position in the performance hierarchy, a bank can take decision on certain strategic variables like product mix; client mix and distribution channel whereby they can follow the market leaders and devise their improvement strategy. Comparing with industry benchmarks can enables a bank to analyses the alignment of the process design, the way in which the bank is utilizing different recourses to deliver customer value and its human resource management. Thus, there is a need to devise a methodology to measure the overall performance of the banks with respect to their competition using the financial parameters, which could help individual banks to take long term strategic decision.

Performance analysis of financial institutions, particularly commercial bank, has been a very well measuring performance of banks is to separate out those which are doing well, from those which are doing poorly. Performance of a bank is generally conceptualized as the extent to which the bank is able to utilize its resources to generate business transaction and is measured by their ration, which we call efficiency. Efficiency is measured by the ratio of outputs to inputs, where larger value of this ration indicates better performance. Studies of bank performance have, to date, concentrated on obtaining a single perspective of efficiency. Tradition accounting and financial ratio methods (like return on equity, return on assets) have been information for benchmarking a bank's performance. Data envelopment analysis (DEA) is a mathematical approach to handle situations with multiple inputs and multiple outputs and has been a proven way to measure bank performance. This frontier analyses method can identify those banks which are able to convert multiple inputs to produce higher amount of a combination of outputs. These are called efficient banks and their efficiency is measured by the ration of their combination of multiple outputs given their existing inputs are considered to be low on efficiency (Coelli et al. 1998).

Changes since the mid 1980s in the form of increasing competition in the marketplace, growing financial awareness by customers, economic pressures on traditional markets and government legislation, have contributed to making the market for retail financial services more open

(Davis, 1994). Birch (1995) warns that “Fierce competition will lead to less financial service organization, smaller banks will merge with larger ones, and many may disappear altogether.” Ellwood (1994) suggests that in the year 2000, the customer will see a banking market place where the blurring of identity between banks, insurance companies, and of other possible competitors that will enter in the market, will have accelerated. Customers will shop around more than ever and profitability will come under pressure. The result of this “shopping around” culture will be a higher mobility among customers buying financial products. Differentiation will continue to lead the marketing strategy of banks, but it will be centered neither on products, as they are about the same, nor on price, as price differentials are minimal.

Therefore, how will a financial institution, such as a retail bank, compete in such an environment? How will it differentiate its offerings from those of its competitors (Birch, 1995) Financial institutions are acknowledging that unless customer needs are taken into account in designing and delivering services, technical superiority will not be success (Zeithaml and Bitner, 1996). New marketing concepts and strategies are paying greater attention to identifying customer needs and expectations (Morgan, 1989) and offering high levels of service quality (Lewis, 1991). As argued in the literature (Brown and Swartz, 1989; Buzzel and Gale, 1987; Edvardsson et al. 1994; Gronroos, 1990; Lewis, 1989; 1991; Lewis et al., 1994; Parasuraman et al, 1988; 1991; Zeithaml and Bitner, 1996; Zeithaml et al, 1990), it is probably the effective measurement of service quality which will enable financial institutions to achieve a differential advantage over their competitors (Lewis, 1989: 1991). Services quality much takes its cues from what the customers want (BMA, 1991), that is, through customer perception, perceived service quality is defined as the extent of discrepancy between expectation and perception is required (Berry et al., 1985). Although Zeithaml and Bitner (1996, p. 78) suggest that customers might hold similar expectation levels for a spectrum of service firms in the same industry, it would be of interest of this problem of banks. It is one aspect of this problem that this paper is exploring, with particular reference to the banking system in Greece; similar segmentations of banks, however, exist in several other parts of Europe and the world.

Zavvos (1989) noted that the Greek banking system suffers from two lasting problems, first a great part of this industry (approximately 75 percent) is under the control of the public sector which creates certain distortions. Second there is an extensive intervention by the state through the appointment of governors and directors of public banks and through the introduction of sundry restricting regulation; it is unlikely, though not proven that issues of interferences would be unique to this country. Zavvos (1989) questioned whether it would be possible for banks in the public sector to keep their market in the context of changing environmental conditions. It was concluded that a great part of their custom will probably move to those foreign private banks able to offer better interest rate and better quality of service; such arguments have wide support in the literature (Chalikias, 1991; Provopoulos, 1995; Stergiou, 1996; Watson, 1995). Public sector banking, as a result of government interference, is staffed by about 50 per cent more employees per branch compared with the private sector and the gap appears to be increasing. It was not possible, within the limits of this survey, neither to make comparisons of the labour component of cost nor to evaluate performance in terms of volume, complexity or value added. Notwithstanding costly labour saving technology, queues appear to be increasing (Emmanouilidis, 1996).

With the above issues in mind and seeing that these two banking sectors, private and public are doing competition against each other, it was deemed appropriate to explore the extent to which service expectations and perceptions compared among their clients. An analysis of the similarities and differences that might exist will help both with our understanding of differentiation in the financial services sector and in the debate about the appropriateness of a particular strategy under changing conditions.

The literature suggests that improvement of the financial position of individual clients and the dissemination of information about banking services have contributed to increasing customer expectations (Zavvos, 1989). These changes come at a time when the Greek banking industry is under pressure to operate within the norms of the single European Market. To these pressures have to be added the trend towards globalization, deregulation and the abolition of several types of subsidies in the provision of financial services, fueling competitive forces in the banking system.

In such an environment, maintenance of service quality and focus on customer needs are key components for strategic planning (Chalikias, 1991; Zavvos, 1989). Banks that will adapt their strategies to the new competitive conditions by improving the level of service quality, as perceived by their customers, are likely to create and gain a competitive advantage.

Conclusion

Though, the most banks in India claim to serve the best interest of their customers with the increased use of information technology and meeting RBI's guidelines regarding capital adequacy ratios, provisioning requirements, risk management, etc., the findings of this study leads us to an adverse conclusion. The study brings to the light that there exists a significant gap between the expectations and perceptions in relation to quality of services mostly offered by public sector banks. In fact, the complete professional approach to management is still to be introduced. A managerial implication of the findings of this research paper is that banks must place emphasis on change management, internal marketing, and employee empowerment so as to ensure the customer satisfaction. The above is more urgently required on the part of public sector banks in order to compete with private sector banks and to survive as well.

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PERSPECTIVES ON TEACHING ENGLISH GRAMMAR AND LITERATURE AT UG LEVEL

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ABSTRACT

The purpose of the present paper is to describe a few perspectives on teaching English Grammar and Literature at UG level. The paper presents a few problems such as the poor standard of the students in grammar, unfamiliarity with foreign language i.e. the English Language, and ignorance of literary devices. It also describes some of the challenges teachers generally face in the present scenario. In such a scenario the role of a teacher becomes very important to inculcate and improve the academic skills among students.

Key words: Language, Grammar, Literature, Poetry, drama.

Language is the dress of thoughts` said the famous writer Dr. Samuel Johnson. It can be any language that you articulate your thoughts, but in this sophisticated world, learning English is imperative. Since English has become an international language, more and more people are studying it. No other language has ever been spoken by so many people in the whole world. The study of English literature allows people to develop new ideas and can help individuals to present themselves as educated members of society.

The present paper intends to deal with different perspectives on teaching English Grammar and Literature at UG level. It attempts to explore the challenges and problems faced by a teacher in the teaching of literature and grammar.

One of the problems generally faced by most of the teachers of English at the college level is the poor standard of the students. Students are even ignorant of the basic rules and structural patterns which they are supposed to have learnt at the school level. If a teacher directly starts his teaching at the graduate level without trying to know the level of the students, his efforts will not bear any fruits as he will not be able to raise a structure over a feeble foundation. Therefore, a teacher before starting his teaching programme must assess the language background of the students. Keeping in view the background of students, he should select his teaching items, grade them and present them in accordance with the social situations.

As far as teaching of grammar is concerned, a teacher should begin from the simple grammatical items and proceed towards the complex ones. Each succeeding grammatical item has to be based on the previous ones taught earlier in the class. Thus by carefully selecting the frequently recurring grammatical items and by grading them as per the background of the students, a teacher should provide constant practice to the students in creating and using sentences based on the grammatical forms and structures in various day-to-day situations of their lives.

Transcription in B.A.II Grammar Book is totally a different topic for students. A large number of students are not familiar with this topic. This is such an important topic which must be included at the school level. Even at college level students are not aware of vowel and

consonant sounds. They are still confused between vowels and vowel sounds. This unfamiliarity of vowel sounds make them repeat their mistakes while putting articles (A/An) in sentences. The symbols used for these vowel and consonant sounds are also a problem for them. The reason being; it is for the first time they are going through such an item of grammar. If transcription is introduced at the school level, students will be able to learn this topic in a better way. It is a problem for teachers as well because at college level students become so habitual of wrong pronunciation that teachers need to do a lot of efforts to correct them.

The poems prescribed the syllabus of B.A.I, II, III are again a problem for the students e.g. in `Let Me Not to the Marriage of True Minds` the students fail to understand the title of the poem. They get confused over the word `marriage`. Students take this word in their own way by imagining that there is something about William Shakespeare's marriage in this poem. Some of them imagine that it is addressed to his beloved. It is not easy for them to understand the background of John Dryden's "Shadwell". Sometimes they fail to differentiate between the words `Thou` and `Thee`. They take the word `Thy` for the same meaning.

A similar kind of problem is also there with the understanding of Plays. The plays prescribed in the syllabus of B.A.II and B.A.III need a special mention here. Whether it is `Chandalika` in B.A II or `Macbeth` in B.A.III, they are not able to understand the dramatic devices used in these plays. As plays are not represented in most of the colleges, they fail to understand the relevance and context of plays prescribed in their syllabus.

Literature being taught at UG level gives importance to content-oriented targets, which deal with the components of literature, with students merely acquiring summaries of literary texts. The literature curriculum needs to be attitude-oriented, which refers to the kind of learning experience that is attained through various relationships developed in particular environment that prevails in the classroom. Teaching literature must try to help students achieve an engagement with the readings of literary texts. This engagement cannot really be measured in terms of passing examinations in papers of literature. The success in teaching literature is achieved when students carry with them beyond the classroom 'an enjoyment and love for Literature' which is renewed as they continue to enjoy Literature throughout their lives.

Most of the texts prescribed for undergraduate programmes are of the literary-humanistic type, and at the linguistic level, the materials they offer are beyond the grasp of students. The teacher, therefore, resorts to lecturing, text explication, translation, and dictation of notes. Such a situation tends to promote content – based and memory – oriented learning which draws a great deal of support from the examination, which only seeks to test the memory of reproducible content. Actually this tendency for 'reading – reducing – reproducing' reminds us of the earlier habit of 'reading – remembering – reciting' in the traditional system.

The inevitable result of such procedures is that the student hardly feels any necessity to have a direct encounter with the language and hardly gets any opportunity to use the language. He is a passive listener, not encouraged to react to what he reads, think critically or to do any original writing. Language is not static but it is a dynamic system; it expands. So students must be made to understand the need for the vocabulary expansion and to prepare for reading literature. It is therefore claimed in this study that the imparting dictionary and reference skills will help students in acquiring and using new vocabulary.

Learning is a lifelong process. It is of course, the main purpose of education. It is the goal of every student and task of every teacher to increase knowledge and understanding in the classroom. In this context a teacher's role becomes paramount in imparting academic skills among students. To make students understand better a teacher needs to adopt a balanced approach. The main purpose is to make them understand not only in the class room but outside the classroom also. Even though there are students and teachers that consider it as too abstract or bored. It is the duty of teachers to make Grammar and Literature interesting for students.

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E-GOVERNANCE: A CURSE TO CORRUPTION

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ABSTRACT

Corruption in administration is a continuing concern, particularly in the developing countries like India. There are several benefits attributed to E-governance such as it provides efficient government management of information to the citizen, better service delivery to citizens and empowerment of the people through access to information, improved productivity and cost savings in doing business with suppliers and customers of government and participation in public policy decision-making. Besides, it is widely believed that e-government helps in reducing or eliminating corruption. Focus of the present paper is on corruption in India, and the role of e-government in reducing or eliminating it.

Keywords: ICT, TI, Corruption Perception Index (CPI), PERC, SWAN, SDC.

Introduction

In earlier days in India, service delivery mechanisms of the government departments left much to be desired in India. Cramped spaces; shabby ambience; discourteous dealing of personnel and their chronic absenteeism; demands of gratification; inefficiency in work; long queues; procrastinating officials; procedural complexities; etc., were some of the undesirable features of the working of the government departments. Consequently, a visit to government department by a citizen to make use of any service used to be a harrowing experience. With the rising awareness amongst the citizens and their better experiences with the private sector—the demand for better services on the part of government departments became more pronounced. The infusion of Information and Communication Technology (ICT) has played a prominent role in strengthening such a demand. The metamorphosis in the quality of delivery of services to the citizens by the government has been more pronounced in recent years with the advent of e-governance. E-governance, which is a paradigm shift over the traditional approaches in Public Administration, means rendering of government services and information to the public using electronic means. This new paradigm has brought about a revolution in the quality of service delivered to the citizens. It has ushered in transparency in the governing process; saving of time due to provision of services through single window; simplification of procedures; better office and record management; reduction in corruption; and improved attitude, behavior and job handling capacity of the dealing personnel.

Why is E-governance?

Traditional governance by bureaucratic structures built on rationale principles, that dominated the twentieth century, has failed to respond to the changing requirements of the present times. E-governance, which is a paradigm shift over the traditional approaches in public administration, means rendering of government services and information to the public using electronic means. This new paradigm has brought about a revolution in the quality of service delivered to the citizens. It has ushered in transparency in the governing process; saving of time due to provision of services through single window; simplification of procedures; better

office and record management; reduction in corruption; and improved attitude, behavior and job handling capacity of the dealing personnel.

Imagine a situation in which all interaction with the government can be done through one counter 24 hours a day, 7 days a week, without waiting in lines at government offices. In the near future this is possible if governments are willing to decentralise responsibilities and processes and they start to use electronic means such as the Internet. Each citizen can then make contact with the government through a website where all forms, legislation, news and other information will be available 24/7.

Of course, at first the front office will retain several communication channels, such as physical counters, telephone, e-mail and Internet to serve everyone properly, but this will change dramatically in the next few years.

Why Corruption is an evil

Corruption makes public investment more expensive, reduces government income and its capacity for investment, retards country's growth potential and growth of GDP, results in poor public infrastructure, shifts investments from priority sectors (socially important areas) like education or health and social welfare projects aimed at under privileged sections of society to large investments with capacity to provide illegal earnings like defense purchases. Corruption restricts access of citizens to the public services they are supposed to get freely, generates black money which in turn generates corruption and increases rich poor divide. The costs of corruption to the nation also include personal losses, loss of time, development cost, political cost, and decline in work ethics and degradation of values and cost to the economy. Politically, corruption increases injustice and disregard for rule of law. Corruption also affects the foreign direct investment and also foreign aid. Amongst the number of factors that contribute to poverty, corruption is the most significant contributing factor that leads to the continuation of poverty and underdevelopment of a nation, society, government and economy. Every person suffers because of the corruption. But the worst sufferers are poor and developing countries and the poorest people in these countries. All these factors collectively lead to poor development of the country, social tensions, and disharmony in the society.

Corruption in INDIA

According to the latest Transparency International's (TI) Corruption Perception Index 2011, a study of 182 countries across the globe, released on 01 December 2011, India ranked at 95. The least corrupt country is ranked as No1 and the most corrupt country comes at the end of the list. CPI ranks countries in terms of the degree to which the corruption is perceived to exist among public officials and politicians. CPI score relates to the degree of corruption, which ranges between 10 (very clean) and 0 (highly corrupt). In this, India's score is a poor i.e. 3.1. In fact India is one of the countries, which have the dubious distinction of increasing corruption with each passing year. In Transparency International's Corruption Perception Index, India ranked 3.5 in 2007, 3.4 in 2008 & 2009, 3.3 in 2010. It is no consolation that all the countries in South Asia rank poorly. According to former chief justice of Supreme Court of India, Sam PirojBharucha, up to 20 percent of all judges in India are corrupt. According to 2010 Global Corruption Barometer, a global public opinion survey of more than 91,500 people in 86 countries on the state and status of corruption in various services in different countries, released today on International Anti-Corruption Day by Transparency International

(TI). The Barometer explores the views of general public about corruption levels in their country and their government's efforts to fight corruption. The 2010 Barometer also probes the frequency of bribery, reasons for paying a bribe in the past year, and attitudes towards reporting the incidents of corruption. Political Parties are perceived to be the most corrupt institution by the Indians. Police and Parliament/ Legislature were rated by about 97 per cent of respondents as the most corrupt institutions in the country. Other institutions that were termed corrupt include the Public Officials/Civil Servants, the private sector, media and the judiciary. Nearly three-fourths of the respondents opined that the level of corruption in India has increased in the past three years. Similarly, three-fourths of the people sampled felt that the government has not been effective in addressing corruption in the country. The above study does not include political and business related corruption or grand larceny in which thousands of crores of rupees are paid as bribes or government money siphoned off.

Similar conclusion has been drawn by an Asia Pacific region survey in 2011 conducted by leading Hong Kong-based business consultancy firm Political & Economic Risk Consultancy Ltd (PERC), where India had been rated at 8.67 (on a scale of zero to 10 with the high end being the worst case of corruption) as the fourth most corrupt nation among 16 countries.

How E-Governance Fights with Corruption?

E-governance reduces corruption in several ways. It takes away discretion, thereby curbing opportunities for arbitrary action which often results in corruption. It increases chances for exposure by maintaining detailed data on transactions making it possible to track and link the corrupts with their wrongful acts. By making rules simple and more transparent, E-governance emboldens the citizens and businesses to question unreasonable rules and procedures and their arbitrary applications.

E-governance can be used to combat corruption in two ways. First, E-governance can become one of the key components of a broader anti-corruption strategy. Second, service delivery improvement initiatives can be implemented in corrupt departments, specifically targeting transparency and reduced corruption as objectives. By reducing administrative corruption in service delivery, E-governance can reduce the tolerance for corruption amongst citizens who would no longer be required to compromise their honesty by paying a bribe to public officials.

The use of e-governance makes all the information of the Government available on the internet. The citizens can see the information whenever they want to see. But this is only possible when every piece of information of the Government is uploaded on the internet and is available for the public to peruse. Current governing process leaves many ways to conceal the information from all the people. Once the governing process is made transparent the Government is automatically made accountable. Accountability is answerability of the Government to the people. It is the answerability for the deeds of the Government. An accountable Government is a responsible Government.

An approach of learning by trial and consolidating small gains is recommended in this regard the primary steps are to identify a few pilot projects in departments which have some exposure to computerization, a large interface with public and have been assessed to be corrupt. Benefits of implementing the pilots need to be articulated in specific terms. Impact on transparency, corruption and poverty must be the underlying concern.

Case Studies

Two of the case studies are described in some detail. These cases from India represent both success and failure in tackling corruption through E-governance. These cases highlight the potential and pitfalls in designing E-governance applications that focus on the twin objectives of transparency and combating corruption.

Bhoomi-Computerization in Karnataka

The Bhoomi project of on-line delivery of land records in Karnataka demonstrates the benefits of making government records more open so that citizens are empowered to challenge arbitrary actions. It also illustrates how automation can be used to take discretion away from civil servants at operating level. Nearly 20 million records of land ownership of 6.7 million farmers in the state have been computerized. Previously, farmers had to seek out the Village Accountant to get a copy of the Record of Rights, Tenancy and Crops (RTC) -- a document needed for many tasks such as obtaining bank loans. Village Accountant was not easily accessible, as his duties entailed travelling. The time taken by Village Accountants to provide RTCs ranged from 3 to 30 days depending upon the importance of the record for the farmer and the size of the bribe. A typical bribe for a certificate could range from Rs.100 to Rs.2000. If some details were to be deliberately written in an ambiguous fashion, the bribe could go up to Rs.10,000. Land records in the custody of Village Accountant were not open for public scrutiny.

In the manual system, land records were maintained by 9,000 Village Accountants, each serving a cluster of 3-4 villages. The village accountants also survey the crops grown on each farm three times a year. This data is printed at the back of the RTC. Mutation requests to alter land records (upon sale or inheritance of a land parcel) had to be filed with the Village Accountant. The Village Accountant is required to issue notices to the interested parties and also paste the notice at the village office. Often neither of these actions was carried out, and no record of the notices was maintained. If no objections were received within a required 30-day period, an update to the land records was to be carried out by a Revenue Inspector. In practice, however, it could take 1 to 2 years for the records to be updated.

In the Bhoomi project, a printed copy of the RTC can be obtained online by providing the name of the owner or plot number at computerized land record kiosks in 180 taluk offices for a fee of Rs.15. A second computer screen faces the clients to enable them to see the transaction being performed. A farmer can check the status of a mutation application on a Touch Screen provided on a pilot basis in three of the computerized kiosks. Operators of the computerized system are made accountable for their decisions and actions by using a bio-login system that authenticates every log-in through a thumb impression. A log is maintained of all transactions in a session.

In the next phase, all the taluk databases are to be uploaded to a web-enabled central database. RTCs would then be available online at Internet kiosks, which are likely to be set up in rural areas.

A recent evaluation by an independent agency indicates that in the perceptions of the farmers Bhoomi has improved service and lowered corruption. During a 12 month period nearly 5.5 million farmers have paid Rs 15 and collected their RTCs from the Bhoomi kiosks. Bhoomi has reduced the discretion of public officials by introducing provisions for recording a

mutation request online. Farmers can now access the database and are empowered to follow up. However, as there is no change in the role of Revenue Inspector in passing the mutation order, corruption in the mutation process may not necessarily reduce. Reports on overdue mutations can point to such errant behavior which supervisors must examine and take appropriate action. Clearly there is no substitute to good management.

However many efforts at computerization of land records in India have failed in the past but Bhoomi succeeded because there was a champion in the departmental head who worked a 15-hour day for over 12 months, devoting 80 percent of his time to the project. Minimizing resistance from staff by harnessing political support was an important contributory factor. Extensive training coupled with a participatory style also helped to diminish resistance.

Interstate Computerised Check posts in Gujarat

Ten check posts on interstate highways entering the state of Gujarat in India were computerised with the objective of tightening the inspection of incoming trucks for overloading and validity of document. The project was implemented in 9 months at a total cost of \$14 million, of which construction of roads leading up to the check posts accounted for 70 percent of the expenditure. The essential components of computerisation were: a video camera to capture registration numbers of incoming vehicles; electronic weigh bridge for weighing truck to determine overload; creation of a data base of trucks to retrieve The central office in the capital state of Ahmedabad was to receive images from the check posts to monitor the activities.

As compared to the manual system where only 2 percent of the incoming trucks were flagged off the road for overloading, the current system enables a 100 percent check. The system was expected to reduce corruption by automating the fine levying process on overloaded trucks. There was a substantial increase in the fine collection over 3 years from \$19 million to \$ 50 million.

Judged on the basis of the revenue increase, the application was perceived to be very successful. However, after the transport commissioner, who implemented the project was transferred out (one year), many components of the application have been disabled. The private operators, who were manning the kiosks have left, as their contract was not renewed because of a dispute on the quotation. A recent evaluation study indicated that revenue collection continues to be at \$50 million inspite of the system not working. However, corruption continues unabated. A bribe of one dollar is being charged from every driver and a third of the overloaded trucks are allowed to go without fines. Bribes are collected from such trucks averaging three dollars, which is only 10 percent of the fine that should have been collected.

The impact of the project on transparency and corruption was poor because of a number of flaws in the design and implementation of the project.

The application was focused on the narrow purpose of increasing revenues. It did not build benefits for a variety of stakeholders, such as truck drivers, transportation companies, and inspectors. There were many vested interests, which bounced back after the political support was withdrawn.

Conclusion

For the last two decades, India has observed isolated efforts on adoption of ICT for better governance in various states across the country. Historically, most of these interventions sought to improve upon the delivery of citizen-centric government and private services through limited use of ICT. The National e-Governance Plan (NeGP) of the Government of India is a logical culmination of all these interventions by the way of consolidating and standardizing 27 major areas of citizen services. It can make a vast difference in public convenience, opportunity cost in availing those services, quality, time, etc. There are ICT policies in place in almost all the states and union territories of the country. Lack of penetration of broadband and high-speed internet in the country is also being addressed in a projectised mode by the Department of Telecommunications through the National Broadband Plan.

As far as proliferation of ICT infrastructure is concerned, core e-governance infrastructure, eg, State Data Centers (SDCs), State Wide Area Networks (SWANs), State Service Delivery Gateways (SSDGs) and Common Services Centers (CSCs) are getting into place as core components of NeGP. It is obvious that all these efforts are towards fulfilling the vision and mission of NeGP, which does the provisioning of basic services to the common man, anytime, anywhere, and cost-effectively.

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A STUDY OF EMERGENCE AND NEED OF CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

Corporate social responsibility is a business philosophy gaining popularity in the 21st century. By taking social and environmental responsibility for their actions, some business are attempting to reduce environmental damage, human rights violations, and bad publicity created by their practices. Today it is the need of time every organization to ensure that the society and country are not adversely affected by their operation. This paper is an attempt to elaborate the need, importance and strategy of CSR by which corporate sector can contribute much for society.

Keywords: CSR- Corporate social responsibility, Strategy, Business, Corporate

Why Every Company Needs a CSR Strategy: The topic of corporate responsibility has been captioned under many names, including strategic philanthropy, corporate citizenship, social responsibility and other monikers. As the names imply, each carries with it a certain perspective on the role of business in society. Regardless of the label, for now the dominant paradigm underlying corporate social responsibility or CSR is centered on the idea of creating “shared value.” The role of business, according to this model, is to create value for its shareholders but in such a way that it also creates value for society, manifesting itself as a win-win proposition. In one fell swoop the idea aims to unite the critics of CSR from the left and the right, for the notion of CSR has had the dubious distinction of being criticized by both sides of the ideological spectrum. Civil society advocates question corporations’ fundamental motivations for CSR, asserting that corporate programs to fund social and environmental programs are nothing more than public relations campaigns to boost their brand reputations, often disproportionately to the effort itself. This dismissal of CSR resides in a fundamental distrust of a corporation’s legitimate intentions to do anything more than increase its profits. On the ideological right, critics reject the role of CSR in a capitalist society where the primary responsibility of business is seen as creating financial returns for its shareholders and the larger economy. A company’s value, according to these critics, resides entirely in its ability to generate financial wealth for its shareholders, and any social or environmental initiative that does not simultaneously create profit for a company is deemed to be a waste of corporate resources. This viewpoint is founded on stark delineations between the spheres of responsibility and influence of government, civil society and the business sector. According to this argument, if each sector did what it is supposed to do, a prosperous and just society would flourish with optimal allocation of resources. Further exacerbating attacks from the left and the right is the utter lack of metrics to evaluate the efficacy of CSR programs. For a sector driven and evaluated by its measurement of financial returns and investments, the lack of any agreed-upon measures to quantify the social or environmental return of money spent on CSR seems to run counter to corporate ethos. Against this contentious background the idea of creating shared value has found appeal. The heart of the concept rests on the ability of a company to create private value for itself, which in turn creates public value for society. And

indeed there are examples of companies that have accomplished this goal. Cisco's establishment of Cisco Academies to train networking personnel is often held up as an example of "shared value." Nestle and its development of Milk Districts in China, India and Pakistan is another oft-cited example, and there are many more. In spite of its appeal, however, there is a fundamental problem with the shared value idea.

The tension between business goals and social/environmental goals cannot be wished away with the hope of co-creating private and public value. By its very nature substantive public value creation requires investing corporate resources for a payoff that is both distant and uncertain. This makes shared value very much a top-down concept. Only the CEO or the executive committee will have the authority to conceive and sanction such initiatives. Yet the reality is that most CSR functions in companies are staffed by managers who are a rank below the executive committee level. We have talked to hundreds of these managers, and they feel disconnected from the shared value concept because they perceive it as sitting above their "pay grade." As for the CEOs, given the pressures of business and meeting their "numbers," shared value is naturally not at the top of their agenda, except for a handful of committed CEOs. The examples of Cisco and Nestle reveal yet another limitation. Interestingly, both companies are leaders in their respective businesses and as a result improvements they make to the societal infrastructure are also likely to benefit them disproportionately. It would not be economically orthwhile, however, for a smaller player to do what the market leaders have done for fear of competitors taking a free-ride on their public investments. The kind of shared value a smaller player would seek would have to be narrower and more self-directed, and effective only if the company is in a position to capture a major proportion of the value it creates. Thus there will hardly be any public value creation except for what the company does for its proprietary networks, such as supply chain and distribution partners. These third party players will not be able to benefit from the company's actions as stand-alone public players, but only as part of the company's mutually beneficial ecosystem. This is not the lofty vision of "shared value" that its proponents likely had in mind.

Every Company Needs a CSR Strategy

Given the enormous tug towards CSR, without the accompanying discipline, the question for corporations is not whether to engage in CSR, but what the best way forward is for crafting CSR programs that reflect a company's business values, while addressing social, humanitarian and environmental challenges. Considering the many disparate drivers of CSR within a company, and the many different motivations underlying the various initiatives, we find it naïve to expect a company to somehow weave all this together and incorporate it as part of business strategy. Some CSR programs will lend themselves to such an exercise, but many other elements will not. Instead of attempting that futile exercise, our call is to bring discipline and structure to the many fragmented components. Its components will in some cases support the core strategy and in some others may appear adjacent and discretionary. The fundamental problem with CSR practice is that companies usually don't have a CSR strategy, but rather numerous disparate CSR programs and initiatives.¹² This paper attempts to bring these disparate pieces together in the form of a coherent strategy. We argue that every corporation should have a CSR strategy that unifies the diverse range of a company's philanthropic giving, supply chain, "cause" marketing, and system level initiatives all under one umbrella. Note, however, that our notion of CSR Strategy does not equate to a complete absorption into the

company's core business strategy. In this spirit we advance the platform of three theatres of CSR, which is a descriptive framework from which strategic implications will be drawn. Evaluating and classifying CSR practice within these three theatres accommodates the wide range of activities business leaders describe as CSR and provides a framework to devise a comprehensive CSR strategy that integrate all of these efforts. The three compartments are not water-tight; we do not offer a universal address for each CSR activity. Rather it depends on the origins of a particular CSR initiative, and its social or environmental purpose as defined by an individual organization. The distinguishing feature of each theatre is the unique logic of how programs in the respective domains are intended to address a firm's CSR priorities.

Merits and demerits of CSR:

Corporate social responsibility is a business philosophy gaining popularity in the 21st century. By taking social and environmental responsibility for their actions, some business are attempting to reduce environmental damage, human rights violations, and bad publicity created by their practices. In addition to contributing to social welfare, the advantages of corporate social responsibility may extend into the business realm as well. Since most companies are primarily concerned with turning a profit, it is important to understand the potential for business advantages of social responsibility. One of the most important advantages of corporate social responsibility is the protection it provides against lawsuits and sanctions. Companies found in violation of environmental standards, for instance, may be subject to enormous fines that cut deeply into profit margins. Reducing wasted energy and pollution through retrofitting and use of alternative energy can not only help cut down on lawsuits and fines, but may help cut operating costs by reducing the amount spent on traditional utilities. Public relations advantages of corporate social responsibility should not be overlooked. A company known to have fair wage and hiring laws, to be active in reducing pollution and assisting the community, may be more likely to attract qualified workers. If workers feel well-cared for and part of an organization that cares, they may have higher morale and be less likely to change jobs. Additionally, having a good social reputation can help build relationships with community officials, which can lead to enormous benefits for a company operating in a particular area. Corporate social responsibility is not simply about moral philosophy, it is also strongly connected to the long-term future of a business. A logging company that does not take care to sustainably source its timber will eventually run out of trees. Companies that plan for long-term sustainability may be able to outlast competitive businesses that remain short-sighted. Moreover, the reduction of pollution and sustainable use of resources may contribute significantly to the future habitability of the entire planet, which is quite important to any company that plans to have customers, workers, or shareholders in the distant future. In addition to the business advantages of corporate social responsibility, the social advantages should not be overlooked. Corporations with responsible labor policies can help improve human rights around the world by fighting against policies that allow slave and child labor. Though competitors that take advantage of poor international labor standards may have a higher profit margin in the short term, corporations that work with governments to improve labor standards worldwide may eventually eliminate or severely limit this morally dubious advantage. In terms of environmental policy, corporations have the opportunity to stand at the forefront of the speedily evolving alternative energy market, preventing them from tying their profits and productivity to the increasingly risky oil market.

Social Responsibility and Customer Relationships: One of the foundational elements of CSR is that it causes companies to reason beyond basic ethics to consider the benefits of active involvement in communities. In his article "The 7 Principles of Business Integrity," business strategist Robert Moment argues that 21st-century companies must prove themselves to customers to build long-term, trusting relationships. They must also get involved in the community to give back. This community connection endears your company to the local markets in which you operate.

Motivated Employees: Employees are a company's most valued asset. This is the premise of a company's obligation to this key stakeholder group with regard to CSR compliance. This means treating employees with respect and offering fair working conditions. It also means establishing fair hiring practices and promoting a non-discriminatory workplace. This improves morale within the workplace and encourages teamwork. Additionally, a writer on the As You Sow website stresses the importance of managing a diverse workplace so that you can benefit from a variety of backgrounds and life experiences.

Expenses: The main reason any company would object to participating in CSR is the associated costs. With CSR, you pay for environmental programs, more employee training and efficient waste management programs. Proponents of CSR agree that any expenses to businesses are ultimately covered by stronger relationships with key customers. However, David Vogel indicates in his Forbes article "CSR Doesn't Pay" that investment in CSR programs may not necessary result in measurable financial results.

Shareholder Expectations: Another challenge for companies when considering CSR is the possible negative perception of shareholders. Historically, publicly-owned companies had a primary focus of maximizing shareholder value. Now, they must balance the financial expectations of company owners with the social and environmental requirements of other stakeholder groups. Some shareholders are happy to invest in companies that operate with high integrity. Others may not approve of the aforementioned expenses of operating under CSR guidelines.

Strategies:

Most of companies choose between taking an "offensive" or "defensive" approach to corporate responsibility. In Vogel's words, "Companies are either using corporate responsibility as a way of gaining competitive advantage or as a way to avoid a competitive disadvantage." Based on Vogel's analysis, the amount of commitment and payoff are directly proportional. When companies employ a defensive approach, they are mostly concerned with preserving their reputation; as a result, commitment and investment are minimal. In this case, the benefits are elusive. However, when corporations make a serious commitment and infuse substantial funding in a socially responsible strategy, then along with the increased risk, comes a bigger potential for payoff.

Gaining Competitive Advantage:

Vogel, author of *The Market for Virtue* (Brookings Institution Press, 2005), acknowledged that it is hard to differentiate one's products through responsible business behavior because barriers to entry are low. Moreover, in an overly saturated market where choices are overwhelming, evidence seems to be, for most products, for most consumers, it simply is not a viable marketing strategy," Vogel said. Going against the tide, General Electric's

"ecomagination" project was mentioned for its grand objectives of reducing greenhouse emissions and improving energy efficiency by 30 percent by the end of 2008 and 2012, respectively. By infusing \$1.5 billion into research investment and aiming to develop ecologically responsible innovation, GE proved that this project is more than just a trivial publicity blitz. Although the level of risk and commitment involved is enormous, the potential opportunity at stake for the environment and shareholder value has yet to be seen.

Consistency: Aligning Corporate Social Responsibility with the Business Plan

However one chooses to approach corporate responsibility, Vogel stressed the need to align the strategy with the business model. Consistency is a key component to assure that business goals are reached and the bottom line is not compromised. After being portrayed as the arch villain for its poor wages and inadequate health care coverage, Wal-Mart chose to move toward social responsibility by vowing to be a "green" company by cutting energy use and pressuring distributors and suppliers to be more fuel-efficient. After single-handedly revolutionizing and reducing prices in America, Wal-Mart cannot afford to raise wages with its low-margin business model. For the retail giant, the decision to be ecologically friendly is less costly and more in synch with its business model. Beyond fitting into the business model, the most successful corporate social responsibility efforts coincidentally also serve the company's self-interest. As shared by one of the participants, Cisco's Networking Academy, a comprehensive e-learning program that provides students essential Internet technology skills, is an appropriate example, which makes a lot of business sense. Apart from providing training and support, Cisco is also molding the choices of future users. "When I see companies doing stuff that has nothing to do with their business, it's just going to be self-defeating. The sincerity of it will be questioned," Vogel said.

Who Benefits From Corporate Social Responsibility?

Concerned with enhancing a business' sustainability through making ethical options, a participant raised the question, "Is it realistic for companies to advertise how [responsibly] their products are made?" In response, Vogel told a story about when Levi's CEO Bob Haas was asked by fellow classmates why none of the apparel company's philanthropic efforts were ever publicized. Haas went around and asked every lady in the classroom what criteria she used in deciding which pair of jeans to buy. The answer was unanimous - "the pair of jeans that makes me look the thinnest." Vogel's take on the question: "Virtually no one has done that because they don't think customers would pay a premium." However, his studies show that consumers are more likely to be responsive when part of the benefits go to the product itself, citing organic goods as an example. On the contrary, when all of the social benefits go to someone else, as in the case of fair trade and improved labor conditions, the buyer is usually indifferent.

New Frontier in Corporate Social Responsibility

Through the years, the notion of corporate social responsibility has broadened and advanced. One of the new trends is toward "responsible lobbying," or aligning company values and strategies with the business' political behavior.

Furthermore, companies are exposed to increased pressure to disclose their political positions. Organizations are expected to be completely transparent about how much they spend, whom they support, and what their political stands may be.

Starbucks, whose full-time and even part-time employees receive full health care benefits, was mentioned for its efforts to lobby for improved medical compensation packages. Another example was Wal-Mart pushing for a higher federal minimum wage.

To promote the spirit of philanthropy, the government provides tax incentives to corporations for donations to communities or charities. As soon as a company engages in charitable projects, a certain portion of its gross total income becomes exempt from taxes. Oftentimes, however, corporations end up making more tax savings than actual contributions. In such cases, Vogel posed the questions, "Is it responsible to engage in these clever deals and tax shelters? Even if they are legal, are they responsible?"

Vogel considered it "unfortunate" that the number of executives who think about influencing public policy is dwindling. Often, executives only "focus only on issues that directly affect [the company, instead of] taking a broader view of the broader interest," Vogel said. Undeniably, the advancement of corporate social responsibility propels business leaders to go beyond their scope of responsibilities and make more proactive contributions to society.

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FAIZ AHMAD FAIZ: A POET BEYOND ROMANTICISM

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ABSTRACT

The life of Faiz Ahmed Faiz has won the hearts of the people of South Asia. He illustrates many times all that is good-natured and polished South Asian society in order to become a civilized man. His poems flash a deep background against unrighteous and impishness, though he tried to pull out these things from the society so everyone lives with peace and love. Faiz is a poet of elegance and adoration. These factors are not only seen in his habitual life but also in his poems too. His selfdom also associate as a part of many colorful amalgamations at the same time, thus his words are colored by many of the famous artists to spread his message in the modern society. His poetry articulates the aspirations, anguish, pain, suffering of not only his native homeland but of the whole world and was one of the most prominent poets who won unparalleled global acclaim. He symbolized all that is humane, dignified and challenging in society. Though he was a revolutionary in his philosophy, he was a teacher by personality. He not only held a humanist philosophy but also a humanist personality. Faiz had discovered the secrets of human existence and knew how a minority belonging to the privileged class has been exploiting the majority of deprived people for centuries. In his gentle tone, he wanted to inspire downtrodden people to speak up and fight for their rights. At the hands of an artistic rebel like Faiz even surrealism proved to a weapon in the historical advance of the proletariat. Faiz was organic in the sense that he was inspired by Sufi traditions of dissent and was progressive in the sense that he was an avowed Marxist and like other artists of the progressive writers movement was committed to anti-imperialism and was driven by aim to bring arts to the masses.

Key Words: Poetry, Politics Consciousness, Social Consciousness, Marxism, Revolution.

Faiz Ahmad Faiz was one of the most prominent poets of the Indian sub-continent who won unparalleled global acclaim. He symbolised all that is humane, dignified, refined, brave and challenging in Pakistani society. His poetry written in Urdu and Punjabi reflects his intellectual resentment and resistance against an unjust and archaic social order which he rejects on rational grounds as anti human; yet it has no bitterness. He remains loving and loveable, respected and respectful. His poetry articulates the aspirations, anguish, pain and suffering of not only the people of Pakistan but that of the whole world, as well as their unremitting resolve to create a better and just society. His was the voice of sanity, for he sought peace in a troubled world.

Faiz lived in the times of literary giants like Josh Malihabadi, Sardar Jafri, Kaifi Azmi, Majaz Lakhnawi, Majrooh Sultanpuri, Pablo Neruda, Nazim Hikmet and many others. Faiz was their equal, and can rightfully claim a place in this galaxy of world-renowned poets.

Here we see Faiz as an intellectual a nationalist with a humanistic vision and a symbol of hope for the newly born State. He expresses joy on August 15th on the day of creation of this State yet expresses deep sorrow over communal riots. He calls it a cruel contradiction that the day of joyous thanksgiving is also the day of mourning. He however expresses the hope that our present sorrows are but a passing phase and must not be allowed to damage our national heritage that is permanent and enduring.

He consistently supported leftist causes, but refused to join the Communist Party. He took high-profile positions as the vice president of the Trade Union Federation of Pakistan and as secretary of the Pakistan Peace Committee, but remained close with many of the country's top military leaders, with whom he had become friends when he served in the Moral Welfare Directorate of the Indian army during World War II. Faiz had been the new nation's most visible writer, as both poet and journalist, in the years following the 1947 Partition of British India into India and Pakistan, and he had initially supported his new nation as described by Quaid-i-Azam Mohammed Ali Jinnah. However, after witnessing the communal violence in Punjab during the Partition, the assassinations or mysterious deaths of the leaders who led Pakistan to independence, the corruption and social intolerance of the new government under Prime Minister Liaquat Ali Khan, and the tyrannical rule of the police in Punjab, Faiz's early enthusiasm for the possibilities of a Muslim state quickly faded. He assumed the editorship of the Pakistan Times in 1947, where, V. G. Kiernan writes, he "made use of prose as well as verse to denounce obstruction at home and to champion progressive causes abroad; he made his paper one whose opinions were known and quoted far and wide" (Kiernan 1971, 24). Until that very morning, however, Faiz had considered himself as immune from government oppression. The prison superintendent finally found a cell in solitary confinement for Faiz and ordered him away. For the first time, Faiz realized he would be tried for conspiracy to overthrow the government. By the next day, the London Times would characterize him as one of "the most dangerous and influential leftist figures in Pakistan" (March 10, 1951). Over the next two years he would face trial before a secret tribunal that held the power to condemn him to death before a firing squad; he would also compose the remarkable poems of his second book, *Dast-e-Saba (Fingers of the Wind)*.

Faiz's tone is introspective along the conventions of *ghazal*, the favorite form of traditional Urdu poetry. But Faiz also expresses feelings of other political prisoners when he writes: "I make a toast to my friends everywhere, / here in my homeland and scross the world: 'Let us drink, my dear ones, to human beauty, / to the loveliness of earth.'" (From 'Solitary Confinement') Through his own suffering, he senses the plight and suffering of others: What if I'm unhappy? / The whole world is unhappy; / this pain isn't just yours or mine, / this is our heritage, my dear. In one of his prison poems Faiz parallels his own fate with the authoritarian system outside the prison: If you look at the city from here/ there is no one fully in control of

his senses. / Every young man bears the brand of a criminal,/ every young woman the emblem of a slave.(From 'If You Look at the City from Here') A supporter of the Palestinian cause, he dedicated *Meray Dil, Meray Musafir* (1980) to Yasser Arafat. In spite of his Marxist beliefs, Faiz did not burden his poems with ideological rhetoric. He fused classic traditional forms with new symbols derived from Western political ideas. However, in an interview Faiz has criticized the view that a poet "should always present some kind of philosophical, political or some other sort of thesis..." Like Muhammad Iqbal, he reinterpreted the most important theme in the Urdu *ghazal*, the theme of love. The word *ghazal* comes from Arabic and has been translated as "to talk with women" or "to talk of women."

Faiz often addressed his poem to his "beloved," who can be interpreted as his muse, his country, or his concept of beauty or social change. "Your beauty still delights me, but what can I do? / The world knows how to deal out pain, apart from passion, / and manna for the heart, beyond realm of love. / Don't ask from me, Beloved, love like that one long ago." (From 'Don't Ask Me Now, Beloved') The traditional beloved of *ghazal* cannot offer an answer to human suffering and social problems – "Bitter threads began to unravel before me / as I went into alleys and in open markets / saw bodies plastered with ash, bathed in blood. / I saw them sold and bought / again and again. / This too deserves my attention."

As was his habit and his lifelong philosophy, Faiz was able to relate his internal, subjective world to the larger world around him. And so he describes how the decade of the 1920s was one of carefree prosperity in the Subcontinent, in which both poetry and prose acquired a flippant, non-reflective style, a perpetual celebration of sorts. Of the poets of that era, Hasrat Mohani, Josh Malihabadi and Hafeez Jullundhri are prominent, while in prose the prevailing philosophy was 'art for art's sake' – a forceful rejection of the position that the artist must try to change social conditions. It is the object of our Association to rescue literature and other arts from the conservative classes in whose hands they have been degenerating so long to bring arts in the closest touch with the people and to make them the vital organs which will register the actualities of life, as well as lead us to the future we envisage.

In 1934, Faiz finished his college education and started teaching at Muhammedan Anglo-Oriental (MAO) College in Amritsar. This was where he became friends with Sahibzada Mehmooduzzafar and his wife Rasheed Jahan, who were teachers, writers and progressives. They persuaded Faiz to join the PWA, and his life and outlook were transformed forever. Thus began the second phase of his first poetry collection, with the remarkable poem 'Do not ask of me, my beloved, that same love'. This was Faiz's first experiment with blending love for the 'beloved' into love for humanity, of turning the pain of separation into pain for all those who suffered under the 'dark, bestial spells of uncounted centuries', in which he declares, ruefully:

There are other griefs in this world apart from that of love
And other pleasures apart from that of union.

Faiz's most forceful declaration of his allegiance to the ideas of social justice, and opposition to exploitation and injustice is his poem 'Speak'. It is a call-to-arms for all writers and artists. According to his close friend and interpreter in the former USSR, Ludmilla Vassilyeva, 'Bol' is the poetical motto of Faiz's life generally, written immediately upon his return from the first PWA conference in Lucknow in 1936. In it, Faiz captured beautifully the longing of the oppressed people ready at last to face their British rulers in a fight to the end:

Speak, your lips are free

Speak; your tongue is your own still

Speak, Truth still lives

Speak, say what you must!

In 'Speak', Faiz points to 'the cruelty of nature and the wailing of the children of the poor', the 'oppression of society and the rising tide of the independence struggle'. How, he asked, could artists ignore concrete realities and cruelties? Faiz lamented that some artists termed writings on unpleasant realities 'propaganda', refusing to consider them art. He remained a worshipper of beauty, but endeavouring to create a beautiful society was more worthwhile still. How can one sing praises to the beauty and fragrance of the rose while ignoring entirely the careworn hands of the gardener? Henceforth, Faiz's life and poetry would be dedicated to people of state.

This day and the anguish of this day

For this wilderness of yellowing leaves which is my homeland

For this carnival of suffering which is my homeland.

His poetry was a forceful rejection of 'art for art's sake', and a commitment to challenging injustice. In the new state of Pakistan, Faiz took the lead in putting forward the demands of workers, women, peasants and the poor, through his work with the trade unions and his editorship at the Pakistan Times. For his troubles, he was arrested on trumped-up charges in the notorious Rawalpindi conspiracy case. Over the next two years, he would face trial before a secret tribunal that held the power to condemn him to death before a firing squad. He would also compose the remarkable poems of his second book, *Dast-e-Saba (The Breeze's Hand)*, declaring to his jailers:

Why should I mourn if my tablet and pen are forbidden,

when I have dipped my fingers in my own blood until they stain?

My lips have been silenced, but what of it? For I have hidden

a tongue in every round-mouthed link of my chain.

The book begins with a short introduction by Faiz himself, a small polemic on the responsibility of the artist. 'The poet's work is not only perception and observation, but also struggle and effort,' Faiz writes.

The Pakistani government was busy celebrating Pakistan's fifth anniversary of Independence on 15 August 1952, he felt, the ordinary people of Pakistan had nothing to rejoice about. Mohammad Ali Jinnah had died just a year after Independence. Liaquat Ali Khan, the prime minister at the time Faiz had been arrested in 1951, had soon thereafter, been assassinated in public. A long period of political turmoil and instability culminated in Pakistan's first military government, in 1958.

After his release, as his fame grew, so did the fear of successive governments in Pakistan about what Faiz represented. This was especially true after he was awarded the Lenin Peace Prize, the Soviet Bloc equivalent of the Nobel Prize, in 1962. He was warned by the military government not to accept the award since, by this time, Pakistan had become an ally of the US, and all left-leaning, progressive voices had been silenced or were heavily censored. Faiz proceeded to Moscow anyway to receive his award, and his acceptance speech ranks as one of the great humanist, peace-loving documents of all time. In it he said,

“Human ingenuity, science and industry have made it possible to provide each one of us everything we need to be comfortable provided these boundless treasures of nature and production are not declared the property of a greedy few but are used for the benefit of all of humanity ... However, this is only possible if the foundations of human society are based not on greed, exploitation and ownership but on justice, equality, freedom and the welfare of everyone ... I believe that humanity which has never been defeated by its enemies will, after all, be successful; at long last, instead of wars, hatred and cruelty, the foundation of humankind will rest on the message of the great Persian poet Hafez ‘Shirazi’: ‘Every foundation you see is faulty, except that of Love, which is faultless’.

He was arrested several times during the reign of General Ayub Khan. The pain of ordinary people of Pakistani has been expressed in a poem, ‘The soil of my land’, that became immensely popular, and is still quoted widely today:

Blessings be upon the soil of my land,
where they have decreed the custom

That men should walk no more with heads held high.

In 1965, Faiz got arrested several times. In 1971, after the partition of Pakistan and Bangladesh, the creation of the newly government of Pakistan assigned him as a cultural advisor. In this period of time, he created Pakistan National Council of Art and institutes of community as well as cultural ancestry groups. There are still many achievements and extraordinary activities where he played an important role through his work. His message through his poetry was not only the resolution to face and fight for the malfeasance, but also he wants to provoke a cogent determination in the people of Pakistan, and this was his main goal for which he suffered a lot.

Faiz lived during a time of political strife. It is these political episodes of Faiz's life that become the locus of interpreting his poetry. Faiz the revolutionary takes center stage and his text becomes secondary to his political being.

A few more days, my friend,
just a few more days,
we'll have to live under this oppression
let's put up with it a little longer (We can't cry);
such is our sad heritage, how helpless we feel !
People in prisons, emotions in chains,
thought held captive, speech not free
but we still live on ...
our life, a beggar's tattered clothes
patched constantly with pain. (From 'Few more days')

Discussion on Faiz cannot be concluded by words except from his poetry. As his friend Soviet poet Yevgeny Yevtushenko has said about him in his autobiography, "In Faiz's autobiography... is his poetry; the rest is just a footnote".

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STUDY OF DIFFERENT TYPES OF ATTACK IN MANET

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ABSTRACT

A Mobile Ad-Hoc Network (MANET) is an infrastructure less self-configured collection of mobile nodes that can arbitrarily change their geographic locations such that these networks have dynamic topologies and random mobility with constrained resources. Security has become a primary concern in order to provide protected communication between mobile nodes in an aggressive environment. The absence of any central coordination mechanism and shared wireless medium makes MANETs more vulnerable to cyber attacks than wired networks. Different mechanisms have been proposed using various cryptographic techniques to countermeasures these attacks against MANET. This paper presents a review of different types of attacks in an ad-hoc network along with its effect on routing protocols.

Keywords: MANET, Security, Routing, Active Attacks, Passive Attack.

Recent advances in computer networking have introduced a new technology for future wireless communication, a mobile ad hoc network (MANET). This technology, which is the combination of peer-to-peer techniques, wireless communications, and mobile computing, provides convenient infrastructure-less communications and could be very useful to provide communications for many applications especially when the infrastructure networks are not feasible. Mobile ad hoc networks can be defined as a collection of large number of mobile nodes that form temporary network without help of any existing network infrastructure or central access point . Each node participating in the network acts both as host and as router. Security in MANET is the most important concern for the basic functionality of network. MANETs have unique characteristics like dynamic topology, wireless radio medium, limited resources and lack of centralized administration; as a result, they are vulnerable to different types of attacks in different layers of protocol stack. Since nodes in an ad hoc network also function as routers that discover and maintain routes to other nodes in the network, if routing is misdirected, the entire network will be paralyzed. Thus, routing security plays an important role in the security of the entire network. The purpose of this study is to investigate some of the important issues that might be related to security attacks in mobile ad hoc networks.

Security has become a primary concern in order to provide protected communication between mobile nodes in a hostile environment. Unlike the wire line networks, the unique characteristics of mobile ad hoc networks pose a number of nontrivial challenges to security design, such as open peer-to-peer network architecture, shared wireless medium, stringent resource constraints, and highly dynamic network topology. The provision of security services in the MANET context faces a set of challenges specific to this new technology. The key attributes required to secure ah hoc network are :

2.1 Confidentiality: Ensures payload data and header information is never disclosed to unauthorized nodes. Basically, it protects data from passive attacks. Transmission of sensitive information such as military information requires confidentiality. Routing and packet forwarding information must also remain confidential so that the enemies could never take the advantages of identifying and locating their targets in a battlefield. With respect to the release of message contents, several levels of protection can be identified.

2.2 Integrity: Ensures that message is never corrupted. It also guarantees that the authorized parties are only allowed to modify the information or messages. As with confidentiality, integrity can apply to a stream of messages, a single message or selected fields within a message. But, the most useful and straightforward approach is total stream protection. A connection-oriented integrity service that deals with a stream of messages are received as sent, with no duplication, insertion, modification, reordering, or replays. The destruction of data is also covered under integrity service. Thus it addresses both message stream modification and denial of service.

2.3 Availability: Ensures that services offered by the node will be available to its users when expected, i.e. survivability of network services despite denial of service attacks. A variety of attacks can result in the loss of or reduction in availability. So some actions are required to prevent or recover from the loss of availability of elements or services of distributed system.

2.4 Authentication: Enables a node to ensure the identity of peer node it is communicating with. It is concerned with assuring that a communication is authentic. In the case of a single message, such as warning or alarm signal, the function is to assure the recipient that the message is from the source that it claims to be from. Without authentication, an adversary could masquerade as a node, thus gaining unauthorized access to resource and sensitive information and interfering with the operations of the other nodes.

2.5 Non-repudiation: Ensures that origin of a message cannot deny having sent the messages. Thus, when a message is sent, the receiver can prove that the message was in fact sent by the alleged sender. On the other hand, after sending a message, the sender can prove that the message was received by the alleged receiver. Non repudiation is useful for detection and isolation of compromised nodes.

Routing is one of the most vital mechanisms in the ad hoc networks. Improper and insecure routing mechanisms will not only degrade the performance of the ad hoc networks, but will also render such networks vulnerable to many security attacks . One of the basic elements in the routing mechanism is the routing message, which is used to establish and maintain relationships between nodes in the networks. The importance of the routing message has made it a main target by the attackers to launch attacks against the ad hoc networks. MANET often suffer from security attacks because of its features like open medium, changing its topology dynamically, lack of central monitoring and management, cooperative algorithms and no clear defense mechanism. These attacks are generally classified into two types: Passive and Active attacks.

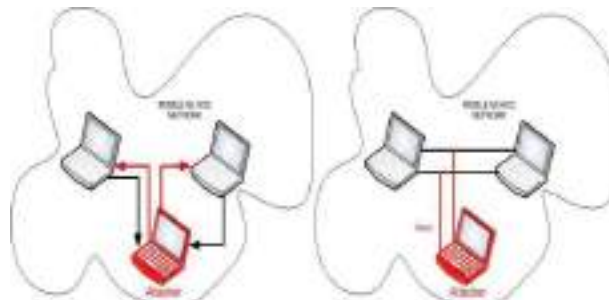


Fig. 1 Active and Passive Attack in MANET

3.1 Passive Attacks: Do not influence the functionality of a connection. An adversary aims to interfere in a network and read the transmitted information without changing it . It is also possible for the adversary to interpret the captured data; the requirement of confidentiality is violated. It's difficult to recognize passive attacks because under such attacks the network operates normally. Various attacks included in this category are Snooping, Eavesdropping, Traffic analysis etc.

3.1.1 Snooping: Snooping is unauthorized access to another person's data. It is similar to eavesdropping but is not necessarily limited to gaining access to data during its transmission . Snooping can include casual observance of an e-mail that appears on another's computer screen or watching what someone else is typing. More sophisticated snooping uses software programs to remotely monitor activity on a computer or network device.

3.1.2 Eavesdropping: It is a common attack among attack against privacy. By snooping the data, the attacker could easily obtain the communication contents. When the traffic carries more detailed configuration information about the network, there the eavesdropping attack can harm the privacy protection .

3.1.3 Traffic Analysis: Even if the messages to be exchanged are encrypted still sensor network provide enough information to the attacker for attacking the network by analyzing the channel pattern.

3.2 Active Attacks: Aims to change or destroy the data of a transmission or attempt to influence the normal functioning of the network. Active attacks when performed from foreign networks are referred to as external attacks . If nodes from within the ad hoc network are involved, the attacks are referred to as internal attacks. It includes various attacks like Black-hole attack, Wormhole attack, Denial of service attack, etc.

3.2.1 Black Hole attack: In the black-hole attack, a malicious node advertises the wrong paths as good paths to the destination node during the path finding process as in reactive routing protocols or in the route updating messages as in proactive routing protocols . Good path means the shortest path from source node to the destination node or the most stable path through the sensor network. Here the main objective of the attacker node could be to destruct the path-finding process or to hack all the data packets which are being sent to the corresponding destination node. A more common form of this attack is referred to as the gray-hole attacks, where the attacker node drops the data packets and made its detection even more difficult.

3.2.2 Grayhole attack: Grayhole attack is an extension of Blackhole attack in which a malicious node's behavior is exceptionally unpredictable. There are three types of Grayhole attacks. In first, the malicious node may drop packets from certain nodes while forwards all other packets. In second type, a node may behave maliciously for a certain time, but later on it behaves just like other ordinary nodes. Third type of attack is the combination of both attacks i.e. the malicious node may drop packets from specific nodes for certain time only, later it behaves as a normal node. Due to these characteristics, detection of Grayhole attacks is not an easy task. A Grayhole attack can disturb route discovery process and degrade network's performance.

3.2.3 Sinkhole attack: When the whole traffic is attracted at a specific node then it is called as sinkhole attack. In this attack, the main goal of the attacker is to attract nearly all the traffic from an area through a malicious node. In the sinkhole attack, the attacker node is made attractive to the surrounding nodes and they treat him as a normal node.

3.2.4 Byzantine attack: In this attack, a compromised intermediate node or a set of compromised intermediate nodes works in collusion and carries out attacks such as creating routing loops, forwarding packets on non-optimal paths and selectively dropping packets which results in disruption or degradation of the routing services. It is hard to detect byzantine failures. The network would seem to be operating normally in the viewpoint of the nodes, though it may actually be showing Byzantine behavior.

3.2.5 Session Hijacking: Session hijacking is a critical error and gives an opportunity to the malicious node to behave as a legitimate system. All the communications are authenticated only at the beginning of session setup. The attacker may take the advantage of this and commit session hijacking attack. At first, he or she spoofs the IP address of target machine and determines the correct sequence number. After that he performs a DoS attack on the victim. As a result, the target system becomes unavailable for some time. The attacker now continues the session with the other system as a legitimate system.

3.2.6 Resource Consumption attack: In this attack, an attacker tries to consume or waste away resources of other nodes present in the network. The resources that are targeted are battery power, bandwidth, and computational power, which are only limitedly available in ad hoc wireless networks. The attacks could be in the form of unnecessary requests for routes, very frequent generation of beacon packets, or forwarding of stale packets to nodes.

3.2.7 Wormhole Attack: The wormhole attack is one of the most severe security attacks which can significantly disrupt the communications across the network. In a wormhole attack, the attacker receives packets at one location in the network, tunnels them to another location and replays them there. This tunnel between two colluding attackers is referred to as a Wormhole. It could be established through wired link between two colluding attackers or through a single long-range wireless link. It is hard to detect and easy to implement.

3.2.8 Denial of Service attack: In this type of attack, an attacker attempts to prevent legitimate and authorized users from the services offered by the network. A denial of service (DoS) attack can be carried out in many ways. The classic way is to flood packets to any centralized resource present in the network so that the resource is no longer available to nodes in the network, as a result of which the network no longer operating in the manner it was designed to operate. This may lead to a failure in the delivery of guaranteed services to the end users. DoS attacks can be launched against any layer in the network protocol stack. On the physical and MAC layers, an adversary could employ jamming signals which disrupt the on-

going transmissions on the wireless channel. On the network layer, an adversary could take part in the routing process and exploit the routing protocol to disrupt the normal functioning of the network.

Conclusion:

Similar to other networks, MANET is also vulnerable to many security attacks. MANET not only inherits all the security threats faced in both wired and wireless networks, but it also introduces security attacks unique to itself. Before the development of any security measure to secure mobile ad hoc networks, it is important to study the variety of attacks that might be related to such networks. In this paper, a special attention is given to the attacks that could be launched against the routing protocols. It is identified that most of the attacks against ad hoc networks routing protocols are actually launched by exploiting the routing messages, and further classify them based upon the techniques that could be used to exploit routing messages.

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CHARACTERISATION OF ZnO NANOPARTICLES

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&

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ABSTRACT

Pure zinc oxide (Zno) is a nonstoichiometric n-type semiconductor. It has a wurtzite structure which is relatively open with all the octahedral and half the tetrahedral sites empty. It is therefore easy to incorporate external dopants into zinc oxide lattice. The open structure also has a bearing on the nature of defects and the mechanism of diffusion. The band gap of ZnO has been determined to be 3.3eV from optical studies, and the thermodynamically formed natural defects occupy the donor and the acceptor levels with the band gap. ZnO is a direct band gap semiconductor with a large exciton binding energy (60meV), exhibiting near UV emission, transparent conductivity and piezoelectricity. Furthermore, ZnO is bio-safe and biocompatible and may be used for biomedical applications without coating. Zinc oxide has been used as sunscreens for many years. They are particularly valuable because of their ability to filter UVA as well as UVB light, giving broader protection than other sunscreening agents. Dried powders were submitted for XRD whereas stable suspensions of nanocrystals in ethanol were used for UV-Vis analyses. The UV visible spectra are obtained as a function of ageing time to investigate the quantum size effect. The band gap E_g of ZnO solution as a function of ageing time is also determined from the transmission spectra by equating the band gap with the wavelength at which the absorption is 50% of that at the excitonic peak, the grain size of the ZnO particles was found and it came out to be 8.99nm.

Key Words: Nanoparticals, ZnO, Semiconductor.

NANOPARTICLES

Nanocrystalline materials with particle size smaller than 100nm exhibit many special characteristic physical and chemical properties in comparison to their bulk counterparts. Physical and chemical properties vary as a function of size, as surface to volume ratio of nanoparticles is very large, which provides extraordinary surface dependent chemical properties. Whereas surface or interface related effects play an eminent role for chemical processing, as a whole, which yields unusual mechanical, electrical, optical and magnetic properties. These exciting new properties make nanocrystalline materials promising candidates for numerous applications.

SYNTHESIS OF ZINC OXIDE NANO PARTICLES

Experimental Work:

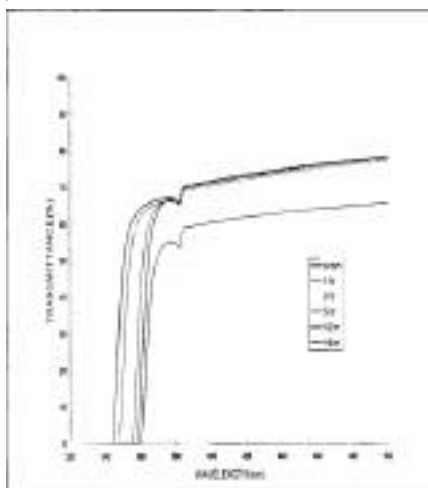
2.1951g Zinc acetate di-hydrate was dissolved in 75 ml of ethanol (Anhydrous), at 75^o C- 100 C under refluxing.(The mixture was heated in a round bottom flask with a condenser attached to the unit at 70 °C for about 1 hr). Care should be taken to avoid the precipitation of insoluble crystals of zinc acetate when cooling down the corresponding solution. The solution obtained was completely transparent. 0.58749g Lithium hydroxide monohydrate was dissolved in 50 ml of ethanol under sonication. A clear solution was obtained.The two solutions were then vigorously magnetically stirred for approximately 10 minutes. The resultant transparent colloidal solution consists of Zinc oxide nano particles 3-4 nm in size. n —heptane was added to stop the growth of nano particles. To obtain powder of ZnO nanoparticles n-Heptane was added to the above solution till the whitish turbidity is formed and there is a coagulation of ZnO nanoparticles.Now the mixture is centrifuged to extract ZnO nanoparticles.

Dried powders were submitted for XRD whereas stable suspensions of nanocrystals in ethanol were used for UV-Vis analyses.

RESULTS AND CONCLUSIONS:

(1) UV Visible

The spectra are obtained as a function of ageing time to investigate the quantum size effect.. Optical transmission spectra of the ZnO sol taken at different times are presented in figure below.The wavelength of the onset of absorption, which is obtained by extrapolating the steep part of the transmission curve, is lower than that of the macrocrystalline ZnO and shifts to the higher wavelengths with the increasing aging time (red shift). The band gap E_g of the ZnO sol as a function of ageing time is also determine from the transmission spectra by equating the bang gap with the wavelength at which the absorption is 50% of that at the excitonic peak (or shoulder), called $\lambda_{1/2}$



FORMULA TO CALCULATE THE BAND GAP ENERGY (E_g): We can calculate the band gap energy by using the relation:-

$$E_g = 1240eV / \lambda_{1/2}(nm)$$

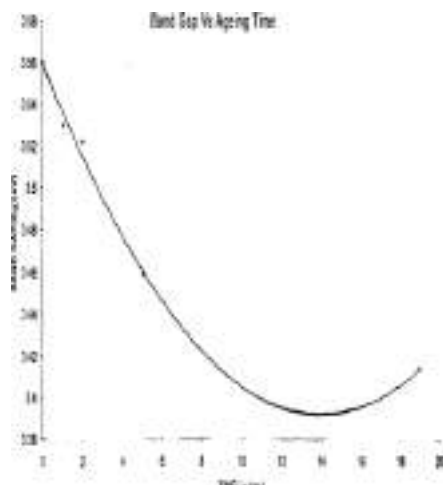


Figure above shows the variations of calculated value of the band gap as a function of ageing time. During the first few hours of the growth the band gap decreases significantly and later it decreases very slowly to reach the bulk ZnO value of 3.3eV.

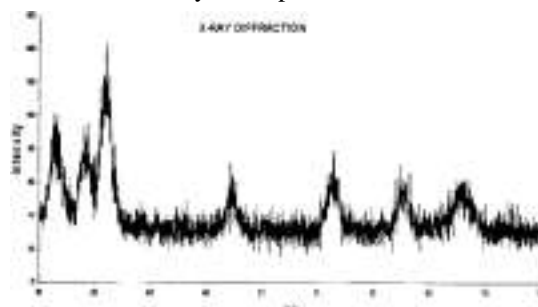
X-RAY DIFFRACTION:

X-ray diffraction technique was used to determine the degree of crystallinity, lattice constants, crystal structure, density, and average grain size of the deposited films. Diffraction phenomenon is expressed in terms of the Bragg's diffraction condition given by:

$$n \lambda = 2 d \sin \theta \quad (1)$$

where λ is the wavelength of X-rays, θ is the angle at which incident X-ray beam is diffracted in phase and d is the interplaner spacing distance of (hkl) plane, where h , k , and l are the miller indices.

A Philips model PW 1840 X-ray diffractometer with Bragg — Breutano arrangement is used in which the specimen is mounted in the center of the diffractometer and rotated by an angle θ around an axis in the film plane. A Cu-K α target is used for the generation of X-rays of wavelength 1.54005 Å. X-ray pbeam after passing through a collimator, strikes the sample from which it gets diffracted if the diffraction condition for the first order ($n=1$) is satisfied for that value of θ . The diffracted beam enters the detector and is converted to electric signal and the data is collected by a computer.



The grain size was calculated from the full width at half maximum (FWHM) of the dominant (002) diffraction peak for ZnO. The grain size of the crystallites from Scherrer's relation is given as (Cullity and Stock 1978):

$$D = 0.942 / B_c \cos\theta \quad (3)$$

Where λ is the wavelength of the X-ray radiation, and θ is the Bragg angle of the dominant peak and B_c is the FWHM of the dominant (002) peak.

The grain size of the ZnO nano particles came out to be 8.99nm.

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SOCIAL ORGANIZATIONS AND DEVELOPMENT OF EDUCATION IN HARYANA IN 19TH CENTURY

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ABSTRACT

It is now increasingly felt by all educated States that education emerges as a natural characteristic of the human societies. On the one hand, it is subject to society and on the other, it helps the society to mobilize its productive energies by ensuring the development of human resources. Though in the present time, Haryana is one of the fastest growing States of India and has become a hub of education, yet there was a time in the beginning of the 19th century when education facilities were far from satisfactory. There were many reasons for the educational backwardness of Haryana. It can be said that partly the Government and partly the people, especially the villagers were responsible for such a dismal situation regarding education. It was only the preaching of social reform movements like Arya Samaj and Sanatan Dharma Sabha which encouraged those in middle classes, especially in towns, to send their wards to schools. The schools were found only in big towns and there too, the position was far from satisfactory. It is heartening to note that several private agencies came forward to do this noble work. The study is historical in nature based upon the contribution of various social organizations in development of education in 19th century Haryana.

Key Words: Arya Samaj, Social Organization, Sanatana Dharma, Orthodox Hinduism.

It was a period of social and religious awakening and the growth of a new spirit leading to socio-religious movements. These movements with regional differences were more or less identical in character because their focus was on the socio-economic and religious uplift of the society. These movements produced a multifarious intellectual expression of the social and cultural transformation. In majority of the cases, religion was the basic guiding source. In Haryana also, some movements sprang up among the Muslim and the Hindu communities. Their main objectives were the eradication of social evils, the education of the people and the revival of their old religious traditions.

THE ARYA SAMAJ

The Arya Samaj was revivalist in form and reformist in content. It exercised a profound influence in Haryana. Originally launched in the second half of the 19th century, it became popular among the Hindus, particularly the youth. According to the official view, it was a Hindu reformed church representing the reaction of Hinduism against the Christian religion, Western science and Western domination. Swami Dayanand, its founder, got a fertile land for his ideology not at his birthplace at Tankara (now in Gujarat) but, in the towns of Punjab and in rural areas of Haryana. In his speeches he condemned idolatry child-marriage and other social evils. He propagated the re-marriage of widows and female education. He praised *Vedas* as a source of eternal knowledge and criticized Christianity, especially the activities of their Missionaries. He also preached that the *Vedas* inculcated monotheism and focused on

Hinduism which is based upon the *Puranas*. He accepted *Shashtras* as the main tool of proselytization.

The first place in Haryana visited by Swami Dayanand was Ambala. He condemned the social and religious weaknesses of the orthodox Hinduism. Swami Dayanand also visited Rewari at the request of Rao Yudhister Singh, the Ahir leader, a descendent of Rao Tula Ram. Later he became the disciple of Swami Dayanand. Swami delivered eleven religious discourses and took part in discussions. He again made violent attack on Puranic gossips, incarnatism etc. in response to an appeal of Swami Dayanand, Rao Yudhister Singh built a *Goshala* was established at Rewari. It was the first *Goshala* in Northern India.

After the death of Swami Dayanand, the Arya Samaj soon became popular in Haryana by the efforts of Lala Lajpat Rai, Pandit Basti Ram, Lala Chandu Lal, Dr. Ramji Das and Rao Yudhister Singh and his family members. Its branches were established at Rohtak and Karnal. In the year 1886, Jagadhri Arya Samaj was started by Pandit Lekh Raj of Punjab. At Rewari, the Arya Samaj was established by the efforts of Rao Yudhister Singh in 1890. The Ambala Cantonment Arya Samaj was established under the presidentship of Sardar Kala Singh in 1891. In nutshell, all the prominent Arya Samajes in Haryana like the Arya Samajes at Panipat, Rohtak, Hissar, Narnond (Hissar), Milakhpur Awwal (Hissar), Shinkhpathry (Karnal), Jind etc. were established during the 1890's.

The expansion of Arya Samaj was on more sound footing in the Haryana region than elsewhere in Punjab. In Haryana, Hinduism being surrounded and infiltrated by the Islam and Sikh faith, was not as rigid as it was elsewhere. The caste system was less rigid in comparison to other parts of the country. The Brahmans were unable to dominate large and powerful groups like the Jats. The Brahmans were also not so rigid. Perhaps, it was due to the absence of big towns and cities in Haryana that the rural masses had easily been attracted by the philosophy of Dayanand. The Arya Samaj made strenuous efforts to raise the social status of the so called lower communities.

Arya Samaj also made efforts to raise the status of the untouchables. In a nutshell the Arya Samaj took interest in the social uplift of the lower and oppressed classes. It was mainly due to bad environment, association, and training resulting deterioration of character. Later, it started a *Shudhi* movement to prevent low caste Hindus from embracing Christianity and Islam and to purify them for their return to Hinduism.

Besides the religious and social sphere Arya Samaj also made efforts to propagate education. The Gurukul System of the Arya Samaj attracted the people of Haryana. The first Gurukul was established at Gujranwala in Punjab on 16th May 1900 which was subsequently transferred to Kangri (Haridwar). Thus, it can be said that it was both a social and a national movement. Social and educational activities of the Arya Samaj through lectures, meetings and pamphlets contributed to create the climate of public opinion. It encouraged the reading of the Vedas and attacked Puranas and orthodox Hinduism. It created a feeling of self-reliance, faith and patriotism among the youth and in a way it had a big impact on the Indian mind and prepared the ground for nationalism.

THE ELITE AMONG INDIAN SOCIETY

Youths in colleges were greatly influenced by the revolutionary ideas of Byron, Rousseau, Burck, Milton, Bacon, Wordsworth and others. Education inculcated the ideals of

sacrifice, national morality and independence. Educated Indians were perturbed over the British rule in the country and they began to dream for freedom. This situation led to generate nationalism in education. The Indians intensely realized the need of education and thought that education would be a good tool for obtaining national freedom. Thus, the expansion of education was accelerated by private enterprises under the control of Indians. High schools began to be upgraded into colleges and a number of new colleges were also established. Several great personalities like R.P. Paranjape, Bal Gangadhar Tilak, Triplankar, Ayaner took the work of education in their hands. The Arya Samaj founded by Maharshi Dayanand Saraswati contributed a lot in the field of education and Dayanand will remain immortal in India. The Arya Samaj established a number of D.A.V. colleges in northern part of the country and tried to remove the evils of Hindu society and religion through the propagation of education.

The people of Haryana were not wholly unaware of the Indian political scene even before the formal birth of the Indian National Congress. In the year 1884, on Surendernath Banerjea's visit to the northern region, the residents of Ambala gave him a rousing reception at railway station. A society called Anjuman Raza-i-Am met Surendernath Banerjea at Ambala railway station and according to directions, convened a meeting in the premises of Government High School, Ambala. This meeting was enthusiastically attended by more than 300 persons belonging to various castes, creeds and communities like Hindus, Mohammandans, Sikhs, Christians, Jains and others. His visit gave a great impetus to the National Freedom Movement and made a remarkable progress in awakening the people.

Educationally Haryana was still one of the most backward areas of Punjab Province. The educational facilities were not available and a vast number of the people were uneducated. There was not even a single college in Haryana and only a few could get the opportunity to go either to Lahore or Delhi for higher education. Even the number of High schools up to 1920 was 31 only. With the slow growth of education, a little progress was made in literature. Thus, it can be said that perhaps, the educational backwardness was one of the main reasons for the lesser influence of the Congress which was not very popular in the region. Similarly, Haryana being mainly rural in character was away from the political activities of the country. Ninety percent of the people of Haryana were living in 6,478 villages of Haryana. There was no city in Haryana in the modern sense and there were only 30 towns with a population of more than 10,000. There were no enough means of transport and communication. The villagers were dominated by land-owning castes such as Jats, Rajputs, Ahirs, Gujars, Meos and Ranghars. They were extensively agriculturists and had little interest in political matters.

The Congress gained some ground among mostly the Hindus in the few urban belts where lawyers and businessmen were living. Among the Hindus, the Arya Samaj and the Sanatan Dharma Sabha were the only notable societies in Haryana. In the beginning, their members were active mostly in their social and educational programmes. The Muslim community refused to join a national organization, but in the beginning they did not oppose the Congress.

THE SANATAN DHARMA SABHA

Like the Arya Samaj, the other society of note was Sanatan Dharma Sabha which was founded by Pandit Din Dyalu Sharma of Jhajjar in the year 1886. The Sabha spread out in the various parts of the province. Its main objects were the reformation and preaching of the Sanatan

Dharma, the eradication of the prevailing social evils, the encouragement of the Sanskrit and Hindi languages, the opening of educational institutions and inculcating an urge for social service. Its basic preachings were the respect for Gods and Goddesses and faith in the theory of incarnation. Perhaps, it would be incorrect to say that its origin took place as a reaction to the Arya Samaj. To fulfil its mission, a number of its branches were established at prominent towns and cities of Haryana like Bhiwani, Hissar, Sirsa, Karnal, Kurukshetra, Safidon, Rewari, Palwal, Kaithal, Rohtak, Beri and Gurgaon.

The Sanatan Dharma Sabha became a popular movement in Haryana during the last decade of the 19th century. In educational sphere, a number of Sanatan Dharma Schools and later colleges were established. Din Dayalu Sharma helped in establishing some of the privately managed institutions like Hindu College at Delhi, Sanatan Dharma College at Lahore (now at Ambala Cantt), Visudhananda Vidyalaya at Calcutta and Marwar Vidyalaya at Bombay. The Sanatan Dharma Sabha also propagated the study of Sanskrit and Hindi. Some Sanskrit *pathshalas* were also established. People were advised to use Hindi in courts. It encouraged the establishment of Libraries and Reading Rooms. It opposed social evils like the dancing of the prostitutes at marriages, child-marriage, use of tobacco etc. They also advocated widow-remarriage and removal of untouchability. Thus, Sanatan Dharma Sabha helped in the reconstruction of the Hindu society in Haryana.

Table I elaborates that illiteracy of high magnitude prevailed among the population of school going age. In Haryana, Ambala showed good progress in enrolment of scholars followed by Karnal and Rohtak districts. The detail of number of schools and students in Haryana from 1890-91 to 1900-01 is given in Table I

Table I
Number of Schools and Students in Haryana from 1890-1900

District	Year	No. of Schools	No. of Students attending Schools	English Govt. Schools	Vernacular Govt. Schools	Vernacular Aided Schools	English Govt. Aided Schools
Ambala	1890-91	136	10277	3	108	23	2
	1900-01	180	9133	-	-	-	-
Karnal	1890-91	69	2483	6	-	-	-
	1900-01	203	5393	-	-	-	-
Rohtak	1890-91	132	3380	-	-	-	-
	1900-01	98	5097	-	-	-	-
Hissar	1890-91	112	3636	-	-	-	-
	1900-01	105	5085	-	-	-	-
Gurgaon	1890-91	116	4693.	-	-	-	-
	1900-01	128	5139	-	-	-	-

Source: See *Imperial Gazetteer of India, Punjab*, Vol. II for different districts and, *District Gazetteers* of different Districts of different years.

Table I shows that Ambala had 136 schools imparting education to 10,277 pupils. It was the maximum number in Haryana. However, Karnal was the most neglected district having 69

schools educating only 2,483 students. In Rohtak and Hissar districts, the number of schools declined in the year 1900-01. However, there was appreciable increase in the number of students to 5,097 and 5,085 respectively. Ambala district showed some increase in the number of schools which rose to 180 but the number of students declined to 9,133.

As far as the education of Mohammedans is concerned, it was comparatively slow. The typical high Mohammedans education consisted in reading the Quran and its appended traditions in the original treatise, learning their meaning to a certain limited extent. As a rule any study of language itself, and acquiring familiarity in greater or lesser degree with Aristotelian system of logic which was curriculum inter-woven with the reason itself. The primary education of the Muslims was confined to learning parts of the Quran by rote, and perhaps be able to read through never to understand it. In exchange for this, the Mohammedans were not much willing to accept the purely secular education in English claimed to offer; which however, was to the Hindu or a Sikh very much liked the secular education in their own schools, but put in a different form. Consequently, especially on the frontier when Mohammedan bigotry was the strongest, the greater number of Muslim children were found attending schools held at the mosques run by Mullas, themselves often grossly ignorant. The pupils learnt to read the Quran and to repeat parts of it by rote without understanding it.

The number of Mohammedans in the secondary schools and colleges remained proportionately far below that of the Hindus and the necessity of special measures was realized. Consequent upon the suggestions given by the Education Commission for the problems of Muslim education, Jubilee scholarships, tenable in high schools and colleges were founded by the Government. The local bodies were authorized in the year 1887 to establish them for Middle schools. In addition, half the free or semi-free studentships were reserved for Mohammedan boys. The community itself also began to realize the necessity of self-help, and various societies were started which organized Anglo-Vernacular Mohammedan schools for higher Mohammedan education. In the year, it was reported that there were more Muslim children at schools than Hindu but more than two-third of them attended private institutions of doubtful efficiency from an educational point of view. In public institutions, the proportion of Hindu to Muslims was roughly ten to seven. Similar was the position of education among Mohammedans as noticed in the year 1901.

A large number of children who ought to have gone to school remained at home and they received no education at all. The Haryanavi society in the 1850s was predominantly rural in character and about ninety percent people were living in villages. The villagers had no interest in education and it was of little use for them in their daily life. It was also expensive and they could not afford it. In the year 1864, two big conferences were held at Delhi and Ambala to find out ways and means to popularize education among the lower and middle strata of society and the womenfolk. More funds were made available for education and private agencies were also encouraged to open new schools. It was heartening to note that several private agencies came forward to do this noble work. Various Hindu organizations opened the maximum number of schools, as may as 33 in the five districts, 11 each in Ambala and Hissar, six in Gurgaon, four in Karnal and one in Rohtak districts whereas the Sikh organizations started only one school in district Ambala during this period. Because of an army cantonment located at Ambala, the Christian organizations were responsible for starting one school in Ambala and two in Karnal. Muslim organizations did not lag behind and they opened five schools, one

each in Ambala, Rohtak and Karnal districts and two in Hissar district. The detail of private organizations working for the promotion of education during this period is given in Table II:

Table II
Private Organizations Working in Haryana for the Promotion of Education during 19th Century

District	Hindu Organizations	Sikh Organizations	Muslim Organizations	Christian Organizations
Ambala	11	1	1	1
Karnal	4	1	-	-
Hissar	11	2	-	2
Gurgaon	6	-	-	-
Rohtak	1	1	-	-

Source: *Punjab Education Report, 1900-01, Appendix, Table-62*

As far as the British efforts were concerned to popularize education in society, F.L. Bryane, Deputy Commissioner of Gurgaon, once said “if a boy is educated, only one person is educated but, if a girl is educated, a whole family is educated.” In the beginning, the villagers could not think of a girl going to attend school. Bryane observed in the year 1860 that the Jats considered educating their daughters to be an ill omen. They considered it as a ‘problem evil’. It was only the preaching of social reform movements like the Arya Samaj which made a number of middle class persons, especially in towns, to send their girls to schools. Swami Dayanand, the founder of Arya Samaj came to Haryana in the year 1880 and stayed at Rewari for some time to preach against superstitions and illiteracy. He also established a branch of Arya Samaj in Rewari. Later, another branch was established at Rohtak and the establishment of Arya Samaj branches continued.

A very small number of institutions imparted education to a few people of the society and the bulk of the population remained uneducated. There were many reasons for the educational backwardness of Haryana. It can be said that partly the Government and partly the people, especially the villagers were responsible for such a dismal situation regarding education. Education, in fact, had different meanings for different people in the Haryanvi society of yore. It stood for nothing more than the knowledge which would make a child proficient in the parental profession. Thus, education was the knowledge of Sanskrit for a Brahmin, knowledge of Arabic for a Muslim and to a shopkeeper’s son it was only a little arithmetic. For a clerk’s son, it was some Persian or Urdu and to a peasant’s son, it was only learning his fathers’ job-mast: “the peasant would not send his son to the school for the boys labour is lost to the family and the idle hand is not willingly supported by the rest.”

Regarding ering details of its execution. For peasant’s son, literary education was useless and he normally, therefore, never sent his son to a school. Views of William Fraser are significant in this regard

the role of private munificence in education in this region, he says: “the number of native gentlemen who are really interested in educational matters and are anxious to establish new schools or improve old ones, is very small.” Compare it with the following remarks of the Inspector, Jullundhar district: “the year under report has been one of marked activity in respect of private enterprise in education.” The government; it seems, did not take as much interest as

it ought to have taken, even after having viewed the distressing and hopeless conditions in which the people of this region were owing to their illiteracy and ignorance. Here, a question may be asked why the government adopted such apathy towards these people. There is a historical reason for this. The people were neglected out of vengeance, for they had played a great role against the British in the uprising of 1857.

It may be said that Haryana, during the period, had been a place of sickly seasons where almost eight years in every decade had been labeled as drought years. The people of Haryana did not understand the usefulness of education. They required extra hands for their professional pursuits at home and in agricultural land and thus, could not afford to send their children to school. They could not afford to pay heavy fees etc. as hardly they had any cash available with them every month. Thus, they kept them away from schools and supplemented family earnings with their help.

To sum up, the slow development in education greatly affected the progress of the region in various fields. It deprived the people from the contact with the Western education, culture and literature. Unlike, other provinces, in Haryana one does not find the emergence of English educated middle class up to the end of the 19th century. In fact, Haryana remained deprived of the progress in the social, religious and political fields. The condition of education in Haryana by the year 1901 was far from satisfactory. The major factors responsible for the backwardness were as follows.

Haryana was economically poor where almost in every third or fourth year, there was a drought or famine. The Government had administrative apathy towards the people of Haryana. The private institutions also did not play any effective role here in this field and there was social inertia in the people towards education.

Geographically, Haryana was not a rich territory. The rainfall was also inadequate and scanty. The colonial rule operated harshly and brought utter ruination to the people. As a result, Haryana was economically poor, social fragmental and educationally backward. In 1901, only about 19,897 students were enrolled in 719 various types of schools in Haryana. Women education in Haryana could not have been worse. About 968 girls were enrolled in 29 schools. The British government did not take any step further. As a result, not even 3 percent population could claim some literacy by the year 1901. But thanks to the *Nai-Hawa* (New Wind) which began to blow in the last years of the 19th century throughout the country which made some difference here too. Of the many factors and forces which released this nai-hawa, the most important were the socio-religions movements like the Arya Samaj, the Sanatan Dharam Sabha, the Brahmin Samaj, the Singh Sabha and the Aligarh Movement etc.

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HONOUR KILLING

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ABSTRACT

Honour killing is a practice whereby male members kill a female relative who is perceived as having damaged family honour. Her death restores the honour of the family. Honour killing can be triggered by a woman or girl talking with an unrelated male, consenting to sexual relations outside marriage, being the victim of rape, or refusing to marry a man chosen by the family. Even a suspicion of the woman's committing any of these transgressions can be sufficient to trigger this action. No further justification is required. Most often the woman is killed by her father, brother or uncle, though other women of the family are usually also complicit in the action. The actual perpetrators of these crimes are often lauded for having restored the family honour and if brought to justice usually receive a reduced sentence on the grounds that "honour" is regarded as an extenuating circumstance. Very often to ensure judicial leniency an under-age male is selected to commit the crime. In some societies committing an honour killing may be regarded as a "rite de passage" indicating and guaranteeing social maturity. And it is not happening only in Asian countries, but also all over the world. In this paper I will briefly discuss the causes and consequences of honour killing.

Key Words : Honour Killing,Family,Judicial,Violence

Introduction

There are so many other ways of violence against women as well as men but the Honour killing is perhaps the most heinous of them all. Honour killing is by definition a cultural crime, in the sense that it can only be committed by a person for whom issues of personal and familial honour are of pressing concern. Such a phenomenon became obsolete in north western Europe a long time ago, and hence the only circumstances where a suspicion that an honour-related crime is likely to arise are within the context of a community in which such ideas still prevail, for example amongst South Asian, Middle Eastern and North African - and more often than not of Muslim - extraction. However, just when should cases of homicide that occurred in such contexts be classed as 'honour killings'? Under the crime of honour killing the victim is usually not a third person but rather the victim's own family member or social group member. The perpetrator in many cases is a brother or father whose cultural role initially was supposed to be protecting the victim from any harm. The perpetrator in these crimes has no economic motivation and is purely fueled by the abstract desire to bring back the honour to the family by eliminating the family member who brought dishonor. Honour killing is originally the product of a particular social interaction amongst members of the society which believes in a strong patriarchal structure. These killings are qualitatively different from other kinds of murders. They are uniquely governed by —the specific logic of an honor culture. This culture has a typical understanding of the meaning of shame and honour in a patriarchal society which may seem alien and incomprehensible at first from the viewpoint of foreign cultures.

According to Michael Kurkiala, under this type of logic and understanding: *...if a woman refused to comply with the rules set down by her cultural community, her „immoral behaviour“ contaminated the whole family. If other strategies to make the women comply failed, the only remedy was for her male relatives to kill her in order to protect the family honour. Thus, the murders were culturally sanctioned and designed to uphold a specific moral order.*

Rana Husseini is a human rights advocate and journalist who has devoted her career to fighting the barbaric and widespread practice of honour killing. In the introduction of her book, *Murder in the Name of Honour*, Husseini defines an honour killing in this way:

“A so-called honour killing occurs when a family feels that their female relative has tarnished their reputation by what they loosely term “immoral behaviour”. The person chosen to carry out the murder (usually male: a brother, father, cousin, paternal uncle or husband) brutally ends their female relative’s life to cleanse the family of the “shame” she brought upon them.”

In her extensive research into honour killings in Jordan and other countries, Husseini, a Muslim Jordanian, discovered that honour killings occur in some instances because the woman has been raped, because she has been seen talking to a man, if she is suspected of being somewhere without a male escort, if there is any suspicion that her sexual purity has been compromised in any way. This is because a woman’s sexual purity is her primary value. If she is not a virgin on her wedding night, she is considered a shame to her family. The UN estimates there are 5,000 honour killings per year around the world, but that number is disputed and is likely well below the actual number. In fact, according to a 2001 UN Report of the **Special Rapporteur on Violence against Women**, “Every year more than 1,000 women are killed in the name of honour in Pakistan alone.” Now we can imagine the rest of world. And if we talk about India, everyday we can find one case from each state and these all are the reported cases, if we talk about the unreported cases then may be two cases. And it is happening only because of reputation or show off.

Incidence of honour killing in different countries and region

It is extremely difficult to obtain meaningful statistical information on the numbers of honour killings which take place on an annual basis in any given society. The fact that the killing takes place within the family group, that it may be presented as an accident or as suicide, and because police and other authorities may choose to ignore such deaths means that the crimes are very often not registered, nor brought to justice. Any figures cited may therefore be presumed to understate the actual situation, and a higher incidence as between different countries or from year to year may indicate the establishment of a better reporting system or greater public awareness making it unwise to construct country rankings or league tables as is sometimes attempted.

Globally it has been estimated that 5,000 girls and women are killed every year by male family members for the sake of honour. Between 1993 and 2003 police identified 109 honour-related crimes across U.K. and Europe. In Jordan it is estimated that between 25 and 40 women are killed each year in the name of honour. In the region of Punjab which straddles the India-Pakistan border the number of honour killings committed within both Muslim and Hindu communities in 1998 and 1999 was estimated at 888 each year by one source whilst

another gave a figure for 1999 of 278. The figure of 1000 women killed each year is often cited for Pakistan.

Steps Taken By International Community- The past four and a half decades, since the First World Conference on Women which took place in Mexico in 1975, have seen ever-increasing attention being paid to women's empowerment and gender equality by international organizations and national governments, by parliamentarians, international and national NGOs, media, academia and a host of civil society organizations. Within this overall movement the problem of Violence Against Women (VAW), which includes honour killing, has gradually been recognized as an important human rights issue, having initially been treated largely as a health problem.

1. International Human Rights Legislation- Honour killing self-evidently violates the right to life of the individual victim, a right which is regarded as the most fundamental of all rights and which is enshrined in all major human rights instruments, not least in the Universal Declaration of Human Rights (UDHR) (1948). Furthermore it could be argued that honour killing is an act of discrimination both in being perpetrated against women, and in being regarded as a less serious offence than the killing of a man, given that family honour is regarded as an extenuating circumstance. It has often been noted however that the UDHR and other key human rights instruments are "gender neutral" in that they are based on an assumption that the "human condition is gender free". They concern primarily the rights of the individual vis-à-vis the state, and concern the conduct of the state or its agencies relative to all individuals. In this legal context only a state or its agents can commit a human rights violation, and generally speaking non-state actors are not accountable under international human rights law. In this perspective whilst violence perpetrated against any individual by the state such as acts of torture are addressed, individual acts of violence against another individual in the domestic or private sphere are not.

2. Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (1979) A major landmark in redressing the recognized gender bias in human rights legislation was the approval in 1979 of the Convention on the Elimination of All forms of Discrimination against Women (CEDAW) which is often called the "international bill of rights for women". CEDAW differs in a number of ways from preceding instruments which are also based upon the principle of non-discrimination in recognizing that equal treatment of persons in unequal situations perpetuates rather than challenges discrimination. According to CEDAW States Parties must not only not commit any act of discrimination against women, but are also obligated to regulate actions of other public and private organisations and individuals. This provision makes the state responsible to regulate actions of in the private sphere such as various manifestations of Gender-based Violence (GBV) or Violence against Women (VAW). As discussed above Honour Killing is one of the more dramatic manifestations of Gender Based Violence or Violence Against Women. CEDAW recognizes specifically that violations in both public or private spheres are equally violations of women's rights, and recognizes also the negative impact of social customary and cultural practices which are based on the false idea of the innate inferiority or superiority of either sex or on stereotypical roles for men and women. The CEDAW Committee has taken up the issue of Honour Killing very frequently in its concluding observations on national reports. However given the weak enforcement mechanisms and the acceptance of ratification with reservations it

is paramount that national legislation with respect to Honour Killing be reformed by all States parties as soon as possible.

3. UN Declaration on the Elimination of Violence Against Women (1993)

constitutes another important step, defining violence against women as “any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty whether occurring in public or in private life”.

The appointment in **1994 of the UN Special Rapporteur on Violence Against Women** attached to the UN Office of the High Commissioner for Human Rights also represents a significant step. The Rapporteur has as her mandate to seek out and report incidences of violence from Governments, treaty bodies, specialized agencies, intergovernmental organisations and NGOs and to recommend measures at national, regional and international levels to eliminate violence against women. In her report to the UN Commission on Human Rights on violence against women in the family issued in 1999 she has dealt with honour killings (Coomaraswamy, R. Violence Against Women in the Family, Report of the Special Rapporteur on violence against women its causes and consequences, UN doc.E/CN.4/1999/68). Her successor, Yakin Erturk, in her Report to the UN Commission on Human Rights has stressed the need to develop and apply innovative strategies for dealing with violence bearing in mind the special cases of gender-based discrimination in minority communities.

European Steps

An important milestone at the European level is the European Convention for the Protection of Human Rights and Fundamental Freedoms (1950). which enshrines everyone’s right to life, the prohibition of torture and slavery, the right to freedom and security, and the prohibition of discrimination (Section 1, Articles 2,3,4,5, and 14). The European Parliament Resolution on the current situation in combating violence against women and any future action June 2006 represents, the most recent statement on this issue. The Resolution recognizes honour killing as one of many types of acts of violence against women, calling for a policy of zero tolerance and setting out a number of measures and partnerships to be adopted.

Conclusion

After 66 years of its independence, if we look at India as a whole we see two different worlds. First, those living in the city, who are progressing not only economically and technologically, but also in terms of their ideas and outlook towards their lives, then, those in the villages who are still bound by the rigid beliefs of the caste system that existed hundreds of years ago and refuse to move ahead. Where will these two worlds meet? There is nothing like to be against the traditional belief systems that exist in India. But what baffles is the fact that so many innocent lives are lost in the name of this belief. It hampers the growth of a human mind and forces it to live within the illusionary world that it has created for itself. There is a strong need for government intervention. And the government and the society have to work together if they want to abolish this type of institution. The central and state work government works together because it can be difficult only for state to abolish *Honour Killing*. Moreover the parliament should make a law for Honour Killing. And if any person violates these laws then the punishment should be hard. And the all matters of Honour Killing should be decided by

fast track courts as soon as possible. And I think the most important factor is education, we should provide a good education in school level. At that time if we teach the children about the women dignity and the value of human life that would be much helping in society development.

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CAPITAL STRUCTURE- ANALYSIS OF INDIAN AUTOMOBILE INDUSTRY

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ABSTRACT

*The automobile industry consisting of cars, trucks, buses, two-wheelers and three-wheelers, is vital to the growth of the Indian economy. In the last decade their share in the Indian economy is around 5% of GDP. Economic progress is indicated by the amount of goods and services produced which give the impetus for transportation and boost the sale of vehicles. The **automobile industry in India** is one of the larger markets in the world and had previously been one of the fastest growing globally. This paper is an attempt to make analysis of the capital structure of five selected companies for five years. For this purpose the tools of managerial accounting have been used to find out the status of capital structure in sample companies.*

Key Words: Automobile, Debt, Equity, Turnover Ratio.

Main segment in Indian Automobile Industry:-

Passenger vehicles: Cars and buses

Commercial vehicles:

- ❖ Light commercial vehicles – Goods carrier
- ❖ Multi Utility Vehicles, Sports Utility and mini vans
- ❖ Heavy commercial vehicles – Trucks, Tempo, Tractor and Tipper/Dumper

Three wheelers: Rickshaws, Trolleys, Delivery Vans and Tipper

Two wheelers: Scooters, Motorcycles and Mopeds

Aside from these four segments there is also a growing segment within the electrical car area in India. Electrical cars are both economical, efficient and environment friendly.

Profile of the sample companies:

- | | |
|--------------------------------|------------------------|
| 1. Maruti Suzuki India Limited | 2. Tata Motors Limited |
| 3. Bajaj Auto | 4. Mahindra & Mahindra |
| 5. Hero Motocorp | |

Maruti Suzuki India Limited (MSIL, formerly known as Maruti Udyog Limited) is a subsidiary of Suzuki Motor Corporation, Japan. The company has two manufacturing units located at Gurgaon and Manesar, south of New Delhi, India. Both the units have a combined capability to produce over a 1.5 million (1,500,000) vehicles annually. The company plans to expand its manufacturing capacity to 1.75 million by 2013. The Company offers 15 brands and over 150 variants ranging from people's car Maruti 800 to the latest Life Utility Vehicle, Ertiga. The portfolio includes Maruti 800, Alto, Alto K10, Astar, Estilo, WagonR, Ritz, Swift, Swift DZire, SX4, Omni, Eeco, Kizashi, Grand Vitara,

Gypsy and Ertiga. The number of employees in company over 9000 (as on 31st March, 2012). Maruti Suzuki's sales and service network is the largest among car manufacturers in India. The Company has been rated first in customer satisfaction in the JD Power survey for 12 consecutive years. Besides serving the Indian market, Maruti Suzuki also exports cars to several countries in Europe, Asia, Latin America, Africa and Oceania.

Tata Motors Limited is India's largest automobile company, with consolidated revenues of INR 1,65,654 crores (USD 32.5 billion) in 2011-12. It is the leader in commercial vehicles in each segment, and among the top in passenger vehicles with winning products in the compact, midsize car and utility vehicle segments. It is also the world's fourth largest truck and bus manufacturer. It has the largest number of personnel over 55,000. Established in 1945, Tata Motors' presence cuts across the length and breadth of India.

Tata Motors is also expanding its international footprint, established through exports since 1961. The company's commercial and passenger vehicles are already being marketed in several countries in Europe, Africa, the Middle East, South East Asia, South Asia, South America, CIS and Russia. **Bajaj Auto Limited** is an Indian motorised vehicle-producing company. Bajaj Auto is a part of Bajaj Group. It was founded by Jamna Lal Bajaj in Rajasthan in the 1930s. The company has changed its image from a scooter manufacturer to a two-wheeler manufacturer. Its product range encompasses scooterettes, scooters and motorcycles. The company's worth is around US\$3.4 billion.

Mahindra & Mahindra Limited (M&M) is an Indian multinational automobile manufacturing corporation headquartered in Mumbai, Maharashtra, India. The company was founded in 1945 in Ludhiana as Mahindra & Mohammed by brothers K.C. Mahindra and J.C. Mahindra and Malik Ghulam Mohammed. After India's independence and Pakistan was formed, Mohammed immigrated to Pakistan. The company changed its name to Mahindra & Mahindra in 1948. It is ranked 21 in the list of top companies of India in Fortune India 500 in 2011. Today, its operations span 18 key industries that form the foundation of every modern economy: aerospace, aftermarket, agribusiness, automotive, components, construction equipment, consulting services, defence, energy, farm equipment, finance and insurance, industrial equipment, information technology, leisure and hospitality, logistics, real estate, retail, and two wheelers. M&M has a global presence and its products are exported to several countries. **Hero Motocorp Ltd.**, formerly **Hero Honda**, is an Indian motorcycle and scooter manufacturer based in New Delhi, India. Hero Honda started in 1984 as a joint venture between Hero Cycles of India and Honda of Japan. In 2010, when Honda decided to move out of the joint venture, Hero Group bought the shares held by Honda. Subsequently, in August 2011 the company was renamed Hero Moto Corp with a new corporate identity. On 4 June 2012, Hero Motocorp approved a proposal to merge the investment arm of its parent Hero Investment Pvt. Ltd. into the automaker. The decision comes after 18 months of its split from Honda Motors. **Hero** is the brand name used by the Munjal brothers for their flagship company, Hero Cycles Ltd. During the 1980s, the company introduced motorcycles that were popular in India for their fuel economy and low cost. In December 2010, the board of directors of the Hero Honda Group have decided to terminate the joint venture between Hero Group of India and Honda of Japan in a phased manner. The Hero Group would buy out the 26% stake of the Honda in JV Hero Honda.

Objectives of the study: To assess the capital structure of the selected companies.

To know the status of capital structure among selected automobile industries

To determine the long-term profitability of the selected companies.

To assess the change in proportion of debt and equity.

To provide suitable suggestions for framing effective capital structure to meet the requirement of the selected companies.

Data collection- The Study is primarily based upon the published data. The sources of data have been the annual reports of the selected companies.

Period of the study:- The study covers a period of five years from 2007-08 to 2011 -2012.

Methodology of Analysis: following statistical tools are used:

❖ **Leverage analysis**

❖ **Cost of capital analysis**

❖ **Ratio analysis**

Leverage Analysis: It may classify in three types.

1. The Operating leverage financial leverage and combined leverages **Operating Leverage** refers to the relationship between firm's sales revenue and its earnings before interest and tax. Where, contribution= sales-variable cost. **O.L = Contribution/Earning before interest and tax.**

2. Financial Leverage- Financial leverage can be aptly described as the extent to which a business or investor is using the borrowed money. **F.L = Total Assets/ Shareholder's Equity.**

C. COMBINED LEVERAGE: The operating leverage and financial leverage constitutes combined leverage. The combined leverage represents the effects of a given in the sales revenue on EPS. It affects the total risk of the firm. **C.L = OL × FL**

COST OF CAPITAL ANALYSIS: It includes cost of equity and cost of debt.

COST OF EQUITY: Equity is the permanent capital for a firm. The company may raise equity capital both internally and externally. It can rise internally by retained earnings and externally by issuing new shares. **Cost of equity = Dividend per share/market per share ×100**

COST OF DEBT: A company may raise debt in various ways. It may be in the form of debenture or loan borrowed from financial or public institutions for a certain period of time at a specific rate of interest. **Cost of debt = Interest/total debts**

A. Debt- Equity Ratio: The relationship between borrowed funds and owner's capital is a popular measure of the long-term financial solvency of a firm. It indicates the relationship between the external equities (or) outsider's funds and the internal equities (or) the shareholders funds. **Debt-equity ratio = Long term debt /shareholders fund**

B. Long Term Debt- Equity Ratio Long-term debt to equity expresses the relationship between long-term capital contributions of creditors as related to that contributed by owners (investors). A company with a high long-term debt to equity is considered to be highly leveraged. But, generally, companies are considered to carry comfortable amounts of debt at ratios of 0.35 to 0.50, or Rs.0.35 to Rs.0.50 of debt to every Rs.1.00 of book value

(shareholders equity). **Long term debt equity ratio = Total Long-Term Liabilities / Stockholders Equity**

C. Interest Coverage Ratio: It is also known as “time-interest-earned ratio”. This ratio measures the debt servicing capacity of a firm in so far as fixed interest on long-term loan is concerned. **Interest Coverage Ratio= EBIT+ Depreciation/ Fixed interest charges**

D. Fixed Assets Turnover Ratio: A financial ratio of net sales to fixed assets. The fixed-asset turnover ratio measures a company's ability to generate net sales from fixed-asset investments - specifically property, plant and equipment (PP&E) - net of depreciation **Fixed Assets Turnover Ratio = Net Sales / Fixed Assets**

E. Return on Net Worth: It shows the relationship between net profits (after interest and tax) and the proprietor's funds. **Return on Net Worth = Net Profit (after interest and tax)/ Shareholders fund ×100.**

F. Net Profit Margin: Net profit divided by net revenues, often expressed as a percentage. The net profit margin is a good way of comparing companies in the same industry, since such companies are generally subject to similar business conditions. It is also called net margin.

Net Profit Margin = Net Profit (after interest and tax)/Net Revenues ×100

G. RETURN ON LONG-TERM FUNDS: This ratio establishes the relationship between net profit and long- term funds. The term long-term funds refer to investment made in business for long-term.

Return on long –term funds = Earnings before Interest & Tax / total long-term funds ×100

H. Return on Capital Employed: This is a measure of the returns that a business is achieving from the capital employed, usually expressed in percentage terms. Capital employed equals a company's Equity plus Non-current liabilities (or Total Assets – Current Liabilities), ROCE should always be higher than the rate at which the company borrows otherwise any increase in borrowing will reduce shareholders' earnings, and vice versa; a good ROCE is one that is greater than the rate at which the company borrows.

ROCE= EBIT/Capital Employed = Total Assets – Current Liabilities

I. Capital Gearing Ratio: Capital gearing ratio is mainly used to analyze the capital structure of a company. The term "capital gearing" or "leverage" normally refers to the proportion of relationship between equity share capital including reserves and surpluses to preference share capital and other fixed interest bearing funds or loans.

Capital Gearing Ratio= Equity capital/ Fixed interest bearing funds

J. Proprietary Ratio: The proprietary ratio (also known as the *equity ratio*) is the proportion of shareholders' equity to total assets, and as such provides a rough estimate of the amount of capitalization currently used to support a business.

Proprietary Ratio = shareholders' equity / total assets ×100

Where Proprietors' Funds = Shareholders' Funds = Share Capital (Equity + Preference) + Reserves and Surplus – Fictitious Assets. Total Assets include only Fixed Assets and Current Assets. Any intangible assets without any market value and fictitious assets are not included.

K. Price-Earning Ratio/Earning Yield Ratio: The price earnings ratio is closely related to the earnings yield/earnings price ratio. It is actually the reciprocal of the latter.

Price-Earning Ratio/Earning Yield Ratio: = MPS/EPS

Analysis of capital structure:

Table1: Operating Leverage

Company Name \ Year	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.86	1.17	0.95	0.97	0.93	0.98
Tata Motors	0.64	0.61	0.66	0.75	0.63	0.66
Bajaj Auto	0.92	1.01	0.97	0.97	0.96	0.97
Mahindra & Mahindra	0.83	1.08	0.97	0.93	0.82	0.93
Hero Motocorp	1.01	0.98	1.00	0.99	0.97	0.99
Mean	0.85	0.97	0.91	0.92	0.86	0.90

Source: Data compiled from balance sheet and other final accounts of companies.

Table 1 highlights the position of operating leverage of different companies for different years. The ratio for all auto corps ranges between 0.85 and 0.97 during the study period. It was at highest level (0.97) in the accounting year of 2008-09, while it has been reported at low level (0.85) in the year of 2007-08. Moreover, Hero Motocorp has greater operating leverage in terms of average for five years, which is reported 0.99 and it is followed by Maruti Suzuki, Bajaj auto and Mahindra & Mahindra along with average of 0.99, 0.97 and 0.93 respectively, while 0.66 at lower level has been found in case of Tata Motors. Individually it can be conclude that, operating leverage of Hero Motocorp was at high level 1.01 in 2007-08 and at low level 0.97 in 2011-12. Maruti Suzuki's operating leverage was at high level 1.17 during 2008-09 and at low level 0.86 in 2007-08. In case of Bajaj Auto operating leverage was at high level 1.01 in the accounting year of 2008-09 and at low level 0.92 during the year 2007-08. Tata Motors operating leverage was at high level 0.75 in the year of 2010-11 and at low level 0.61 in the year 2008-09.

Table2: Financial Leverage

Company Name \ Year	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	1.05	1.18	1.06	1.12	1.41	1.16
Tata Motors	1.50	0.12	1.80	2.60	3.36	1.88
Bajaj Auto	0.63	1.14	1.04	0.75	0.93	0.90
Mahindra & Mahindra	0.93	1.25	1.09	1.01	1.08	1.07
Hero Motocorp	0.97	0.98	0.97	1.08	1.27	1.05
Mean	1.02	0.93	1.19	1.31	1.61	1.21

Source: Data compiled from balance sheet and other final accounts of companies.

Table 2 reveals the financial leverage of all selected companies for study period. It ranges between 0.93 and 1.61 during the study period. It was at highest level (1.61) in the accounting year of 2011-12, while it has reported at low level (0.93) in the year of 2008-09. Moreover,

Tata Motors has greater financial leverage in terms of average for five years, which is reported 1.88 and it is followed by Maruti Suzuki, Mahindra & Mahindra and Hero Motocorp along with average of 1.16, 1.07 and 1.05 respectively, while 0.90 at lower level has been found in case of Bajaj Auto. At individual level, in Tata Motors the leverage was at high level 3.36 in 2011-12 and at low level 0.12 in 2008-09. In Maruti Suzuki the leverage was at high level 1.41 in 2011-12 and at low level 1.05 in 2007-08. Hero Motocorp's financial leverage was at high level 1.27 in 2011-12 and at low level 0.97 in 2007-08, 2009-10 each. The financial leverage of Bajaj Auto was at high level 1.14 in 2008-09 and at low level 0.63 in 2007-08.

Table3: Combined Leverage

Company Name \ Year	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.90	1.38	1.01	1.08	1.31	1.14
Tata Motors	0.96	0.07	1.18	1.95	2.12	1.26
Bajaj Auto	0.58	1.15	1.01	0.73	0.89	0.87
Mahindra & Mahindra	0.77	1.35	1.06	0.94	0.88	1.00
Hero Motocorp	0.98	0.96	0.97	1.07	1.23	1.04
Mean	0.84	0.98	1.05	1.15	1.29	1.06

Source: Data compiled from balance sheet and other final accounts of companies.

The above Table 3 shows the combined leverage (times) in different companies for study period. The ratio of all auto corps ranges between 0.84 and 1.29 in 2007-08 to 2011-12 respectively. It was at highest level 1.29 in the accounting year of 2011-12, whereas it has been reported at low level (0.84) during 2008-09. Moreover, Tata Motors has greater combined leverage in term of average for five years, which is reported 1.26 and it is followed by Maruti Suzuki and Hero Motocorp along with average of 1.14 and 1.04 respectively, whereas 0.87 at lower level has been found in case of Bajaj Auto. According to company wise it has been found that, combined leverage of Tata Motors was at high level 2.12 in 2011-12 and at low level 0.07 in 2008-09. Maruti Suzuki's combined leverage was at high level 1.38 in 2008-09 and at low level 0.90 in 2007-08. The combined leverage of Hero Motocorp was at high level 1.23 in 2011-12 and at low level 0.96 in 2008-09. In Bajaj Auto the combined leverage was at high level 1.15 in 2008-09 and at low level 0.58 in 2007-08.

Table 4: Cost of Equity

Company Name \ Year	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.96	0.22	0.42	0.81	0.50	0.58
Tata Motors	47.15	3.78	5.74	11.21	1.28	13.83
Bajaj Auto	10.22	2.50	2.60	2.51	2.11	3.99
Mahindra & Mahindra	8.37	1.85	1.22	1.68	1.34	2.89
Hero Motocorp	2.36	1.16	5.54	5.51	2.37	3.39
Mean	13.81	1.90	3.10	4.34	1.52	4.94

Source: Data compiled from balance sheet and other final accounts of companies.

Table 4 presents the cost of equity of different companies for study period. The ratio for all auto corps ranges from 1.90 to 13.81 during the study period. It was at highest level (13.81) in the accounting year of 2007-08, whereas it has been reported at low level (1.90) in 2008-09. Tata Motors has high cost of equity in term of average for five years, which is reported 13.83 and it is followed by Bajaj Auto and Hero Motocorp along with average of 3.99 and 3.39 respectively, While 0.58 has been found in case of Maruti Suzuki which is at low level. Furthermore, in Tata Motors the cost of equity was at high level 47.15 in 2007-08 and at low level 1.28 in 2011-12. In Bajaj Auto cost of equity was at high level 10.20 in 2007-08 and at low level 2.11 in 2011-12. Hero Motocorp's cost of equity was found at high level 5.54 in 2009-10 and at low level 1.16 in 2008-09. Cost of equity of Maruti Suzuki was at high level 0.96 in 2007-08 and at low level 0.22 in 2008-09.

Table 5: Cost of Debt

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	6.62	7.30	4.08	7.89	5.12	6.20
Tata Motors	7.51	5.35	7.50	8.70	11.07	8.03
Bajaj Auto	0.39	1.34	0.45	0.52	22.81	5.10
Mahindra & Mahindra	3.39	3.31	5.45	2.95	5.13	4.05
Hero Motocorp	10.20	16.61	16.87	1.90	3.36	9.79
Mean	5.62	6.78	6.87	4.39	9.50	6.63

Source: Data compiled from balance sheet and other final accounts of companies.

Table 5 explains the cost of debt of different companies for study period. The ratio for selected companies ranges from 4.39 to 9.50 during the study period. It was at highest level (9.50) in the accounting year of 2011-12, whereas it has been reported at low level (4.39) in the accounting year of 2010-11. Moreover, Hero Motocorp has greater cost of debt in term of average for five years, which is reported 9.79 and it is followed by Tata Motors and Maruti Suzuki along with average of 8.03 and 6.20 respectively, While 4.05 at lower level has been found in case of Mahindra & Mahindra. Furthermore, in Hero Motocorp the cost of debt was high 16.87 in 2009-10 and low 1.90 in 2010-11. In Tata Motors cost of debt was at high level 11.07 in 2011-12 and low 5.35 in 2008-09. And in Maruti Suzuki it was high 5.54 in 2009-10 and low 4.08 in 2009-10. The cost of debt of Mahindra and Mahindra was high 5.45 in 2009-10 and low 2.95 in 2010-11.

Debt – Equity ratio indicates the relationship between the external equities (or) outsider's funds and the internal equities (or) the shareholders funds. The ideal ratio is 2:1. Table 6 reveals the debt –equity proportion of finance selected companies for study period. Debt-Equity calculated for five years for each automobile company. The ratio for all auto corps ranges from 0.23 to 0.55 during whole period of study. It was at highest level (0.55) in the accounting year of 2011-12, whereas it has been reported at low level (0.23) in 2008-09. Moreover, Tata Motors has greater debt-equity ratio in term of average for five years, which is reported 0.87 and it is followed by Bajaj Auto and Mahindra & Mahindra along with average of 0.45 each respectively, While 0.07 at lower level has been found in case of Maruti Suzuki. Furthermore, in Tata Motors debt-equity ratio was at high level 1.12 in 2009-10 and at low

level 0.57 in 2011-12. Bajaj Auto's debt-equity ratio was at high level 0.84 for two consecutive years (2007-09) and at low level 0.02 in 2011-12. In Mahindra & Mahindra cost of debt was at high 0.77 in 2008-09 and at low level 0.23 in 2010-11.

Table 6: Debt Equity Ratio

Company Name \ Years	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.11	0.07	0.07	0.02	0.07	0.07
Tata Motors	0.80	1.06	1.12	0.80	0.57	0.87
Bajaj Auto	0.84	0.84	0.46	0.07	0.02	0.45
Mahindra & Mahindra	0.60	0.77	0.37	0.23	0.26	0.45
Hero Motocorp	0.04	0.02	0.02	0.50	0.23	0.16
Average	0.48	0.55	0.41	0.33	0.23	0.40

Source: Data compiled from balance sheet and other final accounts of companies.

Table 7: Long Term Debt Equity Ratio

Company Name \ Years	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.06	0.07	0.04	0.02	-	0.04
Tata Motors	0.50	0.49	0.80	0.52	0.41	0.54
Bajaj Auto	0.84	0.71	0.45	0.03	0.02	0.46
Mahindra & Mahindra	0.63	0.83	0.46	0.32	0.26	0.50
Hero Motocorp	0.04	0.02	0.02	0.50	0.23	0.16
Mean	0.41	0.42	0.35	0.37	0.18	0.34

Source: Data compiled from balance sheet and other final accounts of companies.

Long-Term Debt to Equity expresses the degree of protection provided by the owners for long-term creditors. The Table 7 describes the long term debt-equity ratio of sample companies. The ratio for all auto corps ranges between 0.18 and 0.37 during the study period. It was at highest level (0.37) in the accounting year 2010-11 and lowest level (0.18) in 2011-12. Moreover, Tata Motors has greater debt-equity ratio in term of average for five years, which is reported 0.54 and it is followed by Mahindra & Mahindra and Bajaj Auto along with average of 0.50 and 0.46 respectively, While 0.04 at lower level has been found in case of Maruti Suzuki. Furthermore, in Tata Motors the ratio was at high level 0.80 in 2009-10 and at low level 0.41 in 2011-12. In Mahindra & Mahindra the ratio was at high level 0.83 in 2008-09 and at low level 0.26 in 2011-12. The ratio of Maruti Suzuki has been found at high level 0.07 in 2008-09 and at low level 0 in 2011-12. While in Hero Motocorp the ratio was at high 0.23 in 2011-12 and low as well as stable 0.02 for two consecutive years (2008 to 2010).

Table 8: Interest Coverage Ratio

Company Name \ Years	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	40.93	34.21	105.39	126.04	39.85	69.28
Tata Motors	6.28	2.43	2.61	2.64	3.70	3.53
Bajaj Auto	224.91	53.71	421.06	2093.39	177.33	594.08
Mahindra & Mahindra	14.64	9.69	18.90	48.36	23.02	23
Hero Motocorp	648.15	664.40	1262.36	146.73	123.65	569.06
Mean	187	153	362	483.43	73.51	251.80

Source: Data compiled from balance sheet and other final accounts of companies.

Interest coverage ratio gives an indication of company ability to serve its fixed funding after all expenses. An interest coverage ratio of 6 or 7 times is considered appropriate. Table 8 reveals the interest coverage ratio (times) in sample companies for different years. It ranges from 73.51 to 483.43 during the five years (2008 to 2012). It was at highest level (483.43) in the accounting year 2010-11, whereas it has been reported at low level (73.51) in 2011-12. Table showing that, Bajaj Auto has greater interest coverage ratio in term of average for five years, which is reported 594.08 and it is followed by Hero Motocorp along with average of 569.06, While 3.53 at lower level has been found in case of Tata Motors. Furthermore, in Bajaj Auto the ratio was at high level 2093.39 in 2010-11 and at low level 53.71 in 2008-09. In Hero Motocorp the ratio was at highest level 1262.36 in 2009-10 whereas at lower level 123.65 in 2011-12. While in case of Tata Motors the ratio was at high level 6.28 in 2007-08 and at low level 2.43 in 2008-09.

Table 9: Fixed Assets Turnover Ratio

Company Name \ Year	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	2.48	2.38	2.82	3.13	2.46	2.65
Tata Motors	2.69	1.29	1.24	1.42	1.64	1.66
Bajaj Auto	2.95	2.60	3.50	4.85	5.75	3.93
Mahindra & Mahindra	3.22	2.84	3.85	4.08	4.32	3.66
Hero Motocorp	5.89	5.34	6.29	3.70	4.05	5.54
Mean	3.45	2.89	3.54	3.44	3.64	3.40

Source: Data compiled from balance sheet and other final accounts of company

Table 9 highlights the average of fixed assets turnover ratio for selected sample of automobile industry. The ratio for all auto corps ranges between 2.89 to 3.64 in the study period. It was at highest level 3.64 in the accounting year of 2011-12, whereas it has been reported at low level 2.89 in 2008-09. Moreover, Hero Motocorp has greater fixed assets turnover ratio in term of average for five years, which is reported 5.54 and it is followed by Bajaj Auto and Mahindra & Mahindra along with average of 3.93 and 3.66 respectively, while 1.66 at lower level has been found in case of Tata Motors. . Furthermore, in Hero Motocorp the ratio was at high level 6.29 in year 2009-10 and at low level 3.70 in year 2010-11. The fixed assets turnover

ratio of Bajaj Auto was at high level 5.75 in 2011-12 and at low level 2.60 in 2008-09. In case of Mahindra & Mahindra the ratio was found at high 4.32 in 2011-12 and low 2.84 in 2008-09. In Tata Motors the fixed assets turnover ratio was at high level 2.69 in 2007-08 and at low level 1.24 in 2009-10. .

Table10: Return on Net Worth

Company Name \ Year	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	20.56	13.04	21.10	16.50	10.76	16.39
Tata Motors	25.98	8.09	15.15	9.06	6.42	12.94
Bajaj Auto	47.61	38.92	58.14	68.01	49.72	52.48
Mahindra & Mahindra	25.51	16.03	26.74	25.92	23.80	23.60
Hero Motocorp	32.41	33.72	64.41	65.21	55.43	50.24
Mean	30.41	21.96	37.11	36.94	29.23	31.13

Source: Data compiled from balance sheet and other final accounts of companies.

The above Table 10 highlights the return on net worth in selected companies for study period. The ratio for all auto corps ranges from 21.96 to 37.11 in the given study period. It was at highest level (37.11) in the accounting year 2009-10 and it has been reported at low level (21.96) in 2008-09. Moreover, Bajaj auto has greater return on net worth ratio in terms of average for five years, which is reported 52.48 and it is followed by Hero Motocorp along with average of 50.24, while 12.94 at lower level has been found in case of Tata motors. Furthermore, in Bajaj Auto the ratio was at high level 68.01 in 2010-11 and at low level 38.92 in 2008-09. In Hero Motocorp the ratio was at high level 65.21 in the accounting year 2010-11 and at lower level 32.41 in 2007-08. In case of Tata Motors the return on net worth ranging from 10.76 to 25.98 in 2007-08 and 2011-12.

Table11: Net Profit Margin

Company Name \ Year	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	4.53	6.13	8.34	5.72	9.34	6.81
Tata Motors	2.26	3.74	6.26	3.77	6.96	4.60
Bajaj Auto	5.11	19.80	14.23	7.40	8.32	10.97
Mahindra & Mahindra	8.92	11.14	11.08	6.25	9.45	9.37
Hero Motocorp	10.04	9.89	14.00	10.30	9.27	10.70
Mean	6.17	10.14	10.78	6.69	8.67	8.49

Source: Data compiled from balance sheet and other final accounts of companies.

The Above table11 reveals the average net profit margin of the selected sample companies during the study period. The Net Profit Margin Ratio ranges from 6.17 to 10.78 during the whole period of study. It was reported at its highest level 10.78 in 2009-10 while lowest level 6.17 in 2007-08. Moreover, the study shows that Bajaj Auto has greater net profit margin in terms of average, which is reported 10.97 and it is followed by Hero Motocorp and Mahindra

& Mahindra along with the average of 10.70 and 9.37 respectively. While 4.60 at lower level has been found in case of Tata Motors. Furthermore, in Baja Auto the net profit margin was at high level 19.80 in the accounting year 2008-09 and at low level 5.11 in 2007-08. In Hero Motocorp the ratio was at high level 14.00 in 2010-11 and at low level 9.27 in 2011-12. Net profit margin ratio of Tata motors was at high level 6.96 in 2011-12 and at low level 2.26 in 2007-08.

Table12: Return on Long Term Fund

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	27.35	17.48	28.80	21.74	14.48	21.97
Tata Motors	22.85	8.89	12.26	12.01	11.49	13.50
Bajaj Auto	39.71	35.36	59.19	69.67	64.24	53.63
Mahindra & Mahindra	19.64	14.51	27.73	27.05	23.58	22.50
Hero Motocorp	41.57	43.33	75.07	52.13	49.83	52.39
Mean	30.22	23.91	40.61	36.52	32.72	32.80

Source: Data compiled from balance sheet and other final accounts of companies.

The above Table 12 highlights the Return on Long term Funds in sample companies for five years. The ratio for all auto corps ranges between 23.91- 40.61 during the study period. It was at highest level (40.61) in the accounting year of 2009-10 and it has been reported at low level (23.91) in 2008-09. Moreover, the study shows that Bajaj Auto has greater return on long-term funds in terms of average, which is reported 53.63 and it is followed by Hero Motocorp and Mahindra & Mahindra along with the average of 52.39 and 22.50 respectively. While 13.50 at lower level has been found in case of Tata Motors. Furthermore, in Baja Auto the return on long-term funds was at highest level 69.67 in the accounting year 2010-11 and at lower level 35.36 in 2008-09. The ratio of Hero Motocorp the ratio was at highest level 75.07 in 2009-10 and at lower level 41.57 in 2007-08. Tata Motors showing the return on long-term funds was at high level 22.85 in 2007-08 and at low level 8.89 in 2008-09.

Table13: Return on Capital Employed

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	26.18	17.37	27.89	21.69	13.52	21.33
Tata Motors	18.96	6.41	10.37	10.19	10.36	11.26
Bajaj Auto	39.71	32.80	59.01	67.57	64.24	52.67
Mahindra & Mahindra	18.52	13.99	27.70	26.96	23.58	22.15
Hero Motocorp	41.57	43.33	75.07	52.13	49.83	52.39
Mean	29.00	22.78	40.01	35.71	32.31	32

Source: Data compiled from balance sheet and other final accounts of companies.

The above Table 13 shows the average return on Capital Employed of selected companies, which ranges from 22.78 to 40.01 during the study period. It was at highest level (40.01) in the accounting year of 2009-10, whereas it was at low level (22.78) in 2008-09. Moreover, Bajaj Auto and Hero Motocorp has greater average return on capital employed, which is reported 52.67, 52.39 respectively. While 11.26 at lower level has been found in case of Tata Motors. Furthermore, in Baja Auto ROCE was at high level 67.57 in the accounting year of 2010-11 and at low level 32.80 in 2008-09. In Hero Motocorp ROCE found at high level 75.07 in 2009-10 and at low level 41.57 during the year 2007-08. In Tata Motors ROCE was at high level 18.96 in 2007-08 and at low level 6.41 in 2008-09.

Table 14: Capital Gearing Ratio

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	9.35	13.37	14.41	44.84	14.08	19.21
Tata Motors	1.24	0.94	0.89	1.26	1.76	1.22
Bajaj Auto	1.19	1.19	2.19	15.10	61.97	16.33
Mahindra & Mahindra	1.72	1.29	2.72	4.27	3.80	2.76
Hero Motocorp	22.62	48.42	52.48	1.98	4.31	25.96
Mean	7.22	13.04	14.54	13.49	17.18	13.10

Source: Data compiled from balance sheet and other final accounts of companies.

The above table 14 highlights Capital Gearing ratio in selected companies for five years. The average of capital gearing ratios of selected companies ranges from 7.22 to 17.18 during the study period. It was at highest level (17.18) in the accounting year 2011-12, while it was at low level (7.22) in 2007-08. Moreover, from the selected companies, Hero Motocorp has greater capital gearing ratio in terms of average which is reported 25.96 and it is followed by Maruti Suzuki and Bajaj Auto along with average of 19.21 and 16.33 respectively. Whereas 1.22 at lower level has been found in case of Tata motors. Furthermore, in Hero Motocorp capital gearing ratio was at high level 52.48 in 2009-10 and at low level 1.98 in 2010-11. In Maruti Suzuki the ratio was at high level 44.84 during the year 2010-11 and at low level 9.35 in 2007-08. Capital gearing ratio of Bajaj Auto was found at high level 61.97 in 2011-12 and at low level 1.19 for two consecutive years (2007 to 2009). Hence, Hero Motocorp has high gearing among all selected companies which indicates to maximize the profits available to equity shareholder

Table 15: Proprietary Ratio

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	0.90	0.93	0.94	0.98	0.93	0.94
Tata Motors	0.56	0.48	0.47	0.56	0.64	0.54
Bajaj Auto	0.54	0.54	0.69	0.94	0.98	0.74
Mahindra & Mahindra	0.63	0.56	0.73	0.81	0.79	0.70
Hero Motocorp	0.96	0.98	0.98	0.66	0.81	0.88
Mean	0.72	0.70	0.76	0.79	0.83	0.76

Source: Data compiled from balance sheet and other final accounts of companies.

Table 15 reveals the proprietary ratio of selected companies for study period. It ranges between 0.70 and 0.83 during the whole study period. It was at highest level (0.83) in the accounting year of 2011-12, whereas it has reported at lowest level (0.70) in 2008-09. Moreover, on the basis of average Maruti Suzuki has been reported highest proprietary ratio which is 0.94 and it is followed by Hero Motocorp, Bajaj Auto and Mahindra & Mahindra along with average of 0.88, 0.74 and 0.70 respectively, While 0.54 at lower level has been found in case of Tata Motors. Furthermore, in Maruti Suzuki proprietary ratio was at high 0.98 in the accounting year of 2010-11 and at low level 0.90 in year 2007-08. In Hero Motocorp the ratio was at high level 0.98 for two consecutive years (2008 to 2010) and at low level 0.66 in 2010-11. Proprietary ratio of Bajaj Auto was found at was high 0.98 in 2011-12 and at lowest level 0.54 for two consecutive years (2007 to 2009). In Mahindra & Mahindra the ratio was at high level 0.81 in 2010-11 and at low level 0.56 during the year of 2008-09. In Tata Motors the proprietary ratio was found at high level 0.64 in 2011-12 and 0.47 at low level during the year of 2009-10.

Table 16: Price earning Ratio

Year Company Name	2007-08	2008-09	2009-10	2010-11	2011-12	Mean
Maruti Suzuki	8.68	36.98	16.43	11.62	26.31	20.00
Tata Motors	0.60	8.14	6.65	6.25	79.90	20.31
Bajaj Auto	3.74	19.41	13.10	13.80	20.53	14.12
Mahindra & Mahindra	2.98	17.61	21.08	15.07	19.03	15.15
Hero Motocorp	16.61	26.74	17.77	19.73	15.94	19.36
Mean	6.52	21.78	15.01	13.29	32.34	17.80

Source: Data compiled from balance sheet and other final accounts of companies.

Table 16 highlights the price earnings ratio of selected companies for the study period. It ranges from 6.52 to 32.34 during the study period. It was at highest level (32.34) in the accounting year of 2011-12, whereas it has reported at low level (6.52) in 2007-08. On the basis of average Tata Motors has been reported highest price earning ratio which is 20.31 and it is followed by Maruti Suzuki and Hero Motocorp along with average of 20.00 and 19.36 respectively, While 14.12 at lower level has been found in case of Bajaj Auto. Furthermore, in Tata motors the price earning ratio was at high level 79.90 in 2011-12 and at low level 0.66 in 2007-08. In Maruti Suzuki the ratio was at high level 36.98 during the year of 2008-09 and at low level 8.68 in 2007-08. In Hero Motocorp the price earning ratio was at high level 26.74 in the accounting year 2008-09 and at low level 15.94 in 2011-12. In Bajaj Auto the price earning ratio was at high level 20.53 in 2011-12 and at low level 3.74 during the year 2007-08.

Conclusion : The study found that Tata Motors has low rate of operating leverage, which indicates a low interest outflow and consequently lower borrowings. And in 2007-08 and 2011-12 the operating leverage has been reported at low level for all sample companies, which is found 0.85 and 0.86 respectively. It was 0.97 at highest level during 2008-09. Total financial leverage ranges between 0.90 and 1.88 in which Bajaj Auto indicates low leverage, while Tata Motors uses more as compared to others which is 1.88. During 2008-09 table

showing low level of leverage among selected automobiles, whereas 1.61 at high level of leverage reported in 2011-12. The combined leverage of Bajaj Auto is reported 0.87 which is better than compare to other while Tata Motors has been found at top level in context of combined leverage along with 1.26. On the other hand year 2007-08 showing low level of leverage 0.84 for all companies and it was found highest 1.29 in 2011-12. Aggregate combined leverage of all sample companies for whole study period has been made out 5.31. Cost of equity ranges from 1.90 to 13.81 for being whole study period. During 2007-08 it was at highest level 13.81 for all selected units, while in subsequent next year 2008-09 it has been reported at very low level 1.90. The market price was very low, so that cost of equity was very high in that particular year. In case of particular company wise the cost of equity 13.83 showing by Tata Motors at top while 0.58 recorded in case of Maruti Suzuki at very lowest level. The study found Mahindra & Mahindra has low cost of debt which indicates use of debt financing with low interest rate whereas Hero Motocorp borrow debt financing with high rate of interest. On the other hand during 2011-12 cost of debt was at its highest level 9.50 while just before one year it is reported at lowest level at 4.39 in whole study period. Low debt-equity ratio made out in case of Maruti Suzuki and high debt-equity ratio exercised by Tata motors. But in case of Hero Motocorp it ranges between 0.02 to 0.50 during five years. It was 0.02 each in 2008-09 and 2009-10 while it has been found at highest level in 2010-11 which is 0.50. Long-term debt equity ratio has been found 0.04 at low level among all selected five companies. On the contrary, Tata Motors, Bajaj Auto and Mahindra & Mahindra were found have highest proportion of debt which is nearer to 50%. Bajaj Auto has high interest coverage ratio which indicates the secure position of lenders is in respect of payment of interest regularly. Baja Auto and Hero Motocorp are showing greater variability in interest coverage ratio. For example 53.71 was in 2008-09 at low level within two years it goes up to 2093.39 in case of Bajaj Auto. Same in case of Hero Motocorp in which it ranges from 123.65 to 1262.36 in 2009-10 to 2011-12. Hero Motocorp has high fixed assets turnover ratio which indicates better utilization of fixed assets. But it is reported 1.66 in case of Tata Motors which is showing low efficiency of utilisation of fixed assets. The higher turnover ratio indicates the more efficient management and better utilization of available fixed assets. Tata Motors is less efficient among all selected companies in utilizing shareholder's funds. On the other hand Bajaj Auto and Hero Motocorp have been found more efficient as compare to others. Bajaj Auto and Hero Motocorp are relatively more profitable than the other auto corps, while Maruti Suzuki does not reported sound profitability in five years. Bajaj Auto and Hero Motocorp have been reveals satisfactory relationship between its net profit and long-term funds. On the contrary, Maruti Suzuki and Mahindra & Mahindra have not been found satisfactory return on long-term funds. Bajaj Auto and Hero Motocorp reflect the sound profitability of the business during the study period. And Tata Motors could not generate enough return on capital employed during the period of study. Hero Motocorp has high gearing among all selected companies which indicates to maximize the profits available to equity shareholders. On the other hand, Tata Motors and Mahindra & Mahindra reported lowest level of capital gearing ratio. Maruti Suzuki has high proprietary ratio which indicates sound financial position from long-term point of view. Whereas Tata Motors position in terms of long term was not found satisfactory. Tata Motors, Maruti Suzuki and Hero Motocorps have sound P/E ratio which indicates high market price of shares or growth prospects. On the other hand Bajaj Auto and

Mahindra & Mahindra have not been found good P/E ratio. **Suggestions:** In Tata Motors total risk was high during the study period. Therefore it should increase its equity to reduce the risk. All selected companies should try to maintain their debt-equity proportion at the same level. Bajaj Auto must give special attention to increase the earnings per share to safeguard and improve the welfare of its shareholders. Tata Motors should try to emphasis on efficient utilization of its shareholder's funds. So that it can improve its shareholder's worth in the future. Tata Motors and Maruti Suzuki should try to reduce their operating expenses and financial burden. So that they can more effectively convert their revenue into actual profit. Mahindra & Mahindra and Tata Motors should focus on using appropriate proportion of equity share capital and fixed cost bearing capital. So that they will be able to attract prospective investors along with maintain a uniform dividend policy during difficult trading periods. Indian auto manufacturers such as Tata must increase their global sale for faster recovery of their fixed cost and match the product cycle time of international manufacturers like Hyundai. Since the Indian Automotive Industry after de-licensing in July, 1991 has grown at a spectacular rate of 17% on an average for last few years. The industry is providing direct and indirect employment to approx. 1.31 crore people. At present the automobile industry is at the core of India's manufacturing economy. India's positioned to be world's most attractive automotive market for both manufacturers and consumers. The resulting benefits to society- in economic growth, increased jobs, and stability of families employed by automotive industry – are considerable. Comparing overall performance of the five companies selected it is Hero Motocorp which had displayed a steady and constant performance over the past five years. The EPS of Hero Motocorp has been stood at Rs.119.09 at the year ended 2012. The EPS has been on a gradual rise till the year end 2010 and has seen a swift decline in 2011 due to termination of joint venture with Honda group (Japan). Profit of the company is rising along with EPS. Reduction in the debt over the run has also helped the company to maintain its good debt to equity ratio. However as far as PBT is concerned Hero Motocorp is only second to Bajaj Auto which has a Rs.4026.17Cr. compare to its Rs.2864.71Cr. In the same way, it is also second to Bajaj Auto in context of interest coverage ratio which has 177.33 at year end 2012 compare to its 123.65. The company is in the sector which we have compared are in the different segments. Within the two wheelers segment Hero Motocorp has the best capital structure which is followed by Bajaj Auto. In the commercial vehicle segment Tata Motor has adequate ratio of Debt to Equity giving maximum returns to its shareholders. Seeing to its current capital it also has capacity to raise further capital if required for funding. Maruti Suzuki is a leading company in small car segment due its focus on only the Indian market. Maruti Suzuki remains in somewhat precarious situation due to their focus on only Indian market, while it is not enjoying stability like Bajaj Auto or Hero Motocorp. Researcher after completing the work come across certain suggestion that to face the global competition Indian automobile firms need to tread the path to development of new technological competencies carefully. Although technology licensing in the short run may win new contracts and higher sales, sole reliance on technology licensing alone may be harmful in the long run, and hence one needs to invest in internal R&D and try to internalize the technological knowledge and aspire to develop new technologies internally, to survive and grow in the globalized world.

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MARY COM: THE PRIDE OF INDIAN BOXING

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ABSTRACT

First women boxer from India to have won Bronze Medal in 2012 Olympic and Five World Titles consecutively. She has more than three Asian titles and eleven National titles under her weight category. She is a recipient of the Arjuna Award, the Padma Shri Award, the Rajiv Gandhi Khel Ratna Award and a special award from AIBA. A mother of twin sons, a caring wife, and her achievements are a great inspiration. The purpose of this study is to highlight the achievements and contribution of MC Mary Kom for the promotion of Boxing in the country.

KEY WORDS: Mary Com, Indian Boxing, Sports

The values expressed through sports represent an important function of sports in society. Some people think of sports subculture as a value receptacle for the society. The values through sports is evident with social change we find shifts in the value orientations of society. This process of social change can observe through the historical analysis of biographical and fictional literature focusing on spots and sports heroes.

In this modern era importance of media has increases tremendously. The promotion of sports and sports heroes by newspaper writers and radio and television announces played a larger part in increasing the attendance at sports events. The role of the sports editor and the importance of the sports page has not been attenuated by the presence of television. Although television proved to be a very powerful medium for promoting sports at all levels. The role of the journalists, newspaper editors, radio and television announcers has the responsibility to provide true information to the public with the realities of the situation because the public needs to be informed about latest trends in sports.

A sport has worked as an engine to social and cultural growth and also has contributed a lot in the field of psychological and physical development of the individual. It is dire requirements of the present India to promote sports as a full-fledged career option. In this way a sense of economic security can be provided to the sports persons and that can bring better results at international level sports events.

Boxing, often called "the manly art of self-defense," is a sport in which two competitors try to hit each other with their glove-encased fists while trying to avoid each other's blows. The competition is divided into a specified number of rounds, usually three minutes long, with one minute rest periods between rounds. Although amateur boxing is widespread, professional boxing has spread on an even greater scale since the early 18th century. Boxing originated when a person first lifted a fist against another in play. The ancient Greeks believed fist fighting was one of the games played by the gods on Olympus so it became part of the Olympic Games in about 688 BC. During Roman times the sport began to thrive on a wide scale. Boxers fought with leather bands around their fists for protection and sometimes wore metal-filled, leather hand coverings which resulted in bloody, often duel-to-death, battles.

Boxing is a hard sport to learn, but it is a fun adventurous and very beneficial ride. It requires months of hard work and dedication to be very good at it. It benefits you in many ways. It helps you lose weight and get the body you desire. If you are experienced you may make a living out of it. It also takes you to another level of maturity, so boxing basically transforms you into a new and improved you. To be more prepared for boxing, eating healthy and being healthy in general can and does play a major role in how well you will perform. To be successful in this sport you must train with intensity. To be the best, you must train with the best, there are no shortcuts, or magic pills that will take you to the top. Keep in mind that the ring is a lonely place for a fighter who is not in shape.

Mangte Chungneijang Mary Kom was born on 1 March, 1983 in Manipur, also known as MC Mary Kom, or simply Mary Kom, is an Indian boxer. She is a five-time World Boxing champion, and the only woman boxer to have won a medal in each one of the six world championships. She is the only Indian woman boxer to have qualified for the 2012 Summer Olympics, competing in the flyweight (51kg) category and winning the bronze medal. She has also been ranked as No. 4 AIBA World Women's Ranking Flyweight category.

Her family background speaks a lot of how Mary overcame hardship and inconveniences and created a name for herself in the arena of world boxing. Her parents Mr. Mangte Tonpa Kom and Mrs Mangte Akham Kom earned their livelihood by working and being engaged in others *jhum* fields. Being the eldest, Mary helped her parents work in the fields, cutting woods, making charcoal and fishing. On the other hand, she spent a good time looking after her two younger sisters and a brother.

Mary Kom was interested in sports since her childhood. She took a keen interest in Athletics when she was in 4th class in Loktak Christian Mission School, Moirang and class 7th – 8th in St.Xavier School, Moirang. Mary thought that she would become a good athlete one day and carve a name for herself in the discipline.

But fate decided otherwise. After completing her 8th class, Mary came to Imphal and continued her studies at Adimjati School. Being so fond of sports, she enquired around and found out about women boxing. It was a new idea since women boxers were relatively unknown those days. The rise of Dingko Singh and the demonstration of women boxers at the 5th National Games (Manipur) inspired her.

Mary Kom decided to hang up her books and enter into the ring with determination and strong will. To pursue her dream of becoming a world class pugilist, she joined Sports Authority of India, Khuman Lampak and underwent an intensive training from coach and mentor, Shri. Ibomcha Singh.

Seeing Mary's potential and determination, Manipur State coaches Shri. Narjit Singh and Shri. Kishan Singh decided to take her under their wings. Mary was taught finer details and absorbed it all. The encouragement and support by Shri. Khoibi Salam, Secretary of MABA and Vice President of IABA, and Manipur Boxing Association was also a turning point for Mary Kom.

EARLY LIFE AND FAMILY

Mary was born in Kangatheh, Manipur. Her parents, Mangte Tonpa Kom and Mangte Akham Kom, worked in *jhum* fields. She completed her primary education from Loktak Christian

Model High School, Moirang, up to her class 6th standard and attended St. Xavier School, Moirang, up to 8th class. She then moved to Adimjati High School, Imphal, for her schooling for class 9th and 10th, but could not pass her exam. She did not want to reappear for her exams so she quit her school and gave her examination from NIOS, Imphal and graduation from Churachandpur College.

Mary married K. Onler Kom of Samulamlan Block whom she met in Delhi. Onler proved to be a guide, a friend and a philosopher for Mary and they decided to vow each other for lifetime at Manipur Baptist Convention Church on 12th March 2005. She has twin sons, Rechungvar and Khupneivar and is an ardent devout Roman catholic.

EARLY CAREER

Kom initially tried to hide her interest in boxing from her family, since it was not considered a suitable sport for a woman. However, after her victory in the Manipur state women's boxing championship in 2000, her career became public; her father discovered his daughter's achievement through a photograph in a newspaper. After winning the regional championship in West Bengal, Kom began competing at the international level at the age of 18, only a year after she started boxing. Her international debut was at the first AIBA Women's World Boxing Championship in the United States, where she won a silver medal in the 48 kg weight category. She followed this with a gold medal in the 45 kg class at the second AIBA Women's World Boxing Championship in Turkey in 2002.

In 2003, Kom won a gold medal in the 46 kg class - she would compete in this class for the next three years - at the Asian Women's Boxing Championship in India, and was awarded the national Arjuna Award for outstanding sporting achievement. In 2004, she won gold at the Women's Boxing World Cup in Norway, and in 2005 again won gold at the Asian Women's Boxing Championship in Taiwan and the AIBA Women's World Boxing Championship in Russia. The following year, she won gold at the Venus Women's Box Cup in Denmark and the AIBA Women's World Boxing Championship in India. Her victory in the World Championship was marred by illness; the final had to be suspended in the second round, with Kom leading 19-4.

RETURN TO BOXING

After a two-year break, she won a silver medal at the 2008 Asian Women's Boxing Championship in India and a fourth successive gold medal at the AIBA Women's World Boxing Championship in China, followed by a gold medal at the 2009 Asian Indoor Games in Vietnam. In 2010, Kom won the gold medal at the Asian Women's Boxing Championship in Kazakhstan, and at the AIBA Women's World Boxing Championship in Barbados, her fifth consecutive gold at the championship. She competed in Barbados in the 48 kg weight class, after AIBA had stopped using the 46 kg class. In the 2010 Asian Games, she competed in the 51 kg class - the lowest in the contest - and won a bronze medal. In 2011, she won gold in the 48 kg class at the Asian Women's Cup in China, and in 2012 took the gold medal in the 51 kg class at the Asian Women's Boxing Championship in Mongolia. On 3 October 2010, she, along with Vijender Singh, had the honour of bearing the Queen's Baton in its opening ceremony run in the stadium for the 2010 Commonwealth Games of Delhi. She did not compete, however, as women's boxing was not included in the Commonwealth Games.

OLYMPIC GAMES Mary Kom five-time world champion had won several medals in the 46 and 48kg categories. She was forced to shift to this category and gain weight two years ago after the world body decided to allow women's boxing in only three weight categories—the lowest one being 51kg. At the 2012 AIBA Women's World Boxing Championship, Kom was competing not just for the championship itself but also for a place at the 2012 Summer Olympics in London, the first time women's boxing had featured as an Olympic sport. She was defeated in the 51 kg quarter-finals by Nicola Adams of the UK (to whom she would eventually lose in the semifinal of the London 2012 Olympic Games as well), making this the first year since the championship began that Kom did not win a medal, but did succeed in getting a place for the Olympics. She was the only Indian woman to qualify for boxing event, with Laishram Sarita Devi narrowly missing a place in the 60 kg class. Mary Kom was accompanied to London by her mother and husband. Kom's coach Charles Atkinson will not join her at the Olympic Village as he doesn't possess an International Boxing Association (AIBA) 3 Star Certification, which is mandatory for accreditation. The first Olympic round was held on 5 August 2012, with Kom defeating Karolina Michalczuk of Poland 19-14 in the third women's boxing match ever to be fought at the Olympics. In the quarter-final, the following day, she defeated Maroua Rahali of Tunisia with a score of 15-6. She faced Nicola Adams of UK in the semi-final on August 8, 2012 and lost the bout 6 points to 11. However, she stood third in the competition and garnered her first Olympic Bronze medal. Manipur Government has decided to award Rs 50 lakh and two acre land to Kom in the cabinet meeting held on August 9, 2012. Manipur Government gave her the post of Sub-inspector of police in 2005. She was promoted to inspector of police in 2008 and again promoted to the post of Deputy Superintendent of Police (DSP) in 2010 and presently she is Superintendent of Police (SP) in Manipur Police Department. She was also given a house at National Games Village without any cost for her outstanding achievements. Sports are not everything for Mary. In her spare time, she takes pain to attend functions and mingle with the people. The ever-smiling and ready-to-help Mary Kom always encourages young people to chase their dreams and have faith in God. Mary Kom open a Boxing Academy in Manipur the year 2006 to encourage boxers particularly female and to produce quality boxers to win National and International Medals. It is a Non-Profit Sports Academy especially means for under-privileged youths with a vision "*Quality Boxers with Prestigious Sports Medals from under-privileged potentials*". She takes up this challenge of opening an Academy from her own expenses. The fact is that, like her, there are lots of hidden and untraced potentials in the interior part of our land, who has got enough skills and will-power to bring laurels to our nation but they never get a privilege and no one to guide and mould those young hearts. With the motive to change their future, the M.C. Mary Kom Boxing Academy came into being. Presently, there are 37 boxers in the Academy; 16 female, 21 male, out of which 27 are residential boxers; 9 female, 18 male and 10 non-residential boxers; 7 female, 3 male. The academy has produced State and National Medalist in different weight category. Sports Authority of India, North East Region Council (SAI, NERC) has announced M.C. Mary Kom Boxing Academy as SAI Extension Centre. Within this scheme SAI is supporting the Sports Kits and Equipments of 20 Pugilists.

INTERNATIONAL ACHIEVEMENTS				
Year	Place	Weight	Competition	Location
2001	Silver Medal	48	1 st Women's World Amateur Boxing Championships	Scranton, Pennsylvania, USA
2002	Gold Medal	45	2 nd Women's World Amateur Boxing Championships	Antalya, Turkey
2002	Gold Medal	45	Witch Cup Boxing Championship	Pécs, Hungary
2003	Gold Medal	46	2 nd Asian Women's Championships	Hisar, India
2004	Gold Medal	46	Women's World Cup	Tønsberg, Norway
2005	Gold Medal	46	3 rd Asian Women's Championships	Kaohsiung, Taiwan
2005	Gold Medal	46	3 rd Women's World Amateur Boxing Championships	Podolsk, Russia
2006	Gold Medal	46	Asian Cadet Boxing Championships	Hanoi, Vietnam
2006	Gold Medal	46	4 th Women's World Amateur Boxing Championships	New Delhi, India
2006	Gold Medal	46	Venus Women's Box Cup	Vejle, Denmark
2008	Gold Medal	46	5 th Women's World Amateur Boxing Championships	Ningbo, China
2008	Silver Medal	46	4 th Asian Women's Championships	Guwahati, India
2009	Gold Medal	46	Indo-Sweden Dual Match Boxing Championships	Gothenberg, Sweden
2009	Gold Medal	46	Asian Indoor Games	Hanoi, Vietnam
2010	Gold Medal	48	6 th Women's World Amateur Boxing Championships	Bridgetown, Barbados
2010	Gold Medal	46	5 th Asian Women's Championships	Astana, Kazakhstan
2010	Bronze Medal	51	16 th Asian Games	Guangzhou, China

INTERNATIONAL ACHIEVEMENTS				
Year	Place	Weight	Competition	Location
2011	Gold Medal	48	Asian Women's Cup	Haikou, China
2012	Gold Medal	51	6 th Asian Women's Championships	Ulan Bator, Mongolia
2012	Bronze Medal	51	Summer Olympics	London, United Kingdom

NATIONAL ACHIEVEMENT'S

1. Gold Medal in 7th East Open Boxing Championship held at Bengal on 11 –14 Dec 2000.
2. Gold Medal in 1st Women National Boxing Championship, Chennai on 06 – 11 Feb 2001.
3. Gold Medal in 2nd Senior Women National Boxing Championship, New Delhi on 26 – 30 Dec.2001.
4. Gold Medal in National Women Sports Meet, New Delhi on 26 – 30 Dec 2002.
5. Gold Medal in 3rd Senior Women National Boxing Championship, Aizawl on 04 – 08 Mar 2003.
6. Gold Medal in 4th Senior Women National Boxing Championship, Assam on 24 – 28 Feb.2004.
7. Gold Medal in 5th Senior Women National Boxing Championship, Kerala on 26 – 30 Dec 2004.
8. Gold Medal in 6th National Senior Women Boxing Championship, Jamshedpur on 29 Nov-3 Dec 005.
9. Gold Medal in 32nd National Games, Hyderabad, India on 13 – 22 Dec 2002.
10. Gold Medal in 9th Senior Women National Championship, Agra on 02-07 Nov. 2008.
11. Gold Medal in 57th All India Police Meet, Pune on 6-10 April 2010.
12. Gold Medal in 12th Senior National Women Boxing Championship 2011 (Bhopal) on 11-16 Oct., 2011.

AWARDS AND RECOGNITIONS

1. Arjuna Award for the year – 2003.
2. Padma Shri Award for the year – 2005.
3. NETV People's Choice Awards – 2006.
4. People of the Year for – Limca Book of Records-2007.
5. CNN-IBN, Reliance Industries Indian Real Heroes Awards – 2007.
6. Felicitation by Zomi Students Federation (ZSF) at New Lamka YPA Hall-2008.
7. Magnificent Mary, IABA-2008.
8. Pepsi MTV Youthicon – 2008.
9. International Boxing Association Ambassador for Women's Boxing-2009.
10. Param Poojaniya Shri Guruji Puruskar – 2009.
11. Rajiv Gandhi Khel Ratna Award – 2009.

12. North East Excellence Award 2009.
13. Sports Women of the year 2008-2009.
14. YFLO Women Achiever 2009-2010.
15. Sportsperson of the year, North East- 2010.
16. Sports Women of the year 2010-2011.
17. Spirit of Sports Award 2012.
- 18.** Tribal Achievers' Award 2012.

CONCLUSION

The purpose of this article is to highlight the achievements and contribution of Mary Com for the promotion of boxing in the country. She is a role model for others and gives due regard and inspiration to upcoming boxers. She is very straight forward in nature and has a good sense of humour. She does not compromise with her principles and has very good public relations. She is very popular among her team mates. Technically she is very sound and her capacity to maintain his performance for a long duration. She believes that sports is a major tool in developing the total personality of players. Punctuality and discipline is the part of her life. She often visits schools and open a boxing academy to motivate boxers. She is a role model for other boxers. She is very friendly, Co-operative and has a lot of patience and perseverance.

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FEDERAL RELATIONS IN INDIA : ROLE OF GOVERNOR UNDER ARTICLE-356

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ABSTRACT

The Role of Governor under Article-356 has been the subject of considerable controversy and debate. Article-356 was first invoked in July 1959 against the Communist government, led by EMS Namboodiripad in Kerala. Since then, the Article has been abused several times to dismiss politically inconvenient governments. From 1950 to till date, various political parties ruling at the Centre enforced/misused Article-356 on more than 120 occasions. In many cases, State governments, which enjoyed majority in the Assembly, were dismissed. And in other cases, State governments were dismissed without being given an opportunity to prove their majority on the floor of the House. From 1967 onwards, when the Non-Congress State governments were voted to power at the state level, the Congress invoked Article-356 to dismiss the duly elected State governments. By the mid-1980s, the emergence of the BJP and a number of regional political parties not only challenged the one-party dominance of Congress but also questioned the arbitrary use of Article-356 and the partisan role of the Governor. In response to the demand by several opposition leaders, Indira Gandhi, on 24 March, 1983 appointed a commission headed by Justice R.S. Sarkaria to go into the Centre-State relationship. The Sarkaria Commission made 12 recommendations relating to Article-356. The Commission recommended that the article should be resorted to "very sparingly, in extreme cases as a measure of last resort, when all available alternatives fail to prevent or rectify a breakdown of the constitutional machinery in the state." Further, the issue of Article-356 emerged as a matter of Judicial Review. Meanwhile, the Supreme Court in the S.R. Bommai case (1994) decreed that the Assembly should not be dissolved before parliamentary approval. But still we need to amend this article for the betterment of Federal Relations in India.

Keywords – Role of Governor, Article-356, Sarkaria Commission, Operational Aspects, Judicial Review.

The Governor is appointed by the President of India for five years. But he remains in the office till the pleasure of the president, which means he can be recalled any time. This means his continuation in the office depends at the sweet will of the centre. The Supreme Court has held that the Governor's office is an independent office and neither it is under control nor subordinate to the Government of India. However a study of governors in the States clearly reveals that most of them have been active politicians before becoming governor and the rest were the bureaucrats. They are appointed on political basis and therefore hardly expected to play a non-partisan role. It is the governor's partisan role that has been the focal point in Union-State conflicts. The governors have furthered the political interests of ruling party of

the Centre in the States. This has been done most notably in the appointment of Chief Ministers, summoning, pronging and dissolving the State Assemblies and in recommending President's Rule.

Article-356 is the most controversial article of the Constitution. It provides for state emergency or President's rule in State if the President, on receipt of report from the Governor of a State or otherwise, is satisfied that a situation has arisen in which the government of the State cannot be carried on in accordance with the provisions of the Constitution. The duration of such emergency is six months and it can be extended further but in any case, it cannot be more than three years. In the Constituent Assembly, Ambedkar had made it clear that the Article-356 would be applied as a last resort. He also hoped that such articles will never be called into operation and that they would remain a dead letter.¹ But, unfortunately Article-356 did not remain a dead letter. It has been misused more than 100 times and is the one of the most contentions issue in Federal Relations. It has been used as a coercive weapon to remove or not to allow the opposition party to form a government in the States.

In most of the cases the Article-356 was invoked despite the fact that there was no grave law and order situation and no breakdown of Constitution machinery. So that it could be construed that a situation had arisen in which the government of the State could not be carried on in accordance with the government of the State could not be carried on in accordance with the provisions of the Constitution. The Governor is no judge to decide whether a party or the leader is enjoying the majority of the States Assembly. It is only the States Assembly itself which can decide this.

ROLE OF GOVERNOR UNDER ARTICLE-356

Our constitution provides federal structure, having separate systems of administration for the Union and its units i.e. the States, In addition to its federal structure, the Constitution provide for establishing the parliamentary form of government both at the Union and in States level. In the context of the State Article 154 (I) and 163 (1) of the Indian Constitution provides that the executive power of the State shall be vested in the Governor and that there shall be a Council of Ministers with the Chief Minister as the head to aid and advice the Governor in the exercise of his functions.²

Without tampering with the federal structure, the Constitution also facilitates a strong Union government. Article-356 is one of those provisions under which the Governor- the constitutional head of a State, sends a report to the President that the government of the State cannot be carried on in accordance with the provisions of the Constitution, thus paving the way to impose the President's rule in the State. As a powerful instrument in the hands of the Union government, Article-356 has invited more criticism than assumed, sketching the Governor a dubious character, pejoratively calling him an agent of the Centre. The Sarkaria Commission pointed out three main facets of the Governor's role:

- (a) As the constitutional head of the State operating normally under a system of parliamentary democracy;
- (b) A vital link between the Union government and the State government; and
- (c) An agent of the Union government in a few specific areas during normal times [e.g. Article-356(1)].

The constitution did not envisage the Governor as an agent of the Centre by making reports under Article-356. Such a report has to be made by the Governor as required as part of his oath which obliges him to 'preserve, protect and defend the Constitution' and to devote himself 'to the well-being of people' of that State.

Role mentioned (a) is performed by the Governor in normal times with the advice of his Council of Ministers. As far as his role under (b) and (c) are concerned, he is free to act on his own discretion and such discretion cannot be questioned. Following are some instances where the Governor acts/ can act on his own discretion:³

- The Governor of Assam determines the amount payable by the State of Assam to the district councils, as royalty accruing from licenses for minerals. [Schedule VI, para 9 (2) of the Constitution of India]
- Working as an administrator of the Union Territory (UT) under Article 239 (2).
- Assuming special responsibility from the President under Article 371-371 (H) with regard to specific areas of certain States.
- Reservation of a Bill (s) for consideration of the President under Article 201.
- Working as a Chancellor of State University/Universities.
- Working as a Chief of the State Red-Cross unit.
- At the time of sending a report to the President under Article-356 (1).
- Working as a representative of the President after the proclamation of President's rule.

OPERATIONAL ASPECTS OF ARTICLE – 356

The Office of the Governor did not attract much attention before 1967 and the people felt that the gubernatorial office was sinecure because the Congress party till then had the fortune of ruling both at the Centre and in most of the States. The issues between the Centre and the States were sorted out by an extra-constitutional agency –the Congress party. The Aya Ram Gya Ram concept in Indian Politics started in 1967. As a result various interest groups especially from Congress broke away to form govt. in the States in alliance with various others heterogeneous opposition groups. A part from Kerala where Communist regime was dismissed and President's Rule was imposed as early as in 1959 the Office of Governor was put to vigorous test only after 1967. In general elections, Congress party received a major blow at the centre at the hands of Janata Party. This further sharpened the conflicting situation between the Centre and States and the Office of Governor became more and more controversial.⁴

As a matter of fact the role of Governor has been under a cloud ever since the E.M.S. Namboodiripad Ministry in Kerala was dismissed in 1959. In the general elections of 1957, the Communist party emerged not only the biggest party but together with Independents formed government under the leadership of Namboodiripad. After some time, the opposition including the Congress started a movement to overthrow the government by force. The Chief Minister approached the Union government for help. Interestingly, the Centre dismissed the State government on the ground that the State government commuted the sentence of a person condemned to death, into a life imprisonment; interfered in the general administration by transferring some official on flimsy grounds; issued an instruction to the police not to interfere in the dispute between the labour and the management; and the like.⁵

In Haryana, the Congress Ministry fell in March, 1967 as a result of the resignation of twelve Congressmen. Soon after the formation of new ministry headed by Rao Birender Singh, floor crossing again started on a massive scale. To stall this, Singh to the defectors Singh's strategy, however, paid and he managed to retain his majority in the House politics, the Governor felt that defection at such large and rapid scale made a mockery of the Constitution, and created a situation amounting to failure of the constitutional machinery.⁶ The main charge leveled against the Rao ministry was of engineering mass defections. However in the same State of Haryana, with the same Governor in office, when this sordid drama was re-staged a year later, the Governor forgot his earlier stand.⁷ It was alleged by the opposition therefore that so long as defections were in favor of the Congress, it did not matter but if it benefited the opposition it amounted to breakdown of constitutional machinery.

On February 17, 1970, Charan Singh, the leader of Bhartiya Kranti Dal formed the government in Uttar Pradesh by aligning with the Congress. After six months, he advised the Governor to dismiss 26 ministers belonging to the Congress. Strangely, the Governor asked the Chief Minister of the State having full majority to resign. When the latter refused to do so, the Governor dismissed his government and recommended President's rule.⁸

In Orissa, the R.N. Singh Deo ministry resigned in January 1971 and recommended dissolution of the Assembly. Governor Mr. S.S. Ansari accepted the resignation but did not ask the Chief Minister to continue as a caretaker. For two days there was no government in the State. Then, he explored the possibility of alternative government failing which he recommended for the dissolution of the Assembly.⁹

Mass dismissal of nine State governments in the year 1977 and in 1980 by the Janata party and the Congress party respectively has been the most controversial example of President's rule. On both these occasions the governments were dismissed on a false premise that the State governments no longer represented the wishes and aspirations of the electorate.¹⁰ Likewise four Bhartiya Janata Party led governments of Uttar Pradesh, Himachal Pradesh, Madhya Pradesh and Rajasthan were dismissed in Dec. 1992 in the aftermath of the demolition of Babri Masjid by the Central govt. headed by Sh. P.V. Narsimha Rao.¹¹

Om Prakash Chautala ministry (Janata Dal-S) was reduced to a minority, following the disqualification of three legislators under the Anti-Defection Law. The Chief Minister recommended dissolution of the Assembly. However, the Governor called upon Chautala to prove his majority in the Assembly on or before April 3, 1991. The latter challenged the right of the Governor to ask the Chief Minister to prove majority after he had recommended the dissolution of the Assembly. The seven days stalemate in the State politics ended with the imposition of President's Rule.

After the submission of Sarkaria Commission's Report on Centre-State relations, Article-356 has been used or misused 32 times. It was invoked in Assam (November 27, 1990 – deterioration of the law and order situation), Nagaland (April 2, 1992 – fluid party position and deteriorating law and order situation), Nagaland (August 7, 1998), Karnataka (April 21, 1989) and Meghalaya (October 11, 1991). These cases are dealt with by the Supreme Court in S.R. Bommai Case and held to be totally unconstitutional and unsupportable. Bihar (March 28, 1995 – process of election could not be completed, to facilitate passage of vote on account by Parliament) and U.P. (1996 – no clear majority in election); Tamil Nadu (January 30, 1998 – deadlock due to death of Sri M.G. Ramachandran), Mizoram (September 7, 1988 –

defections reduced the Government to Minority), Jammu and Kashmir (July 18, 1990 – Chief Minister resigned consequent upon his disqualification by High Court – No other Government found viable), Tamil Nadu (January 30, 1991 – alleged LTTE activities), Haryana (April 6, 1991 – with disqualification of three MLAs, Government lost majority, Ministry refused to face floor-test and recommended dissolution of House), Manipur (January 7, 1992 – Government lost majority as a result of resignation of certain members), Tripura (March 11, 1993 – Government resigned – no alternative viable), Manipur (December 31, 1993-1000 persons died in controlling Nga-Kuki clashes), U.P. (October 18, 1995 – Government lost majority – no viable alternative Government in sight); and Gujarat (1996 – Government reduced to minority due to defections)¹²

The discussion may not be complete without mentioning the imposition of President's Rule in Bihar on March 7, 2005 based on the 'Report' submitted by the Governor, Sh. Buta Singh¹³. On January 24, 2006, the apex Court adjudged the imposition of President's Rule as invalid. The Governor in his Report had claimed that after the Assembly elections, the erstwhile opposition party/parties were trying to gather the required number of member by horse-trading on the implicit direction of the Union Government.¹⁴

JUDICIAL REVIEW OF ARTICLE – 356

In the S.R. Bommai's case, the Supreme Court held that the validity of the proclamation under Article-356 can be judicially reviewed to examine (i) whether it was issued on the basis of any material, (ii) whether the material was relevant, (iii) whether it was issued malafide.

Undoubtedly, the judgment on this case is epoch making and it marks the dawn of a new era in the exercise of power under Article-356. The Centre cannot hereafter make the proclamation irrevocable. The proclamation will come into force only after the approval issue a proclamation without receiving the report from the Governor with relevant and necessary materials.¹⁵

The judgment of S.R. Bommai case is not only a landmark but also a beginning of a new era for protecting the autonomy of states. The injustices so far committed against the states and undemocratic attitude allowed to remain at the Centre have been considerably checked by this historic judgement.¹⁶

The judgement which came in Bommai vs. Union of India upheld the ruling given in State of Rajasthan vs. Union of India that the Courts were competent to entertain such petition. In the earlier case, the judgement very much circumscribed the scope of investigation which could be done only if the grounds, taken to be the basis of calling for the action, were made known by the Government and are alleged to be malafide, extraneous or irrelevant. In Bommai vs. Union of India, the Supreme Court ruled that Article 74 (2) did not prohibit the Court from enquiring into the facts which formed the basis of the advice made to the President to declare emergency under Article-356 unless the Government took the plea of secrecy which was granted by the court. The court held that it was incumbent on the Government to defend the action, on the grounds contained in the advice, and prove that the impugned action did not suffer from malafide and was germane to the extra-ordinary conditions existing in the State. It would be binding on the Government to produce in the court all papers and relevant material forming the basis of the advice.¹⁷

The judgment rejected the perverse philosophy formulated in *Rajasthan vs. Union of India* that the Union Government could dismiss the State Government to have a better coordination and effective implementation of its socio-economic policies in the perspective of well planned development. Another ground taken was that in a democracy, it was quite legitimate to seek more power through the process of elections. In *Bommai vs. Union of India*, justice Ahmadi said, “having noticed the nature of federal structure under the Constitution, the possibility of different political parties ruling at the Centre and in one or more States cannot be ruled out. The Constitution clearly permits it. Therefore, the mere defeat of the ruling party at the Centre cannot by itself entitle the newly elected party which comes to power at the Centre to advise the President to dissolve the Assemblies of those States where the party in power is other than the one in power at the Centre with a thumping majority, there is no ground to hold that, ‘a situation has arisen in which the Government of the State cannot be carried on the accordance with the provision of the Constitution’ which is the requirement for the exercise of power under Article-356 of the Constitution. Exercising power under the said provision for dissolution of the State Legislative Assemblies solely on the ground of a newly elected political party having come to ‘power’ at the Centre with a sweeping majority would, to say the least, betray intolerance on the part of the Central Government, clearly basing the exercise of power under Article-356 (1) on consideration extraneous to the said provision and therefore, legally malafide”¹⁸

The result has been that since the said decision, the use of Article-356 has drastically come down. Indeed in the year 1999, when the Union Government recommended to the President to dismiss the State Government in Bihar, the President called upon the Union Government to reconsider the matter in the light of the principles enunciated in the said decision. On a reconsideration of the matter, the Union Government withdrew the proposal. We may also refer to yet another decision where the Governor of U.P. chose to dismiss arbitrarily the State Government without allowing the Government to test its majority on the floor of the House. Following the principles enunciated in *S.R. Bommai vs. Union of India*, the Allahabad High Court dismissed the Government to its office (W.P. 7151 of 1998 disposed of on 23 February, 1998). This decision was not disturbed by the Supreme Court though it purported to evolve a peculiar kind of floor-test, namely, both the contenders for the office of Chief Minister who was dismissed wrongly by the Governor established his majority and continued in office (A.I.R. 1998, Supreme Court 1998).

URGENT NEED TO AMEND ARTICLE-356

Most of the politician and political scholars argue that there is urgent need to amend Article-356 to provide for the following:

- It should be provided that until both Houses of Parliament approve the proclamation issued under Clause (1) of Article-356, the Legislative Assembly cannot be dissolved. If necessary, it can be kept only under animated suspension.
- Before issuing the proclamation under Clause (1), the President/the Union Government should indicate to the State Government the matters wherein the State Government is not acting in accordance with the provisions of the Constitution and give it a reasonable opportunity for redressing the situation – unless the situation is such that the above course would not be in the interest of the security of State or defence of the country.

- Once a proclamation is issued, it should not be permissible to withdraw the same and issue another proclamation to the same effect with a view to circumvent the requirement in Clause (3). Even if the proclamation is substituted by another proclamation, the period prescribed in Clause (3) should be calculated from the date of the first proclamation.
- The proclamation must contain (by way of annexure) the circumstances and the grounds upon which the President is satisfied that a situation has arisen where the Government of the State cannot be carried on in accordance with the provisions of the Constitution. Further, if the Legislative Assembly is sought to be kept under animated suspension or dissolved, reasons for such course of action should also be stated in the appropriate proclamation.
- Whether the Ministry has lost confidence of the Legislative Assembly or not, should be decided only on the floor of the Assembly and nowhere else. If necessary, the Union Government should take necessary steps to enable the Legislative Assembly to meet and freely transact its business. The Governors should not be allowed to dismiss the Ministry so long as it enjoys the confidence of the House. The Governor should dismiss the State Government only where a Chief Minister refuses to resign after his ministry is defeated on a motion of no-confidence.

CONCLUSION

Regarding the role of Governor under Article-356, it can be concluded that Governor's office is an independent office and neither it is under control nor subordinate to the Government of India. However a study of Governors in the States clearly reveals that most of them have been active politician. It is the Governor's partisan role that has been the focal point in Union State conflicts. Second, Article-356 is the most controversial article of the constitution. Most of the officials have used this article to take a political revenge. That is why Article-356 has always been a major irritant in Centre-State Relation in India. It has been misused 120 times in different occasions. It has been used as a coercive weapon to remove or not to allow opposition to form a government in the State by the Centre. The Sarkaria Commission's Report (1987) has recommended that misuse of Article-356 should be stopped and further in S.R. Bommai Case (1994), the Supreme Court has decreed that the assembly should not be dissolved without parliamentary approval. But still this article needs to amend. It will create harmonious and cooperative Federal Relations in India.

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CO-OPERATIVE CREDIT INSTITUTIONS IN INDIA: HISTORY AND ORGANISATIONAL STRUCTURE

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ABSTRACT

Co-operative movements have fairly long history in India. In order to understand the present day co-operative institutions, it would be useful to know the history of the co-operative movement in the country. Co-operative credit institutions in India may be broadly classified into urban credit co-operatives and rural credit co-operatives. co-operative banks have competitive advantage for making financial inclusion a success as compared to commercial banks because co-operative banks have huge clientele as beneficiaries. The need is just to consider them as business opportunities instead of burden or just as social responsibility."

Key Words: Co-operative Banks, Rural Cooperatives, Cooperation and Financial Inclusion

Introduction

The term 'co-operative' has been derived from the Latin work 'co-operate' and it simply means 'working together'. In deep, it means working together for a common purpose. Calvert defines co-operation as "a form of organization wherein persons voluntarily associate together as human beings, on the basis of equality for the promotion of economic interests themselves. International Labour Organisation (ILO) has defined a co-operative organization as "an association of persons, usually a limited means, who have voluntarily joined together to achieve a common economic and through the formulation of democratically central business organization, making equitable contribution to the capital required and accepting a fair share of the risk and benefits of the undertaking". Hence, co-operation is the basis of inter-personal relations, peace and happiness. It releases the sense of honesty, equality and democracy.

The genesis of co-operatives can be traced to the co-operative principles. Co-operative movements have fairly long history in India. In order to understand the present day co-operative institutions, it would be useful to know the history of the co-operative movement in the country. As per the available literature, the history of the co-operative credit movement in India can be divided in four phases like as:

- First Phase (1900-30)
- Second Phase (1930-50)
- Third Phase (1950-90)
- Fourth Phase (1990s on words)

The First Phase (1900-1930)

The colonial governments became aware of the Indian farmers dependence on money lenders, sahuikars in the beginning of twentieth century. At the same time the co-operative system had achieved remarkable progress in Europe. Indian officials took interest in promoting credit co-

operatives in the country for liberating Indian farmers from the burden of debt of moneylenders and sahuikars. By the last years of the 19th century, societies were organized. Based on the recommendations of *Sir Frederick Nicholson (1899)* and *Sir Edward Law (1901)*, the co-operative credit societies act was passed in 1904, paving the way for the establishment of co-operative credit societies in rural and urban areas on the patterns of 'Reffaisen' and 'Sehulze Delitch' respectively. After sometime, The Co-operative Societies Act of 1912 recognized the formation of non-credit societies and central co-operative organization/ federations. The enactment of this act marketed the beginning of a government policy of active encourage and promotion of co-operatives. The appointment of different committees related to co-operatives showed the interest of government in them.

The McClagan Committee (1915) felt the need of a Co-operative Federation at the state level, to bring the unity amongst the activities of various co-operative banks. The government after careful consideration of the findings of McClagan Committee, started co-operative federation in various states. With this, the activities of co-operative banks extended even to non-agricultural sector. Besides this McClagan Committee advocated that there should be one co-operative for every village.

The Royal Commission (1928) suggested that the co-operative movement should focus on expanding rural credit and the state should patronize co-operatives and protect this sector. By this time, the state was already involved in promoting agricultural credit societies.

The Second Phase: 1930-1950

During that period, R.B.I. played significant role in guiding and supporting the co-operatives. Many provisions were incorporated in RBI Act, 1934 both for set-up of an Agricultural Credit Department (ACD) in the bank and for providing refinance facilities to the co-operative credit system. However, during this phase, signs of sickness in the Indian rural co-operative movement were emerged. The Co-operative Planning Committee (1945) had discerned these signs in the movement finding that many of co-operatives were facing the problem of frozen assets because of heavy payment of loans. It found the small size of the primary co-operative as the main reason of failure.

The Third Phase: 1950-1990

All India Rural Credit Survey Committee (1954) highlighted that 'co-operation has failed but co-operation must succeed'. It suggested state partnership in terms of equity, governance and management. It also recommended the connecting credit and marketing co-operatives.

The working group on co-operation (1958), the National Development Council Resolution (1959) and Committee on Co-operative Credit (1960) emphasized the setting up of large sized and multistage co-operative societies. All India Rural Credit Review Committee (1969) recommended that apex co-operative banks should directly finance co-operative societies and all primary societies, provide trained and competent staff and ensure timely credit in the favour of small farmers. Hazari Committee also recommended the integration of short term and long term structure institutions. National Commission on Agriculture (1976) focused on to set-up Farmers' Service Co-operative Societies with the help of nationalized banks.

In 1982, NABARD was created on the recommendation of Sinaramon Committee (1981). Upper tier co-operative institutions were encouraged to accept public deposits and borrow from other financial institutions. The scheme of Government of India for writing off loans of

farmers in 1989 led to the erosion of financial health of co-operatives. The Agriculture Credit Review Committee (Khusro Committee, 1989) highlighted the importance of encouraging members' thrift and savings for co-operatives. It recommended effective business planning at the local level and to serve non-members also.

The Fourth Phase: 1990s and Onwards

This phase is considered very significant for the Indian co-operative movement. It is characterized for a salient parallel co-operative movement throughout the nation based on the principles of 'mutual aid' with 'thrift' as a basis. This 'mutual saving' and 'self-help style' of co-operation is being considered as an interesting development along with similar changes in mainstream co-operative sector. The phase saw an increasing realization of the deceptive effects of intrusive state patronage and politicization of the co-operatives, especially financial co-operatives, which resulted in poor governance and management and the consequent impairment of their financial health. Therefore, a number of committees were set up to suggest reforms in the sector. Braham Parkash Committee suggested to make co-operatives self-reliant, autonomous and fully democratic institutions and proposed a Model Law.

Committees of Jagdish Capoor, Vikke Patil and V.S. Vyas were also setup for co-operative sector reforms during this period. They emphasized on regulation and supervision mechanism of co-operative banks including introduction of prudential norms and bringing co-operative banks under Banking Regulation Act, 1949. To replace multi-state co-operative societies act, 1984, the central government brought multi-state co-operative societies act, 2002. Both the Capoor and the Vikke Patil Committees recommended special financial assistance to help viable and potentially viable state co-operative banks and district central co-operative banks to set-off accumulated losses, strengthen their capital base etc. In August 2000, NABARD had appointed an Expert Committee headed by Prof. V.S. Vyas to review the emerging scenario in rural credit and to prepare a workable comprehensive plan of action for a more effective rural credit by an expert body.

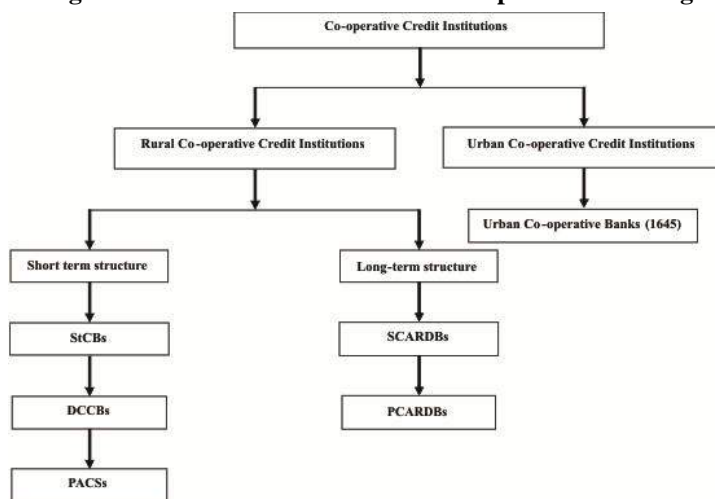
The passage of the Mutually Aided Co-operative Societies Act by the Andhra Pradesh government in 1995 marked a significant step regarding reforms. In the same line, eight other states viz. Bihar, Chhattisgarh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Orissa and Uttarakhand passed similar legislation for their mutually aided co-operatives. These new laws were meant for making co-operatives democratic, self-reliant and member-centric.

Structure of Co-operative Banking in India

The institutional co-operative credit system more particularly credit delivery system has been envisaged as an effective channel for creating an environment for socio-economic development in the society. Co-operative credit institutions in India may be broadly classified into urban credit co-operatives and rural credit co-operatives. Urban credit co-operatives include only urban co-operative Banks (UCBs). But, rural credit co-operatives have a complex structure. Rural co-operative credit institutions have two distinct structures viz. the Short Term Co-operative Credit Structure (STCCS) and Long Term Co-operative Credit Structure (LTCCS). Within the STCCS, Primary Agricultural Credit Societies (PACSS) at the village level form the base level, while District Central Co-operative Banks (DCCBs) are placed at the intermediate level and the State Co-operative Banks (StCBs) at the apex level. The

institutions of STCCS mostly provide crop and other working capital loans primarily for a short time to farmers and rural artisans.

Organizational Structure of Indian Co-operative Banking



Source: <http://www.rbi.org.in>

The LTCCS comprises State Co-operative Agriculture and Rural Development Banks (SCARDBs) at the state level and Primary Co-operative Agriculture and Rural Development Banks (PCARDBs) at the decentralized district or block level. These institutions focus on providing typically medium to long term loans for making investment in agriculture, rural industries and lately housing. The structure of rural co-operative banks is not uniform across the states of the country and varies significantly from one state to another. Some states have unitary structure with state level banks operating through their own branches, while others have a mixed structure incorporating both unitary and federal systems.

Conclusion

At present, need of the time is to focus on the improvement of functioning and performance of co-operative banks in the lights of financial inclusion. Mergers and Aquisitions in addition to integration approach in some areas may be undertaken for co-operative banks. Further, co-operative banks have competitive advantage for making financial inclusion a success as compared to commercial banks because co-operative banks have huge clientele as beneficiaries. The need is just to consider them as business opportunities instead of burden or just as social responsibility. Everybody is in the ambit of the network of co-operative banks. So, they can play very important role in financial inclusion. It is well recognized today that co-operatives have shown rapid growth in developing countries and also have been to be proved effective instruments of economic growth for improving the living standard of our people.

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CORPORATE GOVERNANCE REFORMS, BOARD ATTRIBUTES AND FIRM'S PERFORMANCE: A REVIEW

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ABSTRACT

Designing of governance mechanisms and safeguards is very important to protect minority shareholders' interests from confiscation by majority shareholders. This paper seeks to deal with Governance-Performance link that will provide much needed useful information to top management, regulatory bodies and practitioners for the evaluation of the current reforms especially in developing countries like India and will also provide a base for future reform measures. This paper summarises the available literature in tabular form to identify the important governance factors affecting the firm's performance so that least studied governance factors will be taken into consideration for future research. Considering the available literature and research, this paper provides an insight into the governance-performance link.

Key Words: Corporate Governance, Mechanisms, Regulatory Bodies

Introduction

Corporate governance describes the structure of rights and responsibilities among the parties that have a stake in a firm (Aguilera & Jackson, 2003). Corporate governance can be studied from two perspectives- From a broad perspective; Zingales (1998a) views governance systems as the complex set of constraints that shape the ex-post bargaining over the quasi-rents generated by the firm. Shleifer and Vishny (1997) define corporate governance as the ways which give assurance to the finance suppliers about getting a return on their investment. Taking a broad perspective on the issues, Gillan and Starks (1998) define corporate governance as the system of laws, regulations, and factors that have a hold over the operations at a company.

Irrespective of these definitions, researchers often view corporate governance mechanisms in two aspects. First is internal to firms and other one is external to firms. The essence of this Relationship is depicted in figure 1 i.e. the simple balance sheet model of the firm. The top side of the diagram includes the internal governance which comprises of Board of Directors and Management. The Board of Directors have the responsibility of advising and monitoring management and have the powers to hire, fire, and compensate the senior management team (Jensen, 1993). The management acts as the agents of shareholders takes the various investment and finance decisions.

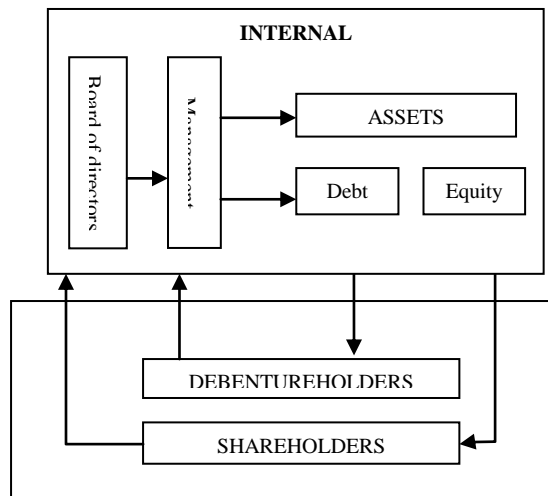
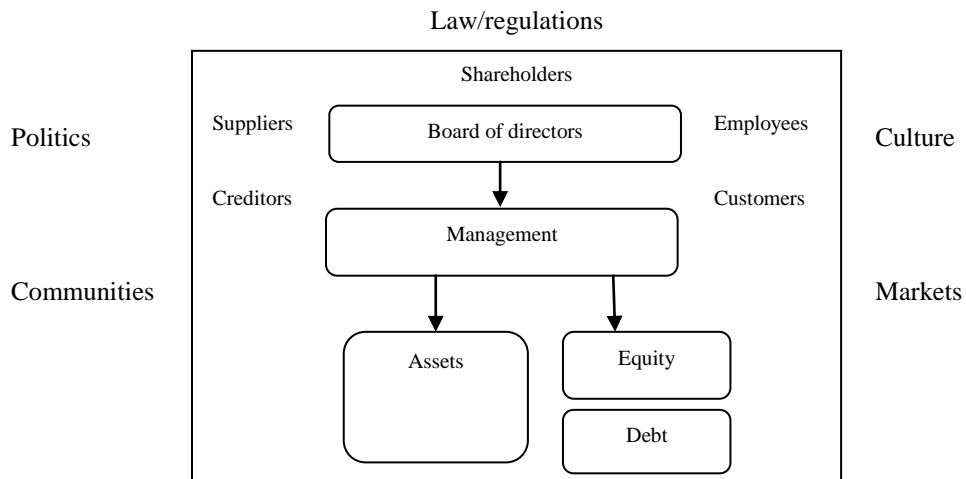


Figure 1- (Ross et al. 2005)

The Bottom side depicts the elements of external governance arising from firm’s financing decisions. This diagram captures the shareholders-board linkage and supports the definition given by Shleifer and Vishny (1997) i.e. Corporate governance is used by the supplier of finance to ensure a return on their investment. Board members are elected by the Shareholders and owe a fiduciary responsibility to shareholders.

Corporate Governance-A Comprehensive perspective

Of course, firms include more than just boards, managers, shareholders, and debt-holders. A more comprehensive perspective of corporate governance is depicted in the figure 2.



Corporate governance: A Comprehensive Perspective

(Gillan S.L. 2006)

It incorporated other participants in the corporate structure like employees, suppliers, and customers. Along with this the community in which firms operate i.e. the political environment, laws and regulations are also included. Overall Fig. 2 reflects a stakeholder perspective on the firm which captures the realities of the governance environment (Jensen, 2001). This comprehensive view was reflected in August, 2013 when India finally enacted a modern company law. The Parliament cleared the long-awaited Companies Bill 2012, with the Rajya Sabha that law will empower small shareholders, and smoothen corporate governance and compel large companies to spend more on social welfare under the broad head of corporate social responsibility (CSR).

The Bill has taken in to consideration view of all stakeholders, including industry chambers and imposed checks and balances to prevent frauds, make corporate board room decisions transparent and hold auditors and directors more accountable. The corporate affairs minister Sachin Pilot believed the new legislation will help India's corporate governance framework to cope up with the changing business environment of the 21st century. The main points of the bill were:-

- At least a third of a company's board should comprise of independent directors and at least one of the board members should be a woman, according to the new law.
- All companies will have to move to a uniform financial year ending March 31. Only companies, which are holding or subsidiary arms of a foreign entity requiring consolidation outside India, can have a different financial year with the approval of Tribunal.
- It will allow shareholders' associations to take legal action against companies' promoters and management through 'Class Action Suits' — a form of lawsuit where a large group of people collectively bring a claim to court. This acts as a deterrent to carry out a fraud by tailoring and influencing board decisions only to suit promoter and management interests.
- It also makes it mandatory for firms to rotate auditors within a stipulated time-frame --- a practice which public sector enterprises and banks currently adopt.
- Besides, the Bill also contains provisions defining rules for inter-corporate loans and norms for creation of a web of step-down sister companies or subsidiaries.
- The proposed legislation, which will replace the 57-year old Companies Act 1956, will empower the Serious Fraud Investigation Office (SFIO), an agency mandated to investigate corporate scams, with a statutory status armed with the authority to impose punitive measures and in specific instances, even arrest persons found guilty of corporate crimes.(<http://www.hindustantimes.com>)

Driving forces behind Corporate Governance reforms

While there are so many factors that have contributed to governance reforms in India, the most important amongst them are perhaps privatization and globalization. Now this study throws a light on contribution of these two forces in shaping corporate governance reforms in India. Emerging economies like India have launched striving plans to privatize their state owned enterprises (SOEs) in the past few decades. There is a huge increase in the volume of privatization in emerging economies from \$8 billion in 1990 to about \$65 billion in 1997 (Dharwadkar, George, & Brandes, 2000).

Privatization leads to transfer of ownership from the state to new private and public owners like management, employees, local individuals, institutions and foreign investors etc. This new diversified ownership structure creates the traditional Agency problem whereby self-interested executives aim to maximise their private interests rather than the owner's interests.

Along with this a new unique principal-principal agency problem is created in which large or majority shareholders often control the minority shareholders and expropriate the interests of minority shareholders in the firm through both economic and social mechanisms (Dharwadkar et al., 2000). In economic mechanism, dominant shareholders have greater control of firms through interlocking ownership. Using social mechanisms, they appoint their friends and family members to top management positions and these members may then have incentives to disregard minority shareholders interests.

As a result, designing of governance mechanisms and safeguards is very important to protect minority shareholders' interests from confiscation by majority shareholders. In India, public sector units (PSUs) are mostly owned by the state and government holds majority of the shares and the general public holds a minority stake, often as little as 20%. However, states' equity ownership is still significantly lower than the promoters of large and small companies, who (along with their friends and relatives) hold on average, in excess of 45% of shareholdings in all Indian companies in 2002 (Rajagopalan N. & Zhang Y. 2008).

India experienced the liberalization in the early 1990s; it has been increasingly integrated into the global economy. In 2002, China replaced the US as the most attractive investment destination in the world, and in 2004 India displaced the US to become the second most attractive FDI location among manufacturing investors (A.T. Kearney, 2004). Globalization, in particular, has greatly contributed to governance reforms in India.

India is viewed as the world's most significant business process and IT services provider, and a consumer market with longer-term potential (A.T. Kearney, 2004). Foreign direct investments in China and India, therefore, are qualitatively quite different. India has been able to attract a large amount of annual FDI approximately \$9 bill billion in 2006. FDI in India tends to be skill intensive, with a focus on the information and technology industries (A.T. Kearney, 2004). Because of this the major motivation for Indian firm's corporate governance improvement is the need to attract talent from a worldwide employment pool, a need that is further enhanced by global product market competition. Access to global capital markets is a consequence, rather than the cause, of Indian companies' motivation to adopt international corporate governance standards (Khanna & Palepu, 2001).

Board Attributes and firms performance

Various reforms and other forces introduced new practices and structures and changes in the composition of boards. As the board attributes include various characteristics like Board Size, percentage of women (Gender), independent directors (Board Autonomy), Board interlocking, directors shareholding, foreign directors (Board Provenience) etc., it would be quite useful to examine how greater these attributes affects the company performance. This paper brings into light the impact of two governance variables (Board size and Board independence) on the firm's performance by summarising the available literature to provide a base for further reforms.

The available literature depicts a mixed response regarding linkage between board size and corporate performance. A positive linkage derived from the extent to which board is able to have harmony, and gain benefit of the knowledge and expertise of the board members. From the existing literature, two different views emerged on the linkage between board size and firm value. On the one hand it is argued that larger boards leads to improve the performance of company. Various researchers (Ehikioya, 2009; Coles et al., 2008; Dwivedi and Jain, 2005; Klein, 2002; Dalton et al., 1999; Pearce and Zahra, 1992) found the strong positive relationship between the board size and firms performance. There have been more arguments supporting the larger boards. One of the views was that larger boards give directions to specialise and bring more effectiveness in results (Klein, 2002). Coles et al., (2008) found that firms requiring more advice obtain greater value from the larger boards. Large boards have many directors supervise and advice on manager's decision. More supervision can increase the capabilities to make effective strategies. This was strongly documented by Dalton et al., (1999); Pearce and Zahra, (1992). They found that large board's size has increased pool of experts and knowledge and opinion of these experts can be utilized for making some strategic decisions of the board, which can enhance performance of the company. The same has been supported by Goodstein et al., (1994) who showed that the larger board size results in greater monitoring capacity, and also improves the firm's ability to have greater external linkages.

But large size of board can face the problems of co-ordination, communication and decision-making. Large boards give excessive control to the CEO, harm efficiency (Yermack, 1996; Eisenberg et al., 1998; Fernandez et al., 1997). In addition this problem is crucial especially in manufacturing industry where fast decision making is needed because manufacturing take more time and heavily reliant on the changing taste and preferences of the customers.

Lu, W. et al (2012) studied 30 airline companies operating in US and explored the relationship between operating performance and corporate governance. The Two-stage Data Envelopment Analysis was applied to evaluate the efficiency of the airlines. The results supported the positive relationship between the board size and performance of airline companies. A strange inverted u-shaped relation between bank performance and board size was found by the Andres P. D. (2008) in a sample of 69 large commercial banks from 6 developed countries studied for the period 1995-2005. Bank performance decreased as the number of directors increases to a point where the relation hits a minimum from which performance started improving. Ujunwa A. (2012) supported these results in his study entitled "Board characteristics and the financial performance of Nigerian quoted firms". He investigated 122 quoted firms in Nigeria between 1991 and 2008 using panel data and found that Board size was negatively linked with firm performance.

Like Board size, board independence also has a mixed impact on the firm's performance. Berthelot, S., et.al (2012) conducted a study on a sample of 355 observations from 199 Canadian listed companies. He used the Partial least square analyses in the study. Results from the study suggested that the percentage of independent directors on the board is significantly and negatively related to the firm's net book value or income.

On the other hand Klein (1998) found that there was no relationship between overall board independence and operating performance but found between insider presence on certain committees (finance and investment) and operating performance.

P.D. Andres (2008) found a strange inverted u-shaped relation between proportion of outside directors and performance. It was strongly documented by the study that an optimum combination of executive and non-executive directors is required to create value of the firms than excessively independent boards. Carlos Pombo; Luis H .Gutierrez (2011) found that that the outside busy directors turned out to be key drivers of improved firm’s performance. The results showed a positive relationship between both the ratio of outside directors and firms return on assets. Takao Kato & Cheryl Long (2006) conducted a study on 638 Chinese listed firms over the period from 1999 to 2002 by using the Logit regression. The results favoured that the turnover-performance link was enhanced when the independent directors were appointed in the Board. Wang y. and Oliver J. (2009) found that Affiliated and independent directors had no significant effect on the level of performance variance. The purpose of the study was to investigate the relationship between Board Composition and Firms Performance Variance in the context of recent corporate governance reforms. Board composition measures are denoted by the percentages of affiliated, executive and independent members of the board. Firms risk was positively influenced by Block holders. Bauer, R. et al (2008) studied the impact of corporate governance on performance of Japanese firms Evidence and found that board accountability do not affect stock performance in Japan.

The following table gives the summarised form of the board attributes reviewed in this paper

Sr. no	Author	Board Size	link	Board Independence	Link
1	Andres, P. D. & Vallelado, E. (2008),			*	Inverted u shape relation
2	Ehikioya, 2009	*	+ve		
3	Coles et al., 2008	*	+ve		
4	Dwivedi and Jain, 2005	*	+ve		
5	Klein, 2002	*	+ve		
6	Dalton et al., 1999	*	+ve		
7	Pearce and Zahra, 1992).	*	+ve		
8	Kathuria and Dash, 1999	*	+ve		
9	Klein (1998)			*	No relation
10	Carlos Pombo; Luis H .Gutierrez (2011)			*	+ve
11	Takao Kato & Cheryl Long (2006)			*	+ve
12	Chaug L.C.; Meador and Kumar, A.S. (2010)			*	-ve
13	Wang y. and Oliver J. (2009)			*	No relation
14	Dalton et al., (1999); Pearce and Zahra, (1992)	*	+ve		
15	Goodstein et al., (1994)	*	+ve		
16	(Yermack, 1996; Eisenberg et al., 1998; Fernandez et al., 1997).	*	-ve		
17	Chaug L.C.; Meador and Kumar, A.S. (2010)	*	+ve		
18	Lu, W. et al (2012)	*	+ve		
19	Ujunwa A. (2012)	*	-ve		
	Total	13	11+ve,2-ve	6	2+ve,4-ve

Conclusion

The governance reforms of India have emphasized the importance of independent directors and define the minimum number and the responsibilities of these directors. But in India there is a shortage of qualified independent directors. However, this problem could be resolved by the training programs but they can only provide general guidance. (Rajagopalan N. & Zhang Y. 2008)

As it is clear from the table that out of the 13 study on the Board size 11 are positively related with the firm's performance. This will provide a base for deciding the optimum board size for the future governance reforms and help the policy makers and practitioners to capitalise on the increased pool of knowledge due to larger board size. On the other hand board independence is negatively related with the financial performance in most of studies reviewed. But more reliable conclusions would be derived if it is studied extensively. Moreover, there is lack of enough theoretical frameworks that can provide the effect of mandated and non mandated Board attributes on the firm's performance. So this aspect should be studied in future research to ensure the relevance of mandatory and voluntarily corporate governance guidelines on Board Attributes.

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ROLE OF OPPOSITION PARTIES IN INDIA: AN ANALYSIS

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ABSTRACT

“Opposition parties have an important role in parliamentary democratic system to put pressure on government. So that government could not ignore the public interests. A vigilant opposition remains constantly on the alert and keeps an eye on the government policies and actions. The opposition plays the role of shadow government. In India when one party dominant multi-party system was working, there was a lack of effective opposition. Opposition emerged as strong in 1976 when many opposition parties joined together and formed Janta Party. After 1989 the era of coalition government has been started. And the role of opposition parties has been increasing effectively.”

Keywords: *Opposition Party, Parliamentary System, Multi-party System*

Benjamin Disraeli noted as far back as 1844 that ‘no government can be long secure without a formidable opposition¹. Stephen Leacock and Lord Bryce were also strong advocate of opposition. The traditional role of the opposition can be classified under three broad headings: the voice of the voiceless, alternative to the ruling government, and official opposition. A fourth role which has evolved out of the recent global political and economic realities is a critical partner in nation building.

After the independence of India, we adopted the parliamentary system. The role of the opposition party is also important along with the ruling party. The largest party which is not the part of government or supports the government outside and secures the one tenth seats in Lok Sabha gets the status of opposition party officially. Other small parties can also play the role of opposition party in parliamentary system. The role of the opposition in a parliamentary system of government should be not just to act as a ‘government-in-waiting’, but also check any arbitrary tendencies of the government in power. An effective opposition performs a restraining role vis-à-vis the party in power, preventing it from transgressing its functional limits and simultaneously posing a constant challenge by promising a practical alternative. Sushma Swaraj pointed out the importance of opposition party in her address to law students of Delhi university. She said that the role of the opposition is to keep a watch on the functioning of the ruling party².

If the opposition party is in weak position the government attitude becomes authoritarian and it can easily befool the public. But united and active opposition puts pressure on government to take action for the welfare of public. Opposition party plays the role of watch dog and keeps an eye on the government. The policies of government also refined and much appropriate due to effect and vigilance of opposition part . Thus opposition party strengthens the democracy. Under the pressure of opposition government remains much aware about the concern of public welfare.

The opposition act as 'watch dog' of the system. In such countries where there is a two-party system in vogue, the opposition party forms a 'shadow cabinet' to exercise vigil over the performance of the government. In the administration of a state the opposition has important and direct function to perform. It can exert considerable influence in the two most important function of administration, namely in the framing of legislation or of financial policy. Every legislative piece is subjected to close scrutiny both in committees and in the house and the opposition is able to suggest substantial changes in the content of each legislation³.

First and foremost function of opposition is to form an alternative government when there was an opportunity to do so. And the second function is to form public opinion on domestic and international issues⁴. In order to perform its role effectively it is vital that the opposition would be very strong both in quality and quantity⁵.

Members of the Opposition parties are also included in the various committees attached to the respective ministries. All the measures of the government connected with the respective ministries are discussed and finalized by them. The Opposition plays a significant role in it through its recommendations. Opposition in Parliament enjoys a good status and the members of the House has a privilege of raising such issues that are more relevant to the cause of public ; particularly when the government overlooks them or conceals the facts related to them. It is very clear, therefore, that the role of Opposition parties is more vital to the healthy growth of democracy and in the larger public interest.

Scholars have designed Indian party system as 'One Dominant Party System'. The concept was popularized in the 60s by W.H. Morris Jones and Rajni Kothari⁶. In India, Congress party which had played important role in freedom struggle capture the power with two third majority. In the first three general election of 1952,1957,1962 congress secured two third majority in Lok Sabha despite it could not secure 50% votes. During this period opposition parties were not united and not in the position to play significance roles in politics of India. The other parties in opposition were Jan Sangh,CPI and Socialist party. But they could not secure 30seats separately in Lok Sabha. In the 4th general election congress could not maintain its traditional vote bank and able to secure only simple majority. It secured only 279 of the 515 seats. But opposition still was in weak position to play significance role in parliamentary system.

The opposition's first significant attempt to achieve electoral unity occurred during the 1967 elections when opposition party alliances won control of their state governments in Bihar, Kerala, Orissa, Punjab, and West Bengal. In Rajasthan an opposition coalition prevented the Congress from winning a majority in the state legislature and forced it to recruit independents to form a government.

In the wake of split in congress party in 1969 the position of congress party weakened and it reduced in minority government with the support of communist party, DMK and Akali Dal. First time, the opposition party in the Lok Sabha was in position to posed a formidable challenge to the government. The legacy of the monolith Indian national congress somewhat disappeared with the split in the party in 1969 leading to the formation of two factions that is the congress (O) and congress (I)⁷.

But congress regained its position in 1971 general election and captured 350 of the 515 seats.

In march 1973 a fresh bid was made by the leaders of several opposition parties, specially the Jan Sangh, the BPM, the Swantantra party, congress(o), Socialists party and DMK to purpose a time bound programme on the basis of which they could work together and provide an alternative to the congress. However nothing concrete emerged. But Bhartiya Kranti Dal leader Ch. Charan singh continued its efforts to unite the opposition parties . And he got success when eight opposition parties decided themselves to merge in Bhartiya Lok Dal, a new party in April 1974. These parties were BKD, the Swantantra party, Uttakal congress,

Other parties such as congress (O), Jan Sangh, and socialist party came close to BLD to outs the congress party from power. Jai Prakash Narayan tried to bring about the merger of these parties with BLD but could not be succeed .However BLD and socialist party, congress (O) could not be merged, they cooperated each other to criticize the congress. And this cooperated approach brought them close to each other. During the JP movement all the opposition parties joined hand to depose congress party from power. In 1976 during the emergency period BLD, Socialist party, Congress (O) and Jan Sangh merged themselves into a new party, Janta party, Which captured the power in 1977 after emergency. With the unity of opposition parties they could get success to confine the power. The congress turned into opposition party.

Loktantrik Dal, Samyukta socialist party, Bhartiya khetihar Sangh, Harijan Sangharsha Samiti and Muslim Majlis. And this party started its efforts to dethrone the congress and presented an alternate to the public.

A political party is officially accorded the status of an opposition party in Lok Sabha, only if it secures at least 10 percent of the seats. In Rajya Sabha until 1969, there was no Leader of the Opposition in real sense of the term. Till then, the practice was to call the Leader of the party in Opposition having the largest number of the members as the Leader of the Opposition, without according him any formal recognition, status or privilege. The office of Leader of the Opposition was given official recognition through the Salary and Allowances of Leaders of the Opposition in Parliament Act, 1977. Each House of the Parliament of India has a Leader of the Opposition. It got statutory recognition through the *Salary and Allowances of Leaders of Opposition in Parliament Act, 1977* which defines the term 'Leader of the Opposition' as that member of the Lok Sabha or the Rajya Sabha who, for the time being, is the Leader of that House of the Party in Opposition to the Government having the greatest numerical strength and recognized, as such, by the Chairman of the Rajya Sabha or the Speaker of the Lok Sabha.

However Janata Party could not survive for full term and the unity of Janta party disappeared with in one year .In the general election of 1980 congress regained its position with capture 351 of the 542 seats and again in 1984 congress party capture 401 seats in Lok Sabha. So the role of opposition was insignificant because opposition were devided. General election of 1984 was the last Lok Sabha election in political history of India that any political party secure the majority. After that the era of coalition government started. And with the roles of opposition increased and opposition became strong to play significance role in Indian politics. After the 1989 general election the role of opposition was played by congress and after 1991 congress again came into power and BJP emerged largest opposition party. However the account of ideological differences between communist party and BJP, opposition could not remain united to play effective role. After 1999 NDA capture the power and UPA played the role of opposition and after 2004 NDA played the role of opposition.

Leaders of opposition in Lok Sabha

Name	Party	Term	Lok Sabha
Ram Subhag Singh	Indian National Congress (O)	17 December 1969 – 27 December 1970	Fourth
Y. B. Chavan	Indian National Congress	1 July 1977– 11 April 1978	Sixth
C. M. Stephen		12 April 1978 – 9 July 1979	
Y. B. Chavan		10–28 July 1979	
Jagjivan Ram	Janata Party	29 July – 22 August 1979	
Rajiv Gandhi	Indian National Congress	18 December 1989 – 23 December 1990	Ninth
L. K. Advani	Bharatiya Janata Party	24 December 1990 – 13 March 1991	Tenth
Atal Bihari Vajpayee		21 June 1991 – 26 July 1993	
P. V. Narasimha Rao		26 July 1993 – 10 May 1996	
Atal Bihari Vajpayee	Indian National Congress	16–31 May 1996	Eleventh
Sharad Pawar	Bharatiya Janata Party	1 June 1996 – 4 December 1997	
Sonia Gandhi	Indian National Congress	19 March 1998 – 26 April 1999	Twelfth
L. K. Advani	Bharatiya Janata Party	13 October 1999 – 6 February 2004	Thirteenth
Sushma Swaraj		22 May 2004 – 18 May 2009	Fourteenth
		May–December 2009	Fifteenth
		Since 21 December 2009	

Sources: Ministry of parliament affairs, Government of India.

Leaders of opposition in Rajya Sabha

	Name	Party	Term
1	Shyam Nandan Prasad Mishra	Indian National Congress (O)	December 1969 – March 1971
2	M. S. Gurupadaswamy		March 1971 – April 1972
3	Kamalapati Tripathi	Indian National Congress	30 March 1977 – 15 February 1978
4	Bhola Paswan Shastri	Indian National Congress (O)	24 February 1978 – 23 March 1978
5	Kamalapati Tripathi	Indian National Congress	23 March 1978 – 8 January 1980
6	L. K. Advani	Bharatiya Jana Sangh	21 January 1980 – 7 April 1980
7	P. Shiv Shankar	Indian National Congress	18 December 1989 – 2 January 1991
8	M. S. Gurupadaswamy	Other	28 June – 21 July 1991
9	S. Jaipal Reddy	Congress Rebel	22 July 1991 – 29 June 1992
10	Sikander Bakht	Bharatiya Janata Party	7 July 1992 – 23 May 1996
11	Shankarrao Chavan	Indian National Congress	23 May 1996 – 1 June 1996
12	Sikander Bakht	Bharatiya Janata Party	1 June 1996 – 19 March 1998
13	Manmohan Singh	Indian National Congress	21 March 1998 – 21 May 2004
14	Jaswant Singh	Bharatiya Janata Party	3 June 2004 – 16 May 2009
15	Arun Jaitley		3 June 2009 – present

Sources: Ministry of parliament affairs, Government of India.

There is a lack of unity among opposition parties in India. They want to maintain their identity and due to vote bank politics they are against each other. However occasionally the various opposition parties despite their differences joint hand against congress and BJP in 1996. One party dominance of the congress has been replaced by the competitive multi-party coalitions in several verdicts including the recent one. Since 1990s the Indian party system as acquired a pluralistic dimension with the decline of 'one party dominance and also the emergence of multi-party coalition⁸. In the contemporary times, the party system in india appeared to have entered the phase of full blown coalition governments where two diametrically opposed political formations in the name NDA and UPA have come to occupy the substantial political space in the country⁹. Political Parties never try to extend their support to the ruling party in their welfare measures. Instead they only oppose the government, which is in no way a

healthy atmosphere for the progress of the country. All the parties think only for the next election not for the next generation. The opposition must realize their responsibility and work for the country. Only a responsible opposition party can bring success to the ideals of our constitution.

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WOMEN AND NATIONALISM: A STUDY OF FREEDOM MOVEMENT IN INDIA

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ABSTRACT

To enquire the role of women in National Movement is a subject of recent studies. Scholars have not paid much attention in this direction. There is a common thinking among the people that women were just doing struggle for their emancipation at the time of national movement in India. Important works on the national movement mostly fail to examine the significance of women's participation in the struggles. The world feminist movement and Indian national movement were going simultaneously. As a result, a kind of mediating structure was emerging between the demand for women emancipation and women nationalism. These mediating structures between the separate female world and the world of public affairs extended the female space from women's individual uplift to national uplift. It was a struggle for a way forward from women's emancipation to national regeneration. The politicization of women in the newly extended female space was facilitated by the mediating role played by members of the female intelligentsia who had more time to absorb nationalist literature as most of them were not involved in working for a living. Many became leaders in both the women's and the national movements. Pandita Ramabai was a delegate to the Indian National Congress in 1889 along with nine other eminent women. Sarojini Naidu believed that the fate of women was linked with the fate of the nation. She wielded tremendous influence on contemporary women and saw no conflict between tradition and women's participation in public affairs, in the world outside the home, as the world was an extension of the home. She appealed to women not to ignore their larger responsibility. Sarala Devi Chaudhurani became an accepted mobiliser of youth in the nationalist cause, and was noted by official intelligence reports as 'far more dangerous' to the Raj than her husband, a well known revolutionary.

Key Words: Women Dignity, Memorandum, Nationalism.

The partition of Bengal in 1905 galvanized and transformed women's participation in the national movement. The mobilization of women was attempted through the publication of pamphlets, public meetings held exclusively for women and new nationalist associations (in contrast to the elite associations) which emerged during the Swedish period. Mass struggles militancy, armed struggle and political agitations mark this period. Women of different classes were involved in growing numbers in such activities in different parts of India, in both rural and urban areas. The Chief Secretary to the Government of Eastern Bengal and Assam reported confidentially to the Governor General and the Secretary of State in 1907, that the

youth of East Bengal absorbed hatred of the alien rulers who had "drained Golden Bengal of her wealth. Virtually with their mother's milk". Some British women who made Indian nationalism their own cause, played important roles as 'helpers' as well as 'catalysts'. Among them were Annie Besant and Dorothy Jinarajadasa, both Theosophists, Margaret Cousins, an Irish feminist, and Sister Nivedita, the disciple of Swami Vivekananda.

In 1901 Sarala Devi Chaudhurani formed the Bharat Stri Mahamandal after serious differences with the male leadership of the National Social Conference. After 1910, women experienced in organizing and working in local women's associations, and convinced that women should take the leadership into their own hands, started provincial and national women's associations. This was possible through effective intra-elite, intra-regional networks and able organism's cadres. These associations, despite efforts to be national in orientation and representative of as many groups as possible, failed to be actually national in scope, lacking all-

India structures, among other shortcomings. But their history is more or less identical with the history of the Indian women's movement. The associations were inevitably elite, bourgeois and urban, consisting of women from the upper crust, women with the advantages of social status, education and privilege but redeemed by their desire to serve all women. Obviously the women's movement in this phase neither represented the masses nor counted among its members lower caste, illiterate, rural, peasant and poor working women.

The Young Women's Christian Association of India, established in 1875 in Calcutta, was the earliest of these bodies. It became a national body in 1896. Though its membership was confined to Christians, its objectives were broad in scope. The Women's India Association was formed in 1917 in Madras. In the same year Sarojini Naidu led a delegation of women formed by Margaret Cousins to the Constitutional Reforms (Montagu-Chelmsford) Committee, demanding universal adult franchise. The Indian women's movement believed that the enfranchisement of women would lead to legislation for social reform. The delegation's memorandum asked for women's franchise on the same basis as men and improved facilities for women's education and health care.

The National Council of Women in India was formed in 1925, and the All India Women's Conference in 1927. By the mid-1930s the Women's India Association and the All India Women's Conference claimed a membership of over 10,000 women. The National Council of Women in India developed eight provincial Councils by 1934 and had 180 affiliated societies with a membership of over 8000. The Women's India Association was a vigorous Organization that undertook to widen its scope of activities beyond fund-raising, social service and women's education and sought to influence government policy on equal rights for women in some areas, and was involved with the issues of suffrage, education and social reform. The wins founders included women like Margaret Cousins and Annie Besant, who were not merely suffragists, but political radicals and critics of imperialism in their own country. This international dimension of the Indian women's movement is totally ignored by analysts like Chattejee who underestimate the impact of Indian nationalism on politically disaffected groups in the West. Apart from the Western women who chose to adopt India as their home, and identified themselves with the nationalist, anti-imperialist struggles, there were many other women who played a supportive role from their own countries. Vivekananda, Rabindranath Tagore, Mahatma Gandhi. Jawaharlal Nehru, Subhash Chandra Bose, Bhikaji

Cama etc. had many supporters among Western feminists who were politically radical. Unfortunately, the nationalist reaction to Catherine Mayo's Mother India has drawn a curtain of invisibility over these connections, and prevented historians of nationalism from examining the transformation of the women's question through the first three decades of the twentieth century, in India and elsewhere. This transformation influenced both the women's movement and a section of the nationalist leadership. Why else would a nationalist journal like Malayalam Manorama carry regular reports of women's movements in different countries?

The All India Women's conference, originally convened only to discuss women's education, became a permanent body which succeeded in developing branches all over India. It called itself a political body; its constitution included a clause that declared that it would not engage in party politics. Its emphasis was on unity and women's uplift through education, and social and legal reform. It also emphasized women's contribution to national development. By 1932, however, the All India Women's Conference had become involved with women's political rights and all questions nineteen which affected women and children as well as with social problems such as untouchability. Although it's major focus and priority remained the women's question and the elimination of women's backwardness, and stress was laid on the well-being of women and the family the future of India gradually became an important concern.

Many members of the Women's India Association were also members of the All India Women's Conference and many such members were members of the Indian National Congress, and leaders in the national movement as well. This factor led to close relations between the women's and the national movements.

Consequently, the two main actors in the women's movement, the Women's India Association and the All India Women's Conference, were swept by a variety of influences. The women's question had gradually evolved from the perspective of uplift within the traditional framework to that of women's equality. But involvement in the struggle for freedom led the women's movement into dilemmas and contradictions; it was caught between the middle class character of its membership and the increasing radicalism within the national movement with its transformation into a mass movement from the 1920s onwards.

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INDIAN LEGISLATIVE DEVELOPMENT IN INSURANCE LAW SINCE 1999

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ABSTRACT

Until 1999, there were no private insurance companies in India. The government then introduced the Insurance Regulatory and Development Authority Act in 1999, thereby de-regulating the insurance sector and allowing private companies. In 1993, the first step towards insurance sector reforms was initiated with the formation of Malhotra Committee, headed by former Finance Secretary and RBI Governor R.N. Malhotra. The committee was formed to evaluate the Indian insurance industry and recommend its future direction with the objective of complementing the reforms initiated in the financial sector. Key recommendations of Malhotra Committee included the following:

Structure: Government stake in the insurance Companies to be brought down to 50%. Government should take over the holdings of GIC and its subsidiaries so that these subsidiaries can act as independent corporations. All the insurance companies should be given greater freedom to operate.

Competition: Private Companies with a minimum paid up capital of Rs. 1 billion should be allowed to enter the industry. No Company should deal in both Life and General Insurance through a single Entity. Foreign companies may be allowed to enter the industry in collaboration with the domestic companies. Postal Life Insurance should be allowed to operate in the rural market. Only one State Level Life Insurance Company should be allowed to operate in each state.

Regulatory Body: The Insurance Act should be changed. An Insurance Regulatory body should be set up. Controller of Insurance should be made independent.

Investments: Mandatory Investments of LIC Life Fund in government securities to be reduced from 75% to 50%. GIC and its subsidiaries are not to hold more than 5% in any company.

Customer Service: LIC should pay interest on delays in payments beyond 30 days. Insurance companies must be encouraged to set up tin it linked pension plans. Computerization of operations and updating of technology to be carried out in the insurance industry.

Key Words: Insurance Law, IRDA, Regulatory Body, GIC.

Maihotra Committee also proposed setting up an independent regulatory body - The Insurance Regulatory and Development Authority (IRDA) to provide greater autonomy to insurance

companies in order to improve their performance and enable them to act as independent companies with economic motives.

Immediately after the publication of the Malhotra Committee Report, a new committee, Mukherjee Committee was set up to make concrete plans for the requirements of the newly formed insurance companies. Recommendations of the Mukherjee Committee were never disclosed to the public. But, from the information that filtered out it became clear that the committee recommended the inclusion of certain ratios in insurance company balance sheets to ensure transparency in accounting. But the Finance Minister objected to it and it was argued by him, probably on the advice of some of the potential competitors, that it could affect the prospects of a developing insurance company.

Insurance sector in India was liberalized in March 2000 with the passage of the Insurance Regulatory and Development Authority (IRDA) Bill, lifting all entry restrictions for private players and allowing foreign players to enter the market with some limits on direct foreign ownership. There is a 26 percent equity cap for foreign partners in an insurance company. There is a proposal to increase this limit to 49 percent. The opening up of the insurance sector has led to rapid growth of the sector. Presently, there are 16 life insurance companies and 15 non-life insurance companies in the market. The potential for growth of insurance industry in India is immense as nearly 80 per cent of Indian population is without life insurance cover while health insurance and non-life insurance continues to be well below international standards.

Furthermore, foreign investment was also allowed and capped at 26% holding in the Indian insurance companies. In 2006, the Actuaries Act was passed by parliament to give the profession statutory status on par with Chartered Accountants, Notaries, Cost & Works Accountants, Advocates, Architects and Company Secretaries. A minimum capital of US\$80 million (Rs.400 Crore) is required by legislation to set up an insurance business.

Insurance Regulatory and Development Authority Act, 1999

The Insurance Regulatory and Development Authority Act, 1999 is an Act to provide for the establishment of an authority to protect the interests of holders of insurance policies, to regulate, promote and ensure orderly growth of an insurance industry and for matters connected therewith or incidental thereto and further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalization) Act, 1972. The Insurance Regulatory & Development Authority Act, 1999 seeks to open up the insurance sector for private companies with a foreign equity of 26 per cent. It is also aimed at ending the monopoly of the Life Insurance Corporation (LIC) and General Insurance Corporation (GIC) in the insurance sector of the country. Finance Minister, Mr. Yashwant Sinha, asserted that the government was not in favour of State monopolies.

Towards Comparing the Pre-1999 and Post-1999 Scenario

With largest number of life insurance policies in force in the world, Insurance happens to be a mega opportunity in India. It's a business growing at the rate of 15-20 per cent annually and presently is of the order of Rs 450 billion. Together with banking services, it adds about 7 per cent to the country's GDP. Gross premium collection is nearly 2 per cent of GDP and funds available with LIC for investments are 8 per cent of GDP. Yet, nearly 80 per cent of Indian population is without life insurance cover while health insurance and non-life insurance

continues to be below international standards. And this part of the population is also subject to weak social security and pension systems with hardly any old age income security. It itself is an indicator that growth potential for the insurance sector is immense. A well-developed and evolved insurance sector is needed for economic development as it provides long term funds for infrastructure development and at the same time strengthens the risk taking ability. It is estimated that over the next ten years India would require investments of the order of one trillion US dollar. The Insurance sector, to some extent, can enable investments in infrastructure development to sustain economic growth of the country. Insurance is a federal subject in India. There are two legislations that govern the sector- The Insurance Act- 1938 and the IRDA Act- 1999. The insurance sector in India has become a full circle from being an open competitive market to nationalization and back to a liberalized market again. Tracing the developments in the Indian insurance sector reveals the 360 degree turn witnessed over a period of almost two centuries.

Pre-1999 Scenario

The history of life insurance in India dates back to 1818 when it was conceived as a means to provide for English Widows. Interestingly in those days a higher premium was charged for Indian lives than the non-Indian lives as Indian lives were considered more risky for coverage. The Bombay Mutual Life Insurance Society started its business in 1870. It was the first company to charge same premium for both Indian and non-Indian lives. The Oriental Assurance Company was established in 1880. The General insurance business in India, on the other hand, can trace its roots to the Triton (Tital) Insurance Company Limited, the first general insurance company established in the year 1850 in Calcutta by the British. Till the end of nineteenth century insurance business was almost entirely in the hands of overseas companies. Insurance regulation formally began in India with the passing of the Life Insurance Companies Act of 1912 and the provident fund Act of 1912. Several frauds during 20's and 30's sullied insurance business in India. By 1938 there were 176 insurance companies. The first comprehensive legislation was introduced with the Insurance Act of 1938 that provided strict State Control over insurance business. The insurance business grew at a faster pace after independence. Indian companies strengthened their hold on this business but despite the growth that was witnessed, insurance remained an urban phenomenon.

The Government of India in 1956, brought together over 240 private life insurers and provident societies under one nationalized monopoly corporation and Life Insurance Corporation (LIC) was born. Nationalization was justified on the grounds that it would create much needed funds for rapid industrialization. This was in conformity with the Government's chosen path of State lead planning and development. The (non-life) insurance business continued to thrive with the private sector till 1972. Their operations were restricted to organized trade and industry in large cities. The general insurance industry was nationalized in 1972. With this, nearly 107 insurers were amalgamated and grouped into four companies- National Insurance Company, New India Assurance Company, Oriental Insurance Company and United India Insurance Company. These were subsidiaries of the General Insurance Company (GIC).

Pre—1999 Milestones in the Life Insurance Business in India:

- 1912: The Indian Life Assurance Companies Act enacted as the first statute to regulate the life insurance business.

- 1928: The Indian Insurance Companies Act enacted to enable the government to collect statistical information about both life and non-life insurance businesses.
- 1938: Earlier legislation consolidated and amended to by the Insurance Act with the objective of protecting the interests of the insuring public.
- 1956: 245 Indian and foreign insurers and provident societies taken over by the central government and nationalized. LIC formed by an Act of Parliament- LIC Act 1956- with a capital contribution of Rs. 5 crore from the Government of India.

Pre-1999 Milestones in the General Insurance Business in India:

- 1907: The Indian Mercantile Insurance Ltd. set up- the first company to transact all classes of general insurance business.
- 1957: General Insurance Council, a wing of the Insurance Association of India, frames a code of conduct for ensuring fair conduct and sound business practices.
- 1968: The Insurance Act amended to regulate investments and set minimum solvency margins and the Tariff Advisory Committee set up.
- 1972: The general insurance business in India nationalized through The General Insurance Business (Nationalization) Act, 1972 with effect from 1st January 1973. 107 insurers amalgamated and grouped into four companies- the National Insurance Company Limited, the New India Assurance Company Limited, the Oriental Insurance Company Ltd. and the United India Insurance Company Ltd. GIC incorporated as a company.

Post-1999 Scenario

Insurance Sector Reforms: In 1993, Malhotra Committee- headed by former Finance Secretary and RBI Governor RN. Malhotra- was formed to evaluate the Indian insurance industry and recommend its future direction. The Malhotra committee was set up with the objective of complementing the reforms initiated in the financial sector. The reforms were aimed at creating a more efficient and competitive financial system suitable for the requirements of the economy keeping in mind the structural changes currently underway and recognizing that insurance is an important part of the overall financial system where it was necessary to address the need for similar reforms. In 1994, the committee submitted the report and some of the key recommendations included:

- *Structure: Government stake in (lie insurance 'ompanies to be brought down to 50%. Government should take over the holdings of GIC and its subsidiaries so that these subsidiaries can act as independent corporations. All the insurance companies should be given greater freedom to operate.*
- *Competition: Private Companies with a minimum paid up capital of Rs.]bn should be allowed to enter the sector. No Company should deal in both Life and General Insurance through a single entity. Foreign companies may be allowed to enter the industry in collaboration 'with the domestic companies. Postal Lfe Insurance should be allowed to operate in the rural market. Only one State Level Life Insurance Company should be allowed to operate in each state.*
- *Regulatory Body: The Insurance Act should be changed. An Insurance Regulatory body should be set up. Controller of Insurance- a part of the Finance Ministiy- should be made independent*

- *Investments: Mandatory Investments of LIC Life Fund in government securities to be reduced from 75% to 50%. GIC and its subsidiaries are not to hold more than 5% in any company (their current holdings to be brought down to this level over a period of time)*
- *Customer Service: LIC should pay interest on delays in payments beyond 30 days. Insurance companies must be encouraged to set up unit linked pension plans. Computerization of operations and updating of technology to be carried out in the insurance industry.*

The committee emphasized that in order to improve the customer services and increase the coverage of insurance policies, industry should be opened up to competition. But at the same time, the committee felt the need to exercise caution as any failure on the part of new players could ruin the public confidence in the industry. Hence, it was decided to allow competition in a limited way by stipulating the minimum capital requirement of Rs.100 crores. The committee felt the need to provide greater autonomy to insurance companies in order to improve their performance and enable them to act as independent companies with economic motives. For this purpose, it had proposed setting up an independent regulatory body- The Insurance Regulatory and Development Authority.

Reforms in the Insurance sector were initiated with the passage of the IRDA Bill in Parliament in December 1999. The IRDA since its incorporation as a statutory body in April 2000 has fastidiously stuck to its schedule of framing regulations and registering the private sector insurance companies. Since being set up as an independent statutory body the IRDA has put in a framework of globally compatible regulations. The other decision taken simultaneously to provide the supporting systems to the insurance sector and in particular the life insurance companies was the launch of the IRDA online service for issue and renewal of licenses to agents. The approval of institutions for imparting training to agents has also ensured that the insurance companies would have a trained workforce of insurance agents in place to sell their products.

The Government of India liberalized the insurance sector in March 2000 with the passage of the Insurance Regulatory and Development Authority (IRDA) Bill, lifting all entry restrictions for private players and allowing foreign players to enter the market with some limits on direct foreign ownership. Under the current guidelines, there is a 26 percent equity cap for foreign partners in an insurance company. There is a proposal to increase this limit to 49 percent.

The opening up of the sector is likely to lead to greater spread and deepening of insurance in India and this may also include restructuring and revitalizing of the public sector companies. In the private sector 12 life insurance and 8 general insurance companies have been registered. A host of private Insurance companies operating in both life and non-life segments have started selling their insurance policies since 2001.

Post-1999 Non-Life Insurance Market

In December 2000, the GIC subsidiaries were restructured as independent insurance companies. At the same time, GIC was converted into a national re-insurer. In July 2002, Parliament passed a bill, delinking the four subsidiaries from GIC.

Presently there are 12 general insurance companies with 4 public sector companies and 8 private insurers. Although the public sector companies still dominate the general insurance business, the private players are slowly gaining a foothold. According to estimates, private

insurance companies have a 10 percent share of the market, up from 4 percent in 2001. In the first half of 2002, the private companies booked premiums worth Rs 6.34 billion. Most of the new entrants reported losses in the first year of their operation in 2001. With a large capital outlay and long gestation periods, infrastructure projects are fraught with a multitude of risks throughout the development, construction and operation stages. These include risks associated with project implementation, including geological risks, maintenance, commercial and political risks. Without covering these risks the financial institutions are not willing to commit funds to the sector, especially because the financing of most private projects is on a limited or non-recourse basis.

Insurance companies not only provide risk cover to infrastructure projects, they also contribute long-term funds. In fact, insurance companies are an ideal source of long term debt and equity for infrastructure projects. With long term liability, they get a good asset-liability match by investing their funds in such projects. IRDA regulations require insurance companies to invest not less than 15 percent of their funds in infrastructure and social sectors. International Insurance companies also invest their funds in such projects. Insurance costs constitute roughly around 1.2- 2 percent of the total project costs. Under the existing norms, insurance premium payments are treated as part of the fixed costs. Consequently they are treated as pass-through costs for tariff calculations. Premium rates of most general insurance policies come under the purview of the government appointed Tariff Advisory Committee. For Projects costing up to Rs I Billion, the Tariff Advisory Committee sets the premium rates, for Projects between Rs I billion and Rs 15 billion, the rates are set in keeping with the committee's guidelines; and projects above Rs 15 billion are subjected to re-insurance pricing. It is the last segment that has a number of additional products and competitive pricing.

Insurance, like project finance, is extended by a consortium. Normally one insurer takes the lead, shouldering about 40-50 per cent of the risk and receiving a proportionate percentage of the premium. The other companies share the remaining risk and premium. The policies are renewed usually on an annual basis through the invitation of bids. Of late, with IPP projects fizzling out, the insurance companies are turning once again to old hands such as NTPC, NHPC and BSES for business.

Post-1999 Re-insurance Business

Insurance companies retain only a part of the risk (less than 10 per cent) assumed by them, which can be safely borne from their own funds. The balance risk is re-insured with other insurers. In effect, therefore, re-insurance is insurer's insurance. It forms the backbone of the insurance business. It helps to provide a better spread of risk in the international market, allows primary insurers to accept risks beyond their capacity settle accumulated losses arising from catastrophic events and still maintain their financial stability. While GIC's subsidiaries look after general insurance, GIC itself has been the major reinsurer. Currently, all insurance companies have to give 20 per cent of their reinsurance business to GIC. The aim is to ensure that GIC's role as the national reinsurer remains unhindered. However, GIC reinsures the amount further with international companies such as Swissre (Switzerland), Munichre (Germany), and Royale (UK). Reinsurance premiums have seen an exorbitant increase in recent years, following the rise in threat perceptions globally.

Post-1999 Life Insurance Market

The Life Insurance market in India is an underdeveloped market that was only tapped by the state owned LIC till the entry of private insurers. The penetration of life insurance products was 19 percent of the total 400 million of the insurable population. The state owned LIC sold insurance as a tax instrument, not as a product giving protection. Most customers were underinsured with no flexibility or transparency in the products. With the entry of the private insurers the rules of the game have changed. The 12 private insurers in the life insurance market have already grabbed nearly 9 percent of the market in terms of premium income. The new business premium of the 12 private players has tripled to Rs 1000 crore in 2002- 03 over last year. Meanwhile, state owned LIC's new premium business has fallen. Innovative products, smart marketing and aggressive distribution, that's the triple whammy combination that has enabled fledgling private insurance companies to sign up Indian customers faster than anyone ever expected. Indians, who have always seen life insurance as a tax saving device, are now suddenly turning to the private sector and snapping up the new innovative products on offer. The growing popularity of the private insurers shows in other ways. They are coining money in new niches that they have introduced. The state owned companies still dominate segments like endowments and money back policies. But in the annuity or pension products business, the private insurers have already wrested over 33 percent of the market. And in the popular unit-linked insurance schemes they have a virtual monopoly, with over 90 percent of the customers.

The private insurers also seem to be scoring big in other ways- they are persuading people to take out bigger policies. For instance, the average size of a life insurance policy before privatization was around Rs 50,000. That has risen to about Rs 80,000. But the private insurers are ahead in this game and the average size of their policies is around Rs 1.1 lakh to Rs 1.2 lakh- way bigger than the industry average. Buoyed by their quicker than expected success, nearly all private insurers are fast- forwarding the second phase of their expansion plans. No doubt the aggressive stance of private insurers is already paying rich dividends. But a rejuvenated LIC is also trying to fight back to woo new customers.

Insurance and Indian Budget 2011-2012: Proposals

A. Budget proposes to move the following legislations in the financial sector:

- The Insurance Laws (Amendment) Bill, 2008;
- The Life Insurance Corporation (Amendment) Bill, 2009;
- The revised Pension Fund Regulatory and Development Authority Bill, first introduced in 2005;

B. Services provided by life insurance companies in the area of investment are also proposed to be brought into tax net on the same lines as ULIPs.

C. Budget also proposes to extend the Rashtriya Swasthya Bima Yojana - a health insurance for the poor - to cover workers of the unorganized sector like hazardous mining and associated industries like slate and slate pencil, dolomite, mica and asbestos.

The insurance legislation would increase the FDI limit to 49 percent from the current 26 percent.

The LIC bill would increase the share capital of Life Insurance Corporation (LIC) to Rs. 100 crore from its current Rs.5 crore.

The PFRDA Bill would bring in a full-fledged regulator for the pension sector. Now it is regulated by an interim authority.

Insurance Bill will empower IRDA (Insurance Regulatory and Development Authority) to introduce forward-looking regulations to promote sustainable growth of the industry. The bill gives a lot of flexibility to the IRDA in framing regulations.

Due to the modification proposed in budget for service tax on fund management charges, some guaranteed unit linked insurance policies (ULIPs) will attract higher charges.

A very senior citizen category has been introduced at the age of 80 years and above with exemption limit of Rs.500000. Also increase in income tax exemption limit to Rs.250000 for senior citizens and the reduction in the age limit for senior citizens to 60 years will help seniors to enjoy pension in the retirement years without tax impact.

The bills relating to the insurance sector has been pending for past several years.

The Insurance Laws (Amendment) Bill, 2008 was introduced in the Rajya Sabha in December 2008 and was referred to the Standing Committee on Finance in September 2009. The committee is yet to submit its report.

Life Insurance Corporation (Amendment) Bill, 2009 was introduced in the Lok Sabha in July 2009 and was referred to the Standing Committee on Finance, which submitted its report in March 2010.

Pension Fund Regulatory and Development Authority Bill was first introduced in 2005 It lapsed with the dissolution of the 14th Lok Sabha

Insurance reforms in 2011-12 mainly depend on how soon the government is able to get insurance related bills introduced & passed.

No doubt, the insurance sector is a colossal one and is growing at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the country's GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long-term funds for infrastructure development at the same time strengthening the risk taking ability of the country. Today there are 24 general insurance companies including the ECGC and Agriculture Insurance Corporation of India and 23 life insurance companies operating in the country.

Above all, the insurance sector in India is booming up but not to the level comparative with the developed economies such as Japan, Singapore etc. Also the opening of the insurance sector to the private players has provided stiff competition resulting into quality products. Also there is a need to restructure the Indian Government owned Life insurance Corporation of India so as to maximize revenue and in turn profits. IRDA regulations and norms for the allocation of funds need to have a comprehensive look. In the phase of declining interest rates and rising inflation the funds need to be applied in productive areas so as to generate high returns. Also in terms of clients servicing areas such as premium payments, after sales service, policy dispatch, redressal of grievances has to be amended. In the current scenario, LIC has to provide flexible product suited to the customers requirements. Also a proper and systematic risk management strategy needs to be adopted. After the increase in terrorism and destructive events around the global world such as September 11 attack on World Trade Centre, US — Taliban war, US — Iraq war etc. an alternative to reinsurance such as asset backed securities is emerging out in the developed economies. Catastrophe bonds are one of the alternatives for

reinsurance. Finally some policies such as pure term and pension schemes needs to be addressed massively at both the urban and the rural segment so as to generate high premium income which will help in the development and growth of the economy.

Since the opening of insurance sector to private players in 2000, there have been many significant developments like product innovations, introduction of riders, corporate agents, group insurance business and new channels of distribution such as banks. These changes have no doubt attracted the attention of various stakeholders - customers, policy makers, regulators and the shareholders. While these changes are most welcome and will benefit the growth of the industry and the customers, there are some key issues that need to be addressed immediately viz, regulating the framework, simplification and rationalization of insurance laws, risk management, the rural market and the role for insurance companies in pension.

However, everyone is quite excited about the opportunities, growth and development of the insurance industry in India. This market has the potential to grow into one of the largest markets in the world in the foreseeable future. However, if appropriate steps are not taken now to get the structural aspects right, this industry will face many challenges that might adversely affect its growth.

However, there exists a wide-spread perception that foreign partners in the Indian insurance companies operate in an “extremely uncertain” environment due to snake and ladder like laws governing the sector.

While an Insurance Laws (Amendment) Bill is pending with the Standing Committee of Parliament for increasing the foreign investment in insurance joint ventures to 49 per cent, an existing regulation requires that after completing 10 years of operation, overseas investment in such companies would have to be brought back to 26 per cent.

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WOMEN EMPOWERMENT: DIFFERENT DIMENSIONS

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ABSTRACT

The concept of women empowerment is all welcomed by every section of society, but the fact is that this word is not implemented everywhere. This truth can be easily revealed from the presence of women employed in corporate sector either in public or in private sector. Indian women have found it difficult to break through the glass ceilings in sectors like consumer durables manufacturing and infrastructure, where the nature of job has traditionally meant that the female representation is far less as compared to the men. The representation of women in the sector, like IT, pharmaceuticals mining, power automobile at 0's level is minimal. And this is quite clear from the statistics that the representation of women in government sector jobs, panchayats, legislative assemblies, both upper house and lower house is only around 10% of the total strength. This article is an attempt to reveal this unhidden truth that the ratio of women to the total employee in small scale industries, handicrafts job or more precisely in tiny sector around 30% but at the same time this ratio is more perturbed as the level of responsibility and job position increases up in corporate hierarchy. Therefore in this article the major concern is to reveal this disparity and to identify the area where the women representation in job is being increasing. The representation of women in government sector is expected to move upward, as the presentation of woman bill is just round the corner in both the houses upper and lower of the parliament. This is almost done, as the decision of introducing women bill is unanimous, but still some impediments are there to cope up. This article also covers the statistics of specc corporate sectors like IT and stock market and a comparison between corporate sector and tiny sector as far as the ratio of women to total employee is concern.

Key Words: Women Empowerment, Corporate Sector, IT.

Women Representation in IT sector:

Try to think of women CEO in Indian corporate sector and certainly you will struggle. Only few names are there that may come quickly to mind like Indra Nooyi, Chief of Pepsico, Chandra Koacher the chief of ICICI, Neelam Dhawan MD of HP India but after that it is not easy to recall. Though some sectors are there where the representation of women at the highest level is quite negotiable for example. IT sector where Neelam Dhawan is MD of HP India. Aruna Jaynath has been directly promoted at the post of global delivery officer in Capegemifli as CEO for India, Akila Krishna Kumar has been head of gungend India for some year now.

At the most EXO level it is only a little better. In an industry where over 30% of the employees are women and which boasts of almost 50% of its new hirer in recent times bring

women at the top may appear odd. Most of the women share value roles at homes are they are dedicated to devote 24/7, at the CEO level the requirement is same but the level of dedication and devotion is missing. Traditional business houses prefer their own family members as board members. They are quite uncomfortable with external women director on their board. Therefore in order to prove their worth and availability 24/7 they required same dedication and devotion. Now there are plenty of sign that their situation will change with introduction of policies like flexi hours, school facility, and long maternity leave therefore representation of women increasing. As the no. of women employee in growing in IT sector keeping the ratio women employee to hotel employee quite noticing, so has their ambition. Their expectation is to share the responsibilities with their male counterparts and this phenomenon is expected to grow as the industry matters. The number of women of CEO level is also expected to increase as the no. of women employee at the lower level in increasing. At the negotiation table during their selection they are much responsive and bold in asking for more salary packages.

Women Participation in Stock Market

Mention stock market and one would associate dalal street and share trading game with men. But over the years equation has been changed and indication are that more is to come. The no. of women investors currently may minuscule but with the fairer sex earning higher incomes having a better understanding of company's balance sheet and terms like earning for share (EPS) and price earning ratio (P/E) the trend is sure to be more noticeable in the days to come. It is estimated that about 5% of all retail investors are woman, up from about 2% five years ago. In the developed market the figure is at about 20%” with increasing penetration of women in downstream economy, they have become an important earning member in family.” And higher education and awareness of economy has led to a shift in mindset from traditional investment products to market linked product like mutual funds and direct equities. A big enabler for more women to play in the market and earn a substantial amount of extra money has been the inexpensive online trading platform. When it comes to the difference in psychology between women inventory and their male counterparts the former are more conservative in their approach. While those are aggressive women day traders, generally women prefer long term investment for capital appreciation. Earlier they were focused on participating through the primary market, Now we see a lot of participation even in secondary market. While women investors are getting more market savvy, another interesting trend is growing no. of women professional that call the shots at brokerages and fund house. With the no. of institution offering MBA degree in shooting up the no. of better women talent in trading and investment in job is increasing. Now the hirers are not discriminating between men and women while offering jobs and higher salary packages. The disparity between men and women is getting fader day by day. But there is lot of work to be done dismantle the barriers between sexes.

Women Representation in Companies Board in Asia Pacific

More than 70% of company boards in five Asia Pacific countries, including India, do not have female independent directors. More than 70% of boards in five countries Honkong, India, Malaysia, New Zealand and Singapore have female independent directors. Boards with three or more female directors were rare, and boards with three or more independent female directors were almost non-existent but the importance of recruiting women at boards has been felt. Therefore trend reversal is getting up. The importance of women employees were felt

long back, therefore the recruiters are hiring women manager more. The no. of women employee elevated to the top post is getting better and better and this trend is expected to continue.

Constitutional Safeguards of women

The principle of gender equality is enshrined in the Indian Constitution in its Preamble, Fundamental Rights Fundamental Duties and Directive Principles. The Constitution not only grants equality to women, but also empowers the state to adopt measures of positive discrimination in favour of women. Empowerment is the one of the key factors in determining the success of development is the status and position

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POLITICAL PARTICIPATION OF WOMEN

In recent years there have been explicit moves to increase women's political participation. The women's reservation policy bill is however a very sad story as it is repeatedly being scuttled in parliament. The 73rd and 74th Amendments of the Constitution have impacted nearly 600 million Indian people in 500,000 villages. Interestingly the percentage of women at various levels of political activity have risen from 4-5% to 25-40%. Both nationally as well as at the state and local levels women in elected bodies have been very few and even those who have been elected when observed from closer quarters present a complex picture. The money and muscle associated with the electoral process inhibits a large number of women from joining politics. Restriction on mobility, lack of control over resources and low literacy rates are well known obstacles it is crucial to train and give real power to these women leaders so that they can catalyst change in their villages regarding women. All this shows that the process of gender equality and women's empowerment still has a long way to go and may even have become more equality and women's empowerment still has a long way to go and may even have become more difficult in the recent years. In the political sphere, women like Mayawati, Sonia Gandhi, Jayalalitha and Pratibha Patil have emerged as undisputed leaders without any assistance from male counterpart. It indicates that women empowerment bill is a mere eye wash. In 21st century women should come forward and should establish their superiority without any political reservation.

STEPS REQUIRED TO BE TAKEN

The main reason for the contradiction is that, targeted scheme tend to have only limited impact when the basic thrust of development is not reaching an average women, making her life more fragile and vulnerable. To make a positive change basic infrastructure should be provided in every village and city. To begin with, providing safe drinking water supply and better sanitation not only directly improved the lives and health of women but also reduces their workload in terms of provisioning and ensuring such facilities. An access to affordable cooking fuel reduces the need to travel long distances in search of fuel wood. Improved transport connecting villages with each other and with towns can also directly improve living conditions as well as unpaid labour time spent in transporting household items 9. It can also lead to access to a wider range of goods and services plus a better access to health facilities. Expenditure on food subsidy and better provisions for public distribution services directly affects the lives of women and girl children in terms of adequate nutrition. The patterns of resource mobilization by government also have significant effects on women that are usually not recognized. When taxes are regressive and fall disproportionately on items of mass consumption, once again these tend to affect women more. this not only because the consumption of such items may be curtailed but also because the provisioning of such items is frequently considered to be the responsibility of the women of the household. Also credit policies reduce the flow of credit to small-scale enterprises thus reducing the employment opportunities for women. There is a need to have women-friendly economic policies that can enhance their social and economic position and make them self-reliant.

There is no doubt that the fact that development of women has always been the central focus of planning since independence. Empowerment is a major step in this direction but it has to be seen in a relation context. A clear vision is needed to remove the obstacles to the path of women's emancipation both from the government and women themselves. One cannot deal with the problem of female representation by a quota system alone. Political parties, the educational system, non-governmental organizations (NGOs), trade unions, churches all must take responsibility within their own organizations to systematically promote women's participation, from the bottom up this will take time. It will not happen overnight, or in one year of five years. it will take one or two generations to realize significant change. Efforts should be directed towards round development of each and every section of Indian women by giving them their due share. By providing education to women the long persisted mindset of the people can be changed which is primary requirement for all around development of women.

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SOLUTION OF RESERVATION POLICY IN EDUCATIONAL INSTITUTIONS

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ABSTRACT

When we think about reservation today, we think first and foremost of employment, and above all, of salaried employment in the service of the union and state governments and in other public institution. The condition of success and failure in securing such employment have become a kind of acid test of the fairness of the system among the supporters as of well as opponent of reservation. Scheduled Tribes and Other Backward Classes (castes) are a traditionally deprived lot denied of equal rights and opportunities. Now having become aware of the prevalence of injustice, they want to undo it and move towards an egalitarian social order. So they demand the implementation of policies based on the principle of social justice to eradicate the continuing social injustice

Key Words: Reservation, Educational Institutions, Political Business Houses.

Reservation- Government of India provide some privilege to the wicker section like Scheduled caste, Scheduled Tribes and Backward classes to uplift their economically, socially and educationally status.

Solution- The term solution indicate suggestions and alternates of the problem

Educational Institutions- Educational institutions are those places where students become educated, get training in particular profession.

Scheduled caste- Indian constitution identified some caste those who are economically, socially and educationally deprived.

Scheduled Tribes- These castes are living in hilly and remote areas. They are not in national stream because of social deprivation.

Backward classes- In the post Vedic age these caste were serve upper caste. There economically, socially and educationally status below then to other caste.

Indian law provides for a quota system whereby a percentage of posts are reserved in employment in Government and in the public sector units, and in all public and private educational institutions, except in the religious/linguistic minority educational institutions, in order to mitigate backwardness of the socially and educationally backward communities and the Scheduled Castes and Tribes who do not have adequate representation in these services and institutions.

The reservation policy is also extended to the Scheduled Castes and Scheduled Tribes for representation in the Parliament of India. The central government of India reserves 27% of higher education, and individual states may legislate further reservations. Reservation cannot be exceeded 50%, as per the rulings given by the Supreme Court, but certain Indian states like

Rajasthan have proposed a 68 % reservation which includes a 14% reservation for forward castes

The underlying theory is that the under-representation of the identifiable groups is a legacy of the Indian caste system. After India gained independence, the Constitution of India listed some erstwhile groups as Scheduled Castes (SC) and Scheduled Tribes (ST). The framers of the Constitution believed that, due to the caste system, SCs and the STs were historically oppressed and denied respect and equal opportunity in Indian society and were thus under-represented in nation-building activities.

The Constitution laid down 15% and 7.5% of vacancies to government aided educational institutes and for jobs in the government/public sector, as reserved quota for the SC and ST candidates respectively for a period of five years, after which the situation was to be reviewed. This period was routinely extended by the succeeding governments.

Later, reservations were introduced for other sections as well. The Supreme Court ruling that reservations cannot exceed 50% (which it judged would violate equal access guaranteed by the Constitution) has put a cap on reservations. However, there are state laws that exceed this 50% limit and these are under litigation in the Supreme Court. For example, the caste-based reservation fraction stands at 69% and is applicable to about 87% of the population in the state of Tamil Nadu.

To make its recommendations operational, the Mandal Commission had to specify which castes in each state were backward. And to do so it had to assess several things about them: from nebulous things like the extent to which they were discriminated against socially to easy-to-get things like the extent to which they were represented in services, elected bodies, etc.

In 1980, the commission submitted a report, and recommended changes to the existing quotas, increasing them from 27% to 49.5%. The report was implemented in 1990 amid a great deal of controversy, and led to the resignation of the then acting Prime Minister, V.P. Singh. According to 2001 census, out of India's population of 1,028,737,436 the Scheduled castes comprises 166,635,700 and Scheduled Tribe 84,326,240, that is 16.2% and 8.2% respectively. There is no data on OBCs in the census. However, according to National Sample Survey's 1999-2000 round around 36 per cent of the country's population is defined as belonging to the Other Backward Classes (OBC). The proportion falls to 32 per cent on excluding Muslim OBCs. A survey conducted in 1998 by National Family Health Statistics (NFHS) puts the proportion of non-Muslim OBCs as 29.8 per cent. In other words, we do not have a reliable Census headcount for the OBCs, except that made by State-level Backward Class Commissions, which are not really Census-like in nature. It may be useful to have a detailed caste-wise census to look at the actual numbers. This could be attempted at least in the coming Census.

Reservation in educational institutions is very sensitive issue particular in India where a major part of population is illiterate in comparison with neighboring countries shown as below:

Illiteracy in India and some neighboring countries. Percentage of adult illiterate population in 2000: China 15.0, India 44.2, Indonesia 13.0, Myanmar 15.3, Sri Lanka 8.4, Thailand 4.4.

The state of literacy is also reflected in the dropout and enrolment percentage in the primary and upper primary level of education.

According to Vinod Raina, a member of the Central Advisory Board on Education, 80 Million of India's 200 million children between six and 14 years of age are not in school at all. Of the remaining 120 million, only 20 million are expected to reach the tenth year of school, with the rest dropping out along the way.

DROP OUT RATE (2003-04)

Category

Class (1-VIII) 52.32 Classes (I-X) 62.69

(as high as 90% in Bihar)

Thus only about 10% of children in the eligible age group complete their high school. The percentage is much lower among girls and rural children.

BENEFITS OF RESERVATION ON HIGHER EDUCATION

At present the admission process in most of the top institutions is based on the "merit" core in various entrance exams. Even though any teacher or administrator in these Institutions will agree that normally the admission of students is very miniscule out of them. As a result, there is a great facet of luck and unpredictability in the process of selection of students. Therefore the probability of students from the deprived category getting admission if they are not offered reservation in the top colleges for higher education is quite slender taking into consideration the luck factor as well as intense competition.

It is a well known fact that the entrance exams carried by most of these institution for admission is typically not actually on the basis of intelligence or pure ability of the students. But the main aptitude and ingredient to crack these tests are pure skills, which can be learned and developed from any good training institution which is widely spread all over the cOuntry. This type of training will cost a lot of money and time, which in actual fact exclude most potential candidates.

One of the prominent factors for bringing up reservation in higher studies is apparently the lack of socially neutral process. The institutions for higher learning are overly dominated by the candidates who are mostly from the upper caste as they are more associated and inclined towards education as well as they can afford them too. This it show the undercurrent of discrimination prevailing through the education system. The student populace in higher education is extremely socially homogenous.

This a very debatable issue that whether reservation should be provided in higher educational institutes which produces the leaders and Intellectuals who will governs the country. Due to the quota system the reserved candidates preferred over the high merit candidates. In this globalizing and technological period should these reservations be maintained as it is in the past?

THE PROBLEMS OF INDIAN RESERVATION POLICY

1. Caste and Religion based
2. Important is to belong to caste, not be Indian, needy Indian
3. No data available to know who is getting advantages of reservation
4. Same families are using these reservation benefits after becoming rich also

5. The real needy Indians many times do not even know their reservation rights or know how to claim them, because they do not even get the two time meals in India.
6. The upper class and needy Indians are left to die without any reservation and help from Indian government.

WHY POLITICAL BUSINESS HOUSES SUPPORT AND WANT RESERVATION

1. To create vote banks.
2. To Divide Indian society on the name of caste, religion and gender.
3. Are using same policies of British Raj to keep their family Raj forever on India.

The implementation of reservation or quota system for backward classes for their upliftment was not carried out smoothly. The Congress government headed by the then Prime Minister Pt. J.L. Nehru felt unable to implement the policies of Planning Commission whose one of the objectives at that time (1951-56) was to raising the standard of living of people especially the people belongs to backward classes because these policies to some extent infringes the fundamental rights provided under Article 14, 15, 16, 21 etc.

The Government must regulate the quality of education provided by both the state-run institutions as well as private sector institutions. The Government must NOT aim to regulate the growth of the education sector; indeed it must encourage unprecedented growth without compromising on quality. All educational institutions must be required to obtain quality ratings from independent rating authorities like CRISIL, ICRA or CARE. Educational institutions must be held responsible for any fall in quality below minimum published standards.

For some middle class & high middle class OBCs, who think they are going to be benefited by it because they cannot work hard to qualify, reservation is their greed. For poor & rural people, reservation is some word for which people in cities fight. For elderly common people who have nothing to gain or loose from reservation, its government's wicked policy to rule over people. For politicians, this illogical word "Reservation" is vote gaining and ruling magic. For studious & visionary people, Reservation is a high speed vehicle to destroy India.

Reservation in higher education institutions for SC/ST and OBC candidates is idiotic. The better alternative is to help disadvantaged people—those who I label "sufficiently poor"—with resources so that they can afford an education. If that is done, then even the poor will have equal opportunity to be able to compete and find their place in the world. Assuring equality of opportunity is mandated but equality of outcome is not only mandated but is an objectively silly goal to aim for.

There are disadvantaged groups and many of these groups have been historically discriminated against. An absolutely valid argument can be made that these groups need help to redress past injuries and injustices. The question is not if they have to be helped, but rather how. Are reservations in higher education the way to go? The answer is no if even after securing admission they are ill-prepared to make use of the opportunity.

SOLUTION OF RESERVATION POLICY IN EDUCATIONAL INSTITUTIONS

For the benefit of India we as Indians should support every Reservation and demand that every reservation should be based on collective salary of family and should be available for the first two children of the family and database should be maintained who is enjoying the

benefits of reservation, should be available on the internet with the name and addresses of the family with photographs. The only solution the anti-reservation students can put forward to the Government and accept could be as follows:

Any person anvil of the reservation quota in education or employment exhausts it and their children doesn't get to enjoy it. Go to the university, college, Government employment records and implement it right away. Revoke the Caste certificates given to the children of those who have benefited once from the reservation. Make sure, people from the same community who have not got a chance, get a genuine chance.

By doing this, every year, we reduce the number of people who claim reservations, because with every batch of folks passing out of colleges, or getting jobs in govt. a chunk of people get their Caste certificates Revoked. Thus the % of population in backward category reduces. Hence the % of reservation also goes down. For example in case of Tamilnadu, 69% becomes 65% in two years, and 60% in 5 years and so on.

Educating the real backward people about the need for creamy layer clause. Create awareness among the so-far-non-benefited backward people, about the importance of excluding the benefited backwards. Make them understand the real intention of the pro-reservation-elite-backwards, which is highly self-centered, and how 'bringing-social-equality' is a lie.

Drive the rural-poor-deserving-OBCs to force the elite-OBCs to tear off their caste certificates, which is the only way, their lives will be bettered by reservation. Force the Government to implement the creamy layer clause and exclusion of the already privileged. Understand that increasing the number of seats is not a solution for the current problem. Reservation on the collective salary of family, that is salary of husband and wife, and incomes derived from all other sources like gifts or income from joint family property. Benefit of the Reservation for only first 2 children. Creation of online database so every Indian will know who is, which family is enjoying the benefits of reservation in education or job or women reservation, or any type of reservation which our Intelligent political business houses introduce in India. Every individual is like a building, if the foundation of the building is weak it is inevitable that the entire structure will fall. The same is true for an individual. The basic foundation of an individual for a successful career is deeply rooted in the primary education he receives. It is this education that will help him achieve higher levels of learning. Therefore to become a sky scraper one has to start from the bottom.

The focus should therefore be on maximizing the educational infrastructure, more fund allocation and that of reforming the entire Teaching and learning process and revamping the obsolete administrative apparatus that hinders more than it serves. A person must be given the basic necessities of life-nutrition, clothing, shelter, medical facilities. These must be provided at nominal Rates through fair price shops catering specifically to the economically backward of this country. Benefits if provided should be restricted per family to a maximum of two children irrespective of the number of children in a family. This will help in regulating the population of OBCs which will eventually result in decrease in their representation, giving way to the principle of equality. This could also be achieved where reservation can be extended to one generation only. A family that has availed it once should not be allowed to avail it in the next generation too. This would make it possible to do away with reservations in a phased manner. Give effect to the Hon'ble Supreme Court's observation in *Indra Sawhney v. Union of India* on the exclusion of creamy layer from the benefits of reservation. Once an

OBC is self sufficient then relegate him from that category and include him in the general category. Thereon, his coming generations will be termed as general category. This will result in reduction of the OBCs.

Setup a review committee under a governmental authority which submits an annual report at the end of the year reviewing the implementation of allocation of funds at the primary and secondary education level.

The root of the problem lies not in the demarcation of the categories but in the ever increasing rural and urban divide. In a rural village of India a general category individual is suffering same as the OBC. So the solution lies in bridging the gap between rural and urban India which can be done in concentrating on the rural setup and providing them all the basic facilities. This way we can reduce the concentration of power in few hands and provide sustenance to the weaker section i.e. the rural society. Set a deadline for eliminating all kinds of reservations benefits provided to SC/ST & OBCs. Government must ascertain a final date (maybe within 10 to 15 years) when the whole setup is brought down. This will not only encourage reserved category people to stand on their own but also go a long way in increasing its acceptability by all sections of the society.

However if it is deemed necessary that 27% reservation is to be implemented then it should be done on the basis of satisfying the minimum criteria of marks which every student, irrespective of caste or class has to secure. It should only be after careful consideration of the caliber of the backward class candidates combined with his qualifying marks and reasonable intelligence that he should be given admission. In other words if qualifying marks for a general category is, say 90 %, then the qualifying marks for the OBC candidate should be approx. 80 %. This will prevent dilution of academic standards. Also, in case the quota seats are not filled then after a lapse of particular period of time, the remaining seats should be made open to the general category. This will prevent wastage of seats.

The Government must regulate the quality of education provided by both the state-run institutions as well as private sector institutions. The Government must not aim to regulate the growth of the education sector; indeed it must encourage unprecedented growth without compromising on quality. All educational institutions must be required to obtain quality ratings from independent rating authorities like CRISIL, ICRA or CARE. Educational institutions must be held responsible for any fall in quality below minimum published standards.

Let me once again stress: the children of disadvantaged groups are not naturally incompetent. It is the lack of opportunity in the earlier stages of the educational system that handicaps them in the later stages. The playing field has to be leveled at an earlier stage of the game. The solution therefore is not reservations at the higher education level but assistance at the school level.

The question of why reservation in higher education for disadvantaged groups is irrelevant is plain if you do the arithmetic. Even if you do 100 percent reservation in the elite institutions, at most you will have something of the order of 10,000 seats. This is an insignificant number relative to the total number of students in the disadvantaged groups—which is of the order of tens of millions. Indeed, compared to the Potential demand for higher education, the actual supply is laughably insignificant.

CONCLUSION

On educational system, I would say that government needs to spent more money on educational infrastructure as classrooms in colleges are less than needed. Government needs to open more universities and more colleges or at least give supports who are trying to open new colleges and universities. India today needs more professional education without degrading primary education. Private institutions are good option. It is Indias primary educational system that is enabling Indian graduate ahead of other foreign graduate at aboard. Definitely we need to improve our primary educational system too. We need to give our children an environment where then can stand and speak in front of people.

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