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A STUDY OF ISSUES AND CHALLENGES IN EMPOWERMENT OF WOMEN THROUGH THEIR PARTICIPATION IN THE PANCHAYAT RAJ INSTITUTION: A CASE STUDY OF ALLAHABAD DISTRICT OF UTTAR PRADESH

Shiva Kumar Lal*

Empowerment of women is essentially the process of upliftment of economic, social and political status of women, the traditionally underprivileged ones, in the society. It involves the building up of a society wherein women can breathe without the fear of oppression, exploitation, apprehension, discrimination and the general feeling of persecution which goes with being a woman in a traditionally male dominated structure.

One major therapy prescribed by woman empowerment advocates is empowering women through legislation for ensuring participation in political decision making.

Such an approach provides the women with a constitutional platform. to stand up to men, to raise their voice on issues concerning women oppression, subjugation and related issues and thus in effect, providing them with an identity in an orthodox male dominated socio-political set up, in addition to providing a much needed forum to seek redressal of problems directly affecting them: the true essence of empowerment.

The present paper attempts to look into the dynamism of the process whereby women empowerment is achieved through legislation or women participation in the Panchayat Raj Institution. The study is based on primary evidence collected from Women Pradhans in various blocks of Allahabad District (as per 2005 elections) and attempts to analyze Whether political participation of women Does In Fact translate into concrete women empowerment: a state where women are able to carve a niche for themselves in the traditional male bastion and successfully find a forum for effective redressal of women \ gender related issues or whether increased political participation of women, (more than 50%, as in case of Allahabad District), is but an eyewash, an essential dexterous jugglery of numbers with no female empowerment ramifications whatsoever.

The study largely reveals that increased political participation of women in village panchayats (in Allahabad District), does not have a significant bearing on women empowerment for by and large elected women representatives lack audible forums and fail in seeking redressal to women specific issues even as they are primarily (mostly), dummy surrogates subservient to the still vociferously dominant male class.

Of late there has been an increasing consciousness regarding the status of women which is amply reflected in global debates over the issue of women empowerment : the unequivocal nucleus for all forums seeking to lift the traditional veil and impart a more meaningful existence to woman : the inseparable companion, the ever caring mother, the doting wife, who has since times immemorial been relegated to the background.

Empowerment of women is essentially the process of upliftment of economic, social and political status of women, the traditionally underprivileged ones, in the society. It is the process of guarding them against all forms of violence. Kofi Annan takes violence against women as the most shameful of human rights violation. To him , " violence against women takes various forms such as : domestic violence, rape, trafficking in women, forced

prostitution and violence in armed conflict (such as murder, systematic rape, sexual slavery and forced pregnancy) and honour killings, dowry related violence, female infanticide and parental sex selection in favour of male babies, female genital mutilation and other harmful practises and traditions" (www.un.org/women_watch). Women empowerment involves the building up of a society, a political environment, wherein women can breathe without the fear of oppression, exploitation, apprehension, discrimination and the general feeling of persecution which goes with being a woman in a traditionally male dominated structure. Deepa Narayan in her edited book 'Measuring Empowerment' (www.oup.com) takes Empowerment as the expansion of assets and capabilities of poor people to participate in, negotiate with, influence control and hold accountable institutions that affect their lives"

* Senior lecturer, Department of Economics University of Allahabad (U.P.)

becoming an integral part of the folklore). Thus for all practical purposes they are analogous to a puppet swaying at the behest of its master who holds all the strings. Most of the women gram pradhans reluctantly conceded that they were more in place to serve their mentors than to serve the interests of the women community, thus more or less they work as dummy surrogates in the guise of women gram pradhans. They admit that even if they so desire they can do little as the whole proceedings of the PRI's are largely hijacked by the rigidly dominant male class. There is unanimity about the fact that their performance is primarily hindered on account of illiteracy, lack of mobility, poverty coupled with little or no access to productive assets, womanness, family responsibilities, corrupt\indifferently uncooperative government officials, male militancy and traditionally orthodox biased social institutions, and despite recognising the fact that a lot should be done for promoting girls education, for providing vocational training to women, for improving the health, maternity and sanitation facilities, for organising and uniting them for fighting against social evils like dowry, sexual exploitation, domestic violence etc, they still find themselves unable to take up the gauntlet for there is an intricate web of adverse factors which effectively infringes their desire and ability to do so. Undoubtedly the political process of empowerment provides collective strength to women. Individually a woman feels weak, shy and vulnerable but when they do get a platform we see them shedding that mantle readily and form a class to fight for their rights and amelioration of women related problems and issues. Rightly observes Noble Laureate Mohammad Yunus, "Empowerment leads to political power and political power leads to decision-making."

Despite the fact that women's effective participation in the PRI institutions leaves much to be desired and also recognising that women representatives are mostly either subservient to the militantly dominant male class or at best dummy surrogates planted to serve the vested interests of their masters, to conclude that women's reservation in the PRI (and the subsequent enhanced political participation of women) has not made a mark in terms of improving the grim scenario faced by women in general and poor and low caste women in

particular, would be an exercise in fallacy. More so if we take into account the short period of time that has elapsed since reservation for women in PRI's was initiated and particularly when reservation for women at the state and union levels is still elusive. To quote Tennyson in 'From the passing of Arthur': "The old order changeth yielding place to new", the old order gradually makes way for the new order : the transition is going to be a slow one, the need of the hour, then, is to nurture and protect the process of transition not make attempts to hasten it for we must realise that the orthodox mindset of the people (more so in rural areas), the rigid social institutions with their traditional male bias, the inhibitions of the society, political and administrative institutions and the stereotyped pathetically vulnerable woman cannot be wished away by a mere wave of the constitutional wand. It is perhaps here that the NGOs can step in as a major player. Although the NGOs are without a vestige of doubt, actively involved in the empowerment exercise, they ought to assume a more dominant position, given the crucial role they have to enact. They need to equip women with capacity and the confidence to empower and motivate them to enter the political domain, to facilitate horizontal and vertical interaction of women elected at different levels of governance to enable the sharing of experiences and building solidarity and networking and last but by no means the least, to conduct political education and political training for women to realise the power of their vote, the need to seek and be accountable and to gender stream the political agenda (an essential recommendation of the Baseline report on women and political participation in India.)

In the end it would only be apt to conclude in the words of Annie Marie Goetz, UNIFEM adviser on Governance, Peace and Security "Women's effectiveness at promoting women's rights once in public office, however, is dependent upon many other factors besides their numbers. Institutional changes are needed in civil society, the media, political parties, legislatures and the judicial system in order to support women's policy agendas and to make the transition from policy to practice".

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Table 1: Elected Women Gram Pradhan of Allahabad District as per 2005 Elections

Name of the Block	Schedule Caste	Other Backward Class	General	Total Women Gram Pradhan	Total Elected Gram Pradhan	% 4/5
Dhanpur	11 (10)	41 (19)	11 (31)	63 (60)	89	75%
Pratappur	10 (7)	23 (11)	07 (20)	40 (38)	72	55.3%
Handiya	6 (5)	25 (13)	03 (15)	34 (33)	69	50%
Saidabad	15 (9)	27 (15)	10 (27)	52 (51)	85	61%
Phoolpur	14 (10)	28 (13)	11 (28)	53 (51)	80	66%
Bahadurpur	9 (8)	35 (16)	2 (19)	46 (43)	93	50%
Bahariya	11 (8)	22 (16)	11 (14)	44 (38)	95	46%
Soran	5 (5)	23 (8)	1 (15)	29 (28)	57	50%
Mau Aima	8 (8)	8 (8)	19 (19)	35 (35)	52	68%
Holagarh	5 (5)	16 (9)	3 (9)	24 (23)	57	41%
Kaurihar	11 (9)	39 (16)	7 (24)	57 (49)	116	50%
Chaka	4 (4)	13 (8)	4 (5)	21 (17)	49	42%
Jasara	7 (5)	20 (13)	3 (8)	30 (26)	60	50%
Shankargarh	6 (5)	16 (13)	3 (4)	25 (22)	60	41%
Kaudhihara	6 (4)	9 (4)	8 (14)	23 (22)	44	51%
Karachchana	4 (4)	20 (12)	10 (12)	34 (28)	71	48%
Meja	8 (5)	17 (15)	3 (5)	28 (25)	60	48%
Manda	6 (5)	16 (11)	1 (6)	23 (22)	63	38%
Uruwa	4 (4)	9 (6)	7 (5)	20 (15)	54	37%
Koraon	9 (8)	23 (20)	2 (5)	34 (33)	99	34%

(Figures in Bracket show originally reserved seats.)

ECO - ATTITUDE AND RECYCLING BEHAVIOR OF METRO CONSUMERS IN INDIA : A PERSPECTIVE

Meera Mathur* & Sheenu Jain**

The empirical research describes eco - attitudes and eco - behaviors of consumers in India. Factor analysis suggests underlying dimensions exist in consumer attitudes and behaviors toward environmental issues. Cluster analysis suggests relatively homogeneous groupings or segments of consumers in the context of their environmental attitudes. The result point to the need for approaches to environmental marketing which recognize distinct consumer groups which transcend a "green or non green" dichotomy.

Keywords - Eco attitude, Eco - behavior, Consumer behavior, Green Marketing

INTRODUCTION

The environment has recently become a critical issue that is influencing how products are developed, promoted and disposed of. Consumers in western countries have been deluged with product claims of "eco - friendliness", "biodegradable", and "recyclable" (Olney & Bryce 1991). A new breed of eco entrepreneurs is attempting to meet the needs of a new class of eco consumers (Wang 1991; Adams 1990; Hardy 1990; Jay 1990) by using eco speak (Vandervoort 1991). Regulatory issues are coming to a head in terms of defining what constitutes a "green" product (Landler, Schiller and Smart 1991). Finally, to point further to the legitimacy of the environment as a major concern of marketers today, the first annual green marketing summit was held in New York in January of 1991 (Smyth 1991).

A unique fact of environmental concern is its global reach as witnessed by the 1992 United Nations International conference on the environment in Rio de Janeiro in Brazil. When the nuclear accident occurred at Chernobyl, the spreading radiation was an international problem. When the topic of ozone depletion is discussed and debated, it is inevitably framed in a global context of how the entire climatic structure of the earth will be affected. When energy alternatives are the focus of attention, broad multinational ecosystem changes are of concern.

The focus of this research is to delineate empirically eco - attitudes and eco - behaviors of the consumers in India. As such, the research sheds light on a general topic of growing concern.

GREEN CONSUMERS BEHAVIOR

The greening of consumer behavior has ebbed and flowed since the early 1970s, moving through various stages of evolution (See Table 1 which has been taken from Connolly et al. 2004). As with any issue, consumers' environmental concern has not moved at the same pace across all segments of consumers and concern also varies globally. For example a 2000 Roy Morgan Poll suggested that 31 % of people in the US thought environmental issues were exaggerated compared with 24% in New Zealand 23% in Australian and 22% in the UK. In the same poll it was suggested that environmental behaviors also differed, with 83% of Australian participating in Recycling, followed by 71 % in NZ, 65% in the US and only 61 % in the UK (Levine 2002). Interestingly 55% of Australians have also reported that they were a "bit of a Greenie at heart (Roy Morgan 2000) and thus there may be changes in green concern over time.

Environmental concern has also been found to vary based on the issue or product being considered. For example, in the UK Walley et al. (2000) found that there were four different "clusters" of green

* Asst. Prof., Faculty of Management Studies, M.L.S. University, Udaipur-313001.

** Ph.D., Faculty of Management Study, Udaipur (Rajasthan)

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CAPITAL REGULATION AND CREDIT GROWTH IN INDIAN BANKS

R. K.Vyas*, Manmeet Singh** & Mohd. Kashif***

Globalization is the most important factor shaping today's world. The Financial segments are gearing up to face the global by competitive environment by initiating reforms adopting prudential norms, best practices in corporate governance, internal control and risk-based auditing. There is a sea change in the working of the banks world wide. Risk management has become a new emerging tool used by banks for their sustainability. Banking Regulations like Basel Norms and Risk management go hand-in-hand. The industry is gearing up to implement the New Basel Accord Norms. This Paper attempts to examine the impact of determinants of credit particularly capital regulation norms on credit growth in Indian banks.

"Whenever there is a financial crisis, it is always the banks that get hit" -- Gordon Wu

INTRODUCTION

Banking sector stability is a pivotal requirement for stable economic development. Moreover, banks play an important role in the global economy, and are the first category of institutions to be subject to internationally coordinated capital regulation. The Basel Accord of 1988 intended to strengthen the soundness and stability of the international banking system and reduce competitive inequalities between banks. The potential macroeconomic effects of these regulations have received renewed interest after the decision to introduce an enhanced regulatory framework, laid down in Basel II, which has been agreed on in June 2004. In India New Basel Accord is to be implemented from the year 2008.

The Basel Accord of 1988 prescribes common minimum capital requirements for banks operating internationally in the G-10 countries and became effective at the end of 1992. More precisely, it fixes the minimum ratio of capital to risk-weighted assets at 8 percent (In India CRAR is 9%). Thereby the regulators intended to lower total bank risk by lowering the risk taking of individual banks. Around 100 countries world-wide apply this new capital regulation. In India, the Basel Accord was implemented at the beginning of 1992 not only for banks operating internationally but for the banking sector as a whole. A potential negative side effect of

the introduction of the Basel Accord may have been a reduction in total bank lending as banks adjusted their risk structure. This effect may have been of special relevance for economies heavily depending on bank intermediated credit such as India. This contention is the main focus of the empirical analysis conducted in this paper.

LITERATURE REVIEW

Shrieves and Dahl (1992) analyze the relationship between changes in bank capital and changes in portfolio risk for the US banking sector in the mid-eighties. By using a two-stage simultaneous equation estimation, thereby taking into account that banks simultaneously determine capital and risk levels. The study finds evidence for a positive relationship between bank capital and risk taking.

Ediz, et.al (1998) study the UK banks behaviour for the period 1989 to 1995. The study analyze whether pressure from supervisors effect bank capital dynamics when capital ratios approach their regulatory minimum and which items in their balance sheets UK banks adjust to increase their capital ratios when subject to regulatory pressure. Banks achieve adjustments in their capital ratios primarily by directly boosting their capital rather than through systematic asset substitution away from assets such as corporate loans, which attract

* Head, Management Programmes, International Institute of Professional Studies, Indore

** Reader, Medi-Caps Institute of Technology & Management, Indore,

*** Research Assistant, International Institute of Professional Studies, Indore

RELATED STUDIES

Chiuri, et.al (2000) study the effect of introduction of Basel like Capital requirements in the emerging countries on their lending policies. The study observes that the enforcement of capital adequacy requirements negatively affects the supply of bank loans over a multi year horizon and the effect tends to be stronger for initially less capitalized banks. **Nag and Das (2002)** study the impact of imposition of capital requirement norm on flow of credit to the business sector by the Indian public sector banks. The study concludes that in the post reform period public sector banks did shift their portfolio in a way that reduce their capital requirements and adoption of stricter risk management practice in respect of bank lending in post reform period and its interplay with minimum capital requirements (regulatory pressure) have had a dampening effect on overall credit supply. In a similar study **Barajas, et.al (2005)** it was found that Basel did not seem to lead to an overall credit decline. **Schmitz and Wolff (2005)** found that the implementation of minimum capital requirements could have negatively affected the supply of bank loans.

FINDINGS OF THE STUDY-2

Scheduled Commercial Banks

Only deposit growth had significant impact on credit growth

Nationalized Banks

The two factors that had significant effect on credit growth are NSLR and NIM

SBI Banks

Only intermediation spread (NIM) had significant effect on credit growth

Private Sector Banks

The two factors that had significant impact on credit growth are ROA-ROI and NIM

Foreign Banks

No factor had significant effect on credit growth.

LIMITATIONS OF THE STUDY-2

Separate data was not available for NPAs in respect of SBI, it was available in combined form for all public sector banks and for CRAR, data was not available in respect of private sector banks, and rather separately it was available for old and new

private sector banks. Hence these variables were not considered in the regression analysis in their respective Bank groups.

CONCLUSION

The empirical evidence concludes that capital requirements regulations do not seem to affect credit growth in spite of the view of the growing concerns about banking stability. Net interest margin reflects the overall margin received by banks in their deployment of funds and increasing margin have a positive effect on the credit flow of Public sector bank funds to the borrowers. These observations gain prominence in view of the fact that the economy seems to be entering a high growth trajectory, which would necessitate a higher demand for loans. Combining all the aforesaid points, it seems fair to state that the Indian evidence makes capital requirements an attractive regulatory instrument since they serve to reinforce the stability of the banking system without apparently distorting the credit flow of banks.

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ORGANISATIONAL CULTURE IN A WOMEN COLLEGE: A CASE STUDY

Sandhya Mehta* & Sandeep Kaur**

Organization culture plays a vital role in helping the members of the organization to coordinate their activities to achieve common goals and expectations. It is a set of key values, assumptions, understandings and norms that is shared by members of an organization. Culture helps individuals to understand how their roles fit within the larger picture. It develops consistent interpretations of behaviors throughout the organization. The well-managed culture can improve performance significantly while the unmanaged culture will impede even the best-intentioned change effort. This article is a case study, which focuses on studying organizational culture prevalent in a women college offering graduation in the field of humanities. It aims to study the various dimensions of culture like openness, confrontation, trust, authenticity, proaction, autonomy, and collaboration, experimenting among teaching and non-teaching members of the college.

The present study has revealed the facts that the teaching members are trustworthier, Proactive, more authentic than the non-teaching members as a whole, while as comparison on the basis of experience shows that juniors in teaching compared with juniors in non teaching has lack of trust and authenticity while as seniors of teaching staff are more authentic, experimenting, autonomous as compared to seniors of non teaching. Among teaching members seniors shows more trust, collaboration than that to juniors, but scenario is different in non teaching members. There is no difference among seniors and juniors on different parameters.

Organization culture is the vehicle through which individuals coordinate their activities to achieve common goals and expectations. It can be a set of key values, assumptions, understandings and norms that is shared by members of an organization. Culture helps individuals understand how their roles fit within the larger picture. It develops consistent interpretations of behaviors throughout the organization. The well-managed culture can improve performance significantly while the unmanaged culture will impede even the best-intentioned change effort.

Organizational culture plays a critical role in motivating employees, as it can create commitment among members of an organization accepting norms prevalent within the organization. Unwritten rules cannot and should not be eliminated but do need to be brought back into step with the written rules (Kippenberger, T;1999)

Education is being driven by funding pressures associated more traditionally with the cultures of business and industry (Ros Ollin,1996). Organization cultures vary greatly in the higher education sector. Within each culture there is a mosaic of sub-cultures making it very difficult to

discern what is the dominant culture. In the field of higher education there is a great variance of culture which emanates from differing mission statements, aims and objectives, size and nature of student intake, range of courses and emphasis on research (Laurie Lomas,1999). Education and training organisations need to develop a new organisational culture, which is more open, informing and entrusting. As part of this, and enabling a more creative climate, organisations can extend their problem solving "toolkit" beyond the orthodox and traditional, by embracing creative problem solving techniques. A new organisational culture which is more open, informing and entrusting needs to be developed (Donal Carrol,2002; Alex Appleby, Andrew Robson, Jane Owen,2003)

Organizational culture within a private women college is relatively under researched. This article is a case study which focuses on studying organizational culture prevalent in a women college offering graduation in the field of humanities. It aims to study the various dimensions of culture like openness, confrontation, trust, authenticity, proaction, autonomy, collaboration, experimenting among teaching and non-teaching members of the college.

* (PhD Scholar) Assistant Professor, Guru Nanak Institute of Mgt & Tech. Ludhiana

** Sr. Lecturer, Guru Nanak Institute of Mgt & Tech. Ludhiana

4. The juniors should respect their seniors. They should work under their guidance and should learn from their experiences. -

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DATA ENVELOPMENT ANALYSIS: A TOOL FOR PERFORMANCE MEASUREMENT

Rohita Kumar Mishra* & Gokulananda Patel**

Data Envelopment Analysis (DEA) is a linear programming based technique for measuring the relative efficiency of Decision Making Units (DMUs). DEA model includes multiple inputs and outputs without recourse to a priori weights. It also does not require the functional relationship between inputs and outputs. There is an increasing concern with measuring and comparing the efficiency of educational institutes, hospitals, bank branches, retailing organizations, benchmarking marketing performance, financial risk tolerance of portfolio investors and similar instances. This paper deals with the concept of Data Envelopment Analysis and its application through numerical examples.

Key words: Efficiency, Data Envelopment Analysis, DMUs, Performance measurement.

INTRODUCTION

Data Envelopment Analysis (DEA) is a non-parametric method for evaluating the relative efficiency of DMUs. DEA begins with Edward Rhodes Ph.D. dissertation at Carnegie Mellon University under the supervision of W.W. Cooper. The specific research of efficiency measurement for production units in the field of Operational Research took off with "Measuring the efficiency of Decision making Units" by Abraham Charnes, William Cooper and Edwardo, Rhodes (CCR) in 1978. It was originally intended for use as a performance measurement tool for organizations that lacked a profit motivation, e.g., not-profit and governmental organizations. Now-a-days it has been developed and expanded for a variety of uses in for-profit as well as not-for profit situations. Some of the applications related to the military and the defense industry include financial analysis of the defense industry (Bowlin 1995); performance of aircraft maintenance units in the Israeli Air Force (Roll et al. 1989); performance of Navy recruiting activities (Byrnes & Cooke, 1988 and Morey 1991). Other application relating to health care includes parental care in England (Thanassoulis et al. 1995); performance of the public health service in the United Kingdom (Pina & Torres 1992); and an assessment of the efficiency of New Jersey hospitals (Borden 1988).

DATA ENVELOPMENT ANALYSIS MODELS

The relative efficiency score of j_0 DMU is as follows

$$\max h_{j_0} = \frac{\sum_{r=1}^s u_r y_{rj_0}}{\sum_{i=1}^m v_i x_{ij_0}}$$

$$\text{Subject to } \sum_{r=1}^s u_r y_{rj} - \sum_{i=1}^m v_i x_{ij} \leq 0 \quad j=1,2,3,\dots,n \quad \dots (1)$$

$$u_r, v_i \geq 0 \quad \forall r, i$$

The variables included in the above model are generally the weights and the solution produce the weights most favourable to unit and also produces a measure of efficiency. The decision variables ($u=u_1, u_2, u_3, \dots, u_r, \dots, u_s$) and ($v=v_1, v_2, v_3, \dots, v_i, \dots, v_m$) are the weights of s out-puts and m in-puts. The numerator of the objective function in (1) is the weighted sum of the outputs and the denominator is the weighted sum of inputs for j_0 DMU respectively. In the constraint part there is difference of weighted sum of output and weighted sum of inputs one by one for the n DMUs. To obtain the relative efficiencies of the units, the model is solved n times, of one unit at a time.

The fractional program (1) can be solved as the linear programming problem as:

$$\max h_{j_0} = \sum_{r=1}^s u_r y_{rj_0}$$

* Assistant Professor, Institute of Management and Information Science, Bhubaneswar.

** Professor, Birla Institute of Management Technology, Greater Noida

million so that the inventory cost will decrease. It should decrease its wage from 6 lakhs to 2.5 lakhs. For Depot -5 and Depot-6 mixed strategy should be adopted. The detail is given in Table (8).

ADVANTAGES OF DEA

- Multiple inputs and outputs can be handled by DEA model.
- DEA identifies the possible peers as role models who have an efficiency score of 1 and sets improvement targets for them.
- DEA acts as an important tool for benchmarking.
- The possible sources of inefficiency can be determined using DEA.

DISADVANTAGES OF DEA

As DEA is deterministic rather than stochastic, it produces results that are particularly sensitive to measurement errors. If an input of a DMU is understated or the output is overstated then the organization can become the outlier that significantly distorts the shape of frontier and reduces the efficiency score of nearby organization.

DEA score is sensitive to input and output specifications and the size of the sample. By increasing the size of the sample it will tend to reduce the average efficiency score, as more DMUs provide greater score for DEA to find similar comparison partners. Again too small DMU can artificially inflate the efficiency score.

CONCLUSION

Data Envelopment Analysis (DEA) first appeared in the literature in 1978 in CCR model since then the methodology has been refined and further developed to have an effective tool for measuring performance. It has been applied in different ways in different cases. The paper signifies that only one or two parameters can not sufficient to determine the efficiency in a proper manner. So a series of parameters should be taken into consideration while evaluating efficiency of the unit. Again the selection of inputs and outputs plays a vital role for measuring the performance. Additional research relative to DEA is needed. There is need for field studies that how managers actually use DEA information in order to extend its contribution to the management of real-world problems.

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E-COMMERCE IN INDIA : OPPORTUNITIES AND CHALLENGES

Sumanjeet*

The rapid growth of Information Technology (IT) has affected most parts of human society and its dominance over the other technology is clearly visible. One of the major application areas where information technology has greatly changed the traditions of the society is the way in which the business is being conducted. Businesses are weaving IT more deeply into the very tapestry of their operations and today, more and more business activities are shifting to the electronic media. The growth of electronic commerce (popularly known as E-Commerce) as a business technology in last decade is the result of such IT driven development, which is revolutionizing the business world. E-Commerce has produced a revolutionary new way for businesses to communicate and interact with the customers. It has power to expand the businesses beyond the global boundaries by giving them a competitive edge in the global marketplace. Businesses around the world are embracing this technology with great zeal as they realize the potential it offers. India is one of the countries where this trend seems to be catching on. Indian companies are fast jumping into the e-commerce boom, and adopting e-commerce as a business technology in much the same manner as in other parts of the world. The dawn of new era has already begun in India and the driving engine is information technology. The present paper provides a comprehensive overview of emergence and growth of e-commerce in India. As e-commerce technology offers both opportunities and challenges, this section also brings in focus an overview of challenges of e-commerce in India. In the end of section, concluding remarks are given.

Keywords: E-Commerce, B2B, B2C, Online Trading

JEL Codes: M10, M14, O3, O5.

The cutting edge for business today is e-commerce. E-commerce is considered as one of the most exciting economic and technological trends of the recent years. It provides a new marketplace, more opportunities to sell and market the product, and greater competitive advantages (Ramachander, 2000). It creates value by vastly lowering the cost of transferring many types of information, on a one-to-one, one-to-many, or many-to-many basis. In cases where the product itself is information, the potential for value creation is enormous (Borenstein and Saloner, 2001). The effects of e-commerce are already appearing in all areas of business, from customer service to new product design. Offline "brick and mortar"¹ firms around the world are just awakening to the opportunities from e-commerce, and are beginning their own online initiatives. Indian companies are also not lagged behind in this race and they are using e-commerce as a business technology in much the same manner as in the other parts of world. And evidently, e-commerce has already proved its true potential is India (Rastogi, 2002).

I EMERGENCE OF ELECTRONIC COMMERCE IN INDIA

In India, history of e-commerce is just a decade old. First initiative was taken by Ministry of Commerce in 1994, by setting up of EDI (Electronic Data Interchange Council) Council². The EDI Council has promoted the introduction of EDI and e-commerce in the trade processes of various vital trading partners responsible for the regulation and facilitation of international trade. This has led to a significant reduction in processing time from earlier 30-45 days to between 6-24 hours (Arora and Banwat, 2003). But, a revolution came in the Indian history of e-commerce when VSNL (Videsh Sanchar Nigam Limited) launched India's first dial up Internet access service³. In the same year Yahoo was incorporated. In December, 1996 India's first e-commerce site (arguably), nirulas.com was introduced. In the same year, rediff.com was founded by Ajit Balakrishnan. But, Internet and e-commerce age did not really down in India till 1997.

*Research Scholar at the Department of Commerce, Maharshi Dayanand University (MDU), Rohtak-124001 (Haryana), India.

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MITIGATING CHEQUE FRAUD IN BANKS: THE ROLE OF INTERNAL AUDITOR AND TECHNOLOGY

Madan Lal Bhasin*

The unflagging popularity of paper-cheques, together with the ready availability of desktop publishing software and laser printers, has contributed to an alarming increase in cheque frauds. Moreover, varieties of frauds in banks across the globe are increasing and fraudsters are becoming more sophisticated and ingenious. In addition to driving up operating costs, fraud costs a bank its reputation with the customer and depletes organizational morale. This article examines why cheques are popular instruments, what is the magnitude of frauds in Indian Banks, and how to integrate the expertise of internal auditors, as well as, technology in order to detect and prevent frauds in banks.

The immediate responsibility for ensuring adherence to prescribed systems and procedures, including proper housekeeping, vests with the branch head. Internal auditors occupy a special position within a bank to assist in the prevention and detection of frauds. In addition to considering the common types of frauds 'signals', auditors can take several 'proactive' steps to combat frauds. Combating frauds requires training, account screening, signature verification, and information sharing with regulators and local authorities. One important challenge for bank internal auditors is the examination of new technology applications for control and security issues.

Technology is like a double-edged sword, which can be used to perpetuate, as well as, detect and prevent frauds. Several innovative technologies like ultraviolet imaging, high-capacity 2-D barcodes, data glyphs, biometrics, data mining, etc., are turning paper documents into machine-readable files that can be processed and analyzed by automated equipment. As these new technologies become more widely used, banks and businesses can work together to curb the most common forms of check fraud before massive losses are incurred.

By providing credit, banks are proving to be the engines and boosting the operations in the financial sector, which is vital for the global economy. Public sector banks are dominating the Indian banking sector, while private sector banks are giving stiff competition and capturing more market share day-by-day. We also have leading foreign-bank branches that have a presence in India and a large number of co-operative banks. Thus, Indian banking sector have become extremely competitive and introduced several new financial services. The private sector banks, however, have implemented the state-of-the-art systems and have been among the front-runners in investing in new technology. The phenomenal spread of branches, growth and diversification in business, large-scale computerization and networking, have collectively increased manifold the operational risks faced by banks. In fact, globalization and deregulation have opened up new frontiers to augment revenues. The pressure to grow rapidly in a highly competitive and dynamic environment has also given a new dimension to

managing operations risk-the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. Fraud, however, is a major component of operational risk. With the rising banking business, frauds in banks are also increasing and fraudsters are becoming more sophisticated and ingenious. But if the banker is upright and knows his job well, the task of the defrauder will become extremely difficult, if not impossible. This has thrust enormous responsibilities in terms of prescribing and maintaining an effective architecture of internal checks and controls, and optimum use of innovative technology.

Keeping in mind the title of the paper, the focus here will be on examining the reasons for the popularity of cheques and the magnitude of cheque frauds in Indian banks; how to integrate the expertise of internal auditors to detect and prevent frauds in banks; and finally, how to make a judicious use of technology to detect and prevent frauds.

* Head, Accounting Department, Mazoon College, P.O. Box 101, P.C. 133, Muscat, Sultanate of Oman.

Indian Banks' Association (IBA) has been performing a very good 'post office' role in periodically circulating the history and modus operandi of various frauds committed to banks all over India. This red alert is faithfully copied by the head offices of the banks and sent to their branches in various corners of the country. At the branches and controlling offices, the circular containing the red alert is perfunctorily looked at and promptly filed till a similar big fraud takes place in the same office!

We are used to the idea that technology should be deployed to beat IT-enabled crimes of all sorts. Worldclass firewalls, for example, can help fortify an organization, and intrusion detection systems can monitor applications and services, and raise the alarm when a stranger attempts unauthorized access, or when unusual behavior is discovered. It is nevertheless true that occasionally technology can go wrong on its own, but a serious crime can only be committed if an 'insider' human being plays an active part. Therefore, organizations (specially banks) need to make everyone aware of the consequences of any behavior that breaches the rules, whether from outside or from within it. If we can use 'technology' to counter IT problems, we can also use 'people' to counter human crimes. Thus, if employees are vigilant and understand what is expected of them, then security will be enhanced. Therefore, all organizations need to establish a 'culture' in which their 'people' are all "jointly responsible" for defending the company against attacks and frauds. As people making a mistake cause about 80 percent of all crimes, organizations need to develop programs aimed at prevention, education and raising awareness. This might involve obligatory computer-based training packages to be taken at regular intervals; company-wide security clinics; or even road shows to ensure awareness is maintained. Organizations may also wish to consider a 24/7 helpdesk to provide support and advice, and to capture details of any crime incidents that occur. Companies can use cheque writing software and positive pay services to increase security over the cheques they release. Undertake close scrutiny of cheque security system at regular interval and see where it can be improved, thereby protecting the operations from unwanted fraud losses.

Internal audit professionals should play an integral

role in their organization's fraud-fighting efforts. One important challenge for bank's internal auditors is the examination of 'new' technology applications for control and security issues. The advent of large-scale computerization in banks has opened a new dimension to the concept of fraud and brought about a compelling need for the wholesale review and adoption of a comprehensive fraud prevention control system. The audit environment all over the globe is gradually becoming "paperless". Hence, bank internal auditors must adapt to this new environment. Auditors who continue to master the technology used by fraudsters will likely to win the battle. Through proper training, however, internal auditors can curtail the unnecessary exposures facing financial institutions today. The goal-within the banking industry and government-is to create a kind of seamless electronic auditing environment where transactions-related minutiae is routinely scrutinized and the 'exception' process is more easily managed. Both rules and artificial intelligence-based exception-flagging technologies can be effective in actually monitoring transactions, although both the installation process, tool selection, and rules determination process all need to be strictly managed during development.

In addition, senior executives of banks need to have a clear view of how far their personal liability extends, particularly with a stricter regulatory regime and greater awareness of the need for exemplary corporate governance. Members of the Board should not regard money spent on security as a 'negative' cost-center. They need to be persuaded that it can enhance return on investment from all IT investments and finally, boost the bottom line of the bank. Thus, in order to survive and grow in a global competitive scenario, time has already come when the security aspects of the banks must be dealt with on a priority basis. Safety and security, in fact, are primarily an attitude, awareness, and a state of mind that recognizes risk and danger and does something concrete to combat them.

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"GROWING POPULARITY OF E-TAILING AMONGST INDIAN CUSTOMERS - PERCEPTION AND REALITIES"

Satyendra Kr. Singh* & Sanchita Ghatak**

The Indian Retail Market is witnessing a revolution after 100% FDI on retail industry. The growth of internet has changed the traditional retail format to virtual retailer and forced the existing retailers to consider e-tailing model of retailing as well. A large number of customers use Internet for shopping purposes but there are varied reasons for the same. This study captures the important factors that drive a customer to purchase online and also seeks to find as to whether there is a wide gap in the perception of customers and reality in the e-tailing industry.

The results of the study can prove to be very beneficial for Indian e-tail industry and e-retailers by giving them an idea as to what the customers perceive and expect, so that they can have an advantage, as Indian online population is growing at an incredible rate.

Keywords: retailing, e-retailing, e-shopping, e-purchasing, internet, online shopping, online retailing.

INTRODUCTION

100% FDI in retail has given retail industry a big boom in India. Retailing can be defined as a business activity which involves sale of goods and services to consumers for their personal, family, or household use. In the traditional retailing, the customers are given a chance to browse goods so that they inspect carefully and closely. Further their senses are stimulated with colorful displays, ambient music, scents, physical inspection of products and interaction with sales people or other consumers leading to a good shopping experience. The use of electronic channel has changed those value transactions involving the transfer of information, products, services, or payments via electronic networks what is called as **e-retailing**. It has emerged as the most powerful new business tool which is fundamentally changing the way in which products are developed and marketed, communications are conducted and commercial transactions take place.

"Desktop widgets, tiny applications that enable a 24/7 link between a consumer's desktop and an e-commerce site, are connecting customers and merchants like never before" --- Bill Siwicki"

The elements characterizing the shopping and business ownership experience in e-tailing are:

Elements	e-Retail
Location and presence	<ul style="list-style-type: none"> • Location is the Web address, available globally through any Internet connection • Can establish a presence through partnerships and cross-promotions (links between sites)
How merchandising is accomplished	<ul style="list-style-type: none"> • Web page layout • Relationship between product and text • Signage and other product information tools • Category, search, and sorting mechanisms • Interactive product locators
Options for promotional activity	<ul style="list-style-type: none"> • Pricing strategies and campaigns can be implemented "instantaneously," depending on internal organizational constraints
Options for inventory	<ul style="list-style-type: none"> • Multiple inventory ownership options, with most prominent being traditional, "just-in-time," and a hybrid of the two

VIEW OF E-RETAILING

As one of the market trends, e-tailing has been widely used in retail industry. More and more retailers are starting to realize the benefits of e-tailing and believe that the knowledge about the methods to achieve successful e-tailing may be the key to survive the competition in the 21st century.

* Lecturer-IT, International Institute for Special Education, Lucknow.

** Lecturer (IT), Jaipuria Institute of Management, Lucknow.

email were found to be most popular showing that e-purchasing is not so much preferred.

The study also shows that there is a wide gap in the perception and realities in e-retailing. Further, people feel that e-purchasing and payment through credit cards is not secure. The respondents are apprehensive about the quality of the product sold on net, and interestingly those percentages of people who prefer are only due to the cheap pricing of the products and ease of payment. Those who make purchases through internet prefer to buy gifts, audios and PCs.

Thus it can be concluded that promoting e-retailing as a medium for conducting business can be achieved by strategies like improving the quality of the products, providing certain benefits like after sales service, guarantee and good schemes etc. Online purchasing will popularize only if their dependability increase. Above all, the general awareness amongst those groups where internet is still roman, which will have to be increased, to let people know that this service is not only meant for e-mail and chatting but also can be used for other purposes like online purchasing, online railway ticketing, holiday booking etc. and are convenient, safe and give value for time and money

RECOMMENDATIONS

As per the study conducted based on primary data and the data gathered from IAMAI website, the following recommendations are proposed to boost up e-retailing:

1. Since people employed in private sector browse the internet the most, they can be targeted as the most potential customers who would be inclined towards e-purchasing. Therefore, recommendation strategy (recommendation regarding various products like books, gifts, jewelry, apparels, etc.) might increase the interest in buying.
2. Further, for promoting e-shopping, the customer should be provided convenience, value for money or lower prices than the high street, ability to shop around for the cheapest item, and stress free transaction.
3. Since in the study, it was found that people do not prefer e-shopping as they are not confident on the security part. Therefore, it is suggested that e-commerce websites must keep the

ordering process secure. Yet it has to be simple, streamlined and fast. If at all possible with a one page, secure checkout for the customers.

4. Also, as the study revealed that the people of age bracket of 18-40, use Internet the most. The data also highlighted that gifts followed by audio and PCs are purchased the most. Therefore, some strategy to synergize the age bracket factor and purchase item factor to increase online selling has to be taken up by the e-marketers.
5. IAMAI data shows that trend for air/rail ticketing and online vacation purchasing is picking up the trend and primary data shows that these two are not far behind in ranking compared to gifts, audio, PCs etc. Thus, it is desired that more of such sites should be providing such facilities and customer should be regularly updated regarding the same.

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IMPACT OF FOREIGN INSTITUTIONAL INVESTORS ON INDIAN STOCK MARKET : A LITERATURE REVIEW

B. S. Bodla & Ashish Garg**

The emergence of the FIIs in stock market has been a debatable issue. Beside others, this may be attributed to the absence of adequate empirical evidence about the impact of FIIs on the volatility and return of the underlying stock market. Since, India is not an exception to the above, in this paper an attempt is made to review the existing studies on the subject with the aim to conclude this debatable issue. The findings reveal that according to the results of around fifty percent of the studies reviewed here in the volatility of the underlying stock market has increase significantly. The remaining studies (except one), however, indicates no impact on the volatility. About the impact on returns, the majority of the research studies find that FIIs arrival increased the return in the host country market.

Keywords: Foreign Institutional Investors (FIIs), Volatility, Stock Market, Indian Stock Market, GARCH.

INTRODUCTION

In the absence of adequate empirical evidence, the emergence of FIIs in stock market has been a debatable issue over the posh lobby of the parliament to common men. While it is generally held that FII flows benefit the economies of recipient countries, policy makers worldwide have been more than a little uneasy about such investment. FII flows often referred, to as "hot money" is notoriously volatile compared to other forms of capital flows. Investors are known to pull back portfolio investments at the slightest hint of trouble in the host country often leading to disastrous consequences to its economy. They have been blamed to lead to economic problems in a country by making large and concentrated withdrawals at the first sign of economic weakness. They have also been held responsible for spreading financial crises- causing 'contagion' in international financial market while some of the economists have some other view about the impact of FII flows in the economy. The theories relating to impact of FII investment on underlying stock market have been advanced explaining contradictory conclusion.

The two main bodies of theories exist in the literature about the relationship between FIIs investment and underlying stock market and both

are contradictory to each other. These are:

- 1) A 'Destabilizing forces' hypothesis, that predicts increased volatility due to the FIIs inflows.
- 2) A 'Non-destabilization' hypothesis that FIIs have no impact on stock market volatility.

Even about the impact of the FIIs flows on return, there are two views:

- 1) A 'Positive Feed Back Trading' hypothesis says FIIs enter in the market when there are some positive signals of higher stock return and withdraws when they perceive some negative information.
- 2) A 'Base broadening' hypothesis suggests that the expansion of the investor base by including foreign investors leads to increased diversification followed by reduced risk and consequently lowering the required risk premium. Thus there is a permanent increase in the equity share price through risk pooling which is the signal of higher returns.

In the above mentioned cases, the former hypothesis states that the FIIs enter the foreign market to reap the benefits and there after they withdraw their money and that increases the

* Professor in Department of Business Management, Guru Jambheshwar University of Technology and Sciences, Hisar (Haryana).

** Lecturer, Kedarnath Aggarwal Institute of Management, Charkhi Dadri (Haryana).

price pressure strategies resorted to by the FIIs to determine the nature and causality of the flows and found evidence for the existence of the of negative feedback trading at the monthly horizon, that is the foreign investors buy when the price is low and sell when the price is on the increase. They brought out the precise nature and extent of relationship. Unexpected sales at BSE equaling 1 percent of the market capitalization was associated with 21.9 percent drop in its stock market and in the case of NSE, unexpected sales equaling 1 percent of market capitalization was associated with 11.4 percent in NSE stock prices and unexpected net flows to NSE equaling 1 percent of market capitalization was associated with 12.3 percent rise in its equity prices.

Kim and Singal (1993), study the behavior of stock prices following the opening of a stock market to foreigners or large foreign inflows. They found that there is no systematic effect of liberalization on stock market volatility. These findings corroborate Bakaert's findings that volatility in emerging markets is unrelated to his measure of market integration.

Bahmani-Oskooee and Sohrabian (1992), were among the first to use co integration and Granger causality to explain the direction of movement between exchange rates and stock prices and found FIIs use positive feedback trading strategies; causality may run from stock prices to foreign investment. The portfolio balancing efforts of foreign investors would also put pressure on demand for (or supply) of currency, which may affect its exchange rate. On the other hand, the payoff of foreign investors depends on exchange rate movements as well as on stock price movements, and they may rebalance their portfolio in response to an (an anticipated) change in exchange rate. The relationship of FII investment with stock prices on the one hand, and with exchange rate on the other hand may produce indirect relation between exchange rate and stock prices.

CONCLUSION

The following points have emerged from the analysis of the existing studies conducted with the objective of finding the impact of FIIs on underlying stock market (i.e. Indian stock market).

- Most of the research studies have indicated either a significant increase or no impact on the

volatility of the underlying stock market due to introduction of FIIs in Indian stock market. It means foreign institutional investors destabilize prices creating a threat of incremental risk.

- Regarding the impact on stock return two findings are observed. First, according to majority of the researchers FIIs arrival increase the return in the host country market. Second finding is that majority of FIIs follow a feed back trading strategy. Thus, it is quite confusing to decide that which one is cause and which one is impact. However, the view FIIs increase return has found more support by researchers.
- Most of the research studies find that the introduction of FIIs in stock market enhance the growth of the country by developing stock market and by increasing transparency and fair dealing.
- Majority of the researchers use ARCH, GARCH, TGARCH models to find out the impact of FIIs on the volatility of the stock market and regression and Granger Causality Model to find out the determinants of the FIIs in underlying stock market.

Based on the above-mentioned findings, we can conclude that FIIs help in enhancing the liquidity, marketability and efficiency of the stock market. They help in completing the market and provide a chance to diversify and pooling the risk. However, almost equal evidence is found in the support that FIIs follow feedback trading strategy, means they arrive in the host country to reap the benefits of higher return and as soon as they see the adverse condition they exit from there and create the conditions more adverse. The unfavorable conditions, however, can be tackled with the help of government regulations. In nutshell, while framing regulations about foreign investors in Indian, the regulators and policy makers must not ignore the fact that FIIs help to develop the stock market and also contribute in the development of the host country.

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SBI'S VENTURE INTO MICRO FINANCE - CASE STUDY

Sakshi Vasudeva* & Hamendra Dangi**

"A lot of directed lending is indeed wastefully and hugely inefficient. But microfinance is a form of directed lending that greatly improves efficiency. This is hard-nosed economics, not the bleeding-heart variety."

**- Swaminathan S Anklesaria Aiyar,
Consulting Editor,
Economic Times in 2004.**

"SBI in India, with 13,000 branches, is reaching down by acquiring the portfolios of dozens of microfinance institutions."

**- Elizabeth Littlefield,
CEO, CGAP and Director,
World Bank in 2005.**

"The bank has also been successful in cultivating entrepreneurship among the needy through micro finance more specifically through self-help groups. SBI can also support venture capitalists for generating the rural technology needed for the innovative rural enterprises. This will facilitate creation of large scale employment in the rural areas leading to the removal of urban-rural divide. SBI being a leading bank in the country can facilitate development of at least 1000 PURAs."

**Dr. A.P.J. Abdul Kalam's
address at the Bicentennial Celebrations of the
State Bank of India, 2006**

Microfinance generally refers to the entire gamut of financial services, such as micro credit, micro-insurance, savings and deposits, offered in small quantities to those at the bottom of the pyramid. Effective availability of microfinance could, therefore, be an important factor in improving the welfare of the poor and the underprivileged. Micro-finance is often advocated as a solution to multiple social problems. Poor households with access to credit can make investments that bring them out of poverty, household and regional income and wealth disparities are reduced, and groups meetings provide forums for collective action that improves gender relations and local governance. Over the last few years, savings and credit groups have also helped manage some important social programs of the Indian government, such as the distribution of food grains and school meals in state primary schools.

The administrative set-up has, since Independence in 1947, tried to alleviate poverty and take financial services to under served segments through a variety of programmes. Early strategies included setting up Development Financial Institutions, which were established with the objective of supporting industrialization and infrastructure development. Another strategy adopted was the nationalization of Commercial Banks, in an effort to improve the delivery of financial services and take access nation wide. Furthermore, several directed target-

approach poverty alleviation programmes were initiated. Most of these had a financial access component built in, either in the form of creation of income generating assets, or for start up capital to support entrepreneurial activities and indirectly generate employment.

Priya Basu, Lead Economist at the World Bank cited evidence that indicates that the reach of microfinance in India has been limited. For instance, only 21% of India's poor have been directly and indirectly helped by the outreach of

* Faculty at, MERI, New Delhi

** Lecturer at FMS, University of Delhi, Delhi

type training institutes have been established at Gulbarga and Gadag in Karnataka State, to impart training in self employment to youth free of cost.

- (ix) **SBI staff as SHPI:** The main role of formation and nurturing of SHGs have been played by NGOs who, apart from their fundamental role of social service, also aim to make the poor economically self sufficient. But in SBI, our committed work force is not lagging behind and a number of committed staff members have worked hard to form and nurture SHGs on their own.

- (x) **Appreciation by Government:** A number of our branches / Circles have also received commendation and appreciation from various State Governments for doing excellent job in SHG-Bank Credit Linkage programme.

NABARD felicitated 15 SHGs at a function organized in New Delhi on 13th September 2005. The function was presided over by the Hon'ble Union Finance Minister. Out of total 15 SHGs felicitated, 4 were financed by our branches, one each from Orissa, Jharkhand, Madhya Pradesh and Uttaranchal.

- (xi) **Samanwita:** Bank has sponsored and financially supported NGO 'SAMANWITA' in collaboration with Government of Orissa for supplementing the process of socio economic upliftment of the tribals and the downtrodden in the poorest and most backward Kandhamal district of Orissa State where 52% of the population is that of tribals. Core activities performed by Samanwita are empowerment of people through promotion of SHGs, especially women SHGs and development of human resources.

- (xii) **SHPI status:** State Bank of India is the first Commercial Bank to which NABARD has recently given SHPI status.

- (xiii) SBI has taken several initiatives to expand its microfinance portfolio covering one million SHGs.

The Prime Minister of India, Manmohan Singh remarked that SBI needed to play a major role and guide all the other banks in increasing the market for rural credit. At the bicentennial celebrations of SBI in June 2005, he said "You (SBI) have to leverage

your strengths, develop new capabilities, and show initiative to venture into uncharted territories so that you continue to be in the vanguard of India's growth in this century⁸..."

FUTURE PLANS

SBI has set for itself an ambitious target of credit linking 1 million SHGs up to March 2008. The Bank has started to leverage our vast SHG network for various services beyond credit delivery.

ISSUES

The evaluation of a microfinance programme depended on its purpose, resources and time-frame. This entails an evaluation at the levels of policy makers and academic institutions, investors and microfinance institutions (MFIs). The risk profile and creditworthiness of an MFI depend not only on its past financial performance, but also on its future performance which is critically affected by its managerial capabilities and governance. As we go forward from here, the most salient point to remember is not past successes or present impediments but the future potential of this market. According to an April 2006 McKinsey India survey, rural India has the potential to become a US\$500 billion market by the year 2020. It remains to be seen whether today's MFIs, banks, lenders and investors have the tenacity, dexterity and wit to retain first mover advantage.

AGENDA FOR DISCUSSION

1. What is the role played by SBI in the microfinance sector in India?
2. What are the rural banking and microfinance programs of SBI?
3. How can State Bank of India strategize for future expansion and leverage on the growth potential into this area?

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