

PERFORMANCE OF PUBLIC DISTRIBUTION SYSTEM IN
KERALA WITH SPECIAL REFERENCE TO MAVELI STORE- A CASE
STUDY OF MANKADA GRAMMA PANCHAYAT

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Abstract

Public distribution system (PDS) is an Indian food security system, established by the Government of India under ministry of consumer affairs, food and public distribution, that are managed jointly by the all state governments in India. The present study basically tries to study different aspect of public distribution system which will help to improve socio-economic status of study area .This study completely focuses public distribution through Maveli Store. The study is descriptive in nature and collected data from 60 households to conduct the study.

Key Words: *Public distribution system, Maveli store,subsidy, food security*

Public distribution system (PDS) is an Indian food security system, established by the Government of India under ministry of consumer affairs, food and public distribution, that are managed jointly by the all state governments in India .It distributes subsidized food and non-food items to India's poor .This scheme was launched in India on June 1947.Major commodities distributed include staple food grains, such as wheat, rice and also other essential articles like sugar, kerosene oil.

The central and state governments shared the responsibility of regulating the PDS .While the central government is responsible for procurement, storage, transportation and bulk allocation of food grains .State government hold the responsibility for distributing the same to the consumer trough the established network of fair price shops (FPSS).State governments are also responsible for operational responsibilities including allocation and identification of families below poverty line. India's distribution system consists two components namely private distribution system channel and public distribution system channel .Both are supplemental but very influential. The public

distribution system channel operates a system which is both anti-inflationary and anti-poverty

The essential commodities act 1955 was enacted by government of India .As an act to facilitate control and regulate usage of essential commodities and the government of Kerala made the Kerala rationing order in 1965.The civil supplies department discharges the responsibilities of market discipline and promotion of consumer awareness and protection of their interest.

Antyodaya Anna Yojana (AAY) and Annapurna schemes are special programs which were launched in 2000, to support the poorest of the poor and needy senior citizens. Both these schemes are linked with the existing public distribution system. More than 1Crore families below the poverty line have benefited through this scheme .At Present the whole country is covered by the public distribution system for food grains. However, there are many differences commodity coverage, entitlements, prices etc.....from state to state. The public distribution system as a permanent feature of strategy to control prices, reduce fluctuations and achieve equitable distribution of essential commodities. Now a day there is tremendous growth in the use of PDS. The government of Kerala assists this operation by giving grant every year .The task has been fulfilled through the network of maveli store. Now maveli store has become a familiar and accessible among consumers rather than ration shop.

Thus governments has introduced a dual-pricing formula in the public distribution which would ensure a better deal to the 32crore of people living below the poverty line, designated targeted public distribution system will thus provide 10kgs food grains per month to families living below the poverty line with annual income of Rs 15000,or less. Special cards are be issued to those families the issue prices of food grains sold to holders of special cards have been fixed at Rs 3.50 per kg of rice and Rs 2.50 per kg of wheat .For card holders who are above the poverty line the revised issue prices will be Rs 6.50 and Rs 7.50 for fine and super fine varieties of rice and Rs 4.50 for a kg of wheat.

The total food subsidy has been projected at Rs 8,282Crore. Prior to the introduction of revised PDS, the subsidy had been calculated at Rs5, 884crore. The annual income of Rs 15000 a year cut off line had been fixed by the planning commission using the methodology devised by the expert group led by Prof Lakdawala Subsequently the amount of supply of food grains for a family living below the poverty line (BPL) has been enhance from 10kg per month per family to 25kg per month per family. Thus, in order to make PDS more responsive to the needs of the poor, the targeted public distribution system (TPDS) was introduced in June 1997. This system is now making attempt to target families below the poverty line (BPL) at heavily subsidized rates.

Major Objectives of PDS

1. To protect the low income groups by guaranteeing the supply of certain minimum quantities of food grains at affordable price.
2. Ensuring equitable distribution.
3. Controlling the price rise of essential commodities in the open market.

The study basically tries to study different aspect of public distribution system which will help to improve socio-economic status of study area .This study completely focuses public distribution through Maveli store. Maveli store is a venture of the Kerala State civil supplies corporation (supply co)under the government program of market invention, pulses and spices are purchased and sold to the consumers at subsidized prices fixed by government. The government of Kerala aids this operation by giving grants every year.

The prime objective of the state food policy is to eliminate hunger and poverty by ensuring food security to all the people. The Government of Kerala has been implementing universal public distribution system to realize this objective .Adequate availability of food grains at affordable rates and ensure easy access of public distribution system outlets by establishing it in close proximity to habitations are the key parameters on which the system of public distribution is being built.

Although Targeted Public Distribution System (TPDS) is advocated by government of India it may lead to exclusion of large number of genuine BPL families and vulnerable APL families thereby depriving them from the benefit of public distribution system. The process of identifying BPL families is also fraught with errors and bias resulting in high level of exclusion of deserving family's .Further due to unforeseen natural calamities like droughts, floods and disaster.....a large number of vulnerable APL families may be forced in to poverty trap again. Our rigid government system will not be able to respond quickly to such situation. Therefore targeting a specific segment of population as BPL or APL and excluding large number of vulnerable families under public distribution system is felt administratively unacceptable and socially risky to the government .thus out of its own experience government of Kerala better feels that universal public distribution system assures better food security to people

Methodology

The research design is descriptive in nature and it involves observing and describing the behavior of the subject wit out influencing it any way. In order to carry out the project work sample size is fixed as 60 and method used for sample selection was convenience sampling. It is the process of collecting information as a representative part of the population. For this study both primary and secondary data has been used. Data collected from 60 numbers of maveli store. The data has been collected from direct consumer through a structured questionnaire, and the secondary data's has been collected from books, internet, and journals etc.

Analysis

In order to collect primary data for analyzing the performance of PDS in Mankada Gramm Panchayat, sample has been collected from 18 ward among the 60 households with the help of pre-scheduled questionnaire. The study mainly focus the socio-economic status of study area through PDS and so education level ,occupation ,income level are the major factors of the study and also this study tries to reveal the benefit derived out of PDS and the problem related to PDS. Educational level of sampled consumers is given below:

Education Level of Consumers

Table 1: Education Level of Consumers

Class	No: of Respondent	Percentage
Illiterate	14	23.3
SSLC	30	50
Plus Two	6	10
Higher Educated	10	16.7
Total	60	100

Source: Primary data

Education is classified in to four categories that is Illiterate, SSLC, Plus two and Higher educated. The study shows that 23.3% of consumer are illiterate,50% of consumers are SSLC, 10% of consumers are Plus two and16.7% of consumers are higher educated. The table specifies that highly educated or above SSLC are prefer less maveli store. The study also reveals that 66.7% of consumers are daily wages only 4% of consumers are private employees and 8% are both government employees and others and so, most of the consumers are daily wage earner and the majority of consumers included 5000-10000 monthly income group and least number of consumers are among the high income group.

Opinion about prices is depicted in Table No.2

Opinion about Price

Table:2 Opinion About Price

Opinion	No:of Respondent	Percentage
Very High	2	3.4
High	10	16.6
Moderate	32	53.3
Low	14	23.3
Very Low	2	3.4
Total	60	100

Source: Primary data

This table is showing opinion about price charged by PDS.3.4% of respondents opined maveli stores charged very high price.16.6% of consumers suggest high price charged by maveli store.23.3% of consumers opined maveli store charged low price,3.4% of respondents suggest very low price charged by maveli store and most of the consumers that is 53.3% are opined maveli stores charged moderate price. so that majority of the people attracted to maveli store on the basis of faire price so, price is the main factor which attract people to maveli store.

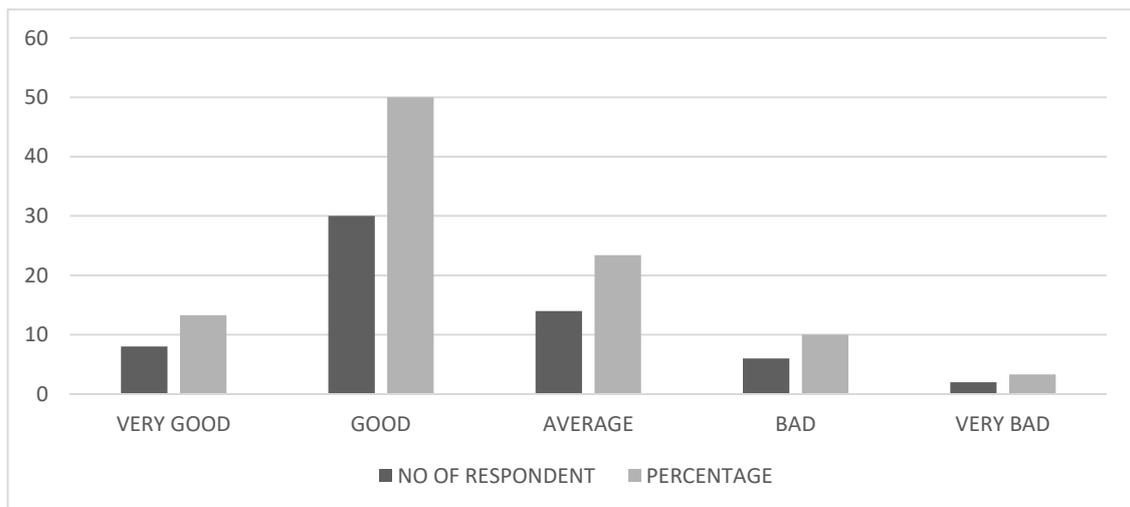
Opinion about Quality of Food Items

Table:3 Opinion About Quality of Food Items

Opinion	No:of Respondent	Percentage
Very Good	8	13.3
Good	30	50
Average	14	23.4
Bad	6	10
Very Bad	2	3.3
Total	60	100

Source:Primarydata

Figure: 1



It is clear that opinion about quality of food items.13.3% of consumers suggest very good quality items provided through PDS. 50% of them opined good,23.4% of consumers suggest quality of product have average level. 10and 3.3 of them suggest product quality is bad and also very bad. Most of the consumers suggest products of maveli store have good quality level.

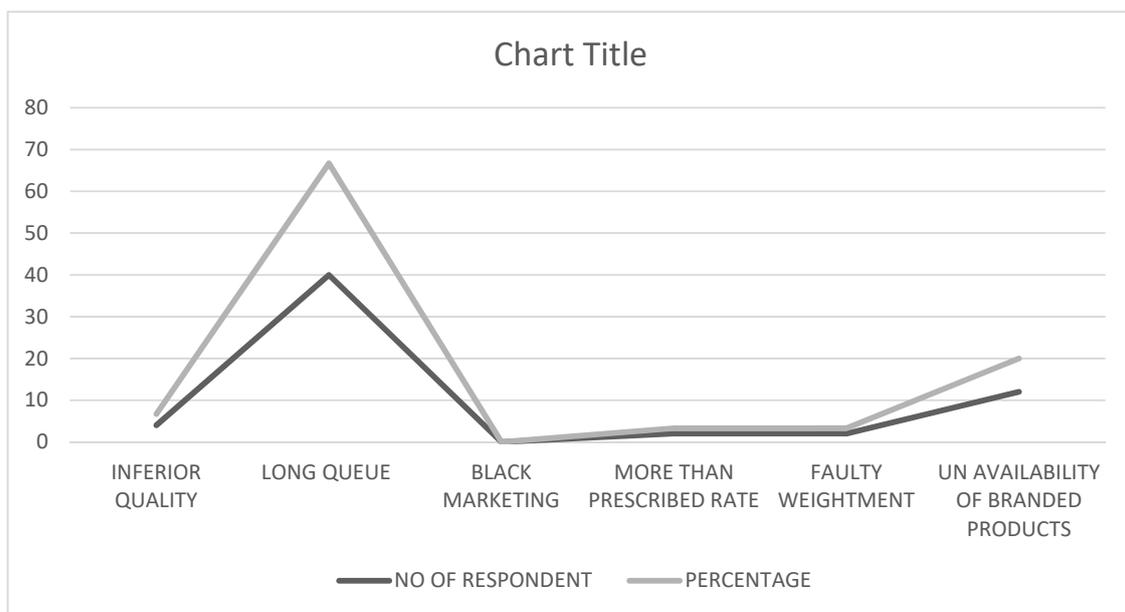
Common Difficulties Faced From Maveli Store

TABLE: 4. Common Difficulties Faced From Maveli Store

Difficulties	No:of Respondent	Percentage
Inferior Quality	4	6.7
Long Queue	40	66.7
Black Marketing	–	–
More Than Prescribed Rate	2	3.3
Faulty Weightment	2	3.3
Un Availability of Branded Products	12	20
Total	60	100

Source:Primarydata.

Figure 2



It is clear that one of the most common difficulty faced from maveli store is long queue, 20% of people face difficulty is unavailability of brand products. 6.7% of consumers suggest the main difficulty is inferior quality and 3.3% of consumers suggest main difficulty is they faced from maveli store is both more than prescribed rates and faulty weights. It is clear that black marketing does not exist in Maveli store. Besides in the above the study we can understand that maveli stores are insufficient to provide proper availability of food items and most of the respondents opined they did not get perfect awareness about subsidized food grains per month and unavailability of branded products is the major difficult problem facing from maveli store

Suggestions:

Maveli stores should be make efforts to improve various services offered by it, and it should be continued to enabling poor people to avail them in better service and also it should try to bring transparent service, provide more branded products.

Conclusion:

From the study it is concluded that the low income groups get quality product at fair price. The objectives of maveli store is that of price stabilization and poverty elimination. They are help full to avoid poverty of our nation. In the present situation in Mankada Panchayat the usage of Maveli store increases day by day because their quality of product, service availabilities etc. The analysis has shown that Consumers have positive attitude towards Maveli store in Mankada Panchayat.

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**PROBLEMS FACED BY WORKING WOMEN IN THEIR WORKING PLACE:
AN OCCUPATION WISE ANALYSIS**

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Abstract

Generally women have to play various roles in our social life. But mostly they are considered as backward or depressed class of people. The attitude towards women is changing at present in our society. Most of them are now working in organised and unorganised sectors. At present they earn, and their decision powers increased also. But as a member from the depressed class they are facing lots of challenges in their working place and family life. This study focuses on issues related to occupational segregation, and the gendered division of domestic duties at home. So this study is proposed to be held in wandoor Gram Panchayat in Malappuram.

Key Words: Working women, harassment, working place

Introduction

A women who earns a salary, wages, or other income through regular employment, usually, outside the home is called working women. In other words, a woman employed in a manual or industrial labour is considered as working women. Women in workforce earning wages or salary as a part of the modern phenomenon, one that developed at the same time as the growth of paid employment for man, but women have been challenged by inequality in the workforce. Women's lack of access to higher education had effectively excluded them from the practice of well paid and high status occupations.

Majority of female employees tend to pay less than their male counterparts. This is different from direct wage discrimination within occupations, as males in the female dominated professions will also make lower than average wages and the women in the male dominated occupations usually make higher than average wages. The occupational

dissimilarity index is a measure from Zero to Hundred; it measures the percent of labours that would need to be rearranged in to a job typically done by the opposite sex in order for the wage differential to disappear. Working women's status is changed and they have a lot of problems also. As a working woman most of them are facing a conflict between family life and working life. Most of them need to do their domestic duties along with their paid jobs. Most of them are not ready to travel long distance for job due to family restrictions. Safety in working place is another problem. They face much harassment in their working place. Inequality in workplace is also shown in their wages too.

Mainly there are Five problems that the working women are faced:-

- I) Work Life Balance
- II) Gender Pay Gap
- III) Harassment at Work Place
- IV) Unequal Career Opportunity
- V) Impact of having Children in their Career.

Work Life Balance

Working women wants to make solution for the conflict between working life and family life. Presently our society changes their concern to woman. They also supported to earn by women. But they expected to return home at a certain time, cook, clean and take care of family affairs. That means they are not accepted as working professionals in their family. Now times, they still visualize women as individuals who should be in charge of the kitchen and other domestic affairs.

Gender Pay Gap

Gender pay gap means the difference between the wages paid to men and women. The gender pay wage gap is shrinking in India. Women earn 56% of what their male colleagues earn for performing the same work. The more educated a women is the wider the gender pay gap. The gender pay gap increases as women advance in their careers. The gender pay gap is an inequality faced by working women in their workplace.

Harassment in Work Place

Woman faces mental or sexual harassment or gender bias in their workplace from the side of their boss or from their male counter parts. Gossips, non-acceptance of talent are the main types of harassments faced by woman. They are not capable to make a voice against this. The harassments will not reveal by them to their families. If there is such problem most of them are decided to resign the job. But some of them are make wise solutions to it.

Equal Career Opportunities

There is difference between males and females in making their career progress. Even if both male and female have same educational qualification their career opportunities are different. Most of the time female counter part has a restriction of family. They cannot work in the late nights; they will not have permission for business tours or a long distance to travel. And another problem is that there is no much role model to working women. So they need always a support from their male counter parts.

Impact of Having Children in their Careers

For a married woman, faces lots of troubles from their families. Having a child will not be permissible in some workplace. If she is pregnant there will be physical problems to her. Such problems can get solutions if their colleagues adjust to it. But some of them will ask to her why you come in this situation. If the baby born then she will need to gave special attention to the baby. This will be conflicted with her family duties and working life.

The problems discussed above are the main problems faced by working woman. In short, discrimination at work, challenges to safety, life and dignity, harassments, non-acceptance of talent, family duties are the problems faced by working women.

Working women in Indian(Source of data is missing) labour force have following trends:-

- Overall the labour force participation rate for women is falling from 37% in 2004-05 to 29% in 2009-10.

- In 2011-12, women comprised 24.8% of all rural workers, down from 31.8% in 1972-73.
- In 2011-12, women comprised 14.7% of all urban workers, a small increase from 13.4% in 1972-73.
- 13.4% of Indian working women have a regular salaried job as compared to 21.2% of working men [aged 15-59].

The study depends on primary and secondary data. This study is based on primary data which has been collected by personal interview from working women through 50 samples questionnaire. A sample of 50 working women has been selected on a random sampling basis.

The secondary data which has been collected from selected official journals, records, internet, books, etc.

Working women are those who are earn wage or salary through regular employment outside the home. Working women need to play two roles as a member of the family and as an employee.

Working women get sounder now-a- days. Economic power of them has increased. But even in these times the status of them are has remained unchanged in some perspectives. The imbalances between working life and family life, pay gap, harassments in work place, domestic duties etc are some of them.

These problems affected her working potential, and it will also make her relationships inactive. To get a happy and active life a working women need her family support immensely.

Only a micro level study can provide a concrete and clear cut picture of all these issues in rural areas. So this study is proposed to be held in wandoor Gram Panchayat in Malappuram district with the following specific objectives:-

- To find various challenges faced by working women.
- To analyse the role played by working women in social and family life.
- To study the problems of working women in various occupation.

According to 2011 census there is 12115 total workers in Wandoor panchayath. Among them 9640 males and 2475 females are included. Wandoor has 31% (about 16 thousand) population engaged in either main or marginal workers. 50% males and 13% female population are workers.

The analysis of working women problem shows that they want to perform dual role. This became a serious issue in their life. They are suffering from a lot of problems in working life and family life.

An important observation from the analysis of the data is the changing attitude of working women. This changing trend can be seen from the age wise distribution of samples. Most of the samples is included in the age of 25-35. And samples from above 45 are comparatively low. That means as years passing the number of women who enter into work force increased.

Educational qualifications of working women are satisfactory. Most of them have plus two level educations. But the number is comparatively lower in the case of higher education.

Another important finding of this study is that most of the women are working in unorganized sector. Private sector is give job to majority of the women. And most of these jobs are temporary. But they need to work more than six hour.

The study reveals that women prefer the jobs like teacher, nurse, sales girl etc. The main attraction that they pointed out is those jobs are female dominated ones.

But except nurse, police etc women did not prefer night shift jobs. The reasons for this attitude are having child, family responsibility, there is no support from family, less time to spend with children etc. Those who work in night also considered the night duty as a problem which arises due to compulsion.

Another important finding of the study is that the primary reason for work force participation of women is economic fulfilment. They are argued that their remuneration is a support to family expenses. And all of them have economic power by this job.

The major issue they faced are harassments, time management problem, and wage difference. Harassment in work place are divided as mental harassment, gender bias, and sexual harassment. They are not ready to say about these problems. But most of them are agreed that there is mental harassment and gender bias exist in the work place. Harassments at work place faced by sampled working women is given in Table No.1

Table No.1 Harassment faced by Working Women at Work Place

Type of harassment	No. of persons	Percentage
Mental harassment	20	40
Gender bias	8	16
Sexual harassment	4	8
Mental harassment plus gender bias	7	14
No such experience	11	22
Total	50	100

Source: Sample Survey

39 out of total 50 samples are agreed that they are facing harassments at work place. 40% of them are facing mental harassment. 16% faced gender bias and 8% faced sexual harassment. 14% says that they face both mental harassment and gender bias also. 22% says that they have no such experience.

The working women have time management problem. They have no enough time to spend with their children. Workloads, harassments in work place and family duties are badly affect their working potential and health status. They are worked about 6-8 hour in work place and 5-8 hour in home also. Most of the women do their domestic duties such as washing, cooking, cleaning etc. This will make her tired. If she travels regularly for job purpose then the health condition also badly affected. The mode of travelling they

selected is bus or two wheeler. The main problem of working women is to adjustments in family life and working life. The time management problem is mainly three losses –they are miss of any career related functions, or family functions and time spend with children. The time management problem shown in the following table:-

Table: 2 Time management problem

Time management problem	No. of samples	Percentage
Present	40	80
Not present	10	20
Total	50	100

Source : sample survey

80 percentage working women faces time management problem. But 20 percentage dose not affected by such problems.

Another area is gender pay gap. More than half of the samples show that there exists wage difference usually above 500. The duty or work load is heavy but the wage is less. The extent of wage difference is shown below:-

Table: 2 The extent of wage difference

Level of wage difference	No. of samples	Percentage
100-300	3	12
300-500	13	48
500-1000	11	40
Total	27	100

Source: sample survey

50% of total population is suffering from health problems. They have frequent headache, back pain etc. But 22 out of 50 is done physical exercise .others are opinion that there is no time to spend for physical exercise. Those who done physical exercise, is to get relief or to reduce life style diseases. And no one has done it above 45 minutes. The main health problems are shown as below:-

Table:3 The main health problems

Health problem	No. of samples	Percentage
Stress	10	20
BP	5	10
Back pain	4	8
Headache	6	12
No such problem	25	50
Total	50	100

Source:sample survey

50% have no permanent health problem. 20% have stress, 12% have headache, 10% have BP, and only 8%have back pain.

More than half of the population argued that there is no equal career opportunity to women. But they are argued that their family gave full support to them. The following table shows the career opportunity.

Table: 3 career opportunity

Career opportunity	No. of persons	Percentage
Equal	13	26
Not equal	37	74
Total	50	100

Source: sample survey

74% says that there is no equal career opportunity and the remaining 26% says that there is equal career opportunity.

By analysing all these facts we can see that working women have a lot of problems. Even there exist a number of problems they are enjoyed their busy life and economic decision power.

Suggestions

- Family can give immense support to the busy life of working women.
- Employer should remember that she is not only his staff but also a mother or house wife
- Government can take following steps to improve working women life
 - a. Give higher interest in all bank deposits to women
 - b. Give 30-50% discount in all rail/bus fares to them
 - c. Legislative strict laws against sexual harassment in offices
 - d. Legislate leeway for special leaves needed by working women
 - e. Set up special courts for handling complaints for working women against their employers
 - f. Legislative laws to curb inequality

The problems faced by each working women are common to all and they have unique comments on their family and social life. The problems can be solved through the immense support from family and society also.

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EPIGRAPHY: A SOURCE OF KERALA HISTORY

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Abstract

Epigraphy forms an important source for the study of Kerala history especially the history of medieval Kerala. Epigraphy is the study of inscriptions. Inscriptions are important sources for the study of other parts also. Inscription means writing engraved on any object, rock, stone blocks, metallic plates, pillars, etc. used for inscribing information. Inscriptions are also seen on pots, bricks, tablets, shells, ivory etc. on hard objects inscriptions are incised. in certain inscriptions words are not engraved but embossed by scooping out the space around them.¹

In the history of world civilizations we hear about great epigraphists like Champollion and Jamesprincep. Champollion is famous for decipherment of hieroglyphics from the Rosetta stone, James prince is known in the history of epigraphy for the decipherment of edicts of Asoka. South Indian inscriptions are mainly on temples, collection of revenue, land grants etc. This is the case of Kerala inscriptions also. Sometimes inscriptions will have eulogistic compositions prefaced to them. They are called prasastis, butprasasti is not seen Kerala inscriptions. If the inscribed information is in the form of an advice or extortion it is called edicts. E.g. Edicts of Asoka.

Epigraphy mentioning grants of land were mainly on copperplates. Unlike the stone inscriptions, the copper plate inscriptions were to handle and easily portable. Most often thamrasasna or copper inscriptions were indented to private custody. but stone engravements were generally set up in public places for general information², temples bear stone inscriptions.

The inscriptions vary in length; sometimes inscriptions would record installation of the images by devotees or the fall of a hero in the battle etc. Sometimes inscriptions embodied even a kavya or drama.

A page of the copper plate inscription usually will be in the size of the long sack, 30 cm long and double the width of a small scale. Information will be engraved on them³.if the inscriptions and long there will be number of plates like these. These plates would be strung together through the slit on the leftern most side of the plates. Generally there will be royal seal on royal inscriptions. These inscriptions would be kept in safe and secure place.

North Indian inscriptions are mainly in the brahmi script. There is brahmi script in south Indian inscriptions⁴.kerala inscriptions of medieval period are in vatteluthu. This is a script used for writing old Malayalam.

What are inscribed on the inscription would be contemporary events. the intention of the inscription is not generally the preservation of historical material but the documentation of incidents, grants etc. but this inscriptional material forms an important source of history.thy must be seen in the light of contemporary events. Sometimes inscriptions do not give direct evidences but facts can be called out from the information seen in the in the inscriptions. Epigraphic records may be broadly classified in to two groups-those engraved on behalf of ruling authorities and those inscribed on behalf of private individuals and organizations. The epigraphs recording royal grants of land were generally engraved on copper plates.

Epigraphy devolved in India by 18th century. It was European scholars in India to have a firsthand knowledge about intellectual achievements of India. Thus Charles Wilkins, will iwmjones,james prince and like scholars came to India. In their search for Indian antiquity, they tried to read inscriptions. The foundation of the royal Asiatic society of Bengal gave great encouragement to the study of inscriptions. Collin Mackency collected transcripts of stone and palm leaves from the old Madras presidency .This was the first major step in the development of south Indian epigraphy. The Mackency s collection gave a primary idea of the inscriptional wealth of south India. A.Burnell studied south Indian inscriptions. He studied vatteluthu and deciphered many a inscription. these European scholars trying to establish that this system of writing was

borrowed from Europe. But it was not so, it was only because of their superiority complex that they thought so. vattelluthu is an indigenous system of writing.

Hultz deciphered many a south Indian inscription. He collected and edited the inscriptions under the title south Indian inscriptions. It was followed by the great services of T.A.GopinathaRao to Kerala historiography. It was with the publication of the Travancore Archaeological series by Gopinatha Rao, that the study of Kerala epigraphy received a new direction P. Sundaram Pillai wrote a book mainly based on inscriptions⁵.Elamkulam Kunjan Pillai, MGS.Narayananan, M.R.Raghavavarier, Maheswaram Nair and like scholars have made invaluable contribution to the Kerala epigraphy.

The name of gopinatharao is ever memorable in the historiography of Kerala. He collected, deciphered and edited many an inscription of Kerala. This edited work, Travancore Archaeological series in 10 volumes has been the monumental work on Kerala epigraphy⁶.In 1902 Gopinatha Rao was appointed as superintendent of the department of archaeology, Travancore. Through painstaking field work, he could faint out a number of inscriptions from various parts of south India. he had a good knowledge of the Brahmin script and vattelluthu. But it was with Gopinatharao, pookilkelunair, Bernel had deciphered the Kerala inscriptions. But it was with Gopinatharao and Ellamkulam that Kerala epigraphy had its real development. The premature death of gopinatharao in 1918 was a great lose to the intellectual world .what K. P. Padmanabhamenon did for Kerala History, Gopinatharao did Kerala epigraphy⁷.

Elamkulamkunjanpillai made an intense study and research on Kerala inscriptions. He was a multi linguist and also knew how to calculate the date of the records out of the Astronomical data presented in them. Elamkulam had a fundamental grasp of many an aspect of these inscriptions⁸. Elamkulam not only deciphered and translated inscription but also interpreted them Elamkulam used linguistic and palaeographic data from the inscriptions to arrive at conclusions with regard to kings and their chronology. Though a study of inscriptions, Elamkulamkunjanpillai could re-

examine many theories of earlier writers. The advent of Elamkulamkunjanpillai brought about revolutionary changes in the study of history of Kerala. He could construct the political and social history of Kerala during the period between 9 and 16 centuries in outline. He used the knowledge from inscription as the key to open many a mysteries in Kerala history⁹.

M.G.S. Narayanan found out and deciphered many an inscription of Kerala. He re-examined certain theories of Kunjanpillai. He effected corrections in the details of the chronology of the perumalas of mahodayapuram. M.G.S reinterpreted the theories on the hundred organizations and *salais* in the light of inscriptions. He integrated the evidence from inscriptions with those from tradition. With the help of the inscriptions from kolathnadu, M.G.S established the historical value mooshakavamsa kavya.¹⁰ The greatest contribution of M.G.S to Kerala epigraphy is *the index to cera inscriptions*.¹¹

M.G.S studied epigraphy in order to examine the authenticity of the records and reconstruct Kerala history .In this sense he was a consumer of epigraphy.¹² M.G.S has deciphered many an inscriptions.

M.R .Raghavavarier is the most outstanding epigraphist in Kerala today. As an epigraphist he has worked close cooperation with M.G.S. He also was a multilinguist and masterly over ancient. The vatteluthu, kolezhuthu and brahmi. M.R .Raghavavarier has deciphered a number of inscriptions. Among them are chembra,thiruvattur,ezhimala etc. varier is of the opinion that the writing of history with the help of inscriptions is dependent on the historiography of the age in which it is written. When inscriptions are used as a source for history inferences can be made. Raghavavarier has effectively used these references in historical writings. The teacher of raghavavarier in epigraphy is

K.G.Krishnan.

During the period of colonialism scholars took interest in the inscriptions as a source of history. The services of George Mathan and Herman Gundert are important in this respect. As noted before inscriptions are among the most important sources of Kerala

history. Sometimes we will get many a fact and pointer to truth from inscriptions which have no outward connection with the topic of study. Many an inscription like the thirunnelli inscription contains words and usages that throw light into the aspects of contemporary society. Facts derived from the inscriptions are to be supplemented by the evidence from other contemporary sources also.

Inscriptions are very important as a source for the history of ancient and medieval Kerala. They supply valuable clues to the reconstruction of dynastic history of various kingdoms. They throw light on the political, social and cultural life of the people through the ages. It helps to analyse many a factor related with land relation, management of the temples, local assemblies etc.

Certain inscriptions are directly related with trade and trading centres in medieval Kerala. We can discern many a fact regarding the socio-economic history of certain period seemingly sources.¹³

Inscriptions of Kerala are very small in number. Of this bulk of this are temple inscriptions. They give a direct and indirect information about the contemporary society. The affairs of the temples cannot be suited without relation with the society. That is the micro aspect can study only in the background of a macro history. It is to be noted that the temple is the centre of life and culture of Kerala. During this period the traders and chieftains made liberal donations to the temples. Sometimes they would get them inscribed. Among other things it was part of the devices for social recognition. Giving food or shelter to the Brahmins also was considered to be the act of piety.

Sometimes from simple inscriptions we will get many a fact and pointers to the truth. Classical example is to this that of tharisapalli copper plate .Words and phrases in the inscriptions are to be analysed to get the real and literal meaning.

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**INDIA TOWARDS KNOWLEDGE BASED ECONOMY: PROSPECTS &
CHALLENGES**

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Abstract

In the Information Age, the global economy moved towards the knowledge economy. This transition to the knowledge based economy includes the best practices taken from the service-intensive, manufacture-intensive and labor-intensive types of economies and added knowledge-based factors. In a knowledge economy, a significant part of a company's value may consist of intangible assets, such as its workers' knowledge. As a highly populated country, India has a high potential if it uses its human capital effectively. In this age of knowledge economy, it is very essential to make a huge investment and deliberate attempt to increase the productivity and efficiency of human resource by giving quality technical and vocational knowledge and training. This paper trying to make an attempt to analyse the scope and prospects of India to become as a Knowledge Based Economy (KBE) and it also studying its major challenges in this way of journey. It is also examining the expenditure on education by the government an initiatives to make India as an educational hub and an economy which is based mainly on knowledge and digitalized operations.

Keywords: Knowledge Based Economy, policy initiatives, higher education, India as a emerging KBE, digital India, challenges, KBE is a myth.

Introduction

When we analyze the history of human transition from the hunter-gathering society to a civilized society, it is clear that it has moved through different stages of farming, settlement and the period of industrial revolution. Now in the digital age, our civilisation may be in the midst of another equally great transformation that is the age of the knowledge economy.

A knowledge economy is an economy in which the production of goods and services is based primarily upon knowledge-intensive activities. In this system the consumption and production will be mainly based on intellectual capital rather than physical and financial capital. The knowledge economy addresses how education and knowledge can serve as a productive asset or a business product since innovative and intellectual services and products can be sold and exported and can yield profits for the individual, the business and the economy

The concept of the knowledge economy was first used by Peter Drucker in his book "The Effective Executive" in 1966. In this book he has discussed the difference between a knowledge worker and a manual worker. According to Drucker, the manual worker uses his hands and other physical capabilities to produce and provide services and other goods. On the other hand, a knowledge worker uses his head and produces knowledge, information and ideas that may be beneficial for the overall system of the business. According to the World Bank, knowledge economies are defined by four pillars. These are: institutional structures that provide incentives for entrepreneurship and the use of knowledge, skilled labour availability and good education systems, ICT infrastructure and access, and, finally, a vibrant innovation landscape that includes academia, the private sector and civil society.

Knowledge Economy: A Multi-dimensional Analysis in Indian Context

In 2001, the K4D (Knowledge for Development) program held a high-level policy forum to share knowledge strategies among key stakeholders from Brazil, India and China—potential knowledge super powers representing 45 percent of the world's population. India towards KBE: Recent Policy Initiatives

Growth of Higher Education

On the eve of Independence there were 20 universities in India. By 2014 there were a total of 637 universities in India out of which 289 were State universities, 130 Deemed Universities, 94 Private universities and 43 Central universities. (UGC 2012).

With the increase in enrolment and number of institutions, number of teachers in educational institutions (including universities and affiliated colleges) went up from 2,63,819 in 1990-91 to 6,97,885 in 2013-14.

Union Budget 2017-18 has pegged an outlay of Rs79,685.95crore for the education sector for financial year 2017-18, up from Rs72,394 crore in 2016-17—a 9.9% rise. Of the total outlay, Rs46,356.25 was for the school sector and the rest for higher education.

NITI Aayog's Step to Improve Education Sector

In a major push to competitive, cooperative federalism, NITI Aayog, announced partnership with three States each to radically transform their Health and Education sectors.

NITI Aayog has selected Uttar Pradesh, Assam, and Karnataka to improve healthcare delivery and key outcomes in these States. In Education, Madhya Pradesh, Odisha, and Jharkhand have been selected for support to better learning outcomes. This three-way partnership between NITI, State Governments and a knowledge partner for each of the sectors is part of the Sustainable Action for Transforming Human Capital (SATH) initiative of NITI Aayog.

Another notable announcement by NITI Aayog in this regard is that non-performing or "hollowed" government schools should be handed over to private players under the public- private partnership (PPP).

NITI Aayog's Three Year Action Agenda: NITI Aayog also suggests reforms in the Right to Education Act as well as the University Grants Commission, and a comprehensive & continuous evaluation system to bring in improvement in learning outcomes. In a series of proposals that might lead to improvement in the higher education infrastructure and skill development of individuals in urban regions, the NITI Aayog in its Three Year Action Agenda 2017-18 to 2019-20 said that the government needs to create 20 world-class universities, provide autonomy for top colleges and universities, reform the regulatory system, establish system of project-/researcher-specific grants and increase focus on vocational and profession-led education.

The major Initiatives by NITI Aayog and Government of India in this regard are Mobile Seva, Vikaspedia, MyGov.in, Aadhaar:e-Payment Framework, Common Services Centre, State Wide Area Network, GI Cloud, Information Technology Investment Region (ITIR), promotion of Manufacturing of Electronics, IT-ITES, Promotion of R&D and Innovation Technological Incubation and Development of Entrepreneurs (TIDE), Multiplier Grant Scheme (MSG) and National Supercomputing Mission (NSM).

Vision of Digital India

It aims to transform the country into a digitally empowered society and knowledge economy, implemented in phases till 2018, by DEIT. It would also bring in public accountability through mandated delivery of Government's services electronically; a Unique ID and e-Pramaan. The source of funding is through budgetary Provisions. The main Initiatives under the Digital India Programme are:

- (i) Legal Information and Management Based System is an easy to access, web-based tool for comprehensive, regulatory and proactive monitoring of court cases.
- (ii) NDSAP (National Data Sharing and Accessibility Programme) is to facilitate the access to Government of India owned shareable data and information.
- (iii) e-Office: The main objective of e-office is to improve efficiency, consistency and effectiveness of government responses.

Key Challenges

Education

India's system education especially higher education suffers from several limitations. Firstly, the gross enrolment ratio in higher education is less than nine percent in India, compared to 15 percent in China and more than 20 percent in many developing countries such as Mexico, Malaysia, Thailand, Chile and Brazil. In the case of youth literacy, India lags substantially behind all the other BRIC countries. The problem in the education sector is further compounded by the lack of proper teaching facilities and best-practices, especially in the rural areas. According to the Third International Mathematics and Science study, 9th and 11th grade students in India scored way below the international average.

Deficiency in spending on higher education: In India alone, the spending on education and skilling has touched approximately 74,000 crore. This may seem like a daunting figure but is still not sufficient. India spends about 4% of its GDP on all of education (about 1% on higher education), whereas globally the minimum recommended expenditure on education is 6% of GDP (Economic Review 2014). Most public expenditure on higher education is used up on salaries and maintaining existing institutions, leaving very little to be spent on curriculum, research and technology.

However, spending on education still has enormous scaling to do and this is where the private sector comes in. Private players will have opportunities from rising demand in segments not well covered by the public education system (like adult education and vocational training). They bring in additional capital and are able to make huge investments, especially when government spending is insufficient and results in substantial infrastructure and investment deficit.

Over-Regulated and Cumbersome Bureaucracy

India has more than 17 million state and federal government employees. “About 20,000-odd federal officers control the collection and disbursement of over US\$71 billion federal revenue every year. because of this highly complicated bureaucracy, it is very difficult to manage the system efficiently.

Infrastructure Development

To develop a knowledge-based economy, the role of ICT, education and scientific infrastructure are necessary. However, equally critical is the need for supporting physical infrastructure such as railways, roads, ports, telecommunications and energy.

Comparison of India with Global Averages

Amongst the BRICS nations, despite a significant growth in gross domestic product (GDP) over the years, the share of GDP devoted to education remains low for China and India. India has decreased its spending on education from 4.4 percent of GDP in 1999 to around 3.71 percent in the budget estimate of 2017-18. The Kothari Education

Commission had recommended an allocation of 6 percent of GDP on education, which has never been achieved. According to the World Bank's Knowledge Economy Index (KEI)²² that takes into account the conduciveness of an economy's environment for knowledge to be used effectively for economic development, India ranked 101st out of 140 countries in 2007.²³ Ireland, Israel and China ranked 14th, 22nd and 75th respectively. Comparison of India's knowledge economy index with two major global regions is given in following table.

TableNo.1

Comparison of India's knowledge Economy Index with Two Major Global Regions

Country/ Region	Knowledge Economy Index
India	3.06
Asia and the Pacific Average	4.28
OECD	8.25

Source: World Bank, Knowledge Economy Index

Looking at these information, one can safely conclude that India has made significant progress in its knowledge-based sectors. But India is still behind with major countries and global performance

India's Strategic Advantages as A Emerging KBE

Despite all the challenges India has a prosperous future and huge advantage as a knowledge based economy because of its unique demographic and economic features. Some of the advantages are explained below:

Big section of young population: India has huge number of young working population with high technical and vocational skill. Working age population (between 15 and 64 years) to touch 1 Billion, surpassing China by 2030. According to ADB report, India, with its youthful population and thriving information and communication technology (ICT) industry, can become a leading knowledge-driven economy as long as regulatory, education, and infrastructure barriers are overcome.

Large and fast growing domestic market: Domestic market in India is one of the largest in the world. The population in India has been touched with 130 cr which is contributing to increase domestic demand and there by total production and employment in the country.

Large and impressive diaspora: The Indian diaspora allows for invaluable knowledge linkages and networks globally. At the same time, the highly influential diaspora of Indian professionals and entrepreneurs have been instrumental in bringing high technology investments to Bangalore, Hyderabad and other Indian cities. The decision by the Indian government to allow for dual citizenship has provided further impetus to the diaspora to continue to stay rooted to India.

Emerging financial sector – In recent years, India has attained macroeconomic stability and has made significant strides in institutional developments, including having a well-functioning financial sector.

5 Indian think tanks in world's top 150: Five Indian think tanks have made it to the list of top 150 worldwide including Centre for Civil Society (CCS), Institute for Defence Studies and Analyses (IDSA), The Energy and Resources Institute (TERI), Observer Research Foundation (ORF) and Development Alternatives (DA)

Knowledge Economy: A Critical Analysis

Even though knowledge based economy has been widely encouraged by at world level, recently, there has been several criticisms against this concept. According to the opinion of some of the economists, the knowledge economy is a myth. We don't need more universities to feed it. They have justified their voice with an empirical case from UK and US. According to their opinion, the idea of the knowledge economy is appealing. The only problem is it is largely a myth. Developed western economies such as the UK and the US are not brimming with jobs that require degree-level qualifications. For every job as a skilled computer programmer, there are three jobs flipping burgers. The fastest-growing jobs are low-skilled repetitive ones in the service sector. One-third of the US labour market is made up of three types of work: office and administrative support, sales and food preparation.

The majority of jobs being created today do not require degree-level qualifications. In the US in 2010, 20% of jobs required a bachelor's degree, 43% required a high-school education, and 26% even did not require that. Meanwhile, 40% of young people study for degrees. This means over half the people gaining degrees today will find themselves working in jobs that don't require one.

The stark mismatch between the number of people with degrees and the number of jobs requiring degrees has created a generation of bored employees who feel like they are working "bullshit jobs" It's no surprise 37% of UK employees think their jobs make no meaningful contribution to world at all. According to Hanas A. Cader, About 52% of high-knowledge-based industries in 1991 had been transformed into non-knowledge-intensive industries by 2001, while 10% of non-knowledge-based industries became knowledge-intensive industries by 2001. Despite of all these issues and criticisms, the idea of knowledge base economy has been widely encouraged by this new age of knowledge.

Conclusion

In this age it is very essential for a country to move towards an economy with knowledge intensive activities and digitalized operations. As a developing economy, this is very crucial for Indian economy. Here this analysis briefly explained the major initiatives by government of India in this way of journey. The increasing trends in expenditure on higher education, initiatives and programs by NITI Aayog and vision digital India initiatives are the some of the attempts in this regard. However, when we compare India with global performance we are still lagging behind in this scenario. Our expenditure on education is still less than our sufficient level and the higher education sector also facing the problem of quality and excellence. Despite of all these challenges, Indian economy has a high potential to become as a world leading knowledge base economy.

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**GENDER DIFFERENCES IN HEALTH STATUS OF RURAL AREA
A CASE STUDY WITH SPECIAL REFERENCE TO
KARUVARAKUNDUGRAMA PANCHAYATH**

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Abstract

India is one of the largest third world countries where females are considered as disadvantaged sections, demographically, socially, culturally and economically. Women are described as the most vulnerable group exposed to various adversities of life. India is one of the few countries where males significantly greater than females and the countries maternal mortality rates in rural areas are among the world's highest. Kerala, one of the small states in India. Many analysts talk about a unique "Kerala model of health" worth emulating by other developing parts of the world. Kerala has made significant gains in health indices like infant mortality rate, birth rate, death rate and expectancy of life at birth. But in spite of these achievements there exist some gender inequalities in health status. So this study is an enquiry into the nature and extent of gender disparity in health status in Kerala.

Keywords: health status, female, male, gender, disparity

Introduction

Health is considered as a fundamental human right. It is defined not only in terms of the wellbeing of mental and physical health but also improving sanitation, drinking water, shelter and assured livelihood condition of the population (According to the National Rural Health Mission – NRHM). One of the important strategies of the NRHM to reach out to pregnant women through Accredited Social Health Activities (ASHA) to improve the health of women as well as to encourage them to go for institutional delivery in the nearby hospital. The objective is to reduce both maternal and infant mortality. ASHA acts as a community worker to bridge between the health personal and village women. It is indeed heartening to know that 89% said that they were aware of the activities of ASHA.

Health is the functional or metabolic efficiency of a living organism. In human it is an ability of individuals of communities to adapt and self-manage when facing physical, mental or social challenges. The World Health Organisation (WHO) defined health in its broader sense in its 1948 constitution as a “State of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity.”

India is one of the largest third world countries where females are considered as disadvantaged sections, demographically, socially, culturally and economically. Women are described as the most vulnerable group exposed to various adversities of life. India is one of the few countries where males significantly greater than females and the countries maternal mortality rates in rural areas are among the world’s highest. Female diseases are more than males and are less likely to receive medical treatment. Disease burden per 1000 population in India is much more on women than men. In India, the problems of health hazards are guided by religious beliefs and practices. In India it found that poor are the worst affected by epidemics and contagious diseases.

Kerala has attained remarkable achievements in social development despite its economic backwardness. Kerala women enjoyed high health status compared to the women of other states. Kerala’s achievement in health has prompted many analysts to talk about a unique Kerala Model of Health’ worth emulating by other developing parts of the world.

Health status in India and Kerala are examined on the basis of sex ratio, life expectancy, age at marriage, reproductive health care, nutritional status, morbidity, mortality, literacy and education.

Malappuram, the most populated district in the state has spent 92% of the funds allocated for its implementation of the health. Major health programs implemented in Malappuram district were “ JananiSurakshaYojana” for maternal benefit of women and also undertaken “ Arogyakeralam Project”. Under this programme certain projects were implemented health program in schools, Panchayaths and municipalities.

Eventhough Malappuram is educationally forward, studies on morbidity shows that the prevalence of morbidity is much more in Malappuram. In this context it is necessary to assess the gender wise health status of people in the district.

Methodology and Data

The primary data is collected by using a well-structured questionnaire, interviews and discussion with selected people in the rural area. There are 21 wards in the panchayath .from these 60 households were selected by using random method.

Secondary data is collected from Panchayats, different publication like economic review, different journal, report and government record of hospitals etc.

Health Status in India and Kerala

Kerala state in India is one geographical area where in spite of the lower per-capita income, achieve significant improvements in its education and health scenario. In India, health indices (Fertility, Mortality, Life expectancy etc...) have registered a steady improvement to each level comparable to those in the developed countries. Most analyst have seen Kerala's achievement in health has prompted. Many analyst to talk about a unique "Kerala model of health" worth emulating by other developing parts of the world. Kerala has made significant gains in health indices like infant mortality rate, birth rate, death rate and expectancy of life at birth.

India has traditionally been a rural agrarian economy. The Constitution of India makes health in India the responsibility of the state governments, rather than the central federal government. It makes every state responsible for "raising the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties". The National Health Policy was endorsed by the Parliament of India in 1983 and updated in 2002. The National Health Policy is being worked upon further in 2017 and a draft for public consultation has been released. There are great inequalities in health between states. Infant mortality in Kerala is 12 per thousand live births, but in Assam it is 56.

Health Status of Male and Female in India

The following table features key indicators of the status of male and female in India and Kerala. Table:1 key indicators of the status of male and female in India and Kerala.

Sl. No	Indicator	Kerala	India
1.	Death Rate #	6.6	6.5
	Male	7.6	6.9
	Female	5.7	6.1
2.	Infant Mortality Rate	12	37
	Male	10	35
	Female	11	39
3.	Mean Age At Effective Marriage		
	Male	27.3	23.2
	Female	21.4	20
4.	Maternal Mortality Ratio	66	178
5.	Expectancy Of Life At Birth		
	Male	71.4	62.6
	Female	76.9	67.7

Source: Economic review 2016

In Kerala, most of the health indicators are highly favorable to women. Health indicators of women in Kerala are much better than their counterparts in the country as well as their male counterparts in the state. Life expectancy at birth of women in Kerala at 76.9 years is the highest in India; much higher than for women in India as a whole, which is 67.7 years.

Analysis

In the analysis the study was mainly focused on three aspects. They are the comparison between male and female health status in rural area, their socio-economic condition and finally evaluate the recent health facilities available to the rural people and also their health status through a case study of Karuvarakundu Panchayath.

1 Socio-Economic Condition

The socio economic condition of male and female in the study area are quite good. As in the case of social status the study is focused on certain indicators like age, caste, religion etc. As in the case of age composition majority of the respondent

belonging to the age group of 15 to 25 are females and 35 – 45 are males. Majority of the people in rural areas are Muslims. While comparing the marital status in other area of Karuvarakundu Panchayath, rural area is in better position about 58.3% people are married. In the study area most of them are following nuclear family system ie, out of 60 samples 35 of them belongs to nuclear family system. There shows an improvement in the social status of the rural people in the Karuvarakundu Panchayath and this mainly because of the educational level of the people. In which 43.3% of people are SSLC qualified. We know that education indicates high status of health status.

As per the economic status, in the study area 90% of the people are coolies. In which 50% are males and 40% female and remaining 10% are unoccupied category. On the basis of income wise distribution of 60 households 38.3% are living under the income 5000 and only 6.67 are living in the income 25000 and above. Among 60 samples 66.6% belongs to BPL family. So, in the socio economic condition both male and female are in better position. Variable such as family composition, occupation, income, education indicate high status of health.

2 Health Status of Male and Female in Rural Area

Health status is a holistic concept that is determined by more than the presents of absence of any disease. It is often summarized by life expectancy of self-assessed health status, and more broadly includes a measure of functioning, physical illness and mental wellbeing.

The below table shows the comparison between male and female health status in rural area.

Table: 2Health Profile in the Study Area

Sl. No	Indicator	Study area
1.	Infant Mortality rate (Percentage)	2%
2.	Maternal mortality rate	-
3.	Life expectancy (Age)	
	Male	69

	Female	72
4.	Nutritional status (%)	
	Male	54%
	Female	46%

Source : Field survey

The above table shows the male and female health status in rural area. While comparing with Kerala and India the selected rural area has very well-known achievement in the area of health status. Out of the total population in the rural area majority of them are females. While considering the death rate it was higher in males with comparing females. The main reasons for increasing male death rates are;

1. Alcoholic uses
2. Tobacco consumption
3. And Excessive use of drugs.

In the Rural area, the availability of drugs are comes down in recent years. But its overall effect are still continuing in rural area. Most of the male death rates are increased due this kind of practices. Female death rates are lower when compared to males because there is accessibility of health services, nutrition to rural area are given by Panchayath. In the case of birth rate females are greater than that of males. While comparing the infant mortality rate with Kerala and other rural areas it is declined that is only 2%. There is no maternal mortality rate. In the case of life expectancy females have greater life expectancy (72) than that of males (69).Nutritional status is a important indicator that determines the health status of a person. Here the male nutritional status is 54% the female health status are more or less proportionate to male at 46%. While comparing the male and female health status they are more or less equal. But there is a slight difference in death rate, birth rate and nutritional status etc.

As in the case of distribution of patients on the basis of sex, in the study area 45% are male and 55% are females. There is only a slight difference between male and females.

Major Health Problems in the Study Area

a. Communicable diseases affected in the last year *Table:3*

Sl. No	Communicable disease	No. of persons (%)	
		Male (%)	Female (%)
1.	Malaria	41.7	40.275
2.	Typhoid	33.35	29.16
3.	Dengue fever	24.95	30.56

Source: Field Survey

During the last year, from the 60 samples most of them are faced by communicable diseases. On the basis of gender, most victim of the communicable diseases are female out of them 60% of them are faced communicable diseases. Major reported diseases among communicable diseases are Malaria.

b. Non communicable diseases affected in the last year

Table: 3

Sl. No	Non Communicable diseases	No. of persons (%)	
		Male	Female
1.	Lung diseases	51.16	17.65
2.	Cholesterol	9.30	-
3.	Mental depression	11.62	29.41
4.	Diabetics	9.32	11.77
5.	Hyper tension	18.60	41.17

Source: Field survey

Out of 60 sample in the last year most of them are faced by non-communicable disease in which majority them are males. Because the behavior such as smoking unhealthy diet and physical inactivity which can lead to hypertension and obesity.

There are different opinions regarding major causes of health problem in the study area. As per the study major causes of health problem are liquid waste (28.3%), mosquito

breeding (8.33), increasing life style diseases (30%), lack of traditional practices (6.67%), absence of blood bank (15%), lack of nutrition (1.67%) etc. So in the study area most of the people depend on Allopathic. In which 53.1% of them are males and 46.9 of them are females. From this data it clarifies that the female patients is more than that of male patients.

In the Panchayath most of the are so aware about the medical checkup. They have taken it monthly, annually, and usually. Here the medical checkups are usually taken by the males (50%) than that of females (35%). But the majority of the females take medical checkups annually (50%). There is a positive situation existing here that is, there health expenditure is less than of their income. So it show a better health condition in the area. The study shows a better female health status or more or less equal to males.

Major Health Programme Conducted in the Study Area

There are various programs implemented or practiced for the improvement of health status of both male and female and also other peoples in the rural area. They are as follows:

1. Immunization program
2. RNDCP (Rebiced National Tuberculosis controlled Program)
3. National Deveming day
4. Family welfare program
5. NCD (Non Communicable disease Program)

3. Health Care System in KaruvarkunduPanchayath

a. Public Health Care System

Public health care system in Karuvarakundu consist of Ayurveda and Modern medicines. A primary health care center is working on the Rural area, One Ayurvedic dispensary is functioning under public health care system. 18 doctors and 27 nurses are working in the primary health care center with 123 beds.

b. Private Health Care System

The role of health care sector in Karuvarakundu Panchayath has been very decisive and significant. There are 7 private medical institution and other individual medical clinics functioning in the Panchayath. Among these institutions had facilities with 37 doctors 114 nurses are working under the sector with 175 beds. The Cooperative sector institutions are not functioning in the Karuvarakundu Panchayath.

PHC is the oldest health care in Karuvarakundu Panchayath. Majority of the people are depending on the PHC in which majority are comes from Rural area. Some of the private institutions are recently organized. It provides most of the modern medicines and it functioning with better infrastructural facilities .There are no wide changes in the number of doctors and nurses during the period from 2015-2016. But there is variations in the number of patients in every year.

Suggestions

1. To Increase the age of marriage of females in the rural area.
2. To conduct awareness class and activities among people in order to reduce Alcoholic, Tobacco and drugs use among males.
3. To take preventive methods to control life style diseases.
4. Reduce the number of female patients through better medical facilities.
5. To conduct medical camps weekly

Conclusion

In this study it review the male and female health status in Karuvarakundu Panchayath by discussing through socio-economic condition health status, health facilities and health problems in the study area. The health status of male and female in the rural area of Karuvarakundu Panchayath is found to be high. It differs from other rural areas and also described recognized position of health care. To calculate the health care system of proportion is shaped by a variety of factors such as level of income,

standard of living, housing, sanitation, Education, Availability of medicine and Accessibility of hospital facilities more over there are certain socio-economic factors. While comparing the health status of female in Kerala and India it has better position in Karuvarakundu Panchayath.

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FINANCIAL LITERACY IN INDIA: AN OVERVIEW

Nujoom. K.K.

Abstract

Access to finance, especially by the poor people, is an essential requisite for employment generation, poverty alleviation, economic growth and social upliftment. India is one of the fastest growing economies of the world. India has tremendous growth in financial sector. The major concern is that financial institutions have not able to include all sections of the population; especially rural household's i.e. called financial exclusion. Even though there are people who desire the use of financial services, but are denied access to the same. In this scenario financial literacy becomes more important, as financial literacy improves financial inclusion among the rural people. Through this paper the author shows that the position of financial literacy in India. And need for financial literacy, suggestions to improve financial literacy. This paper exhibit that India has low level of financial literacy than other countries and Kerala hold second position among other states of India. This is a difficult problem. Financial illiteracy may prevent ability to save, invest and well being of the people.

Key words: - financial literacy, financial inclusion, financial exclusion financial stability, poverty and poor people

Introduction

Access to finance, especially by the poor, is an essential requisite for employment generation, poverty alleviation and social upliftment. As per the Human Development Report (2006) India has the largest poor in the world i.e. about 70-80 million families are poor, which is due to financial exclusion. Financial exclusion means 'the lack of access by certain consumers to appropriate, low cost, fair and safe financial products and services from main stream providers'. In this scenario, India has implemented a wide range of reforms as in the war against poverty, financial inclusion has emerged as a priority for policy makers of India. Financial inclusion is the process of ensuring access to appropriate financial products and services needed by weaker sections and low income groups in the society at an affordable cost in a fair and transparent manner. As a nation

like India, with huge amount of financial excluded population there arises a compulsory need to include them and bring them into the main stream. And to this the first and most important action is to tell and teach them about basic financial concepts like bank deposit, credit, saving, insurance ,payment and remittance of security etc. this is called financial literacy. Simply financial literacy means the ability of a person to understand financial matters. Financial inclusion and financial literacy are twin pillars. While financial literacy stimulates the demand side, and make people aware of what they can demand. Financial inclusion acts from supply side providing the financial markets or services what people demand. Thus financial literacy becomes prerequisite for achieving the objectives of financial inclusion and inclusive growth. In India need for financial literacy is greater because large sections of population are financially excluded. With a view to increase financial literacy RBI and Govt. of India has adopted many programs like project financial literacy, Pradhan Mantra Jan DhanYojana and demonetization etc. in this paper discusses about the condition of financial literacy in India.

Review of literature

Chen and Volpe (1998) conducted a financial literacy survey ‘An Analysis Of Personal Financial Literacy Among College Students’ involving 924 college students from thirteen colleges in U S and found that the overall mean percentage of correct score was just 52.87 percent. The survey examined literacy across four main areas and investigated the relationship between literacy and students characteristics.

Planning Commission of India (2007) reveals that accessibility to institutional credit to rural women is very limited and there is sex bias in extending the credit to them. However, women from the non-farm sector have better access to banks than the women working in the farm sector. Male members have greater influence on accessibility to credit utilization and its repayment.

Hussein A. Hussan Al-Tamimi Al Anood Bin Kalli (2009) states that financial literacy has secured a vital role in the recent scenario due to factors including the development of the new financial products, complexity of the financial markets, information asymmetry and the changes in the other economic factors

Bahl and Sarita (2012) opined that financial literacy is a way by which individuals can enhance their understanding about the financial concepts, markets and products to take effective action to improve overall wellbeing and avoid distress, in financial matters thus improve their financial status.

Gathergood.J. (2014) results shoes that individuals with low level of financial literacy and with impulsive buying decision were significantly more likely to hold alternative non-amortizing, mortgage products.

Ramya Krishnan (2014) through her minor project report “A Study of Financial Inclusion and Financial Literacy among the Tribal People in Wayanad District in Kerala” found that the tribal people are poorly informed about various financial products and practices. This is troubling because financial illiteracy may stunt their ability to save and invest for retirement, undermining their wellbeing in old age.

Wagner and Jamie (2015) through their paper ‘An analysis of the effects of financial education on financial literacy and financial behavior’. The result of this survey showed that most of the participants of the survey were in favor of importance of financial literacy and financial literacy curriculum was also important. The conclusion of this study was financial education is advantageous and that the concepts taught in that type of curriculum were appreciated.

Jayanth Sinha-led panel (2016), ‘Financial Literacy Way Forward Financial Inclusion’ says that for financial inclusion through promoting financial literacy. The people’s participation and use of technology are central for the successful implementation of financial inclusion scheme like PradhanMantrhi Jan DhanYojana (PMJDY).

Definition of Financial Inclusion and Financial Literacy

Dr. C Rangarajan committee on financial inclusion (2008) appointed by the government of India to study financial inclusion defined ‘financial inclusion as the process of ensuring access to financial services and timely and adequate credit where needed by the vulnerable group such as weaker sections and low income groups at an

affordable cost'. Nair (2012) financial inclusion can be described as the delivery of banking and other financial services at affordable costs to the vast sections of disadvantaged and low income groups.

Financial literacy can be interpreted broadly or narrowly. In a broader perspective, financial literacy can be stated as “understanding of economics and how economic conditions and circumstances affect household decisions” (Worthington, 2006). A narrow definition of financial literacy focuses on “basic money management tools such as budgeting, saving, investing and insurance” (Natalie, Newton and Chrisann, 2010).

Why we need financial literacy?

Need for financial literacy in India is ever greater considering low level of financial literacy and a large population particularly rural population remaining out of the formal financial setup. People need to be aware of advantages of access to formal financial system, saving, credit, repayment of loans to help them make informed choices. As Financial literacy and financial inclusion are twin pillars. While financial literacy stimulates the demand side, making people aware of what they can demand. Financial inclusion acts from supply side providing the financial markets or services what people demand. Financial literacy programs are tailored to be relevant for each group of the society. It spans the formal and informal financial sectors assisting clients in the usage of varied financial services. Financial literacy creates awareness in common men regarding the financial products and services offered by banks and accelerate the pace of financial inclusion (RBI, 2013).

As financial inclusion is a priority of India. And the government has been done many measures on financial inclusion. When implementing financial inclusion program, India has to face many constraints on the basis of income inequality, poverty, gender gap etc. for example the implementation of Pradhan Mantra Jan Dhan Yojana, a national mission on financial inclusion in 2014, it becomes as a most successful program by making 214 million zero balance accounts were created, which means huge population were financially included. But our financial literacy level remains lowest among the

nations. So we want financial literacy for effective implantation of monetary policies and financial reforms like PMJDY and demonetization etc. and also to access financial products and services, to make saving, investment and wellbeing of rural people of India

Financial literacy centers (FLC) in India

In 2012, RBI revised guidelines related to Financial Literacy Centers (FLC). The guidelines advised commercial banks and all the rural branches of banks act as FLC. Financial literacy camps should be conducted at least once a month. And by two essential provisions of ‘Financial Literacy’, ‘Financial Access’ should be facilitated by financial inclusion. Besides all, reserve bank have engaged commercial banks, NGOs, government machinery, school, college and other agencies actively to execute the program effectively.

Financial literacy status of India

The level of financial literacy varies across globe due to variations in the socio-demographic variables like age, sex, religion, education level, etc. The level of financial literacy among different nations in the year 2014 is shown in the table.

Table: 1 The level of financial literacy among different nations

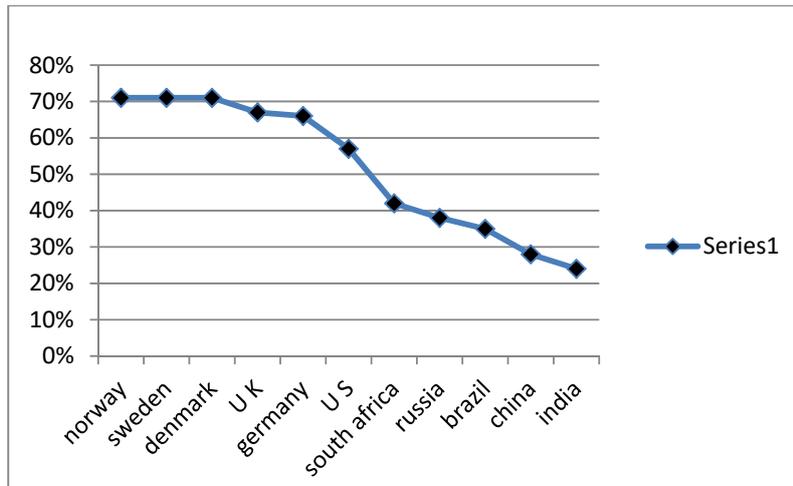
Nations	Financial Literacy
Norway	71%
Sweden	71%
Denmark	71%
United kingdom	67%
Germany	66%
United states	57%
South Africa	42%
Russia	38%
Brazil	35%

China	28%
India	24%

Source: S&P survey 2014

From the above table it is clear that financial literacy is highest for Norway, Sweden and Denmark with 71% to each nation. While comparing India with other nations, India was least financially literate country among BRICS nations with 24%. According to Standard & Poor’s survey, over 76% Indian adults lack basic financial literacy and they don’t understand the most basic financial concepts. According to a survey on Global Financial Literacy in 2012 conducted by VISA, only 35% of Indians were financially literate and India was least financially literate countries.

It can be shown through an figure below



State wise financial literacy in India

State	Level of financial literacy (in %)
Andrapradesh	23
Chhattisgarh	4
Goa	50
Gujarat	33

Kerala	36
Manipur	36
Mizoram	8
Sikkim	8
Tamilnadu	22
Utterpradesh	10

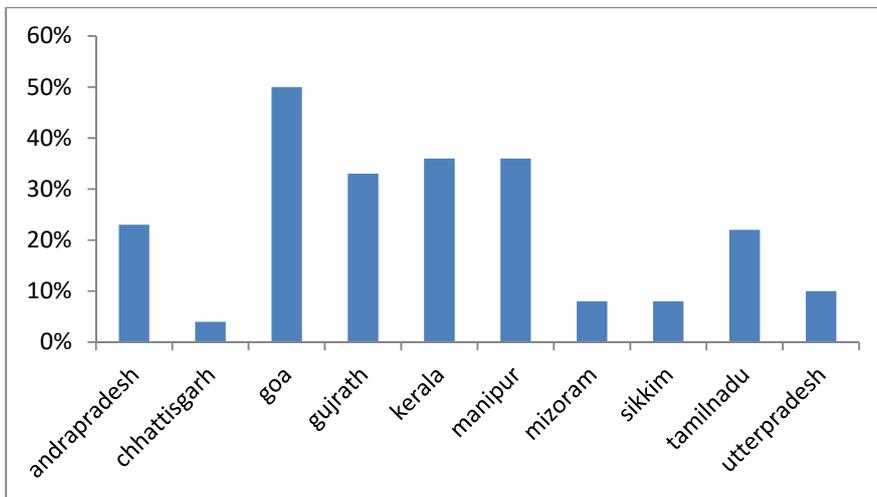
As financial literacy determines success of financial inclusion, it is important to know the level of financial literacy among Indian states to implement any financial inclusion program like Pradhan Mantri Jan DhanYojana. The below table shows financial literacy level of major 10 states in India as per the data compiled from the national centre for financial education report 2015.

Source: Data compiled from the National Centre for Financial

Education Report 2015

It is clear from the table that Goa hold highest level of financial literacy among states of India, with 50% of financial literacy. Kerala being the highly literate state India, Kerala has the second highest level of financial literacy i.e. 36 percent. Chhattisgarh, Mizoram, Sikkim and utherpradesh have least level of financial literacy.

It can be shown through a figure below



What Should Be Done To Improve Financial Literacy in India?

The major suggestion to increase financial literacy among rural people in India are given bellow

- 1) Government agencies and NGOs may undertake financial awareness programs among the rural people to increase their financial literacy. That will be helpful to bring a practice of recording of incomes and expenditures among them.
- 2) Banks, Insurance companies and other financial service providers may concentrate more on the rural area because they are not yet fully financially included. It will help the agencies to increase their customer base.
- 3) Authorities may take necessary steps to include financial literacy programs in the school curriculum. It will help to mould a financially educated new generation.
- 4) The focus of financial literacy programs should be a mass based approach to include more financially excluded households.
- 5) The effectiveness of financial literacy program can be higher when coupled with financial inclusion program as exhibited in the informal case like SHGs.
- 6) The policy makers should promote the concept of financial literacy as an integral part of financial inclusion, the policy when implemented will give better result not only inclusion but enhanced frequent usage in future. Second it would catalyze the process in banks towards an integrated approach rather than financial inclusion only.
- 7) The public can be made aware about the harmful effects of financial illiteracy. Seminars and discussions can be conducted for this purpose.

Conclusion

Financial literacy is considered as an important factor for promoting financial inclusion and ultimately financial stability. Because of this reason, government

authorities are giving much attention to financial literacy programs. But the problem is that these programs are not making any impact among a large segment of the population, especially the rural population of India. .In this paper reveals that need for financial literacy is more acute. Because financial literacy of India is lower than other nations especially among BRICS nations. There are many programs were effectively implemented by the government of India to reach rural people like MGNREGP. So the governmental agencies should have to re-design the financial literacy programs in such a way as to reach the rural people of India.

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TITLE: “THE DEBT SUSTAINABILITY OF KERALA: WHAT IS REALITY?”

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Abstract

The indicator-based analysis has been operated to understand fair-faced status of Kerala state finance. It was revealed from seven selected indicators that Kerala has not been in crisis for at least since 2004-05 although the state doesn't enjoy perfected fiscal condition. Even though Kerala state finance fulfilled the debt sustainability requirements from 2004-05 to 2011-12 in a row on most indicators, fiscal indiscipline has outstripped the state in most of the debt sustainability indicators four years thereafter. The study evinces that Kerala, which stands ahead of many socio-economic indicators, lagged behind 'All states' in terms of debt-GSDP ratio.

Keywords: Kerala state finance, indicator-based analysis, debt sustainability, debt-GSDP ratio.

Introduction

A nation's financial strength and deficit financing capacity can be seen from or examined on the basis of its fiscal sustainability. Fiscal sustainability, best judged by debt sustainability, helps measure the ability of a government for further access to debt from the market. Credit worthiness of the state will be ascended with the vigorous debt sustainability of the country. Since the government's role is inevitable even in the current market oriented economy, role of public finance in a developing-less market oriented economy like India need no special mention. Public finance and good governance has been so vital in the world since it satisfies both welfare objective and growth objective altogether. Both revenue and expenditure of the national or sub-national authority would be for fulfilling both welfare maximisation objective and stable growth objective. Only a sound public finance can make it happen without any tickler.

Debt Status of India and Growing Public Expenditure

India has been witnessing significant upsurge on its government level spending for the last few decades. Akrani (2011) noted that “before independence, there was no planning in India and hence no effort was made on the part of government to provide welfare services but the accelerating growth of government expenditure began in late seventies”. The combined revenue and capital expenditure of the Centre and states recorded Rs900 cr in 1950-51 unprecedentedly up surged to Rs. 1.5 lakh cr in 1990-91 and Rs31.5 lakh cr in 2013-14 (Ministry of Finance (MoF), 2015). It is cognizant that growth of population, ascended allocation for defence sector in the context of ceaseless-aggravated longstanding tension in borders, increase in committed expenditure, growth of urbanization and industrialization, and centre’s share to the states and union territories have really brought about quite flagrant growth in India’s public expenditure. This tremendous growth in expenditure was never backed by adequate revenue. This has created huge budgetary deficit in India. Subsequently India’s total public debt has become Rs56 lakh cr in 2013-14 proliferated from Rs. 10 lakh cr in 1999-00. There in, the outstanding external debt alone progressed from Rs 32 cr in 1950-51 to Rs 1 lakh cr in 1990-91 and Rs. 3.75 lakh cr in 2013-14. (MoF, 2015).

Kerala’s public finance: Standing incredulity

The state finance of Kerala is being questioned on its credit worthiness and ability to cover surging revenue expenditure. Great majority of Kerala’s revenue spending is being allocated for committed expenditure (69.74% in 2014-15 and 68.61% in 2015-16). Lion share (60% in 2015-16) of it was being exhausted under the heads of salary, pension and interest payment. (Kerala State Planning Board (KSPB), 2017). The state government, in recent years, was running the treasury without over draft and closure scantily. Many a time the state has resorted ways and means advance to meet daily expenses to avoid overdraft. The state can avail up to Rs 350 cr per annum through market borrowing. If the treasury fell in over draft and stayed it for 14 consecutive working days, the RBI will declare treasury closure ceasing all treasury transactions

including salary and pension disbursements. Regularly raising concerns and misgiving on state finance elucidate that Kerala's state finance has been running on the enfeebled overpass which requires scaffolding or restoration. As pointed out by Ayyappan (2014) that the revenue starved state of Kerala is recklessly pushing itself towards a treasury shutdown by December. Besides the non-renouncing overdraft and treasury closure browbeats or putting on these, Kerala now faces the menace of the loss of public revenue in the context of the recent ban on beverages outlet. Following the closure of 1956 liquor outlets in line with the Supreme Court order banning sale within 500 meter radius of the national and state highways, the Kerala government is likely to sustain a revenue loss of up to Rs 2,500 crore (Manorama Online, 2017).

Objectives

1. To unearth Kerala's placing on debt status among Indian states.
2. To discover the debt sustainability of Kerala.
3. Methodology

The study entirely banked upon secondary data which were collected from the crowning provenances such as Reserve Bank of India (RBI) and Kerala State Planning Board (KSPB). Simple statistical tools such as percentage and ratio were employed throughout the study for the analysis of data. The study organized an indicator-wise analysis of the debt sustainability of Kerala. All such indicators are based on state income, public revenue, public expenditure and public debt indicators of the Kerala state. Moreover Debt-GDP ratio was also employed in the study to understand the fiscal standings and enormity of public debt of Kerala and other states in the last few decades.

4. Debt/GSDP Ratio of Kerala: Reversing Trend

Kaur, Mukherjee, Kumar, and Prakash (2014) in their study for RBI found that the fiscal position of the state governments had remained comfortable in the first three decades since independence. Kaur et al. (2014) explored that the state finances exhibited signs of fiscal stress since the mid-1980s. Kerala had better debt position than national average. The table 1 shows that Kerala's debt/GSDP (Gross State Domestic Product)

ratio was just 14.6 which was lower than the national average of 18.3 during the pre-reform era of 1980-81 to 1991-92. The situation has been repeated in second period of 1992-93 to 1996-97 with a small reduction in gap between state and national averages. The situation, accruing body blow to the state of Kerala, has been capsized thereafter since most other states were able to bring down their ratios. The third phase witnessed a larger increase in Debt-GDP ratio both in Kerala and in India. This phase of six years from 1997-98 befall an increase of 10 per cent of Debt-GSDP ratio of Kerala while All states had a lesser hike of 6 per cent in Debt-GSDP ratio. The hike in Debt-GSDP ratio of Kerala continued to rise and reached an average of 33.3 per cent which is greater than that of India during 2004-05 to 2012-13. The towered gap between debt-GSDP ratio of Kerala and All States continued in 2013-14 also with around 10 per cent. While All states' ratio was mere 21.9 per cent, Kerala's ratio stood high at 31.7 per cent. At once the revised estimates show that the gap will be subsided significantly in 2014-15 to around 6 per cent. While Kerala's ratio decline to 28.5 per cent, All states' ratio stood almost stagnant on 22.3 per cent. The recent trend shows that Indian states, due to their obligations, compelled to reduce Debt/GSDP ratio. The state of affairs in which Kerala, which has advantage on many live social development indicators, fell below other states on state finances is exceedingly portentous and imaginably.

Table 1: Debt-GDP/GSDP ratio

Period	Kerala	India (All States)
1980-81 to 1991-92	14.6	18.3
1992-93 to 1996-97	18.6	20.8
1997-98 to 2003-04	28.2	26.9
2004-05 to 2012-13	33.3	26.4
2012-13	31.6	22.2
2013-14	31.7	21.9
2014-15 (Revised Estimates)	28.5	22.3

Source: www.rbi.org.in/scripts/publications and State Finances (RBI)

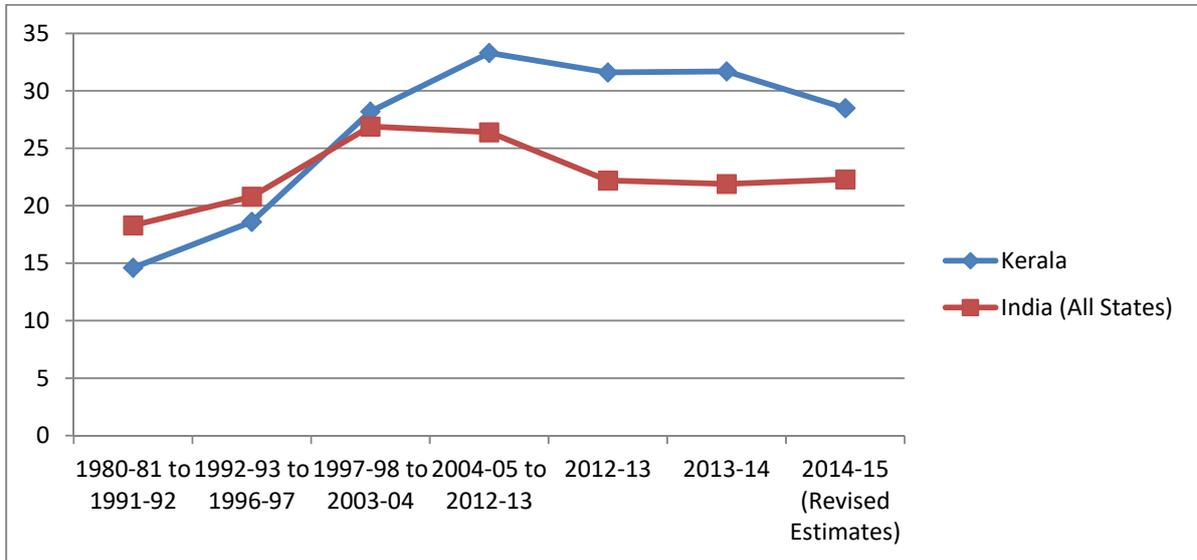


Figure 1: Trend in Debt/GDP ratio of Kerala and all states

Source: www.rbi.org.in/scripts/publications and State Finances (RBI)

5. Debt Sustainability of Kerala: Indicator based analysis

Seven criteria, which are based on state income, revenue receipt, public debt and interest payment, were employed to measure Kerala’s strength on state finance and its standing on credit worthiness. Following criteria were suggested by RBI to measure debt sustainability of a state in India.

5.1 Rate of growth of debt should be less than the rate of growth of nominal GSDP.

The growth of public in fact cannot be blindly antagonized without pondering where it spends. The debt accessed by the government to spend in development and capital expenditure which helps the state grow and strengthen the productive capacity. Philip (2014) indicates that the Kerala’s accumulated debt burden may not be a problem if the debt is utilized for asset generation and expanding the productive capacity of the economy. Dholakia, Mohan, and Kiran (2004), in their joint report submitted to Twelfth Finance Commission, New Delhi count nominal debt to nominal income ratio as the most important indicator of debt sustainability. Dholakia et al. (2004, p.30) describe “it is clear

that debt is always at market prices, and therefore income should be also at market prices to make sense”. Kerala’s nominal GSDP had mostly higher growth rate than that of total debt liability of the state since 2005-06 to 2011-12. Since 2005-06 all years up to 2011-12 marked that Kerala moved in a safer zone of having sufficient growth rate of GSDP to cover the danger of debt growth. Where in, the state had just a narrow edge advantage in a few years like 2005-06 and 2008-09 when the difference didn’t cross 1.5 per cent. But in the rest years, the state had considerable advantage with about 2.5 to 6 per cent. Although it evinces the credence of the state economy without wavering in the background of global meltdown, transverse occurrence of having higher debt growth rate since 2012-13 hardly renounces the fear of hideous existence of Kerala economy. The above national average growth rate has helped the state to attain a decent status in this period. Since rate of growth of Kerala’s public debt is lower than that of its GSDP in most years, it can be indubitably retorted that Kerala is not standing at the door step of fiscal collapse. At that, the fact is that apprehension is not desisting completely as the state economy has faced back-to-back backlash in 2012-13, 2013-14, 2014-15 and 2015-16 when debt growth rate over took GSDP growth rate. So to say, the current decade of the 21st century is shown to be the period of set back to the Kerala economy. This warns the ascending debt instability of the state of Kerala since the last few years.

(See Figure 2).

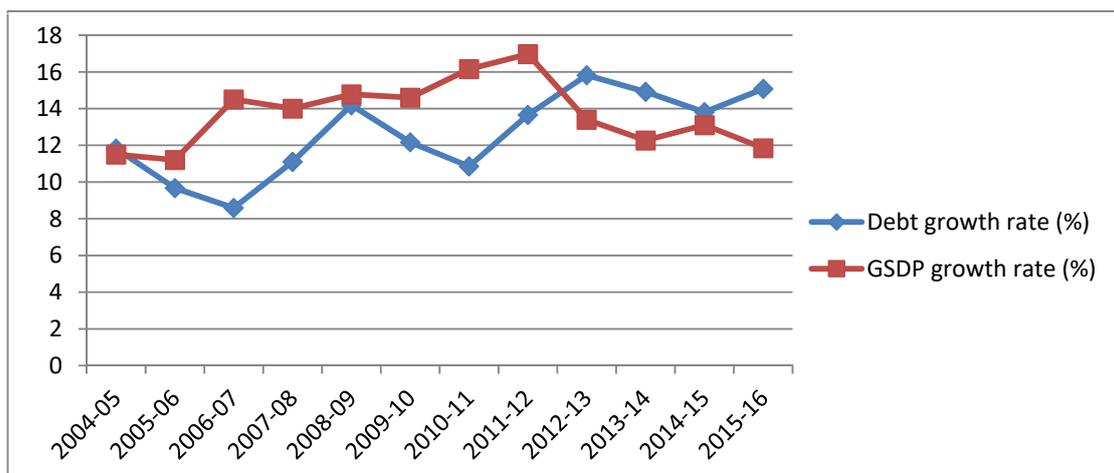
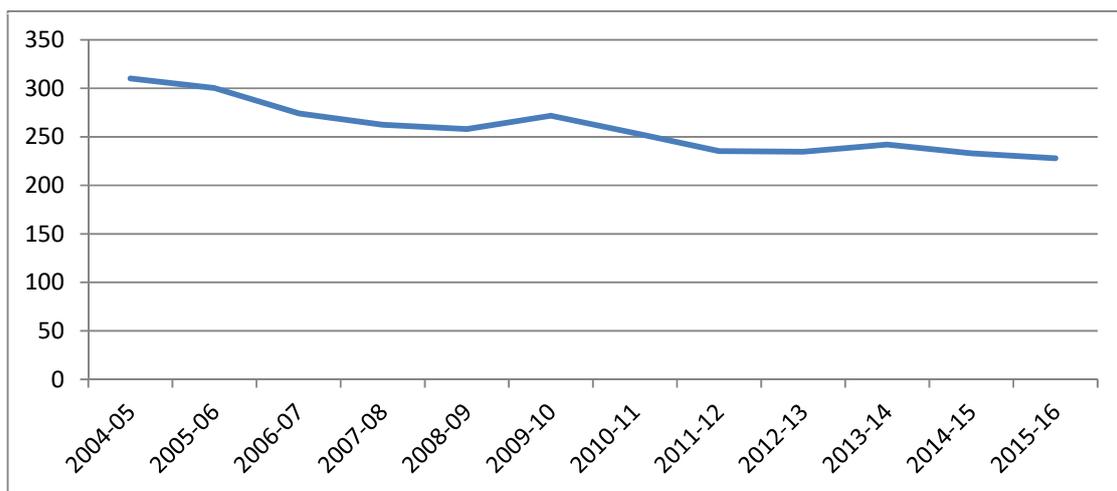


Figure 2: Trends in growth rates of Kerala’s GSDP and public debt

Source: Kerala Economic Review

5.2 Revenue Receipts (RR) as Percentage of GSDP should increase overtime

Debt to income ratio cannot be considered as the lone important indicator of debt sustainability since a notable share of RR is being contributed by the Centre which would be principally disposed on the basis of Central Finance Commission’s recommendations. The data augured in figure 3 convinces that Kerala is not at all in success as per this indicator. RR as percentage of GSDP 12.61 per cent in 2004-05 slightly fell to 11.14 per cent in 2014-15 and slightly rose to 11.73 per cent in 2015-16. It is clear from the table that ever since 2004-05, the figure has not crossed 13 per cent. High level of instability or state of constancy can be seen from the figure 3 as the RR to GSDP ratio was a little above 12 per cent from 2004-05 to 2008-09, fell below 12 per cent in 2009-10 and 2010-11. From 2011-12 to 2013-14, the ratio again surged marginally to above 12 per cent and diminished again to below 12 per cent in 2014-15 and 2015-16. This constancy or instability in RR to GSDP ratio shows the financial debility of Kerala. This would question the credibility of the state on debt financing. Helplessness and indifference of the state to raise the level of RR as percentage spreads concern over the debt sustainability of Kerala. Kurian (2014) in his study remembered that the clouds of a fiscal or liquidity crisis are looming large over Kerala, a visible trend of which is the slower growth of own tax revenue.



Source: Kerala Economic Review

Figure 3: Trend in revenue receipt to GSDP ratio of Kerala (%)

5.3 Debt to RR ratio should decline overtime

It is only in 2009-10 and 2013-14 registered rise in the debt to RR ratio i.e. 271.80 per cent in 2009-10 rose from 258.12 per cent in 2008-09 and 242 per cent in 2013-14 rose from 234.63 per cent 2012-13. Slight falls in the ratio to 233 per cent in 2014-15 and 227.97 per cent in 2015-16 are at the strength of nominal fall in the growth rate of debt and rise in the growth rate of RR. All state finances in India entered in the phase of fiscal consolidation as part of courtesy and accountability to Central Financial Commission’s recommendations and directives. This is the prime factor for the diminishing ratio of debt to RR. Though the state has no absolute advantage as per this indicator of debt sustainability, it has managed to lower the ratio steadily year by year. The figure 4 shows vividly the steadily the subsiding trend in the ratio of debt to revenue receipt. The state has more or less advantage over this indicator since only a few years witnessed a rise in the ratio. (See Figure 4).

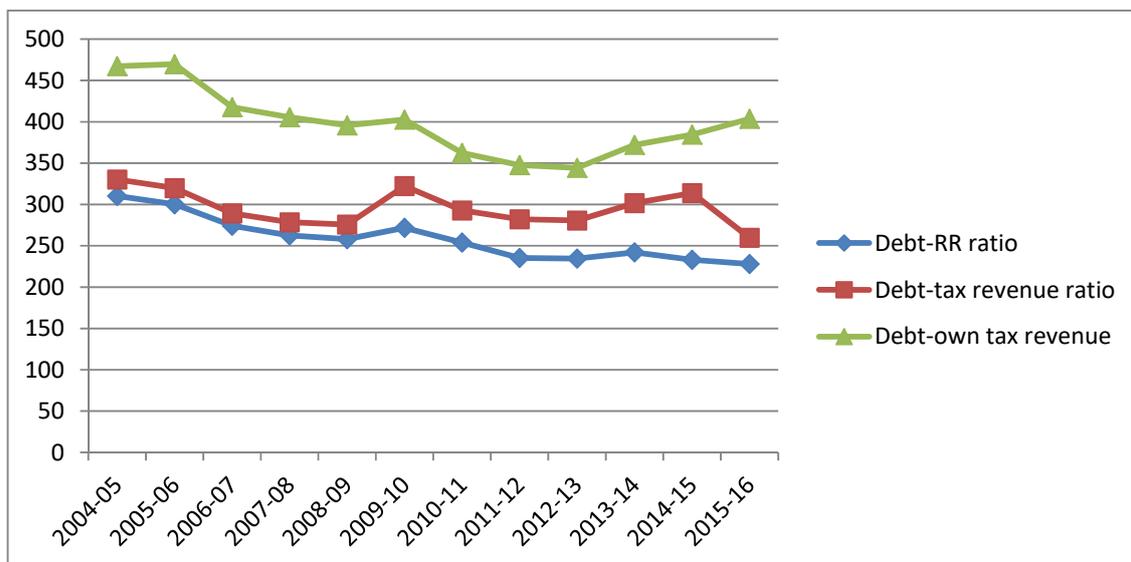


Figure 4: Trend in debt to revenue receipt, tax revenue and own tax revenue of Kerala (%) Source: Kerala Economic Review

5.4 Debt to tax revenue should decline overtime

This is an almost similar indicator of the debt to revenue receipt ratio. Even though this indicator of Kerala's debt sustainability also evinces the declining trend as required, it has little more fluctuation in the ratio. Although steadily declined from 330.23 per cent in 2004-05 to 301.57 per cent in 2013-14, this abatement is explicitly faring below that of the debt to RR ratio that lowered from 310.20 per cent in 2004-05 to 242 per cent in 2013-14. Apart from it, the ratio increased to 313.82 per cent in 2014-15 ascending up by 12 per cent. Showing some signs of the effort to bring back the state finance, the ratio has declined significantly to 259.66 per cent in 2015-16 as desired. (See Figure 4).

5.5 Debt to own tax revenue should decline overtime

There has been a remarkable abatement in debt to own tax revenue of the Government of Kerala over a period of 10 years. Debt to own tax revenue marked 467.20 per cent in 2004.05 fell sharply to 395.68 per cent in 2008-09. Kerala finance faced little bit of fluctuations thereafter. Increasing seven per cent, the ratio rose to 402.66 per cent in 2009-10. Though the ratio ameliorating its status subsided significantly to 362.18 per cent in 2010-11 and 347.70 per cent in 2011-12 and repulsing the efforts of fiscal consolidation, the ratio got behind at 371.96 per cent in 2013-14. Divulging the fiscal trouble of Kerala economy, debt to own tax revenue of the state accrued to 384.42 per cent in 2014-15 and 403.56 per cent in 2015-16. Unlike debt to RR and debt to tax revenue ratios, debt to own tax revenue shows an increasing trend in the recent years. From 2012-13 onwards, the ratio has been on an accruing trend giving body blow to the revival efforts of the government. (See Figure 4).

5.6 Interest payment as Percentage of GSDP should decline overtime

The state meliorated its position by minimizing the interest payment as percentage of GSDP 3.37 in 2004-05 to 1.88 in 2015-16 over a period of time. This process of stabilization was in due course as the ratio fell to 3.05 per cent in 2005-06, 2.94 per cent

in 2006-07, 2.47 per cent in 2007-08, 2.32 per cent in 2008-09 and 2.28 per cent in 2009-10. 2010-11 is the isolated year in the decade registered a rise in the ratio (2.39%). Thereafter it fell continuously to 2.09 per cent in 2013-14 and 1.88 per cent in 2014-15 and 2015-16. This diminution should thank to the growing state economy of Kerala. The figure 5 clearly depicts the declining trend in the interest payment to GSDP ratio of Kerala. But still interest payment of the state constitutes a major share of its revenue expenditure subsists next to salary and pension disbursements per annum. Raghavan (2015) shared his view in a study on Punjab state finance that arising financial bottlenecks or fiscal trouble in the states has been reckoned as after effects of huge share of committed expenditure of the state on payments like interest, salaries of the government employees and pensions and growing subsidy bills. The study warns that it makes government very sensitive to any changes in the economy, especially a slowdown in growth.

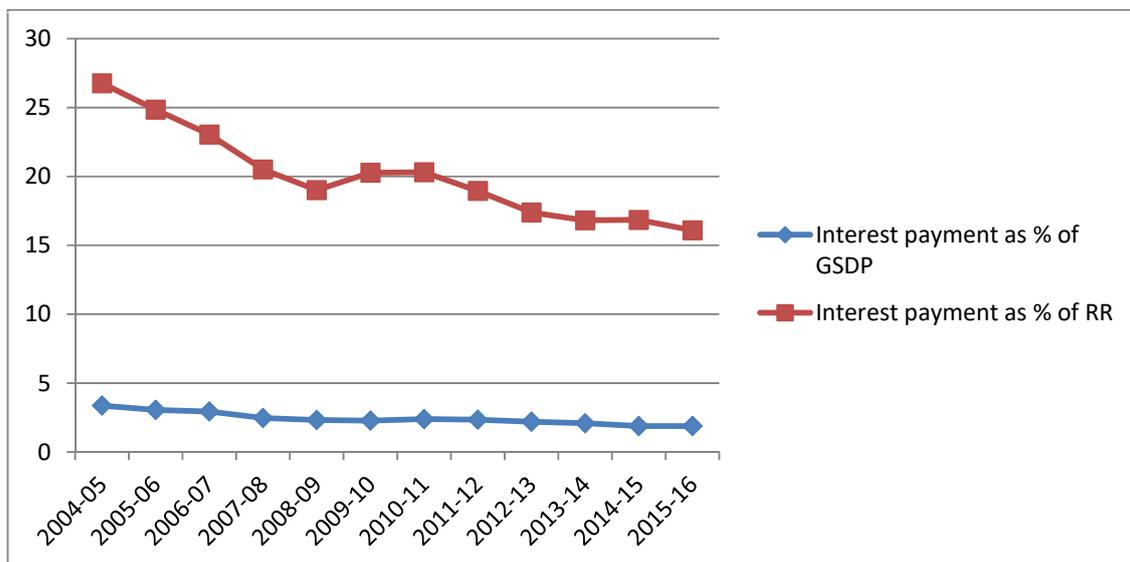


Figure 5: Trend in interest payment as percentage of GSDP and RR of Kerala

Source: Kerala Economic Review

5.7 Interest payment as a Percentage of revenue receipt should decline overtime

It is explicated from the figure 5 that this ratio is also shown a meliorating-decreasing trend like some other indicators. Wherein, the interest-RR ratio since 2004-05

to 2008-09 is improving without any snuggling. 26.76 per cent in 2004-05 stage by stage diminished to 19.01 per cent in 2008-09. Though the ratio rose to 20.27 per cent and 20.31 per cent in 2009-10 and 2010-11 respectively, pre-existence of contiguous fall in the ratio has been recaptured by registering a lower 18.95 per cent in 2011-12, 17.39 per cent in 2012-13 and 16.81 per cent in 2013-14. Like other indicators of debt sustainability, the ratio increased nominally to 16.85 per cent in 2014-15 due to fiscal stress of the Kerala economy. The ratio, showing some signs of fiscal revival efforts of the state, afresh subsided to 16.09 per cent in 2015-16. Interest payment as percentage of RR of Kerala is one of the highest in the country (MoF, 2015).

It would be vivid that the state of Kerala has not at all an absolute advantage on any of the indicators which were brought under examination for a period of duodecennium from 2004-05 to 2015-16 to unearth the debt sustainability of the state. While Kerala explicitly expresses domination over three of the seven indicators, two indicators accorded articulate set back to the state and not much improvement can be seen from two other indicators. While it shows the domination over debt to revenue receipt ratio, interest payment as percentage of GSDP and interest payment as percentage of revenue receipt, faced set back obviously on the growth rates of debt and GSDP, and revenue receipt as percentage of GSDP. Although a slight edge was obtained over debt to tax revenue and own tax revenue, high uncertainty after the roomy fluctuation has been witnessed intermittently eliciting the debility of the Kerala public finance. Nevertheless, the state since 2012-13 has been in a period of fiscal distress as many indicators were on bad run. Notwithstanding, Kerala moves not through the stage of stalemate as it ameliorated its fiscal position as part of the commitment to fiscal consolidation over a period of time. The years since 2012-13 appeared some signs of illness for the economy and down-ward trend in many indicators. Even though the year of 2015-16 shows some signs of revival after the fiscal discipline efforts of the government, the debt sustainability status and capability of Kerala remained grave. The decline in growth rate of central transfers in 2012-13 and 2013-14 have worsened the financial status of Kerala economy. Kerala attained only 78 per cent of estimated central transfer for the period. At once, significant

hike in central allocation thereafter to the states with the recommendations of the 14th Finance Commission has helped hold out in the fiscal thorn. That's why the debt to tax revenue ratio declined to 259.56 per cent in 2015-16 from 313.82 per cent in 2014-15 and debt to own tax revenue ratio rose to 403.56 per cent in 2015-16 from 384.42 per cent in 2014-15.

Although Kerala had advantage in many indicators in most years, recent body blow especially since 2012-13 raises concern over its present fiscal status. Some of the debt sustainability indicators were highly in favour of Kerala. Some other indicators are more or less against the state. Although Kerala by holding about in many indicators proved its ability in further access to debt, recent backlash in many indicators ceases the state's debt sustainability on prolong. However Kerala had no absolute advantage in any one of the indicators. However the reality is that the phenomenon of fiscal crisis has not yet come in at least since 2004-05 although the state has witnessed intense fiscal ticklers. As explained delicately by Abraham (2004, p.381), fiscal crisis manifests when the government departments and agencies are unable get their allocations on time and when the common man, who has to get money from the government treasury, has to wait weeks or days together to get the cash.

6. Sinking State Finance of Kerala: Instrumental Factors

It was revealed from the earlier exposition that Kerala state finance, even though not in crisis, has been passing through knotty juncture of ascended fiscal ticklers. This fiscal disturbance was emerged after the steep rise in revenue expenditure especially committed expenditure, insufficient growth of revenue receipt, diminishing share of own tax revenue and upsurge of public debt.

6.1 Long-lasting enormity of revenue expenditure

Due to the ascended and constantly growing committed expenditure, Kerala's revenue expenditure has been on the rise. It was in fact galloping from Rs 17,000 cr in 2004-05 to Rs 78,000 cr in 2015-16. Although it's natural and necessary, it was not being sufficiently backed by revenue receipt of the State. Revenue receipt was increased from Rs 13,500 cr in 2004-05 to Rs 69,000 cr in 2015-16. Thus revenue deficit of Rs 3,500 cr in 2004-05 and Rs 9,000 cr was registered. But the important fact to be noted here is that

Kerala, discharging its commitment to the fiscal consolidation efforts of the Centre, was able to subside the revenue deficit as percentage of the state income from 3.66 per cent in 2004-05 to 1.65 per cent in 2015-16.

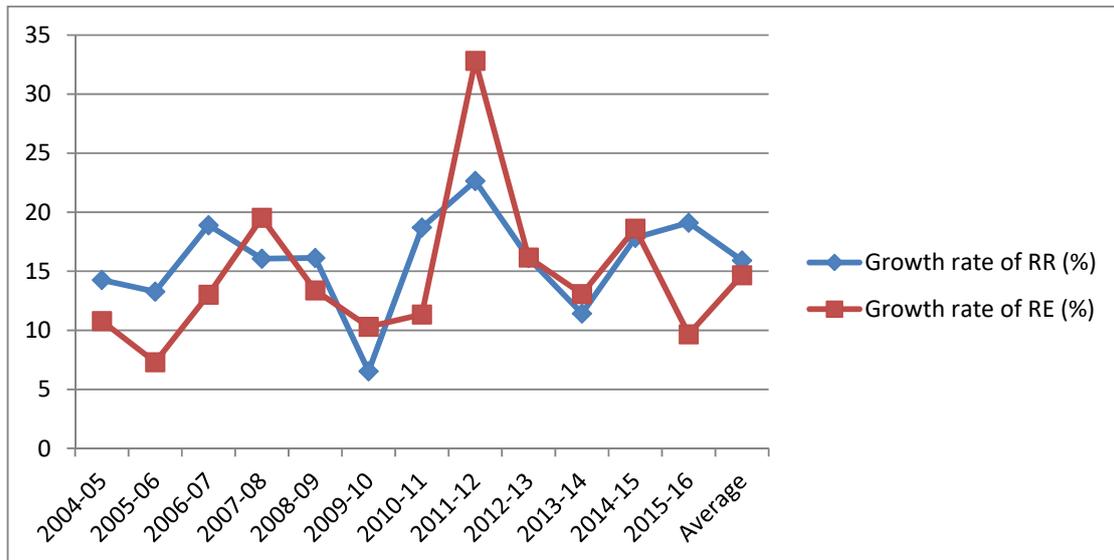


Figure 6: Growth rates of Revenue Receipts (RR) and Revenue Expenditure (RE) of Kerala

6.2 Effectiveness of Centre’s share to Kerala’s RR

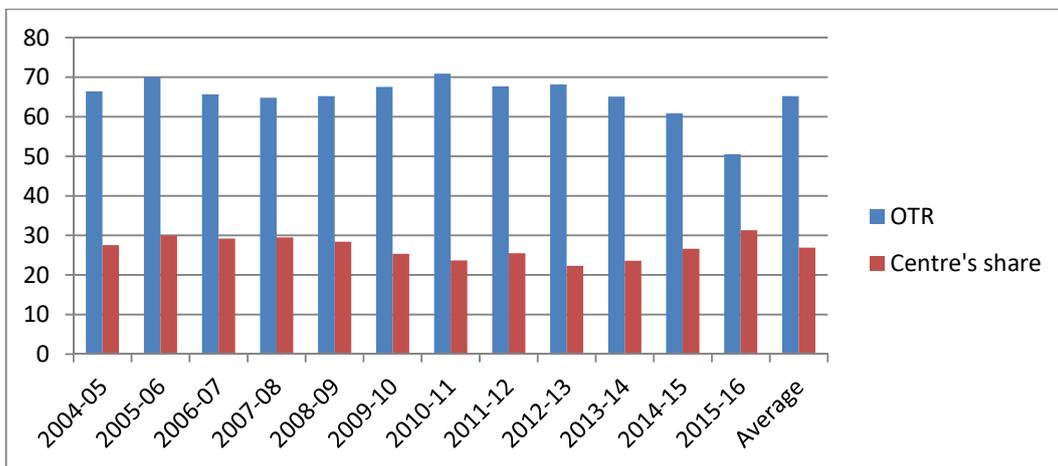


Figure 7: Trend in share of Kerala’s own tax revenue and Centre’s tax and grants out of RR

6.3 Surging immensity of Kerala’s debt

The figure 8 vividly shows that the growth rate of Kerala’s public debt level is steadily surging in the last decade although some years witnessed a decline. According to Naidu (2016), low growth of revenue receipts, economic stagnation, underdeveloped and insufficient private sector as an alternative development agency, periodical political cycles and traditional ‘state dependent’ psyche of people have altogether caused for the huge consolidated debt status of the state.

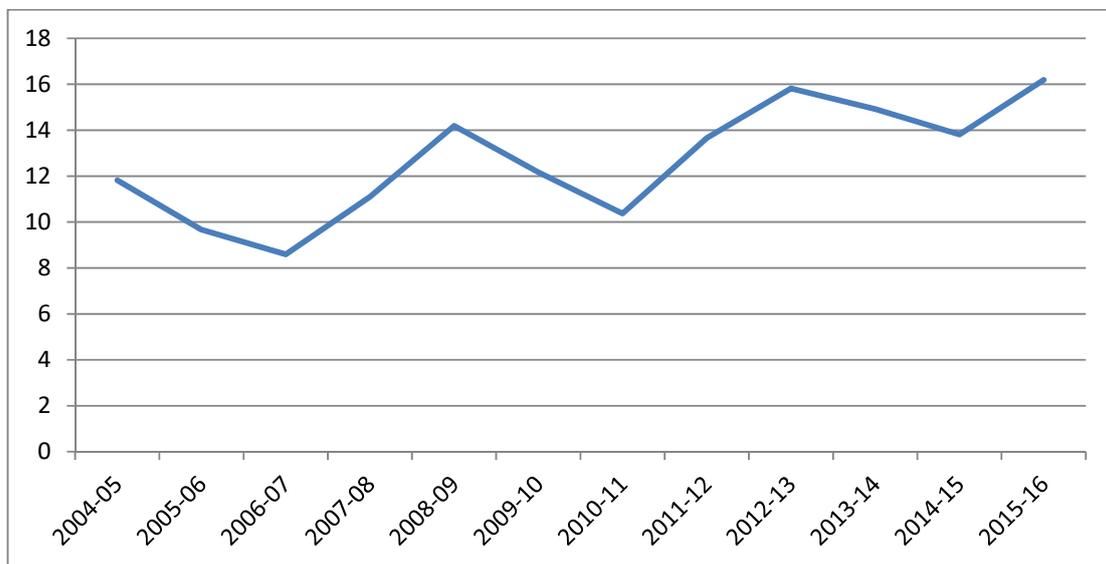


Figure 8: Trend in growth rates of Kerala’s debt (In percentage)

7. Concluding Remarks

The paper raises intense distress over the debt sustainability and creditworthiness of the Indian state of Kerala although the state finance doesn’t fell in crisis in the unabridged substance at least since 2004-05. The study followed two ingresses to measure the debt sustainability of Kerala viz. debt-GSDP of Kerala and All states, and indicator based analysis. Kerala’s status on the basis of debt-GSDP ratio was much better than ‘All states’ in early eighties but worsened miserably in the subsequent years. The present situation was in fact led by aggravated transfer payments accompanied by mismanagement of finance shown by counterblast on some debt sustainability indicators in last some years.

What is shown from the indicator-wise analysis of Kerala's debt sustainability is not soundly undesirable to the state unlike debt-GSDP ratio. Even though Kerala had decent standings in most indicators, last four years 2012-13, 2013-14, 2014-15 and 2015-16 had heavy repulsion to the state finance when many indicators turned slightly undesirable. Even though it cannot be concluded that the state finance trapped in fiscal crisis, it will take time to overtake the recent dilemma.

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**A COMPARATIVE ANALYSIS OF ISLAMIC BANKING AND INTEREST
BASED BANKING; ISSUES AND CONSTRAINTS IN INDIAN CONTEXT**

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Abstract

This paper explores the basic principles and concepts in Islamic Banking. The paper highlights difference between conventional banking and Islamic banking and also emphasise the major issues and constraints of Islamic Banking system. And also explore the operations and activities of both conventional banking and Islamic banking. Many studies finds that India has the potential of emerging as a significant market for Islamic banking institutions, provided there is a favourable change in regulatory environment and increased awareness among Muslims and India as a whole. Islamic banking has unfortunately been misunderstood in India as a religious charitable venture restricted to the country's poverty-ridden and economically downtrodden Muslim community. Even years of successful Islamic banking operations and its phenomenal growth around the world have failed to demolish this myth. When Islamic banking reaches Indian shores, it will be welcomed as a vibrant, modern and progressive alternate financial system, not as a rudimentary, indigenous and outdated method of finance.

Key Words: Islamic banking, conventional banking, principles, issues and constraints.

Introduction

Bank is a financial institution that performs several functions like accepting deposits, lending loans, agriculture and rural development etc. Bank plays an important role in the economic development of the country. It is necessary to encourage people to deposit their surplus funds with the banks. These funds are used -for providing loans to the industries thereby making productive investments. The concept of interest is fundamental to the business of banking. With this background it is very interesting that Sharia banking is working without profits and is still flourishing. They are not only

profitable but are also growing at an astonishing rate in sense of capital, assets and consumers. From Jakarta to Jeddah to Jordan, 280 Islamic banks operate in over 50 countries, with assets estimated between \$ 250 million and \$ 300 billion. As a concept Islamic banking has gained momentum world over and in India over the past few years. Several foreign banks operating in India, like Citibank, International Journal of Marketing .HBSC are operating interest free windows in several West Asian countries, Europe and USA. Several banks in the country have shown an inclination to undertake this form of interest-free banking. However, unless proper regulations are in place to oversee this form of banking, it will not be possible for scheduled commercial banks to follow the Islamic rules of banking even in a small way. Islamic banking has unfortunately been misunderstood in India as a religious charitable venture restricted to the country's poverty-ridden and economically downtrodden Muslim community. Even years of successful Islamic banking operations and its phenomenal growth around the world have failed to demolish this myth.

Objective of The Study

The objectives of this paper are:

- To explore the basic principles and concepts in Islamic Banking
- To explore the basic principles and concepts in interest based banking.
- To compare Islamic banking and interest based banking.
- To study the major issues and constraints of Islamic Banking

Methodology

The present study is based on mainly secondary data .Secondary sources comprises of the articles, books, websites, journals, etc...

Content

Islamic Banking – An Overview

Islamic Banking refers to a method of banking that is based on Islamic Law (Shariah) which prohibits interest based banking' and permits only profit sharing based banking.The concept is based on a verse of the Holy Quran that says —Allah has allowed

only legitimate trade and prohibits interest. It is against the interest, as interest is believed to lead to exploitation and unproductive income. Islamic banking has the same purpose as conventional banking except that it operates in accordance with the rules of the Shariah, known as Fiqh al-Muamalat (Islamic rules on transactions). So, today, by Islamic Banking one does not mean a mere lending institution extending interest-free loans, but a package of Shariah-compliant (strict adherence to Islamic economic norms) financial services like Islamic mutual funds, Islamic bonds (sukuk), Islamic insurance (takaful), Islamic credit cards and other technology-driven services like ATMs and online banking, all of which have a tremendous market in India. In India there are reportedly 200 small Islamic banking institutions in Kerala alone. The deposits of each of these banks range from Rs. one lakh to Rs. ten lakhs and they do not restrict their lending to Muslims alone. The concept of Islamic Banking was developed by Muslim scholars to address the religious prohibition of the payment or receipt of interest, along with other unethical practices found in the conventional banking system. The fundamental principles of Islamic Banking are found in the laws of Islamic transaction or 'Mu' amalath', which goes back over one thousand four hundred years. They are set out in the Islamic Shari'ah and are enshrined in the Qur'an and the Sunna, the main two sources of Islamic Shari'ah. Today, these principles form the basis of the contemporary Islamic Banking range of evolving and fast growing Islamic financial products & services.

Basic Principles of Islamic Banking

The basic principles of Islamic banking are:

- Sharing of Profit and Loss: The borrower and the lender share the profits as well as losses arising from the venture with the finances obtained from the lender. The basic view is that the general community should benefit from such activities.
- Prohibition of Investing in Unlawful Businesses: Islamic Law prohibits investing in unlawful businesses such as businesses involved in selling alcohol or pork; or businesses that produce media for instance, gossip columns or pornography; or gambling industry.

- Prohibition of Riba (Interest): Islamic Law prohibits the receiving and giving interest. The disclosures coming to light for prohibitions of interest by Islamic Laws are
- *The interest deprives someone from the blessings of Allah' as it leads to taking away of property actually belonging to someone*
 - *Muslims should stay away from interest for their own welfare as it eventually invites Allah' fury;*
 - *The Law prevents taking of any type of agreed and prearranged amount over and above the actual principal amount from the borrower. And in case the borrower is unable to repay the principal then they should also forgo their demand for principal.*
 - *The Islamic Law condemns not only those who demands interest but also those who pay interest.*
- All interest-free banks agree on the same basic principles. However, individual banks differ in their application. These differences can be because of several reasons including the laws of the country, objectives of the different banks, individual banks circumstances and experiences, the need to interact with other interest-based banks, etc*

Concepts in Islamic Banking

Amongst the common Islamic concepts used in Islamic banking are:

- Profit sharing (mudarabah): Islamic Banks offer savings and time deposits in the form of investment accounts under the system of mudarabah. The depositors of such accounts share profits and/or losses of the institutions under an agreed-upon formula. The depositors in mudarabah accounts are the suppliers of capital, rabb al-mal, who entrust their funds to the bank, mudarib, in the tradition of Western style investment banking, subject to dealings with only noninterest bearing instruments. The mudarib, acting as money manager or agent, invests the money and then distributes the profits and/or losses on the basis of the agreed-upon contract

- *Profits to be shared must be proportional to the funds contributed to the mudarabah account and these cannot be in lump sums or in guaranteed amounts.*
 - *The loss to the depositor (contributor of funds) cannot be more than the amount of deposit.*
- Non-interest bearing demand deposits (checking accounts): Conventional checking—accounts in modern commercial banks are non-interest bearing deposits, and since Islamic Banking Institutions shun interest rate based dealings, most of them offer such demand deposit accounts. Ideally, Islamic Banks should not be charging any fees on checking accounts as they are free to employ the depositors' money, subject to the reserve requirements, if there are any, into earning assets. In practice, however, this is not always the case. Depending on the size of the deposit, service charges and fees get collected to meet operating costs.
- Joint venture (musharakah): The third instrument used by Islamic Banks is—musharakah, which is a form of equity financing through joint ventures. Unlike the case of mudarabah, here the bank not only participates in the supply of capital to the venture, but also in its management. Thus, the Islamic Banking Institutions assumes the role of an entrepreneur as well as that of a financier
- Cost plus (murabahah): The fourth instrument, murabahah (or more specifically, baimujal—murabah -cost plus financing), used by the Islamic Banks consist of transactions where the institution buys a product (e.g., a car or a machinery) on a client's behalf and then resells this with a mark-up to a client, the borrower. Thus, an automobile selling at a price of \$20,000 may be bought by the Islamic Banking Institutions and resold to a client at \$25,000, to be paid back in monthly installments (or a lump sum at the end of the loan term) over a 2-year period. Instead of interest in a traditional loan, the bank makes a profit with the difference of the purchase value.
- Leasing (ijarah): The fifth instrument used by the Islamic Banks is ijarah or leasing.—Two types of leases are used. In one, the lessee pays the lessor installment payments that go towards ultimate purchase of the equipment by the lessee. This type of

lease/purchase agreement is known as ijarahWa-iqtina. The second type of lease maintains the ownership of the lesser as per the lease contract

Interest Based Banking

Bank is a financial institution that performs several functions like accepting deposits, lending loans, agriculture and rural development etc. Bank plays an important role in the economic development of the country. It is necessary to encourage people to deposit their surplus funds with the banks. These funds are used -for providing loans to the industries thereby making productive investments.

A bank is a financial intermediary that accepts deposits and channels those deposits into lending activities. They are the active players in financial market. The essential role of a bank is to connect those who have capital with those who seek capital. After the post economic liberalization and globalization, there has been a significant impact on the banking industry.

Banking in India originated in the 18th century. The oldest bank in existence in India is the State Bank of India, a government-owned bank in 1806. SBI is the largest commercial bank in the country.

After the independence, Reserve Bank of India was nationalized and given wide powers. Currently, India has 96 Scheduled Commercial Banks, 27 public sector banks, 31 private banks and 38 foreign banks.

Today, banks have diversified their activities and are getting into new products and services that include opportunities in credit cards, consumer finance, wealth management, life and general insurance, investment banking, mutual funds, pension fund regulation, stock broking services, etc.

Further, most of the leading Indian banks are going global, setting up offices in foreign countries, by themselves or through their subsidiaries.

Difference between Conventional Banking and Islamic Banking

No.	Conventional Banking	Islamic Banking
1	The functions and operating modes are based on fully man made	The functions and operating modes are based on the principles of Islamic

	principles.	Shariah.
2	It aims at maximizing profit without any restriction.	It also aims at maximizing profit but subject to Shariah restrictions
3	It can charge additional money (penalty and compound interest) in case of defaulters.	This type of banking has no provision to charge any extra money from the defaulters. Only small amount of compensation is charged and these proceeds are given to charity.
4	Lending money and getting it back with compound interest is the fundamental function of the conventional bank.	Participation in partnership business is the fundamental function of the Islamic banks.
5	The investor is assured of a predetermined rate of interest.	It promotes risk sharing between provider of capital (investor) and the user of funds (entrepreneur)
6	Since income from the advances is fixed, it gives little importance to developing expertise in project appraisal and evaluations	Since it shares profit and loss, the Islamic banks pays greater attention to developing project appraisal and evaluations.
7	The status of a conventional bank, in relation to its clients is that of creditor and debtors.	The status of Islamic Bank in relation to its clients is that of partners, investors and trader, buyer and seller
8	Conventional banking practices are concerned with elimination of risk when involve in any transaction	Islamic banking practices are concerned with risk bearing when involved in any transaction
9	It does not deal with Zakat (Islamic Tax)	In the modern Islamic Banking system, it has become one of the service-oriented functions of the Islamic Banks to be a Zakat Collection Centre and they also pay out their zakat.

10	When conventional banks involve in transaction with consumer they do not take the liability only get the benefit from consumer in form of interest.	Islamic banks bear all liability when involve in transaction with consumer. Getting out any benefit without bearing its liability is declared Haram in Islam
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Major Issues and Constraints in Islamic Banking

The major issues and constraints involved in Islamic Banking are mentioned herein below:

- **No Power to Issue Cheque:** The biggest issue which is a permanent hurdle for Islamic banks operating in countries with interest-based banking is that they cannot function as banks unless powers of issuing cheques are given to them. They cannot be members of settlement/clearing house unless they accept two conditions regarding their liabilities and assets like conventional banks that have to keep fractional cash reserve with the central bank and statutory liquid assets in their assets. Thus banks in India have to maintain deposit account with the RBI over which they get interest. The SLR includes government and approved securities.
- **Financial Products are Interest Based:** A bank licensed by the RBI becomes part of the monetary system, which means it can create money by deposit generation through deposit acceptance. Since these assets are interest based, Islamic bank cannot hold them. Consequently, the central bank cannot act as the lender of last resort because such accommodation by the monetary authority is also interest based. Islamic banks cannot interact with conventional banks based on principles of interest
- **Inability to Maintain Capital Adequacy:** Another constraint is the inability to maintain capital adequacy and would be unable to interact with interest based banks and money market in India.
- **Inability to Evaluate Projects:** Islamic banking concentrates more on short-term and medium-term operations because long-term lending involves project appraisals and assessing long term profitability. Most such banks are ill equipped to handle this responsibility because of the smallness of their operations.

- Not Possible under the Present Legal Framework: Islamic Banking cannot be offered by Indian banks as well as the overseas branches of local banks under the present legal framework. Except a basic offering like current account, almost no other banking product in India can be modified to meet the conditions of Islamic Banking.
- Tax Procedures: Another important consideration is the tax procedures. While interest is a passive income, profit is defiantly an earned income which is treated differently. If principles of Islamic Banking are incorporated then how does it comply with the tax procedure is the moot question. Furthermore RBI cannot act as the lender to such banks because such accommodation by the monetary authority is also interest based.
- Legal Tricks: Some Muslim critics maintain that the Islamic banks hide the payment of interest behind legal tricks. They compare Islamic banking to "contractumtrinium" a legal trick designed by European bankers in the middle Ages intended to allow the charging of interest for borrowed money, which was against Church teachings. The trick was in the form of three different contractual agreements, which in and of them was not prohibited by the church.

Findings

The main aim of the conventional banking is the maximising its profit without any restriction, but the main aim of the Islamic banking is to maximise profit but subject to shariah restriction. Conventional bank can charge additional money in case of defaulters But Islamic banking has no provisions to charge extra amount for any defaulters

Conclusion

It shall be in the interest of India to allow Islamic banks to operate and expand their network in the country along with traditional banks as their main focus is on social well being and wealth generation activities in the society. It is hoped that their participation in Indian banking will lead to further infrastructural development in India.

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NEED FOR REJUVENATING INDIAN AGRICULTURE: AN INCUBATION

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Abstract

Basically India is an agrarian economy. Agriculture has been a way of life and about 16 million families (48.9 per cent of working population) depend upon this sector for their livelihood. But in terms of contribution to GDP agriculture sector accounts only 14.1 per cent. Since independence contribution from agriculture sector has been showing a declining trend. Indian agriculture is experiencing sluggish growth due to various factors. Such factors include problems related to agriculture profitability, availability of land for cultivation, problems of irrigation, cutting down of subsidies, problems related with agriculture credit, bottlenecks related to agriculture modernization, policy issues, problems of small and marginal farmers, disguised unemployment, issue of income security and sustainability, etc... These problems have to be addressed with immediate effect. With the increasing population pressure a sustained high level agriculture growth is a pre-requisite for inclusive growth, reduction of poverty and rural development. It is not feasible to achieve higher growths in agriculture sector without incremental productivity and technological diffusion across the country. So rejuvenation of Indian agriculture is vital for sustainable agriculture growth. Since there is a linkage between agriculture and industry an upsurge in primary sector is critical to overall development of the nation. India needs to insist new lifeblood into farmers by removing all the obstacles in the wake of an agrarian economy so that faster growth is possible. This paper is essentially an attempt to elicit the need for rejuvenating Indian agriculture on the verge of raising challenges and tries to point out some policy solution for the betterment of Indian agriculture.

Key words: Rejuvenation, GDP, Sustainability, Agriculture credit, Small and Marginal farmers, Agrarian economy

Introduction

Development of any country should start from primary sector and proceeds through secondary and tertiary sector. In India a premature transition can be seen from agriculture sector to industrial sector and from industrial sector to service sector. Since majority of working population engaged in agriculture sector for their livelihood India need a sustained growth in this sector. It is essential for to achieve inclusive growth. To achieve a sustained growth in primary sector is not an easy one due to several factors. This paper is mainly divided into two parts, the first part deals with the need for rejuvenating agriculture for sustainable growth and second part deals with how the rejuvenation is possible.

Sustainable agriculture – challenges ahead

An upsurge in primary sector is essential for overall development of Indian economy. Therefore main focuses of agriculture policies are more on achieving self-sufficiency, self-reliance and sustainable agriculture growth. Contribution from agriculture sector declined from 56.5 per cent in 1950-1951 to 14.1 per cent in 2016-2017. Food grain production has increased from 50.82 million tonne in 1950-1951 to 252.22 million tonne in 2015-2016. But when we consider the magnitude of population food production is not sufficient.

In order to ensure food security, self-reliance and self-sufficiency a sustained growth is critical. But still India is struggling to achieve a sustained growth due several constraints.

1. Availability of land for cultivation

Due to high population pressure the area under cultivation has come down.

Item	1950-51	1970-71	1990-91	2001-2011
Gross cropped area	132*	166*	185*	141.23*
Net sown area	119*	141*	142*	141*
Current fallows	11*	11*	14*	-
Other fallows	17*	9*	10*	-
Under non agricultural use	9*	16*	20*	-

Barren and uncultivable	38*	28*	21*	17.02(2008-09)
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*area in million hectares

Source: agriculture censuses

After the adoption of new economic policy there has been a declining trend in gross cropped area. Due to globalization there is a sharp increase in service sector growth. Area under non-agriculture use also explicit an increasing trend which demonstrate the population pressure on the country.

2. Irrigation

Indian agriculture is a gamble in monsoon. Only 40 per cent area coming under irrigated area and the remaining 60 per cent under rain irrigated area. Irrigation is the major factor that helps farmers to yield more. Proportion of irrigated area to net sown area was 47 per cent in 2005-06 but in 2010-11 it was only 46 per cent. Net irrigated area in 2005-06 was 54270000 where as in 2010-11 it was 64567000. A slight increase can be seen. Hence a significant part of the net sown area continues to be rain fed.

3. Agriculture credit

Agriculture credit provides adequate and timely support to farmers. Which will helps to raise the agriculture produce and income. Government provides large amount as agriculture credit. Priority sector lending also meant for agriculture credit at relatively low interest rates. It is mandatory for every bank to lend a prescribed amount as priority sector lending. But actually what is happening is that most of the farmers use agriculture loan for other purposes like marriage, construction of house etc... and they may misuse the loan. Flow of institutional credit to agriculture has been showing an increasing trend. In 2006-07 it was 2.29 lakh crore and in 2011-12 it increased into 2.62 lakh crore. Interest subsidy on farmer credit is also showing an increasing trend. As per 2016-17 budget estimates it was 13619 crore and in 2017-18 budget estimates it is 15000 crore. Crop insurance is also given impetus. In 2015-16 it was 2983 crore but in the budget estimates of 2017-18 an amount of 9000 crore were earmarked. Most of the beneficiaries of agriculture credit belong to large land holders.

4. Modernization of agriculture

Modernization of agriculture is critical to sustain agriculture growth. For technological diffusion across the country a huge investment is needed. New technology as new agriculture strategy should be taken as the motto for sustained agriculture growth. Technological diffusion is one of the major problems in India. Small and marginal farmers are not able to purchase advanced technologies and they lack technical knowhow. With the new technology India experienced high growth in agriculture sector during green revolution period, but that growth was not a sustained one. So modernization should be compatible with soil fertility and affordable to farmers. Introduction of most modern technology requires huge investment in research and developmental activities. But in India year by year a slight increase can be seen but it is not sufficient.

5. Income security and sustainability

The two terms income security and sustainability are highly controversial. Recently our government is focusing on income security to farmers and promised that income of farmers will double by 2022. Now the question arises upon can income security lead to sustainability. For the working population engaged in agriculture sector has zero marginal productivity ensuring income security government must ensure that farmers receive fair wages and fair price for agriculture produce.

6. Disguised unemployment

One of the important features of Indian agriculture is the prevalence of disguised unemployment. Most people are engaged in farming but contribute nothing to total produce. Agriculture development is possible through shifting of redundant labour to industrial sector.

7. Problems of small and marginal farmers

Small and marginal farmers constitute a sizable portion of agriculture population. For a sustained agriculture growth upliftment of such poor segments is inevitable. In India those who hold less than 2 hectares of land are called small farmers and farmers

cultivating less than one hector is classified as marginal farmers. Both small and marginal farmers are producers and workers at the same time. They have only low ratio of marketed surplus to output. Since they are unable to make huge investment they are facing technological constraints. Most of the small farmers are engaging in production by augmenting their operational area through leasing. They are facing several constraints related to adequate irrigation water, unavailability of credit, community's power structure etc... They lack timely market information and facing several problems pertaining to access of government services. Sustained agriculture development is not possible without addressing the problems faced by these sections.

8. Issue of subsidy

Agriculture subsidy is one of the heating debates in India. Usually government provides subsidy for boosting the production in agriculture sector. To some extent subsidies are beneficial to farmers because it reduce the cost of production. Spending of subsidy out of control will harm the fiscal condition of the nation. A general subsidy on scarce resources like water and electricity have a negative impact because it did not cover the cost incurred for providing it. Sometimes subsidies are mistargeted and most of the benefits of subsidies go to large farmers and land holders. In India there exists some kind of regional inequalities in providing agriculture input subsidy. Input subsidies for fertilizers will leads to environmental degradation. Every budget focusing on cutting down the amount of input subsidy.

9. Profitability

Low profitability is one of the major reasons for the sluggish growth of Indian agriculture. Often farmers were exploited by middlemen and sellers. Farmers get only a nominal profit. So without proper minimum support price and timely support from government during crop failure due to deficiency of rain fall or drought agriculture is not profitable. Economic survey of 2016-17 shows that minimum support price has increased but slower in recent years.

How to tackle challenges through rejuvenation

India can achieve a sustainable agriculture by tackling the challenges ahead. Following are some practical solution for to maintain a high sustainable growth in agriculture sector.

1. Regenerative agriculture – beyond sustainability

Regenerative agriculture is an advanced form of organic farming. This farming is based upon ecological principles and it recaptures carbon emission from the atmosphere. It regenerates soil fertility and it protects soil from chemical fertilizers. This is the best way to cultivate in healthy soil. This farming keeps carbon in the soil which is the basic element for every living creature.

2. Research and development

Investment in research and development activities by both public and private sector is critical to sustain agriculture growth. Since India is a developing country its priority goes to poverty alleviation, upliftment of weaker sections of the society etc... The accrued amount by the reduction of input subsidies should be utilized for research and developmental activities. Since the availability of land is limited the future of agriculture rest upon research. Research is critical for soil conservation, moisture conservation in drought areas, addressing the problems of salinity and water logging in rainfall areas.

3. Diversification of agriculture produce

One of the major problems in India is lack of adequate buffer stock and cold storage facilities. So diversification of agriculture produce especially perishable commodities is needed. It is also a way for reaping the benefits of globalization. To some extent it is useful for reducing the problem of disguised unemployment.

4. Capital formation

Capital formation in agriculture sector is critical. Government should use the amount from cutting down input subsidies for capital formation in agriculture.

5. Adequate and productive agriculture credit

Agriculture credit should be provide at lowest interest rate and should provide a long payback period for farmers. Government must constitute a mechanism to check

whether the credited amount utilized for agriculture purpose or not. Government must ensure the outreach of financial institutions for availing the credit facilities for small and marginal farmers.

6. Insurance

Widening of crop insurance is critical to sustain agriculture. Crop insurance should be extended to the whole production process of crop. It is the duty of government to encourage private participation in crop insurance.

7. Marketing

In most of the cases farmers will not get adequate price for their produce because of the interventions of intermediates. Government should ensure fair prices for agriculture produce by providing market information, procurement system, announcing minimum support price and expansion of e-markets. Market accessibility of farmers should be strengthened and a direct contact between farmers and market has to be made.

Conclusion

Indian agriculture is in a vicious circle. Only a deliberate attempt can pull up and sustain agriculture sector in India. Since the availability of land is limited new perspectives on agriculture development is needed. India can transform into a developed nation by achieving a sustained growth in primary sector and it is way of achieving inclusive growth. There is an urge for rejuvenating Indian agriculture for a self-sufficient, self-reliant and a sustainable agrarian economy. There is a need for redefining Indian agriculture and its policy frame works on the verge of raising challenges. Still India has better opportunities for to achieve a sustained agriculture growth.

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