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# The editors have retained the documentation methods employed by the respective authors.

## ANALYSIS OF INFLATION OF NEPAL

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### Abstract

*Economies of all countries whether underdeveloped, developing as well developed suffers from inflation. Negative effects of inflation include a decrease in the real value of money and other monetary items over time, uncertainty over future inflation which may discourage investment and savings, and if inflation is rapid enough, shortages of goods as consumers begin hoarding out of concern that prices will increase in the future. The necessity of spurting economic growth is essential for Nepal, a land-locked least developed country in south Asia. The country has per capita income in July 2006 of USD 311 (GoN, Economic Survey, 2006) and is ranked 138th of 177th in the “Human Development Report 2006”. Empirical results suggest that inflation in Nepal is mainly determined by Indian inflation with narrow money only having an effect in the short run (less than one year). The study attributed this result to the geographical situation of having a shared open and contiguous border, which facilitates informal trade and goods arbitrage, a rigid pegged exchange rate regime between both currencies along with time varying capital mobility: i.e. it is less mobile in the short term (less than one year) but being more so in the long term.*

## 1. INTRODUCTION

### 1.1 Background and Rationale

In economics, inflation is a rise in the general price level of goods and services in an economy over a period of time. By inflation one generally means rise in prices. To be more correct inflation is persistent rise in the general price level rather than a once-for-all rise in it, while deflation is persistent falling price. Inflation can be defined as the persistent rise in the general price level across the economy over time. Mild inflation is considered to be desirable for economic growth. High inflation is more likely to raise unemployment than to lower it (Friedman, 1977). More specifically, it hurts the poorest of the poor having fixed level of income, as inflation erodes their real wealth. In other words, it further widens the income inequality in society.

These days economies of all countries whether underdeveloped, developing as well developed suffers from inflation. High inflation complicates long-term economic planning, creating incentives for households and firms to shorten their horizons and to spend resources in managing

inflation risk rather than focusing on the most productive activities (Bernanke, 2006). On the other hand, "Low and stable inflation brings stability to financial systems and fosters sustainable economic growth over the longer run" (Fergusson, 2005). When prices are stable, both economic growth and stability are likely to be achieved, and long-term interest rates are likely to be moderate. Thus, the primary role of monetary policy should be to maintain price stability (Batini and Yates 2003, Pianalto 2005).

The necessity of spurring economic growth is essential for Nepal, a land-locked least developed country in south Asia. The country has per capita income in July 2006 of USD 311 (GoN, Economic Survey, 2006) and is ranked 138th of 177th in the "Human Development Report 2006". It is felt that the situation of prevalent poverty had contributed to the domestic conflict situation over the past decade, which had affected domestic economic growth. During this period the country's economic growth was relatively lower vis-à-vis the average in the South Asian region.

Geographically, Nepal lies between the two giant neighbors, People's Republic of China (simply called China from now on) and Republic of India (simply called India from now on), in the lap of the Himalayas. The country has an area of 147,181 sq. km. with population of around 25.86 million (Economic Survey, 2005/06). On the south, west and east, the country is bordered with India and to the north with Tibet autonomous region of China and the Himalayan range. This geography has naturally made Nepal more focused towards the south – the open border with India.

The present term paper is an attempt to shorting out issues of inflation in Nepal, it digs out the historical facts, relationships, (Nepal Rastra Bank, the Central Bank of Nepal) NRB attempts and price behavior in monetary sector of the Nepalese economy applying standard latest more reliable econometric tools. It tries to answer: How is inflation determined in Nepal? The purpose of the study, however, is to explore, through an in-depth analysis and the empirical verification, the possibility of realizing economic and financial stability using monetary management techniques. Meanwhile, it is conscious about the policy constraints or contradictions inherent in the structure of the Nepalese economy, whether they are manmade, culturally affixed, or geographically attributed.

The study makes an effort to discover pertinent inherent issues relating to the movement of prices in Nepal. Conclusions will be derived, accordingly, from the estimation of price equations applying rigorous econometric tools, theoretical reasoning, institutional judgments and commonsense. The study may be a landmark for future research on Inflation in Nepal. Policy makers, academicians and social scientists can be benefited from its scientific approach, generalizations and organizations.

## 1.2 Research Problem

The study signifies to investigate following problems under research:

- (i) What are the factors that are responsible for rising prices?
- (ii) Whether rise to inflation is due to increase in Money Supply or due to gap between aggregate demand and aggregate supply?
- (iii) Whether price rise is due to increasing nominal GDP or real GDP?
- (iv) Is there any influence of Indian inflation on Nepalese inflation?

## 1.3 Objectives of the Study

The present paper aims to fulfil following objectives:

- (i) Estimate the trend of inflation rate in Nepal.
- (ii) Examine stationeries of data
- (iii) Identify the causes of inflationary impact in Nepal.

#### **1.4 Limitations of the Study**

As in the case of most empirical studies, the results obtained in this study should be considered as relative and not absolute in terms of magnitude. In total, there were eleven time series in annual frequency, covering the time span from fiscal year 1977/78 to fiscal year 2005/06. The sources of the data were from Government of Nepal, Nepal Rastra Bank and International Monetary Fund, research of scholars and internet sources. No attempt has been made to collect primary data.

## **2. LITERATURE REVIEW**

The researcher went over a number of literatures and studied relevant to the present study in different public and private libraries. The literature studies which have bearing to the present day study are herein cited.

### **2.1 Conceptual Framework**

#### **2.1.1 The quantity theory of money (QTM)**

Classical and neoclassical economists believe that the only way to price rises, and hence inflation, is through the over-supply of quantity of money in an economy. If money is doubled, price also doubles in full employment situation where money plays as a means of transaction only.

#### **2.1.2 Demand-pull theory of inflation**

According to this theory, inflation is generated by pressure of excess demand of goods and services for the available supply in the economy, especially when the economy approaches to the full employment level.

If the aggregate demand curves of the economy shifts upward, the price level rises. If the economy is in less than full equilibrium there is output effect as well.

The causes of increase in aggregate demand are explained as follows:

- a. Increase in Money Supply
- b. Increase in Government Expenditure
- c. Increase in Private Expenditure.
- d. Reduction in Taxation.
- e. Increase in Exports
- f. Increase in Population.
- g. Payment of Government Debt

#### **2.1.3 Cost-Push Inflation.** This type of inflation is caused due to increase in cost of production.

The reasons of cost-push inflation are as follows:

- 1. Wage-Push Inflation
- 2. Profit-Push Inflation
- 3. Imported inflation
- 4. Exchange rate changes
- 5. Commodity price changes
- 6. External shocks
- 7. Exhaustion of natural resources
- 8. Taxes

### **2.2 Empirical Findings**

This section attempts to review some empirical studies on inflation. Vogel (1974) developed a monetary model for explaining inflation in Latin America. The author's model considered the

rate of inflation ( $P_t$ ) as a dependent variable and the percentage change in money supply during current and previous years ( $M_t$ , and  $M_{t-1}$ ), percentage change in real income during current period ( $Y_t$ ) and change in inflation rate lagged by one year and two years ( $P_t$  and  $P_{t-1}$ ) as explanatory variables. Vogel (1974) concluded that the coefficients of  $M_t$  and  $M_{t-1}$  are highly significant. Similarly, McCandless and Weber (1995) looked at inflation in 110 countries during a 30- year period. The study concluded that inflation and monetary aggregates are positively correlated in the long run. Campillo and Miron (1996) examine the determinants of inflation across 62 countries over the period 1973 - 1994 by considering the distaste for inflation, optimal tax considerations, time consistency issues, distortionary non-inflationary policies and other factors as important determinants of inflation. The authors' have adopted Ordinary Least Squares (OLS) technique with standard error, estimated by White (1980) procedure. Razzak (2001) examined the New Zealand experience from a monetary perspective and showed that the time series correlation between inflation and monetary aggregates was high only during high-inflation periods and disappeared when inflation was low. Likewise, Lissovlik (2003) examined the transitional economy of Ukraine from a monetary and structural perspective using monthly data over the period 1993 - 2002 and concluded that money, wage and exchange rate largely affect inflation. Maliszewski (2003) examined inflation-determinants in Georgia and the relationship between prices, money and exchange rate over the period 1996:1 to 2003:2.

The first study by Domac and Elbirt (1998) examine the behavior and determinants of inflation in Albania by employing three different approaches. Firstly, the authors decomposed inflation into four components: seasonal, cyclical, trend, and random. Secondly, they used Granger causality test on both the consumer price index (CPI) and key economic variables, to investigate their information content. And, lastly, they apply cointegration and error correction techniques to the process of inflation to a monetary model. The model is expressed as :

$$\log P_t = \alpha \log M_t + \phi \log Y_t + \delta \Delta \log P_{t-1} + \nu \log e_t + \gamma \log P_t^f$$

The second study by Dlamini *et al* (2001) attempts to identify the relevant influencing factors of inflation in Swaziland using both open monetary and structural variables over the period 1974 - 2000. The CPI of Swaziland is taken to be the dependent variable with the explanatory variables being the real income ( $Y$ ), nominal money supply ( $M$ ), nominal interest rate ( $R$ ), nominal exchange rate ( $E$ ), nominal wages ( $W$ ) and South African consumer prices ( $SP$ ). The estimated equation is thus:

$$\ln P_t = \ln \alpha + \beta_1 \ln Y_t + \beta_2 \ln R_t + \beta_3 \ln E_t + \beta_4 \ln M_t + \beta_5 \ln SP_t + \beta_6 \ln W_t + \mu_t \text{ and } \mu_t = \text{NID}(0; \sigma^2)$$

where  $P$ ,  $M$  and  $e$  are price, money supply and exchange rates respectively.

The monetarist model includes the rate of growth (as indicated by a dot over the respective variables) of money supply ( $M$ ), per capita income ( $Y$ ), and expected cost of holding money ( $C$ ) as explanatory variables of inflation. The model is given as:

$$\dot{P}_t = \alpha + \alpha_1 \dot{M}_t + \alpha_2 \dot{M}_{t-1} + \alpha_3 \dot{M}_{t-2} + \alpha_4 Y_t + \alpha_5 C_t$$

The structuralist model of inflation is examined by using agricultural bottleneck, foreign exchange constraints, and fiscal constraints. The model consists of one year lagged percentage change in output ( $Y_{t-1}$ ) and import price index ( $MP_t$ ), percentage change in government expenditure ( $GOV_t$ ) and expected cost of holding money ( $C_t$ ), which is given as:

$$\dot{P}_t = \beta + \beta_1 \dot{Y}_{t-1} + \beta_2 \dot{MP}_{t-1} + \beta_3 \dot{GOV}_t + \beta_4 C_t$$

The findings of the study suggested that monetary policy is an important instrument to control inflation.

The consumption trend on Food and Beverage group (FBG) and Non-food and Services (NFS) varied over time. In the period of 1976 - 1980, the inflation observed lower average trend by 5.22 percent with comparison to that of the remaining periods except for 2000 - 2005. Low level of inflation is attributed to tight monetary policy and better food harvest in Nepal and price control measures in India as well. Over the period from 1976 to 2006, average rate of inflation remained at 8.23 percent.

### 3. Methodology

#### 3.1 Research Design

The research methodology adopts post-positivist views followed by the historical, descriptive and econometric method to study determinants, effect and remedial Measures overview of inflation in Nepal. Historical method focuses the facts and figures concerning inflationary trend in different period of time. Similarly, descriptive approach will be suitable to deal with various effect of inflation in the area of search. Econometric method will estimate the determinants as well as validity of relationship found between the variables under study.

#### 3.2 Population and Sample

Population will consists of entire economy of Nepal. Sample will consists of data consisting of time period between 1977/78 to fiscal year 2005/06

#### 3.3 Procedure of Data Collection

This section focus on the procedure/steps proposed to be followed for administration of tools and techniques to collect data, and/or the process of conducting the experiment. The research will be carried on the basis of secondary data. No attempt has been made to collect primary data. The secondary data will be collected from various sources like Journal published by Nepal Rastra Bank, National Planning Commission, Economic Survey, report of Central Beuro of Statistics (CBS), International Monetary Fund (IMF) report, publication of scholars and electronic sources.

#### 3.4 Tools and Techniques

In this section, the various tools and techniques to be adapted or to be developed for use in the study are mentioned, in relation to the objectives of the study. Reliability and validity of the tools and techniques, as appropriate, are noted. The data will include the factors that are responsible for rising prices. It consists of data on Money Supply, NCPI, ICPI real and nominal GDP.

#### 3.3 Data Analysis and Interpretation

##### 3.4.1 Tabulation

1. Time Series. It will give information about numerical values of Money Supply, ,NCPI, real and nominal GDP.
2. Cross Section. These data will give information on values of variables Money Supply,NCPI, real and nominal GDP.

##### 3.4.2 Econometric Models

Following econometric models will be developed to meet the objectives

- i)  $\ln P = \alpha + \beta_1 \ln M_1 + \varepsilon$
  - ii)  $\ln P = \alpha + \beta \ln M_2 + \varepsilon$
  - iii)  $\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln M_2 + \varepsilon$
  - iv)  $\ln P = \alpha + \beta_1 \ln P_{-1} + \varepsilon$
  - v)  $\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln RGDP + \varepsilon$
  - vi)  $\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln NGDP + \varepsilon$
  - vii)  $\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln M_2 + \beta_3 \ln RGDP + \varepsilon$
  - viii)  $\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln M_2 + \beta_3 \ln RGDP + \beta_4 \ln NGDP + \varepsilon$
- $$\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln M_2 + \beta_3 \ln RGDP + \beta_4 \ln NGDP + \beta_5 \log V_1 + \beta_6 \log V_2$$

Where ln = natural log value

P = annual CPI in Nepal

RGDP = Real gross domestic product

NGDP = Nominal gross domestic product

M<sub>1</sub> = narrow money

M<sub>2</sub> = broad money

V<sub>1</sub> = velocity of narrow money

V<sub>2</sub> = velocity of broad money

### 3.4.3 Interpretation

Interpretation will be drawn on the basis of the variable description along with their sources, are provided below:

- Price level in Nepal (p) is measured by the Consumer Price Index and is denoted by P, whose source is NRB;

- The money supply (m) is measured by both narrow money (M<sub>1</sub>) and broad money (M<sub>2</sub>) whose source is NRB;

Velocity (v) is calculated using the quantity theory of money: it is the ratio of nominal GDP to money (e.g. MV=PQ). If M<sub>1</sub> is used then the velocity will be V<sub>1</sub>, if M<sub>2</sub> is used then the velocity will be V<sub>2</sub>.

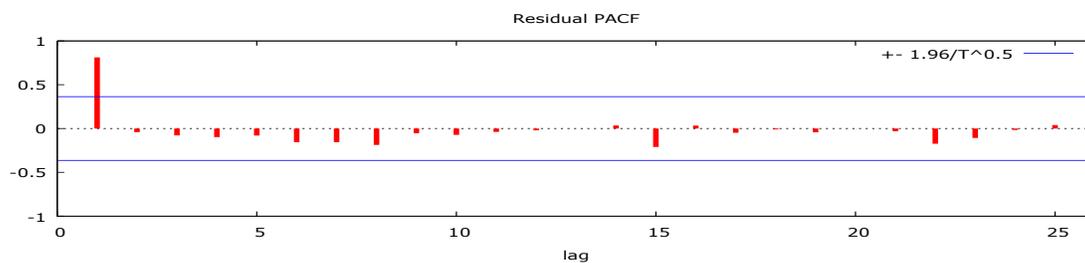
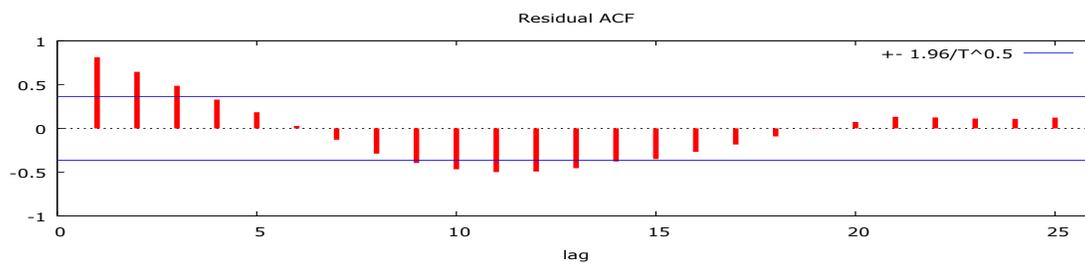
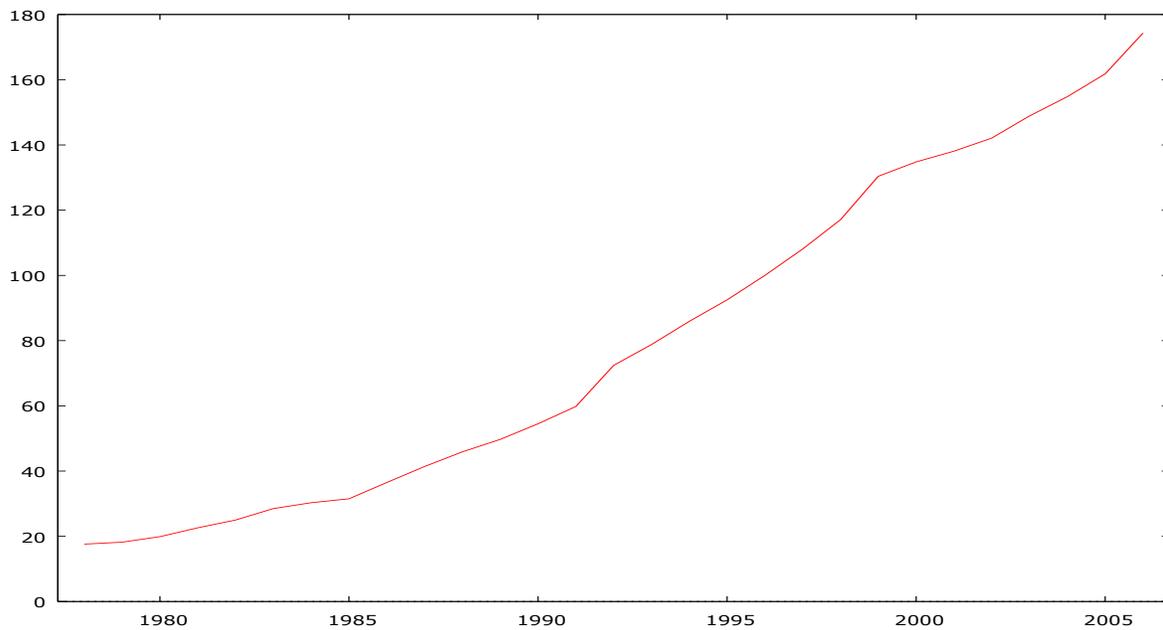
- Real output (y) is measured by real GDP. The series is calculated from Nominal GDP series taken from Table (Annex) in the Government of Nepal's (GON) *Economic Survey* and deflated by the GDP deflator taken from same source.

## 4. Analysis and Interpretation

### Time Series Plot & Correlogram of NCPI against time

When NCPI is regressed against time, as shown in figure-1, its time series plot and correlogram shows that the data is not stationary.

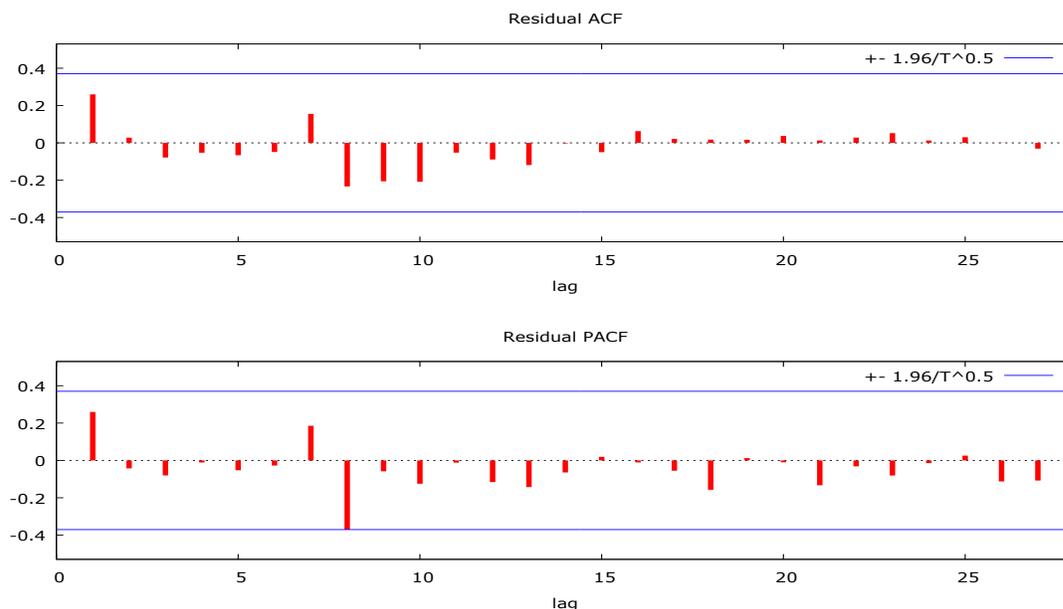
Fig-1



**Correlogram of inflation rate against time**

When inflation rate is regressed against time, as shown in figure-2, its correlogram shows that the data is not stationary.

**Fig-2**



**Model 1**

$$\ln P = \alpha + \beta_1 \ln M_1 + \varepsilon$$

Model 1 yielded following result:

**Dickey-Fuller test for lnNCPI**

sample size 28

unit-root null hypothesis:  $a = 1$

test with constant

model:  $(1-L)y = b_0 + (a-1)*y(-1) + e$

1st-order autocorrelation coeff. for e: 0.166

estimated value of  $(a - 1)$ : -0.0218854

test statistic:  $\tau_c(1) = -2.27857$

p-value 0.1854

with constant and trend

model:  $(1-L)y = b_0 + b_1*t + (a-1)*y(-1) + \dots + e$

1st-order autocorrelation coeff. for e: -0.264

lagged differences:  $F(6, 13) = 1.210 [0.3610]$

estimated value of  $(a - 1)$ : -0.465252

test statistic:  $\tau_{ct}(1) = -1.65902$

asymptotic p-value 0.7693

**Dickey-Fuller test for lnM1**

sample size 28

unit-root null hypothesis:  $a = 1$

test with constant

model:  $(1-L)y = b_0 + (a-1)*y(-1) + e$

1st-order autocorrelation coeff. for e: 0.122

estimated value of  $(a - 1)$ : -0.0146474

test statistic:  $\tau_c(1) = -2.19111$

p-value 0.2136

with constant and trend

model:  $(1-L)y = b_0 + b_1*t + (a-1)*y(-1) + e$   
 1st-order autocorrelation coeff. for e: 0.092  
 estimated value of (a - 1): 0.012759  
 test statistic:  $\tau_{ct}(1) = 0.141369$   
 p-value 0.9961

Both logNCPI and logM1 do not have unit roots, applying Cochrane-Orcutt method, we get following result:

Model 1: Cochrane-Orcutt, using observations 1979-2006 (T = 28)  
 Dependent variable: lnNCPI  
 rho = 0.821585

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	-1.27297	0.355301	-3.5828	0.00137	***
lnM <sub>1</sub>	0.555378	0.0336112	16.5236	<0.00001	***

Mean dependent variable	4.186232	S.D. dependent variable	0.722242
Sum squared residual	0.034346	S.E. of regression	0.036346
R-squared	0.997566	Adjusted R-squared	0.997472
F(1, 26)	273.0300	P-value(F)	2.62e-15
rho	0.135368	Durbin-Watson	1.481527

Source: Authors' Calculation

The result shows that 1% increase in narrow money supply increases CPI by 0.55%. This means narrow money supply significantly accounts for Nepalese inflation.

**Model 2**

$$\ln P = \alpha + \beta \ln M_2 + \varepsilon$$

Model 2 yielded following result:

**Augmented Dickey-Fuller test for lnM<sub>2</sub>**

including 7 lags of  $(1-L)\ln M_2$  (max was 8)  
 sample size 21  
 unit-root null hypothesis: a = 1

test with constant

model:  $(1-L)y = b_0 + (a-1)*y(-1) + \dots + e$   
 1st-order autocorrelation coeff. for e: 0.071  
 lagged differences:  $F(7, 12) = 1.890 [0.1588]$   
 estimated value of (a - 1): -0.0239745  
 test statistic:  $\tau_c(1) = -2.32971$   
 asymptotic p-value 0.1626

with constant and trend

model:  $(1-L)y = b_0 + b_1*t + (a-1)*y(-1) + \dots + e$   
 1st-order autocorrelation coeff. for e: 0.068

lagged differences:  $F(7, 11) = 1.726$  [0.2010]  
 estimated value of  $(a - 1)$ : -0.0642413  
 test statistic:  $\tau_{ct}(1) = -0.201996$   
 asymptotic p-value 0.9931  
 $\ln M_2$  does not have unit root.

Model 2: Cochrane-Orcutt, using observations 1979-2006 (T = 28)  
 Dependent variable:  $\ln NCPI$   
 $\rho = 0.840181$

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	-1.12367	0.358959	-3.1304	0.00428	***
$\ln M_2$	0.495243	0.0307824	16.0885	<0.00001	***

Statistics based on the rho-differenced data:

Mean dependent var	4.186232	S.D. dependent var	0.722242
Sum squared resid	0.028717	S.E. of regression	0.033234
R-squared	0.997961	Adjusted R-squared	0.997883
F(1, 26)	258.8402	P-value(F)	4.95e-15
rho	0.020216	Durbin-Watson	1.793532

Source: Authors' Calculation

This implies that broad money supply also significantly accounts for Nepalese inflation. One percent increase in broad money supply increases NCPI by 0.495%.

### Model 3

$$\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln M_2 + \varepsilon$$

Model 3 yielded following result:

Model 3: Cochrane-Orcutt, using observations 1979-2006 (T = 28)  
 Dependent variable:  $\ln NCPI$   
 $\rho = 0.839914$

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	-1.12418	0.37605	-2.9895	0.00619	***
$\ln M_1$	-0.000575166	0.250748	-0.0023	0.99819	
$\ln M_2$	0.495812	0.223877	2.2147	0.03613	**

Statistics based on the rho-differenced data:

Mean dependent var	4.186232	S.D. dependent var	0.722242
Sum squared resid	0.028717	S.E. of regression	0.033892
R-squared	0.997961	Adjusted R-squared	0.997798
F(2, 25)	124.9136	P-value(F)	9.68e-14
rho	0.020311	Durbin-Watson	1.793445

Source: Authors' Calculation

The result shows that broad money supply significantly accounts for increase in in NCPI. One percent increase in broad money supply increases NCPI by 0.495%. If both narrow money supply and broad money supply is included, narrow money supply is not responsible for increasing NCPI.

**Model 4**

$$\ln P = \alpha + \beta_1 \ln P_{-1} + \varepsilon$$

Model 4 yielded following result:

Model 4: Cochrane-Orcutt, using observations 1980-2006 (T = 27)

Dependent variable: lnNCPI

rho = 0.173357

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	0.213997	0.0409454	5.2264	0.00002	***
lnNCPI <sub>-1</sub>	0.968805	0.0116725	82.9987	<0.00001	***

Statistics based on the rho-differenced data:

Mean dependent var	4.233818	S.D. dependent var	0.689823
Sum squared resid	0.027577	S.E. of regression	0.033213
R-squared	0.997771	Adjusted R-squared	0.997682
F(1, 25)	7551.182	P-value(F)	1.52e-32
rho	-0.035185	Durbin's h	-0.179727

Source: Authors' Calculation

Increasing NCPI depends on one period back NCPI. 1% increase in one period back NCPI increases present NCPI by 0.96%.

**Model 5**

$$\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln RGDP + \varepsilon$$

Model 5 yielded following result:

**Augmented Dickey-Fuller test for lnRGDP**

including 3 lags of (1-L)<sub>1</sub>RGDP (max was 8)

sample size 25

unit-root null hypothesis: a = 1

**test with constant**

model: (1-L)y = b0 + (a-1)\*y(-1) + ... + e

1st-order autocorrelation coeff. for e: -0.125

lagged differences: F(3, 20) = 1.421 [0.2660]

estimated value of (a - 1): -0.0274193

test statistic: tau\_c(1) = -1.40818

asymptotic p-value 0.58

**with constant and trend**

model: (1-L)y = b0 + b1\*t + (a-1)\*y(-1) + ... + e

1st-order autocorrelation coeff. for e: 0.053

lagged differences: F(4, 17) = 2.372 [0.0933]

estimated value of (a - 1): -0.3638

test statistic: tau\_ct(1) = -1.77826

asymptotic p-value 0.7155

Model 5: Cochrane-Orcutt, using observations 1979-2006 (T = 28)  
 Dependent variable: lnNCPI  
 rho = 0.806167

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	-2.58076	1.72703	-1.4943	0.14760	
IM <sub>1</sub>	0.509396	0.0738778	6.8951	<0.00001	***
lnRGDP	0.145207	0.194681	0.7459	0.46270	

Statistics based on the rho-differenced data:

Mean dependent var	4.186232	S.D. dependent var	0.722242
Sum squared resid	0.033608	S.E. of regression	0.036665
R-squared	0.997616	Adjusted R-squared	0.997425
F(2, 25)	162.0785	P-value(F)	4.86e-15
rho	0.130282	Durbin-Watson	1.503100

Source: Authors' Calculation

If both narrow money supply and real GDP are included, narrow money supply is responsible for increasing NCPI but not real GDP.

### Model 6

$$\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln NGDP + \varepsilon$$

Model 6 yielded following result:

#### Augmented Dickey-Fuller test for lnNGDP

including 7 lags of (1-L)<sub>1</sub>NGDP (max was 8)  
 sample size 21  
 unit-root null hypothesis: a = 1

#### test with constant

model: (1-L)y = b<sub>0</sub> + (a-1)\*y(-1) + ... + e  
 1st-order autocorrelation coeff. for e: -0.187  
 lagged differences: F(7, 12) = 0.874 [0.5533]  
 estimated value of (a - 1): -0.0686483  
 test statistic: tau\_c(1) = -2.95857  
 asymptotic p-value 0.03895

#### with constant and trend

model: (1-L)y = b<sub>0</sub> + b<sub>1</sub>\*t + (a-1)\*y(-1) + ... + e  
 1st-order autocorrelation coeff. for e: -0.274  
 lagged differences: F(7, 11) = 1.142 [0.4047]  
 estimated value of (a - 1): -0.212084  
 test statistic: tau\_ct(1) = -1.87968  
 asymptotic p-value 0.665

Model 6: Cochrane-Orcutt, using observations 1979-2006 (T = 28)  
 Dependent variable: lnNCPI  
 rho = 0.750723

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	-1.85563	0.483554	-3.8375	0.00075	***

lnM <sub>1</sub>	0.45842	0.10691	4.2879	0.00024	***
lnNGDP	0.129462	0.122287	1.0587	0.29987	

Statistics based on the rho-differenced data:

Mean dependent var	4.186232	S.D. dependent var	0.722242
Sum squared resid	0.033091	S.E. of regression	0.036382
R-squared	0.997652	Adjusted R-squared	0.997464
F(2, 25)	287.6278	P-value(F)	5.56e-18
rho	0.114517	Durbin-Watson	1.430870

Source: Authors' Calculation

If both narrow money supply and nominal GDP are included, again narrow money supply is responsible for increasing NCPI but not nominal GDP.

**Model 7**

$$\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln M_2 + \beta_3 \ln RGDP + \varepsilon$$

Model 7 yielded following result:

Model 7: Cochrane-Orcutt, using observations 1979-2006 (T = 28)  
 Dependent variable: lnNCPI  
 rho = 0.838435

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	-1.23767	1.72071	-0.7193	0.47892	
lnM <sub>1</sub>	0.00115385	0.256926	0.0045	0.99645	
lnM <sub>2</sub>	0.490735	0.241721	2.0302	0.05356	*
lnRGDP	0.012456	0.190959	0.0652	0.94853	

Statistics based on the rho-differenced data:

Mean dependent var	4.186232	S.D. dependent var	0.722242
Sum squared resid	0.028712	S.E. of regression	0.034588
R-squared	0.997961	Adjusted R-squared	0.997707
F(3, 24)	81.64071	P-value(F)	9.85e-13
rho	0.020850	Durbin-Watson	1.792634

Source: Authors' Calculation

If narrow money supply, broad money supply and real GDP are included, only broad money supply is responsible for increasing NCPI.

**Model 8**

$$\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln M_2 + \beta_3 \ln RGDP + \beta_4 \ln NGDP + \varepsilon$$

Model 8 yielded following result:

Model 8: Cochrane-Orcutt, using observations 1979-2006 (T = 28)  
 Dependent variable: lnNCPI  
 rho = 0.803235

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
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const	-0.932379	1.86763	-0.4992	0.62236	
lnM <sub>1</sub>	-0.0518253	0.274986	-0.1885	0.85217	
lnM <sub>2</sub>	0.493529	0.245275	2.0122	0.05606	*
lnRGDP	-0.0716668	0.234637	-0.3054	0.76278	
lnNGDP	0.101504	0.139982	0.7251	0.47569	

Statistics based on the rho-differenced data:

Mean dependent var	4.186232	S.D. dependent var	0.722242
Sum squared resid	0.028142	S.E. of regression	0.034980
R-squared	0.998002	Adjusted R-squared	0.997654
F(4, 23)	93.20623	P-value(F)	7.27e-14
rho	0.006953	Durbin-Watson	1.748055

Source: Authors' Calculation

If narrow money supply, broad money supply, nominal GDP and real GDP are included, none of the variables are responsible for increasing NCPI.

**Model 9**

$$\ln P = \alpha + \beta_1 \ln M_1 + \beta_2 \ln M_2 + \beta_3 \ln RGDP + \beta_4 \ln NGDP + \beta_5 \log V_1 + \beta_6 \log V_2$$

Model 9 yielded following result:

Model 9: Cochrane-Orcutt, using observations 1979-2006 (T = 28)

Dependent variable: lnNCPI

rho = 0.804864

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	-2.11095	2.10442	-1.0031	0.32723	
lnM <sub>1</sub>	2.11547	1.54469	1.3695	0.18531	
lnM <sub>2</sub>	-0.053566	0.783554	-0.0684	0.94614	
lnRGDP	0.0492927	0.257308	0.1916	0.84992	
lnNGDP	-1.54686	1.40236	-1.1030	0.28249	
lnVM <sub>1</sub>	2.14329	1.51584	1.4139	0.17204	
lnVM <sub>2</sub>	-0.457781	0.640533	-0.7147	0.48267	

Statistics based on the rho-differenced data:

Mean dependent var	4.186232	S.D. dependent var	0.722242
Sum squared resid	0.025630	S.E. of regression	0.034936
R-squared	0.998180	Adjusted R-squared	0.997660
F(6, 21)	61.50040	P-value(F)	3.09e-12
rho	-0.054982	Durbin-Watson	1.869541

Source: Authors' Calculation

If narrow money supply, broad money supply, nominal GDP and real GDP, velocity of narrow and broad money supply are included, none of the variables are responsible for increasing NCPI

**Additional Models**

**Model 10:** Cochrane-Orcutt, using observations 1979-2006 (T = 28)

Dependent variable: lnNCPI

rho = 0.327377

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	-3.76505	0.140305	-26.8348	<0.00001	***
lnNGDP	0.673525	0.0117804	57.1735	<0.00001	***

Statistics based on the rho-differenced data:

Mean dependent var	4.186232	S.D. dependent var	0.722242
Sum squared resid	0.049348	S.E. of regression	0.043566
R-squared	0.996497	Adjusted R-squared	0.996362
F(1, 26)	3268.811	P-value(F)	7.16e-29
rho	-0.045278	Durbin-Watson	1.471956

Source: Authors' Calculation

This model (model-10) shows that NCPI is significantly influenced by change in NGDP. 1% change in NGDP brings 0.67% change in NCPI.

**Model 11:** Cochrane-Orcutt, using observations 1980-2006 (T = 27)

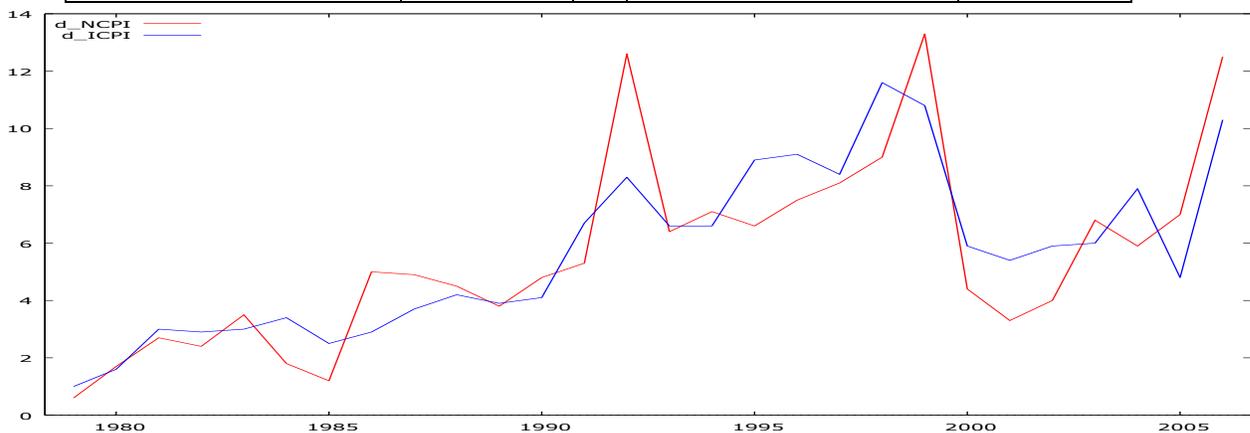
Dependent variable:  $\Delta$ NCPI

rho = -0.130323

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	0.0135713	0.716449	0.0189	0.98504	
$\Delta$ ICPI	0.981146	0.111886	8.7691	<0.00001	***

Statistics based on the rho-differenced data:

Mean dependent var	5.781481	S.D. dependent var	3.229675
Sum squared resid	76.10802	S.E. of regression	1.744798
R-squared	0.719367	Adjusted R-squared	0.708142
F(1, 25)	76.89754	P-value(F)	4.24e-09
rho	0.005470	Durbin-Watson	1.895850



Source: Authors' Calculation

This model (model-11) shows that NCPI is influenced by change in ICPI. 1% change in ICPI brings 0.98% change in NCPI. The relationship between NCPI and ICPI is shown in the figure.

## Conclusions and Recommendations

The study began with the premise that it is essential to be aware of the major determinants of inflation in Nepal, for meeting the objective of domestic price stability. In this regard, it is felt that the study has achieved this main objective. This was achieved by the study initially looking at a hybrid model of inflation - e.g. open economy monetary model with structural factors - which had incorporated demand pull and cost push (via imported price) theories of inflation.

Empirical results suggest that inflation in Nepal is mainly determined by Indian inflation with narrow money only having an effect in the short run (less than one year). The study attributed this result to the geographical situation of having a shared open and contiguous border, which facilitates informal trade and goods arbitrage, a rigid pegged exchange rate regime between both currencies along with time varying capital mobility: i.e. it is less mobile in the short term (less than one year) but being more so in the long term. The study had therefore concluded that within the existing framework of pegged exchange rate and capital mobility, the main influencing factor of inflation is from India with the NRB having control over domestic inflation only in the short run (a one year window) but limited control beyond that.

This study suggests that there is a near unity relationship, which is corroborated with holding of absolute and relative purchasing power parity. This result is also similar to IMF (1993), which has concluded that Nepal's inflation is basically determined by Indian inflation. In the words of IMF, "When Nepal's CPI is regressed on India's WPI corrected for the exchange rate, the coefficient on India's price level is very close to 1".

Given this conclusion, the study makes three recommendations:

- **First**, to establish a mechanism to continuously monitor price developments in India to ensure harmonization of domestic regulated prices (e.g. petroleum products etc.). This is because with significant differences in the regulated prices between India and Nepal, high level of arbitrages in border areas becomes common practices and thereby affecting Nepalese inflation.
- **Second**, to commence studies for examining the implication of increasing the level of capital mobility between both countries. Indian has already indicated for having greater degree of capital convertibility in their 2006 report by the Tarapore Commission. Such activities will likely have to be followed by Nepal. A greater degree of capital convertibility will result in higher level of capital flow between both countries. Given the existing rigid exchange rate, this make the window for the Nepal Rastra Bank to influence inflation smaller. Further, there is an important implication on the exchange rate policy currently followed by the country. While outside the scope of the study, it is important to be proactive about the effects this will have.
- **Third**, to refine monetary policy formulation based on the above results. Presently, monetary policy is geared toward maintenance of price stability. However, the empirical exercise of the bank suggests that the main contributor for inflation in the country is from India. This has implication and suggests that NRB should rethink.

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## Annex

### Data used for estimation

year	NCPI	inf	M <sub>1</sub>	M <sub>2</sub>	NGDP	VM <sub>1</sub>	VM <sub>2</sub>	RGDP	ICPI
1978	17.6		2060.6	3772.1	19727	9.6	5.2	94458.2	22.1
1979	18.2	0.6	2504.9	4511.4	26128	10.4	5.8	96697.51	23.1
1980	19.9	1.7	2830.4	5285.3	23351	8.3	4.4	94458.49	24.7

1981	22.6	2.7	3207.8	6307.7	27307	8.5	4.3	102339.2	27.7
1982	25	2.4	3611.5	7458	30988	8.6	4.2	106201.3	30.6
1983	28.5	3.5	4348.9	9222.4	33821	7.8	3.7	103044.3	33.6
1984	30.3	1.8	4931.5	10455.2	39290	8	3.8	113015.8	37
1985	31.5	1.2	5480	12296.6	46587.03	8.5	3.8	119961	39.5
1986	36.5	5	7029.3	15159	55734.31	7.9	3.7	125113.1	42.4
1987	41.4	4.9	8120.2	17498.2	63864.5	7.9	3.6	130047	46.1
1988	45.9	4.5	9596.6	21422.6	76906.12	8	3.6	155995.9	50.3
1989	49.7	3.8	11775.4	26605.1	89269.62	7.6	3.4	162604.7	54.2
1990	54.5	4.8	14223	31552.4	103415.8	7.3	3.3	170092.1	58.3
1991	59.8	5.3	16283.6	37712.5	120370.3	7.4	3.2	181280.1	65
1992	72.4	12.6	19457.7	45670.5	149487.1	7.7	3.3	189224.1	73.3
1993	78.8	6.4	23833	58322.5	171473.9	7.2	2.9	195746.6	79.9
1994	85.9	7.1	28510.4	69777.1	199272	7	2.9	212670.2	86.5
1995	92.5	6.6	32985.4	80984.7	219175	6.6	2.7	219175	95.4
1996	100	7.5	36498	92656	248913	6.8	2.7	230688.6	104.5*
1997	108.1	8.1	38460.3	103720.6	280513	7.3	2.7	242448.6	112.9
1998	117.1	9	45163.8	126462.6	300845	6.7	2.4	250079	124.5
1999	130.4	13.3	51062.5	152800.2	342036	6.7	2.2	260897	135.3
2000	134.8	4.4	60979.8	186120.9	379488	6.2	2	276796.5	141.2
2001	138.1	3.3	70576.9	214454.1	411275	5.8	1.9	292306	146.6
2002	142.1	4	77156.1	223988.2	422807	5.5	1.9	290589	152.5
2003	148.9	6.8	83753.9	245911.1	456675	5.5	1.9	300247	158.5
2004	154.8	5.9	93969.6	277306	496745	5.3	1.8	310909	166.4
2005	161.8	7	100205.7	300439.9	533538	5.3	1.8	320251	171.2
2006	174.3	12.5	112998.9	346762.3	582948	5.2	1.7	326582	181.5

1. 2006 is 2005/2006 fiscal year

2. M<sub>1</sub>, M<sub>2</sub>, narrow and broad money, in Rs. millions

3. NGDP, nominal Gross Domestic Product, in Rs. Millions

\* Since ICPI is adjusted to make consistent with NCPI by adjusting the base year, this value is not equal to 100

Source: the variables NCPI, M<sub>1</sub>, M<sub>2</sub>, are from taken from Nepal Rastra Bank; RGDP is taken from Economic Survey; ICPI is taken from IMF which is adjusted to the Nepalese Fiscal year so as to make it consistent with the Nepalese CPI; and VM<sub>1</sub> and VM<sub>2</sub> are the computed series from the relation  $MV = PY$ .

NCPI= Nepalese Consumer Price Index

ICPI= Indian Consumer Price Index

## FASCIST PROPAGANDA AND THE IDEA OF NARCISSISM

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**Abstract:**

*Is Fascism over? The pan-European movement which developed in the early twentieth century and culminated into World War II is not the thing of the past. In fact, it is very much present albeit in a covert manner in the contemporary world where we see the rise of Right-wing governments all around the globe. Set in an ideological framework, the paper tries to decode the psychological patterns which can lead to the fascist rule. Building on Theodore Adorno's assessment of narcissistic tendencies which turn 'masses into masses' and Giorgio Agamben's decisive concept of 'state of exception', the paper explores the scenario where the false propaganda leads to mental conditioning of the masses and their idealization of the authoritarian father-figure. This absolutely narcissistic primal father-figure then demands abject submission of will and creates states of exception where the inside and the outside blur into each other. Finally, by eliminating any alternative mode of thinking, one-dimensional men are created following a single ideology that is, of fascism. Herbert Marcuse's *One-Dimensional Man* (1964), which is discussed in the later-half of the paper, portrays the dreadful consequences when such one-dimensional men are created in a society.*

Throughout history men have struggled, suffered, and died under various oppressive regimes. The term 'fascist' (derived from the Italian word *fascio*) represents a significant breaking-point in the history of struggle against organized forces of repression. A pan-European movement which developed in early 1920s fiercely espoused anti-democratic and ultraconservative beliefs of ideologues like Count Joseph Gobineau in his "Essay on the Inequality of Human Race" (1853) and William Marr's "The Victory of Judaism over Germanism" (1873). It launched a scathing attack on socialism which was steadily developing in the 1880s and condemned it as materialist, unpatriotic and weak. The fascist movement led to the rise of the authoritarian personalities (General Franco in Spain, Hitler in Germany and Mussolini in Italy) which eventually and inevitably led to World War II.

My aim in this paper is to look at the social patterns and more importantly the psychological patterns that led to the rise of fascist rule in which the power and ideology of fascism couldn't be challenged. I want to re-asses Theodor Adorno's argument about how the tendency towards narcissism provided the psychological ground for the development of fascism. Giorgio Agamben's state of exception will serve as my point of departure since in a state of exception, the law truly "has no existence in itself, but rather has its being in the very life of men." The law and fact becomes totally indistinguishable. To develop the idea of the narcissistic personality

which ultimately changes into an authoritarian one, an extension of which is a fascist state, I will base my argument on Adorno's essay, "Freudian theory and the pattern of Fascist propaganda (1951)" followed by a discussion of Herbert Marcuse's *One-Dimensional Man* (1964).

In 1926 the Fascist regime in Italy issued a judgment which, as Agamben states in the *State of Exception* (2005), "established that, upon deliberations of the council of ministers, 'norms having force of law' could be issued by royal decree" when the government implements them "within the limits of their delegation" and/or in extreme situations which demand immediate and absolutely necessary action. As this judgment had to be tabled in the parliament for its conversion into a law, the disregard for the parliamentary procedures and its eventual loss of power rendered the whole activity superfluous. Since then the practice of executive absorbed the legislative power of the parliament and transformed the country into an absolute fascist state. (*SE* 18) In other words, the deliberate coincidence between the realm of bare life and political life rendered the law and fact totally indistinguishable. As a result, necessity permeated violence and deemed it thoroughly legitimate. Every other law was discarded as it created a law of its own. This led to the creation of a "zone of indifference" where inside and outside blurred into each other effectively leading to a state of exception.

This shows that oppression just can't be abolished so long as the causes which ultimately make it inevitable remain. As the causes reside in the objective (material condition) and subjective (psychological condition) realms, a reciprocal relationship between the two realms needs to be examined afresh, unless we prefer to close our eyes to the events that took place in the twentieth century. Theodor Adorno, known for his critical theory of society, in his essay, "Freudian theory and the pattern of fascist propaganda" analyses the social-psychological conditions of the modern authoritarian states. Eric Fromm, the psychoanalyst and the full member of the Institute for Social Research, who first attempted to link Freud and Marx, consciously avoided giving psychoanalytic answers for societal problems where adequate sociological answers existed. Adorno, on the other hand, tried to find out the reason behind the crowds resorting to violent methods and creating the atmosphere of pogrom at the libidinal level. Adorno argues about the monotonous but remarkably similar utterances of various "agitators, from much-publicized figures such as Coughlin and Gerald Smith to provincial small-time hate mongers" having a commonality, "be it conscious or unconscious, which determines every word that is said." (119) Adorno insists that Freud turned his attention to narcissism and ego problems for a specific reason, that is, to trace the individual instincts which "yield unquestionably to powerful outside, collective agencies." (120) Freud, according to Adorno, distanced himself from the traditional feeling of contempt towards the masses and worked in the spirit of enlightenment by asking "what makes masses into masses?" (121) The quest to uncover the unconscious instincts (unmasking the libidinal bond between the leader and the masses) which is responsible for the transformation of individuals into a mass would, Adorno states, lead to an exposition of the fascist agenda.

Adorno states that since the libidinal bond is of "uninhibited sexual nature," the "love relationship" has to remain at unconscious level. He cites Freud's example of "organized groups such as the Army or the Church" where love is completely excluded or merely mentioned/

expressed in an indirect manner. (123) It has to be repressed and molded into obedience to fall into the pattern of fascist propaganda. Adorno compares the fascist demagogues with the hypnotist:

who awakens in the subject a portion of his archaic inheritance which had also made him compliant towards his parents and which had experienced an individual re-animation in his relation to his father: what is thus awakened is the idea of a paramount and dangerous personality, towards whom only a passive-masochistic attitude is possible, to whom one's will has to be surrendered...It is only in some such ways as this that we can picture the relation of the individual member of the primal horde to the primal father...The primal father is the group ideal, which governs the ego in the place of the ego ideal. (Adorno 124)

The formation of the father-figure ideal which reanimates the threatening primal father to whom "one's will has to be surrendered" is, according to Adorno, the true nature and content of fascist propaganda. The mechanism, recognized by Adorno, which transforms libido into a bond, is that of "identification." (125) This identification "helps to bring about the separation of the leader image as that of an all-powerful primal father, from the actual father image." (125) He further states that this act of identification is based on certain primitive narcissistic desires and provides clue to the fact as to why the image of the leader and the overwhelming love for it is seen as an "enlargement of the subject's own personality, a collective projection of himself, rather than the image of the father whose role during the later phases of the subject's infancy may well have decreased in present day society." (125) Under the fascist rule, then, this results in the convergence of people's world-view with the leader's point-of-view and no other vision of the world seems possible.

Adorno's rationale is that attitudes to authority are learned or conditioned in childhood, where the parent serves as the first model of authority. Allan How, in his seminal book *Critical Theory* (2003), states that the idea of the narcissistic personality (equally shared by the masses and their leaders) derives from Freud's theory about the process of mental growth from childhood to adulthood. The baby gradually has to move on from being completely dependent on its mother to a stage where it recognizes its "separateness and potential autonomy." This sudden loss of omnipotence of the mother's figure who is the prime nurturer and sole provider of every basic need gives rise to infantile narcissism. (How 95) The word 'narcissism' itself derives from a Greek myth in which the Greek god Narcissus became so enchanted with his own reflection in the pool of water that he fell in love with his own image. Since then he couldn't bring himself to understand the objective reality other than the mesmerizing power of his reflection and unable to curb his strong urges, he drowned himself in the pool of water. However, while the child has to come to terms with the reality, rather painfully, that "it is not at the centre of things, but one ego amongst others," sometimes adults show signs of "pathological narcissism" resulting in the identification which the fascist leader tries to promote in his followers. This then leads to a conditioning and reflecting of a general mentality of the population, which influences the socio-political structures of the society. (How 96)

Freud argues that central to the development of narcissism is the Oedipus complex when the individual deals with issues like fear, anxiety, love and hate. At this stage, he sees the mother as object of love and desire and has to give up this desire in order to avoid a conflict situation with the father. The father appears as “something of an ogre, the disciplinarian who admonishes the child for being tied to his mother’s apron strings.” (How 96) This competition, Freud argues, can entail a fear of castration on the boy’s part and so he represses his desire and begins to identify with his father and his principles. How states, “This ego-ideal, or what the child wants to be like, becomes the foundation for a strong, autonomous ego in later life.”

However, with the decline of the patriarchal order, the child feels plagued with the feelings of emptiness, numbness in a ‘fatherless’ society. The reason being the absence of feelings of anger and jealousy at the oedipal stage (developed from the internalization of authority) which would have provided “an inner sense of purpose and self-direction.” (How 97) Adorno is of the view that the “tendency towards narcissism provided the psychological ground for its development.” He believes that the fascist propaganda which lacks any rational content still contains an overwhelming appeal because it is projected through an awe-inspiring leader. Such a figure fills up the vacuum left behind by the lack of identification with the actual father-figure during the oedipal stage. The irrationality of the whole propaganda is a necessary condition to finally make the masses “one with an all-powerful parent.” (How 98)

Adorno suggest that the role of narcissism is clearly recognized in Freud’s theory of *idealization*. The object is treated with so much affection that “considerable amount of narcissistic libido overflows on the object” so much so that the object becomes a “substitute for some unattainable ego ideal of our own.” (125) This idealization of himself is promoted by the fascist leader because he gains power with the transfer of the narcissistic libido of the masses to the object, namely the leader himself. (126) Furthermore, this idealization is a collective enterprise and “is effective in vast number of people with similar characterological dispositions and libidinal leaning.” (126) To establish the identification between him and the masses, Adorno argues, the leader himself has to appear as “absolutely narcissistic” in essence for him to be seen as the primal father:

He, at the very beginning of the history of mankind, was the Superman whom Nietzsche only expected from the future. Even today, the members of a group stand in need of the illusion that they are equally and justly loved by their leader; but the leader himself need love no one else, he may be of a masterly nature, absolutely narcissistic, but self-confident and independent. We know that love puts a check upon narcissism, and it would be possible to show how, by operating in this way, it became a factor of civilization. (Adorno 126)

Adorno further argues that the leader must appear simultaneously as the superman “expected from the future” as well as the average person to facilitate his role as the group ideal. This “gratifies the follower’s twofold wish to submit to authority and to be the authority himself.” (127) The people simply obey the dictators because they identify themselves with the ruthless oppressor. Oppression proceeds exclusively from the conditions of existence and since the leader

alone exercises the monopoly over such conditions, the hierarchical pattern remains intact even when Freud's identification principle continues to function. Italian fascism particularly, embraced the idea of leadership by an elite where power runs from the top down. 'Believe, obey and fight' became the credo to unite the masses much in the same way as the bundles of firewood was used by the workers in the Sicilian sulphur mines from which the word 'fascist' derives its meaning. The same pattern is seen in Germany where Hitler's famous formula, 'responsibility from above, authority towards below' rationalizes the sadomasochistic character and hierarchical differentiations.

All fascist demagogues, according to Adorno, employed the pseudo-natural criterion of race to mercilessly create boundaries between the inside and outside and which acted, throughout Europe, as a negatively integrating force. He quotes Freud's explanation of the hostility against the out-group with narcissism:

In the undisguised antipathies and aversions which people feel towards strangers with whom they have to do, we may recognize the expression of self-love---of narcissism. This self-love works for the self-assertion of the individual, and behaves as though the occurrence of any divergence from his own particular lines of development involved a criticism of them and demand for their alteration. (Adorno 130)

Thus, the narcissistic *gain* effected by the fascist propaganda creates a sense of superiority in the people belonging to the in-group over those who are excluded. The workings of a fascist group are not subject to question since, like Narcissus, only its own image is the reality that exists. In fact, any challenge from the excluded group is likely to be met with a violent reaction as it will be experienced as a "narcissistic loss" that "elicits rage." (130) The leader represents the masses psychologically and is "distinguished from them by a capacity to express without inhibitions what is latent in them, rather than by any intrinsic superiority." (132) His appeal has been standardized through a process of "freezing" employed in modern mass culture which is similar to the advertising slogans which proved to be most valuable in the promotions of business." (133) The standardization is based on the stereotypical thinking which, Adorno argues, is susceptible to the fascist propaganda and rule which exercised "power unhampered by rational objectivity." Adorno concludes his arguments in the essay by stating that the arrested psychic development of individuals in the fascist societies produced by their substitution of an object in place of their superegos gives rise and firmly relies on "each particular trait of the authoritarian character which is itself the product of an internalization of the irrational aspects of modern society." The secret of fascist propaganda is that it "takes men for what they are: the true children of today's standardized mass culture, largely robbed of autonomy and spontaneity..." (134)

What is remarkable about the Fascist rule is that it has its roots in anti-Semitism, xenophobia and fervent nationalism which can easily be categorized as popular products of culture industry (Adorno's term) because they appeal to the same narcissistic tendencies in the human subject. The modern day culture too is narcissistic in its essence by paying too much emphasis on

appearances (as is the case in Herbert Marcuse's *One-Dimensional Man*, 1964). For instance, Success is defined as what appears popular, desirable, and so forth.

Marcuse's *One-Dimensional Man*, written amidst the Cold War and Space Race between USA and USSR, issued a damning indictment of contemporary Western societies. Marcuse argues that "advanced industrial society" created false needs (much like ideology which creates false consciousness as professed by Frederic Jameson), which integrated individuals into the "existing system of production and consumption via mass media, advertising, industrial management, and contemporary modes of thought" and behavior while almost obliterating any other mode of thinking thereby creating one-dimensional men in society. Marcuse in the prospectus for the novel states:

...the chief characteristic of this new mode of thought and behavior is the repression of all values, aspirations and ideas which cannot be defined in terms of operations and attitudes validated by the prevailing forms of rationality. The consequence is the weakening and even the disappearance of all genuinely radical critique, the integration of all opposition in the established system." (Marcuse xii)

Marcuse argues the two features that the most advanced areas of industrial society exhibit are: "a trend toward consummation of technological rationality, and intensive efforts to contain this trend within the established institutions." (Marcuse 19) The culture industry and commodity fetishism integrates individuals and the technology restructures labor and leisure in the society. It's all a "conquest of the unhappy consciousness" since everything is being governed by the "logic of domination" and "abstractness is the very life of thought."

Brad Rose argues in his essay, "The triumph of social control? A look at Herbert Marcuse's *One Dimensional Man*, 25 years later (1990)" that advanced industrial society, as depicted by Marcuse, is "the most recent expression of a 'specific historical project' at the center of which is the 'experience, transformation and organization of nature as the mere stuff of domination.'"

As the project unfolds, it shapes the entire universe of discourse and action, intellectual and material culture. In the medium of technology, culture, politics, and the economy merge into an omnipresent system which swallows up or repulses all alternatives. The productivity and growth potential of this system stabilize the society and contain technical progress within the framework of domination. (Marcuse xlvii)

Marcuse argues that the advancement in the industrial society has closely paralleled, rather led to the development of commodity fetishism. "The people recognize themselves in their commodities; they find their soul in their automobile, hi-fi set, split-level home, kitchen equipment. The very mechanism which ties the individual to his society has changed..." (Marcuse 11) Moreover, this promotes attitudes of compliance which even Adorno highlights in his discussion of the culture industry and critique of consumer society. The human ability to manipulate things is not peculiar to capitalism and fascism alone; it extends even to the industrial society depicted in *One-Dimensional Man* where the "profit motive" surpasses everything. Marcuse further argues that the "technological reality" of advanced industrial society has

invaded and altered the human capacity for critical thought by its manifold methods of "...scientific management and organization." As a result, it has led to an increasing identification of human subjectivity with the technological reality. It is important to draw attention here to the Freudian concept of identification and idealization which Adorno cited in his essay and how it worked in the similar fashion under the fascist regime. Rose further stresses Marcuse's point that even after such proliferation of commodities alienation has not ceased to exist as expected rather it has risen to disturbingly new heights of perfection:

I have just suggested that the concept of alienation seems to become questionable when the individuals identify themselves with the existence which is imposed upon them and have in it their own development and satisfaction. This identification is not illusion but reality. However, the reality constitutes a more progressive stage of alienation. The latter has become entirely objective; the subject which is alienated is swallowed up by its alienated existence. (Marcuse 13)

The total and absolute social control and the widespread alienation prevalent in the society has led to the creation of one-dimensional thought and behavioral pattern which are reconstituted and redefined by the rationality of the given system. Ultimately, Marcuse proposes that "there is only one dimension, and it is everywhere and in all forms. The achievements of progress defy ideological indictment as well as justification; before their tribunal, the 'false consciousness' of their rationality becomes the true consciousness." (Marcuse 13) Marcuse argues that the welfare state of the contemporary Western societies has bred the attitude of compliance which has led to the political and social integration of the working class nullifying pluralism and "opening of the bedroom to the media of mass communication." (Marcuse 21)

In the chapter "The Conquest of the Unhappy Consciousness," even the arts, Rose postulates, now take their place "...in a harmonizing pluralism, where the most contradictory works and truths peacefully coexist in indifference." (Marcuse 64) Rose argues that the desublimation of art directly corresponds to the desublimation of human sexuality to inculcate the purpose of pacification and social control. A repressively desublimated sexuality poses no risk and "sex is integrated into work and public relations, and this is made more susceptible to controlled satisfaction" in order to have more effective domination and containment. (Marcuse 78) The continuing commodification of culture and its capability of being reproduced in large numbers to meet demand have stifled the alternatives to the status quo and life has become one-dimensional.

The taming of the libido, triumph of absolute social control, elimination of rational faculties, ruthless oppression, profoundly superficial mass culture are some of the quintessential features which Marcuse's *One Dimensional Man* shares with Adorno's essay, "Freudian theory and the pattern of Fascist propaganda." The inability to identify with a strong parent and child's sense of anger on his/her parent is compensated by an outward projection into the world about fantasies of wealth, beauty and omnipotence. As a result, superficial traits of personality have taken place of the fundamental traits of character. The central factor or construct that has emerged from the above investigation of the idea of narcissism arising either from psychologically or culturally propagated manner is the authoritarian personality which seeks to present repressive

egalitarianism while openly oppressing people and crushing opposition. The libidinal tie that the group ideal share with the masses guides, rather instructs them that “no one must want to put himself forward, everyone one must be the same and have the same” and they must do violence to the other (excluded) out-groups, the intellectuals, the socialists, the foreigners, the refugees, the pleasure seekers, the Jews since narcissistic personality involves avoidance of, not embroilment in intimacy.

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## JAMES BALDWIN AS A WITNESS AND A CRITIC IN 1960S

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James Baldwin's works have long been seen as an artist's representation of his negotiations with the conflicts between his inner world and his outer reality. Baldwin's major novels and critical essays appeared at a time when the angst and disillusionment within the African-American population with respect to the mainstream American society were going hand in hand with the hope and struggle of the civil rights movement. The two decades of 1950s and 1960s defined the politics that is embedded in his oeuvre. He continued writing in 1970s and 1980s too, almost seeming relentless during his whole life. Baldwin's artistic sensibility evolved with his continuous negotiation of the outer space which comprised of racism, identity negotiations, and the political struggles of Civil Rights Movement in contemporary America. The hostile outer world of realities supplemented the immense inner struggle with the issues of sexuality, poverty, religion, and family. As a child in Harlem, Baldwin's immediate experience was limited to the postwar economic exploitation and marginalization of the blacks in the North rather than encountering the hideous face of racial violence and segregation in the South. His troubled childhood convinced him to make an existential escape, first into religion and then into literature which became his *métier*. Baldwin understood the *zeitgeist* of the contemporary America, and coalesced with his own experience the questions of national destiny, social injustice and democratic ideals. It is within this immense landscape of ideas that James Baldwin the writer achieved his aesthetical and polemical stance. Baldwin in the later 1950s began to be associated with the civil rights movement after years of reclusiveness. During the civil rights movement era, he emerged as a radical voice for African Americans assuming the role of a public intellectual. However, Baldwin showed reluctance in his acceptance of activism and responsibility associated with being the spokesman for the American blacks. He was content in maintaining an artistic distance between himself and his subject. W. J. Weatherby, in his biography of James Baldwin, quotes him, "He was a 'witness', he always replied. 'Witness to whence I came, where I am. Witness to what I've seen and the possibilities that I think I see'" (Weatherby 2). In my paper here, I would extend this confession on the part of Baldwin to examine his role as a critic and a witness to what can be seen as a cultural revolution in America during the late 1950s and 1960s. The civil rights movement saw a pertinent growth in the numbers of black leaders who could carry the message of the marginalized to the mainstream. There were appropriate numbers of integrationists to counter the wave of separatism within the same decades. In such context, Baldwin's role of a public intellectual who was both a witness

and a critic, gains immense significance. At the same time, Baldwin has also not been seen as a constant mouthpiece for the American blacks. This, perhaps, emerges from his inner agony where the struggle between aesthetics and politics was long and continuous. His desire to be seen as an American writer also contributed to the same.

Baldwin's first novel *Go Tell it on the Mountain* (1953) is seen as an autobiographical representation of his early life. The young John Grimes struggles to attain a sense of maturity and individualism. The immediate factors that keep him from doing so are represented through the portrayal of a stifling, disciplinarian and self-righteous stepfather figure of Gabriel and abject poverty that surrounds the family in Harlem. John is powerless in dealing with his stepfather and his ultimate achievement is shown by his spiritual progress. Baldwin himself was brought up in the similar conditions of poverty in the family of a Harlem preacher. The character of Gabriel in the novel has a remarkable resemblance with David Baldwin, the real life stepfather. David Baldwin had been a part of the Great Migration of the African-American population from the South to the North in the early decades of 20<sup>th</sup> century, and Baldwin imaginatively resurrects the migration scenario in the novel. The novel captures the psychological trauma of the Great Migration which manifests itself in various ways. Baldwin shows an exceptional emotional honesty in fashioning of the characters, and thus brings the Africa-American family to its one of the first severe scrutinies in the African-American fiction. However, his harshest opinions were reserved for the Christian fundamentalism that seemed to have percolated in the African American community. Although the resentment still finds a subtle and mild voice in this first novel. He recounts the absence of "human affections" in Christian institutions and their protectors (O'Neale 35). In the novel, Christianity becomes a force to keep the individuals, and the African-American community at large, from immediate freedom. This unrealized efficacy takes a more political and obvious form in his play *Blues for Mr. Charlie* when the son of a black Christian minister Meridian Henry is lynched by the white Christians to keep their society untroubled. Mr. Henry laments about the same, "'But can I ask the children forever to sustain the cruelty inflicted on them by those who have been their masters, and who are now, in very truth . . . their parents? What hope is there for a people who deny their deeds and disown their kinsmen and who do so in the name of purity and love, in the name of Jesus Christ?'"(Baldwin 77).

Baldwin's strong desire to leave the stifling environs of Harlem is evident in his first novel. He underwent a religious conversion experience at the age of fifteen and remained a preacher for three years. Baldwin left the church by the time he graduated from DeWitt Clinton High School in the commotion of his contrastive relationship with his father and a realization of alternative sexuality. As Herb Boyd has argued, Baldwin was now ready for a more secular pulpit (52). Herb Boyd writes, "Literature, particularly the works of Dostoevsky beckoned him away from the theater of the pulpit. And this renewed passion for reading the great books replaced the biblical stories, the Jewish heroes of Old Testament who were his consorts and the

source of his sermons” (50). Baldwin, on the other hand, gave conflicting stories about his separation from the church. During a discussion in 1964, Baldwin said, “My own attitude toward the Bible, for instance, is still somewhat ambiguous because the people who brought it to me didn’t themselves believe it” (Boyd 50). Baldwin finally left the United States for Paris with little money, minimal knowledge of French, and no job or place to stay. In what can be seen as a tradition with the writers such as Ernest Hemingway, F. Scott Fitzgerald, Gertrude Stein, and Richard Wright, Baldwin became the latest literary expatriate in France. This step again can be seen in the light of Baldwin’s deliberate attempts to be identified as an American writer and not only as a black American writer. *Giovanni’s Room* (1956), Baldwin’s second novel shades enough light on his anxiety of dissociating himself from taking on the mantle of the American blacks. The novel becomes a study of the individual’s negotiations with the society’s attempts to impose its hegemonic structures. The despair of Harlem and ghetto blacks was no longer the subject matter of the artist in self-exile. The profound revolution of the mid-fifties and sixties which saw its beginning with the Montgomery Bus Boycott (1955-56) was not seen as a potential artistic subject. However, this distancing from the hotbed of activism and protest affected his literary sensibility and reputation. As an immediate consequence of that, Baldwin returned to the United States “to witness, to report, and to speak” (Miller 3). Soon enough Baldwin was at the forefront of the forums and conferences that articulated the African-American protest and rage with an unprecedented intensity. Baldwin’s association with the Civil Rights movement grew with the momentum that Civil Rights movement itself gained throughout the country.

When Baldwin’s *The Fire Next Time* appeared in 1963, it effectively assured Baldwin’s reputation as the voice of black America. The “ghetto” experience of a grim and deformed neighbourhood, pernicious social structures, questions of separatism that originated with the coming of the Nation of Islam and the failure of the American Dream for the African-American population in all its aspects was recalled in Baldwin’s essay which gains a lyrical quality through its simplistic conceptions. Henry Louis Gates Jr. writes, “Perhaps not since Booker T. Washington had one man been taken to embody the voice of “the negro.” By the early ‘60s his (Baldwin) authority seemed nearly unchallengeable” (Gates 38). James Baldwin’s writing had exclusively become polemical. The need to use history to question the racial inequality and resurrection of the institutional frameworks for the Civil Rights becomes obvious in his essay (Nabers). Recounting the basic premises of democracy, Baldwin questions the majority for taking the responsibility that originates with the formation of the government and its following course of actions. Here, the moralist in Baldwin takes over and directs that the real cause of racial inequality does not originate with institutions but as a direct “persistence of prejudice” (Nabers 230). Towards the end of the essay Baldwin questions the social practice before judging the efficacy of the world of legislation. He says, “Now, there is simply no possibility of a real

change in the Negro's situation without the most radical and far-reaching changes in the American political and social structure. And it is clear that white Americans are not simply unwilling to effect these changes; they are, in the main, so slothful have they become, unable even to envision them" (Baldwin 59). It is at this point precisely that Baldwin's persistence with the historical questioning seems uncluttered. It is Baldwin's engagement with the psychology of racism that brings him to question the historical. History itself becomes the "chief instrument of social transformation" (Nabers 232). The breakthrough moment of the public life came when Baldwin was seen on the covers of the weekly Time Magazine on May 12, 1963. The article praised Baldwin's rightful takeover of movement's mantle and his visits to the forefronts of the struggle in South.

Amid such celebrated atmosphere, Baldwin's 1964 play *Blues for Mr. Charlie*, again attempted to recapture the realities of African American experience. His fame coexisted with his urge to give voice to the pessimism and despair of black experience. The play was inspired by two separate incidents of the murder of Emmet Hill (1955) and the murder of NAACP field secretary and Baldwin's friend Medgar Evers (1963). The story of a society's refusal to come to terms with reality of racial equality and the loss of humanity that accompanies the individuals in such segregated societies, again, becomes the central theme. The racial inequality becomes a direct consequence of the social world than the political world. The frustration of the voice becomes evident when Rev. Henry goes to the pulpit with a gun in one hand and a Bible in the other, and says, "I've got the Bible and the gun, one of these is going to work" (Baldwin 158). The inherent message was as much of the interest of blacks as it was a howl of radicalism that came along with the thorough strengthening of the Black Nationalist forces (Turner 192). The racially tormented America of the mid-twentieth century registered its latest protest. In *The Fire Next Time*, Baldwin expressed an admiration for the assertiveness of Malcolm X. He says:

When Malcolm X, who is considered as the movement's second-in-command, and heir apparent, points out that the cry of 'violence' was not raised, for example, when the Israelies fought to regain Israel, and, indeed, is raised only when the black men indicate that they will fight for their rights, he is speaking the truth. (Baldwin)

Henry Louis Gates Jr. argues that Baldwin, who was deeply convinced of the intertwined fates of the black and white America, also knew that "if racism was to be deplored, it was to be deplored *tout court*, without exemption clauses for the oppressed" (Gates 40). Baldwin saw the growth of the movement of the Nation of Islam as an immediate and uncontrollable consequence of the growth of the Black Nationalist philosophy which questioned the socio-economic marginalization of the African-American population and regarded separatism as the only possible solution to the race problem in America. Baldwin saw Malcolm X, the Black Nationalist leader, mythologies the black reality and the black individual. Henry Louis Gates Jr. quotes

Baldwin, "the country shouldn't be worried about the Muslim movement, that's not the problem. The problem is to eliminate the conditions which breed the Muslim movement" (Gates 42). However, Baldwin approved of Malcolm X's political self without approving of his black supremacist ideas. He recognized the earthiness and efficacy of Malcolm's appeals. Baldwin, though, continued praising Malcolm's ability to present the socio-economic truth, the sufferings, and the frustration that was the reality of African-American existence. Having shared experience of the deplorable conditions of urban ghettos in the north, Baldwin associated with Malcolm at several fronts. They both disapproved of the acquiescent middle-class elites of African-American population and the white liberals. Malcolm's identity was embedded in the voice of resistance to the hegemonic forces of America. In the adoption of the "X" letter as his last name, his determination to cast off the American lineage is evident. Baldwin realized the potential of the simplistic conceptions that Malcolm arrived at as a result of his underclass experience:

It is a fact that every American Negro bears a name that originally belonged to the white man whose chattel he was. I am called Baldwin because I was either sold by my African tribe or kidnapped out of it into the hands of a white Christian named Baldwin, who forced me to kneel at the foot of the cross. I am, then, both visibly and legally the descendant of slaves in a white, Protestant country, and this is what it means to be an American Negro, this is who he is -- a kidnapped pagan, who was sold like an animal and treated like one, who was once defined by the American Constitution as "three-fifths" of a man, and who, according to the Dred Scott decision, had no rights that a white man was bound to respect. (Baldwin 83-84)

As the violence during the Civil Rights movement escalated, Baldwin denounced the philosophy of non-violence much in the same spirit as he had denounced Christianity earlier (Herb Boyd 76). As the mid-sixties approached, like Martin Luther King, James Baldwin too showed an apparent movement towards the political philosophy of Malcolm X. The frustration of the movement and the assassination of Malcolm X brought him more towards the unrelenting ideas of political assertion and immediate socio-economic equality. At the same time, Malcolm maintained an ambiguous and diplomatic outlook towards Baldwin, and perhaps silently respected him for his fiery articulation of the black experience (Herb Boyd 69).

James Baldwin could not entirely be convinced of the two contrasting ideologies furthered by Martin Luther King Jr. and Malcolm X. He reflected the hope and potential for change that Dr. King expressed, but he also reflected the anger and despair that Malcolm X articulated. He recognized that the image of "field Negro" was essential for the existence of the idea of "house Negro" (Pfeffer). At the same time, Baldwin in his essay, *The Highroad to Destiny* captured the Christian values that King professed in his sermons and speeches. He saw

an advocacy of national and universal community life that no other leader professed. Baldwin writes,

He was speaking of his trial. He described the torment, the spiritual state of people who are committed to a wrong, knowing that it is wrong. He made the trials of these white people far more vivid than anything he himself might have endured. They were not ruled by hatred, but by terror; and, therefore, if community was ever to be achieved, these people, the potential destroyers of the person, must not be hated. It was a terrible plea--to the people; and it was a prayer.... It seemed to me ... that he had looked on evil a long, hard, lonely time. For evil is in the world [and] it is always the naked person, alone, who, over and over and over again, must wrest his salvation from these black jaws. Perhaps young **Martin** was finding a new and more somber meaning in the command: "Overcome evil with good." (156)

Several Scholars have agreed on Baldwin's apparent partial inclination towards the political assertiveness of Malcolm X (Pfeffer). Baldwin shared Malcolm X's angst toward acquiescent middle-class black elites. Martin Luther King's integrationist philosophy seemed to be meek, submissive, and as an ideological expression of this acquiescent middle-class outlook. The agency of political freedom did not come from self-assertion but relied on a possible heart-change of the white society. At the same time, Baldwin did not accept racial, geographical and cultural separation as the possible answer of the existing racial inequality. Baldwin awaited a spiritual reconciliation for co-existence that could have arisen out of the immense introspection of the America society. For Baldwin, the solution lied in a reconciliation of the white society with its history of oppression. Once the American society had understood the oppressive structures that culminated in the exploitation of African-American community, it could have accommodated and consented for a peaceful coexistence with freedom and equality. In later years, Baldwin's works show an apparent movement toward humanist agenda (Pfeffer).

Baldwin's 1972 "scenario" based screenplay *One Day, When I was Lost* was his yet another attempt to resurrect a story of Malcolm that served as a reminder to the American society's urgent needs of reconciliation with the race problem. The screenplay was earlier a part of the script that Columbia Pictures wanted Baldwin to develop for a film on Malcolm X (Boyd 81). The Studio, however, intervened with Baldwin's artistic vision and Malcolm's image. This infuriated Baldwin and he walked out of the project. Boyd quotes Baldwin recalling this event:

To put it brutally, if I had agreed with Hollywood, I would have been allowing myself to create an image of Malcolm that would have satisfied them and infuriated your hearts. At one point I saw a memo that said, among other things, that the author had to avoid giving

any political implications to Malcolm's trip to Mecca. Now, how can you write about Malcolm X without writing about his trip to Mecca and its political implications? (83)

Baldwin, the artist, did not compromise with the character portrayal of Malcolm. His refusal to take part in metaphoric assassination of Malcolm X typified his prophetic vision of Malcolm X's legacy to the future generations. He presents three stages of Malcolm X's life: the misguided underclass youth, his activism with the Nation of Islam, and his trip to Mecca where Malcolm undergoes an ideological conversion. The chronology of images is constantly interrupted as in a cinematic adaptation where the past and the present continue to interpenetrate. The history of African-American experience never alters its course and Malcolm's experience seems to be a quintessential part of that undying tradition of white society's persecution of blacks throughout America. The fate and story of Earl Little is remarkably shared by his son Malcolm too. Baldwin fleshes out a stagnant society awaiting an impending implosion. Baldwin's screenplay becomes a part of the protest tradition of Richard Wright (Perry 217). Malcolm's immense political stature and his advocacy of Black Nationalist philosophy has been bypassed to achieve a inward looking Malcolm who values his self-education more than the activism that brought him to the forefront of national politics. In a similar dramatic fashion, Malcolm's renunciation of Christianity seems to be a furthering of Baldwin's own schizophrenic dissociation with Christianity. The play captures the absence of any theological disillusionment which Malcolm experienced in real life. His renunciation of Christianity was a conscious dissociation born out of his immediate experience with the white society. As Patsy Brewington Perry argues Malcolm's character representation fails in the play as Baldwin "hastily" tries to capture the theme of violence and suffering (226). There is a desperate attempt to capture the internationalization of Malcolm's later life. Malcolm can be seen interacting with the students and political leaders of the newly independent African countries and his conclusions are hastily drawn. On the other hand, Malcolm's real life engagement with the international leaders and communities was more positive where Malcolm displayed an apparent movement towards the protection of human rights under the overarching institution of United Nations.

Baldwin, the public intellectual, continued his engagement with the racial politics till the end of his life. However, the intensity of the voice which captured the various facets of African-American experience faded with time as more violent and assertive political ideologies were furthered by the new generation of 1970s. Baldwin, who was the intellectual component of the Civil Rights movement, also proved to be a seminal influence on the rhetoricians of aggressive Black Power and Black Arts movements in which Stokely Carmichael, Rap Brown, Leroi Jones, and Eldridge Cleaver demanded a violent socio-economic restructuring. Baldwin's cynicism and charges fostered a temperament that stayed with the next proponents of black equality. At the same time, these movements had little respect for inclusion and integrationist stance. The hybridity of African-American self which was anticipated by the intellectuals like Baldwin was

repudiated. The assassination of Martin Luther King brought immense trauma to Baldwin who now feared his own life and thus adopted a relative ambiguous political outlook. Baldwin continued to suffer from the ideas of engagement and subsequent dissociation with the national politics in the 1970s. His restlessness in real life is reflected by the disorder in his writings where literary genres are almost seen to be merging into each other. Essays include numerous anecdotes and novels seem to have passages of academic writings. However, he continues to be seen as a witness and a critic who gave expression to the experience of black Americans in the most turbulent period of twentieth century in United States. His ability to see both the present and the future brought him to this significant role of being a witness and a prophet.

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## A ROADMAP TOWARDS EFFICIENT TAX SYSTEM IN INDIA

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### **1. INTRODUCTION**

A tax may be defined as a "pecuniary burden laid upon individuals or property owners to support the government, a payment exacted by legislative authority. A tax "is not a voluntary payment or donation, but an enforced contribution, exacted pursuant to legislative authority". Taxes consist of direct tax or indirect tax, and may be paid in money or as its labour equivalent (often but not always unpaid labour). India has a well developed taxation structure. The tax system in India is mainly a three tier system which is based between the Central, State Governments and the Local Government organizations. In most cases, these local bodies include the local councils and the municipalities. According to the Constitution of India, the government has the right to levy taxes on individuals and organizations. However, the constitution states that no one has the right to levy or charge taxes except the authority of law. Whatever tax is being charged has to be backed by the law passed by the legislature or the parliament. Article 246 (SEVENTH SCHEDULE) of the Indian Constitution, distributes legislative powers including taxation, between the Parliament and the State Legislature.

### **2. INDIAN TAXATION SYSTEM - AN OVERVIEW**

India has a well developed tax structure with the authority to levy taxes divided between the Union Government and the State Governments. The Union Government levies direct taxes such as personal income tax and corporate tax, and indirect taxes like custom duties, excise duties and central sales tax. The states are empowered to levy state sales tax apart from various other local taxes like entry tax, octroi etc. Taxation has always played an important role in the formulation of the government's industrial policy. One of the objectives of the recent economic reforms is the rationalisation of the tax structure in the country.

In 1991, the government set up a special committee, the Raja Chelliah Committee on Tax Reforms, to review the country's tax system. Its mandate was to make recommendations to make the tax system more elastic and broad based, and to suggest means required for simplifying existing laws and regulations to facilitate better enforcement and compliance. The recommendations made by this committee envisaged simplified procedures and a rationalized rate structure. The government has implemented a large number of recommendations such as:

- Drastic reduction in customs and excise duties

- Lowering of corporate tax rates
- Removing distinction between widely held and closely held companies
- Extending MODVAT to more industries
- Simplifying income tax return filing procedures
- Levying taxes on services like insurance, stockbrokering and telephones.

Tax revenue as percentage of GNP has been consistently increasing with the lion's share of the revenues increasingly attributable to indirect taxes -- particularly customs and excise.

### **Types of Taxes in India applicable in India**

#### **i) Direct Taxes**

A Direct tax is a kind of charge, which is imposed directly on the taxpayer and paid directly to the government by the persons (juristic or natural) on whom it is imposed. A direct tax is one that cannot be shifted by the taxpayer to someone else. The some important direct taxes imposed in India are as under:

##### **a) Income Tax**

Income Tax Act, 1961 imposes tax on the income of the individuals or Hindu undivided families or firms or co-operative societies (other than companies) and trusts (identified as bodies of individuals associations of persons) or every artificial juridical person. The inclusion of a particular income in the total incomes of a person for income-tax in India is based on his residential status. There are three residential status, viz., (i) Resident & Ordinarily Residents (Residents) (ii) Resident but not Ordinarily Residents and (iii) Non Resident. There are several steps involved in determining the residential status of a person. All residents are taxable for all their income, including income outside India. Non residents are taxable only for the income received in India or Income accrued in India. Not ordinarily residents are taxable in relation to income received in India or income accrued in India and income from business or profession controlled from India.

##### **b) Corporation Tax-**

The companies and business organizations in India are taxed on the income from their worldwide transactions under the provision of Income Tax Act, 1961. A corporation is deemed to be resident in India if it is incorporated in India or if its control and management is situated entirely in India. In case of non resident corporations, tax is levied on the income which is earned from their business transactions in India or any other Indian sources depending on bilateral agreement of that country.

#### **ii) Indirect Taxes**

An indirect tax is a tax collected by an intermediary (such as a retail store) from the person who bears the ultimate economic burden of the tax (such as the customer). An indirect tax is one that can be shifted by the taxpayer to someone else. An indirect tax may increase the price of a good

so that consumers are actually paying the tax by paying more for the products. The some important indirect taxes imposed in India are as under:

**a. Central Excise**

Excise duty is an indirect tax levied on a 'manufacturer' on the manufacture of dutiable goods. The liability arises upon 'manufacture' which may well include intermediary stages of production of final product. However, for ease of collection, duty is payable at the time of removal of goods from the factory.

**b. Customs Duty**

The Customs Act, 1962 provides for duties to be levied on goods imported into or exported from India. Duties of customs are levied at the rate specified under the Customs Tariff Act, 1975. The said Act inter alia specifies the various categories of import items in accordance with the international scheme of classification of goods - 'Harmonized System of Commodity Classification'.

**c. VAT**

The Central Government levies a VAT on the inter-state sale of goods (i.e. which results in a movement of goods from one State to another). A value-added tax (VAT) is a form of consumption tax. From the perspective of the buyer, it is a tax on the purchase price. From that of the seller, it is a tax only on the value added to a product, material, or service, from an accounting point of view, by this stage of its manufacture or distribution. The manufacturer remits to the government the difference between these two amounts, and retains the rest for themselves to offset the taxes they had previously paid on the inputs.

**d. Services Tax**

Service Tax was introduced in 1994. Significant services covered by the legislation include services rendered by General Insurance Companies and telephone connection providers.

**3. PROBLEMS IN EXISTING TAX SYSTEM IN INDIA**

The existing tax structure and its administrative mechanism posses various problems such as;

- a. Cascading effect on cost of products and services adversely affects competitiveness of indigenous goods and services
- b. Different tax treatment for manufacturing and service sectors leads to litigation;
- c. High cost of compliance and tax administration add to the cost of doing business in India and discourage investment
- d. Uncertainty of tax incidence on investment in manufacturing & services and litigation due to frequent changes in tax laws and procedures discourage new investment and leads to high cost economy.

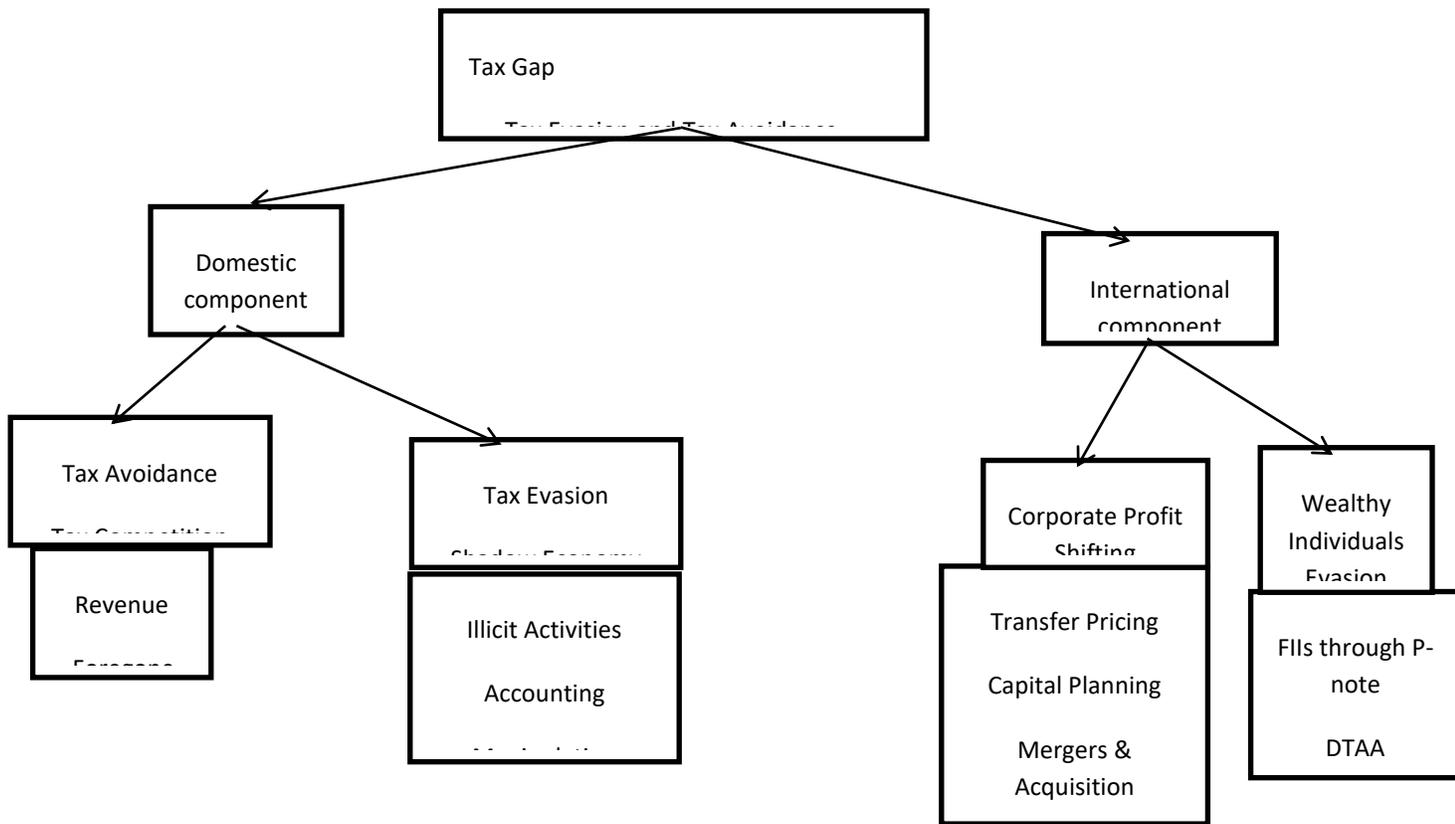
- e. The present tax system is also prone to tax avoidance and excessive litigation which results into unexpected delays in supply chain and business processes.
- f. There is also a problem of double taxation by central and state government on same tax event. These have led to substantial distortions in economy and loss of revenue to the Government.

The existing tax structure has fragmented the Indian market into 29 state markets by tax barriers which discourages efficient production and supply chain models and restricts trade. Stand alone multiple taxes have cascading effect on cost leading to competitive disadvantage to Indian industry. Central Sales Tax (CST) on interstate movement of goods is not integrated with Value Added Tax hence CST paid on inter-state procurement is not eligible as a credit and continues to be an extra cost of doing business. Similarly, manufacturers are unable to avail themselves credit of state taxes and miscellaneous central taxes, such as VAT entry tax, octroi, etc against excise duty and vice versa and these become added costs along the supply chain adversely affecting exports and encouraging imports. These distortions in the tax structure need to be removed.

### **Tax Avoidance & Tax Evasion**

**Tax Evasion** means illegal nonpayment or under payment of taxes, usually by making a false declaration or no declaration to tax authorities. It entails criminal or civil legal penalties. Tax avoidance refers to minimizing the Tax bill within the provisions of law and is considered not illegal. **Tax avoidance** apparently does not involve deliberate deception but in reality the methods resorted to in avoiding tax are very crafty. Tax avoidance now generally refers to the practice of seeking not to pay tax contrary to the spirit of the law. This is also called aggressive tax avoidance. Aggressive tax avoidance is the practice of seeking to minimize a tax bill by attempting to comply with the letter of the law whilst avoiding its purpose or spirit. It usually entails setting up artificial transactions or entities to re-characterize the nature, recipient or timing of payments. Where the entity is located or the transaction routed through another country, it is international avoidance. Special, complex schemes are often created purely for this purpose. The methods involved in tax avoidance are complex and often done with specialized legal professionals and tax specialists just to appear to be in line with the letter of the law. It may not be out of the way to conclude that the line between tax evasion and tax avoidance is very thin and both are the major causes for huge linkages in the legitimate taxes that are due to governments. Further, given the relatively low capacity of tax administration in developing countries the drain on their resources is much more than in the case of developed countries. Tax evasion and tax avoidance are not merely moral questions but also involve a host of tax, minimization strategies of underreporting, bribery of tax officials, refusal to pay, lobbying of government to reduce tax liability, lobbying of MNC 'home' countries to pressure host' countries and lobbying through international institutions like IMF, Worldbank & WTO.

**Fig:Diagrammatic Presentation of Tax Evasion and Tax Avoidance**



Source: [http://works.bepress.com/narasimha\\_reddy/6](http://works.bepress.com/narasimha_reddy/6) (Modified by the authors)

#### **4. ROADMAP FOR EFFICIENT TAXATION LEVIED & COLLECTION SYSTEM**

##### **a) GST:-**

Goods and Services Tax (GST) will be a major milestone for indirect tax reform in India. Replacing all existing indirect taxes by the GST will create a national market, eliminate cascading taxes, and align taxation of imports and exports correctly this will improve the competitiveness of production and export from India. The implementation of a Central GST (CenGST) could be the first step towards the GST. Once the CenGST is implemented, and the information technology system for CenGST has worked, estimation risk will be lower and it will be easier for the centre and states to move to the GST, In a non-market economy, in addition to laws, taxes and subsidies are used for encouraging or discouraging activities that the central planner considers good for the economy.

India's complex tax system suffers from problems in both structures and administration. Uneven and high tax rates and uneven tax treatment of similar economic activities have induced distortions in the behavior of firms and households. GST can improve the ease of doing business and promote efficiency and productivity growth.

#### **b) Progressive Tax System:-**

A progressive tax is a tax in which the tax rate increases as the taxable base amount increases. The term "progressive" refers to the way the tax rate progresses from low to high, with the result that a taxpayer's average tax rate is less than the person's marginal tax rate. Progressive taxes are imposed in an attempt to reduce the tax incidence of people with a lower ability-to-pay, as such taxes shift the incidence increasingly to those with a higher ability-to-pay. The term is frequently applied in reference to personal income taxes, adjustments of the tax base by using tax exemptions, tax credits, or selective taxation that creates progressive distribution effects. For example, a wealth or property tax, an excise duty on luxury goods, or the exemption of duties & taxes for poor people's purchases of basic necessities, may be described as having progressive effects as it increases the tax burden of higher income families and reduces it on lower income families.

#### **c) Revamping alternative minimum tax:-**

Originally designed to ensure that high-income taxpayers pay at least some income tax, the alternative minimum tax (AMT) now affects 4 million households, most of whom already pay significant amounts of income tax and are far from the top of the income distribution. Only annual congressional "patches" to the AMT have kept it from affecting millions more taxpayers. Modifying the AMT to permanently limit its reach would maintain some of its revenue stream while protecting most taxpayers from the tax, but would not make the tax system simpler for those still subject to it. Repealing the AMT would both simplify the income tax and eliminate the need for annual patches.

#### **d) Eliminate or align income limits and phase-outs:-**

Many features of the tax code are denied to some higher-income taxpayers or phase out over different ranges of income. These features complicate tax returns and require multiple worksheets to calculate taxable income, deductions, and credits. Eliminating such restrictions would simplify tax filing, but the benefits would go to higher-income taxpayers. Retaining these income limits but setting them at the same or similar levels, at least for related activities, would reduce complexity while keeping the benefits aimed at taxpayers with low to moderate incomes.

#### **c) Inclusive Approach:-**

According to various media reports, only 2 to 3 percent of Indians pay any income tax at all i.e.; 2.89 percent of the population (about 36 million people) filed income taxes. The only people who do regularly file income taxes are believed to be salaried employees even in farming there

are a lot of very rich people. But finding out who they are is a matter of changing the tax law, which would be very difficult. It is impossible to ascertain how much revenue India loses through tax evasion. To address these discrepancies there is a need for including all those people those are able to hide their income and not paying income tax. However that may not be easy in a country where 75 to 80 percent of the labor market comprises the informal sector. We should not assume that the informal sector is all poor, there are very rich people in the informal sector, Data collection for the formal sector is quite good, but the informal sector is a big area of leakage. Include all wealthy Indians who refuse to hand over one rupee to the taxman. And there should also a need of increasing tax rates as incomes increases.

#### **f) Adopting DTC to remove unnecessary complications:-**

The Direct Tax Code (DTC) is required as a clean modern replacement for existing laws. Just as the GST is a transformation of indirect taxes, the DTC is required as a clean modern replacement for the existing income tax law, As with the GST, the key objective must be a simplification with a clean conceptual core, and the removal of a large number of special cesses and exemptions that favor special interest groups. The tax system must move away from industrial policy, with incentives for one activity or another, towards a simple framework.

As with the GST, the DTC will yield gains by removing distortions of individual and corporate decision making, reducing compliance cost and litigation, and improving tax collections,

#### **g) Need of Voluntary Disclosure of Income Scheme (VDIS) (II)**

India had in June 1997 launched a voluntary disclosure of income scheme. This scheme gave an opportunity to the income tax defaulters to disclose their undisclosed income at the prevailing tax rates. Over 3.5 lakh people had disclosed their income and assets under this scheme, which netted Rs. 7,800 crore to the Union Government. The scheme was closed on December 31, 1998.

At present, the Government is not considering bringing a voluntary disclosure scheme for declaration of unaccounted money outside India. There is a need or introduction of any voluntary disclosure scheme for bringing back unaccounted money kept in banks abroad or a VDIS II to bring back the unaccounted money stashed abroad.

#### **h) Preventing avoidance and evasion by wealthy individuals:-**

Need of increasing the number of specialist personal tax inspectors to prevent evasion and avoidance of inheritance tax, using offshore trusts, bank accounts and other entities. These specialists will concentrate in particular on the agents and tax intermediaries involved in these activities.

**i) Use of Efficient technology:-**

The use of technology during tax audits by the department should be enhanced. Hearing in all tax cases by personal presence should be avoided. Notices from the department and the submissions of the taxpayer can all be issued/ filed electronically. The key documents required can also be furnished through e-mails, which will help significantly cut down costs both in terms of time and money. The accounting software used by the taxpayer can be approved by the tax department. As an instance, currently during most audits the AOs demand reconciliation between the expenses incurred and tax withholding filings. Under most ERP systems used today, it is difficult to obtain such reconciliation. Use of this approved software will benefit both the revenue authorities and the taxpayer as the revenue will have realistic estimate of what may be demanded of taxpayers in terms of documents and information and taxpayers will also be prepared accordingly. This will also enable the tax department to develop standard audit software.

**j) Significant Amendments required in Income Tax Act 1961:-**

There is a need to have a fresh look at the existing Act. The Direct Taxes Code was proposed keeping this objective in mind. However, its controversial provisions overshadowed the entire exercise. The need of the hour is to examine the Act in detail and identify the provisions which have outlived their utility or are litigation prone. Appropriate steps, then need to be taken, to sort out these issues. Also, in general, the language of the Act needs to be simplified and made user friendly. There should be regular stakeholder consultations on the issues of tax disagreements and tax law changes. Further, each rule, regulation and other tax policy measure such as exemptions should be reviewed periodically to see whether they remain relevant under the changed economic and business scenario. While drafting tax laws, it should be ensured that inputs from specialists in related fields such as economics, statistics and operation research are obtained. To minimize potential disputes, clear and lucid interpretative statements on contentious issues should be issued regularly.

**5. Conclusion**

The current system of tax is fraught with complexities owing to many amendments over the years. The Direct tax code has done a good job of removing unnecessary complications in the tax laws. The definitions and provisions have been modified, thereby keeping pace with the times. The Direct tax code would not have any long term impact on individuals. Need to include the remain non tax payers for effective tax collection. The corporate income tax rates have been slashed down, but keeping deductions in mind, the effective tax rate is unlikely to be affected drastically. The calculation of the Minimum Alternative Tax based on Assets needs to be relooked at, especially for those companies which are working on projects with long gestation periods.

While the reduction of corporate income tax rates for foreign companies operating in India bodes well, it is also necessary to consider the provisions pertaining to double taxation and the agreements which India has with other countries on the same, before making any conclusions on

whether India offers good scope for investment to a particular foreign company and need for VDIS II to bring back the unaccounted money stashed abroad.

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## RISK MANAGEMENT IN COMMERCIAL BANKS: RETROSPECT AND PROSPECT

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### *Abstract*

*Banks are the backbone of the Indian economy. Risk management has been and is the great concern for the commercial banks in India. Banks constantly face competition from micro and macro environment which results in occurrence of various types of financial and non financial risks. This paper identified various types of banking risks prevailing in the present scenario and further suggested different risk mitigation strategies for the commercial banks in India. Changing scenario of banking risks has also been explained in the paper.*

Key words. Banking risks, Risk composition, Risk structure, Risk mitigation strategy

### **1. Introduction**

Banks are the backbone of the Indian economy. The primary function of the banks is to lend money and accept deposits. Lending money is one of the crucial activities of the banks since it involves the outside exposures of the banks. The banking sector is interlinked with the growth of the economy since it is the principle component of the financial system and flow of money goes through banks only. Therefore, the strong and resilient banking is the prerequisite of the every economy (**Shukla & Malusare, n.d.**).

Banks constantly have to face competitions from micro and macro environment which results in occurrence of the various types of the financial and non-financial risk. Risks are related to each other and event which affects the area of risks and have its implications over the other risks (**Singh, 2011**). The risk arises due to uncertainties and which arises due to dynamic nature of the business environment. The environment consists of the social, political, economic and legal factors. Risk is an exposure to event with a loss, which occurs with some probability and can be quantified (**Goyal & Agrawal, 2010**). Risk can be said as any obstacle in the business operations. Risk can be identified as hindrance in way of achieving objectives (**Singh & Gupta, 2013**).

The word risk can be derived from Latin word “Rescum” meaning risk at seas or that cuts. Risk is linked with the uncertainty associated with the future. The most important thing is that risk is there in banks and it should efficiently control and managed. Each and every transaction of the banks is linked with the risks. Since, the quantification of risks involves larges mathematics and calculations so it is impossible to continuously update the risk. The growth of the business is associated with taking risks. As per the risk-return trade off –“More Risk More Return”. It means that greater the risk, higher the profit and hence banks must maintain the tradeoff between them. The risk management process involves identifying, measuring and controlling the risks. Earlier the banks were focused on Non-Performing Assets, but presently risk management is pro-active function of the banks for the future planning(**Raghvan, 2003**). Risk management is nothing just to manage the change that occurs due to risk.

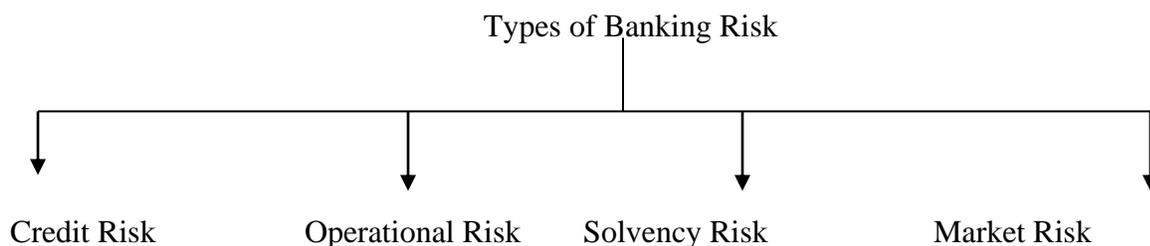
### 1.1 Risk

A Risk can be defined as an unplanned event with financial results resulting in loss (**Vasavada, Kumar, Rao &Pai, 2005**). Risk refers to that condition where there is possibility of occurrence of result which can be quantified and insured (**Periasamy, 2008**). Risk may be defined as uncertainties which resulted due to adverse outcomes (**Kumar, Chatterjee, Chandrasekhar &Patwardhan, 2005**). Risk can be simply defined as possibility of loss which can be financial loss or loss to the image (**Sharma, 2003**). The term risk and uncertainty differ to each other (**Sharan, 2009**).

### 1.2 Classification of Risk

The risk can be classified as:

**Figure 1: Classification of Risks**



#### 1.2.1 Credit Risk

Credit Risk is the biggest and oldest risk faced by banks by virtue of its very nature of business(**Gray, Cassidy, & RBA, 1997**). Credit risk also known as counterparty risk stem from customers which may be institutional or individual.The Basel Committee on Banking Supervision (2001) defines the credit risk as possibility of losing the outstanding loan partially or

wholly due to default from borrowers (**Funso, Kolade & Ojo, 2012a, pp 31**). Credit risk may be defined as the possibility of loss due to the nonpayment of the amount from the side of borrowers. Credit risk depends on the quality of borrowers. Credit risk management involves the identification, measurement and controlling of the credit risk exposures (**Singh, 2013**). The main objective behind the credit risk management is to minimize the credit exposures and further increase the risk adjusted return (**J & Kumarswamy, 2014a**). The credit risk is further classified as credit default risk, concentration risk and country risk (**Bhaskar, 2014**).

### 1.2.2 Operational risk

**BIS (2001)** define operational risk as “the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events”. Operational risk arises from various types of technical and human errors or failed internal processes, legal hurdles, fraud, failure of people and system and from external agencies.

### 1.2.3 Solvency Risk

The solvency risk in banks is the most critical amongst all other risks as it is associated with the capital adequacy of the banks. Solvency risk in banks is the risk of not having the enough capital to meet out the losses arises due to all risk. The solvency risk shows the risk of default of banks (**Jackson, et.al, 2002**). **Ferrouhi (2014)** studied operational risk in international perspective.

### 1.2.4 Market Risk

Market Risk is the risk which arises due to the change in the market variables. The Bank for International Settlement define market risk as “the risk that the value of on-or off-balance sheet positions will be adversely affected by movements in equity and interest rate markets, currency exchange rates and commodity prices”. As per the State Bank of Pakistan, Market risk can be further segregated as interest rate risk, foreign exchange risk, equity price risk. Commodity price risk is also recently the part of market risk (**Bhattacharya, 2014**)

## 2. Review of Literature

Risk management has been and is the matter of great concern for the bankers and academicians. A notable and quality research work has been done in these attractive and prospective areas. Some of the researches done are discussed below.

**Chen and Pan (2012)** define the credit risk as degree of fluctuations in the debt instruments and derivatives due to the changes in credit quality of the borrowers and counterparties. **Coyle (2000)** defines credit risk as losses from the inability of credit customers to pay what they borrowed in full and on time. Credit risk management maximizes risk adjusted rate of return by controlling the credit risk exposure within the horizon in order to provide model for understanding the impact of credit risk management on banks' profitability (**Kargi, 2011**). **Hussain (2014)** defines operational risk as risk arises when banks do not perform their activities appropriately.

**Kanchu & Kumar (2013)** has done an empirical study on the risk management in banking sector. Author made an attempt to identify the risks faced by the banking sector and process of risk management. They also examined various techniques adopted by banking industry for risk management. Finally they concluded that banks needs to take risks more consciously and anticipate there adverse impacts on banking operations.

**Bandopadhyay & Bandopadhyay (2010)** investigated how group characteristics and bank-wise individual factors such as credit policy, extent of hedging is influencing the risk of bank or not and they vary with time. The author used various statistical measures such as coefficient of variation and cluster analysis. The paper concluded that risk is more sensitive towards the individual factors of the bank.

**Vyas & Singh (2010)** underlined some of the theoretical issues of the contemporary bank risk management with a special emphasis on credit risk and market risks. The author has done the detailed study on the bank risk management. The basic objective of the research paper is to find out why risk management is needed.

**Goyal and Agarwal (2010)** made an attempt to analyze the risk management strategies in Indian banking sector. The paper discusses the importance of risk management process and challenges and opportunities regarding the Basel norms.

**Goyal (2012)** in his paper assesses the various sources of risks for Indian banks. The paper tries to find out how the market development and regulatory environment has helped in reducing the risks in banks.

**Arunkumar & Kotreshwar (2005)** emphasized her study on credit risk management. The author in her study conducted the in-depth analysis covering analysis of trends of NPA of commercial banks, studied the relationship between the diversified portfolio and NPA of public banks and private banks. The paper concluded that concentration is one of the significant components of credit risk profile of banks and declining trend in NPA is due to improved portfolio diversification.

**Jorasia (2013)** conducted the study on risk management in commercial banks. They focused on identifying the risks faced by the banking industry and also examined various techniques adopted by the banking sector for risk management.

**Sikdar & Makkad (2013)** conducted a study on role of NPA in risk framework of commercial banks. The paper attempts to find out the existing level of credit risk with the help of NPA levels. Further it is also studied the steps taken by banks to mitigate risks. The paper concluded that NPA are the major reason behind the risks occurrence in banks. Banks have to take initiative to reduce the NPAs level.

**Arora & Sharma (2014)** had made an attempt to identify the factors that contribute to risk identification in banks and to compare that risk in public and private banks. They conducted a study to compare whether public and private banks clearly identify the potential risks relating to

each other. The study indicated that systematic identification and risk ranking are the two factors for risk identification.

**Murthy & Pathi (2013)** conducted an analysis to highlight the position of NPAs in SBI and associates and also assess the capital adequacy ratio after the implementation of Basel II accord to focus on the risk management practices. The study revealed that SBI sanctioned less credit to agriculture sector and its recovery policy is good which helps in risk management.

**Islam, Islam & Zaman (2013)** conducted a study on risk management system in Islamic banking in Bangladesh. The main objective of their study is to compare the risk management strategies of conventional banks and Islamic banks in Bangladesh. The findings of the study revealed that there exists a gap between the conventional and Islamic banks in risk identification, understanding of the risk management practices and process. They also find out that conventional banks give more importance to the advanced techniques of the risk management and mitigation.

Various literature reviews on credit risk are as follows:

S.No	Author and Year	Findings
<b>C r e d i t R i s k</b>		
1	Das & Ghosh (2007)	The research is conducted to analyze the problem loans of Indian state owned banks considering both macro and micro economic variables. The findings of the paper tells that credit is significantly influenced by the individual bank-level variables.
2	J & Kumarswamy (2014b)	The author studied on retail credit risk management in Indian Commercial Banks. The author used the trend analysis and percentage method to analyze the data. The findings of the study revealed that the profit of the PSBs was declining due to the stringent rules of RBI.
3	Funso, Kolade & Ojo (2012b)	The study carried out the empirical investigation on the quantitative impact of credit risk on performance of the banks in Nigeria. The findings revealed that the effect was invariant.
<b>O p e r a t i o n a l R i s k</b>		
4	Ana (n.d)	The study focused on the methods adopted by commercial banks in operational risk management. The result tells the importance of the operational risk management.
5	Janakiraman (2008)	The paper assesses the status of the operational risk management in context of the Basel II norms. The results of the study suggest that there is insufficient data with the banks.
6	Mehra (n.d)	The study analyzes the impact of the size and ownership on the operational risk management of the bank. The study concluded that both have a positive impact on the operational risk management. The public sector banks and private sector banks were judged based on the prior sector bank's record of the operational risk management of bank.
<b>L i q u i d i t y R i s k</b>		
7	Jasiene, et.al (2012)	The paper tries to analyze the liquidity risk of commercial banks as well as the strategies to manage these risks and to build the liquidity risk management model.
8	Arif & Anees (2012)	The purpose of this paper is to examine liquidity risk in Pakistan banks and evaluate the effect on bank's profitability. The results show that liquidity risk affects bank profitability significantly, with liquidity gap and non-performing assets the two factors exacerbating the liquidity risk. They have a negative relationship with profitability.
<b>O t h e r t y p e s o f R i s k</b>		
9	Dimitriu (n.d)	The study discusses the methods of measuring the traded instruments that are very important for the measurement of the market risk in banks. Study concludes that banks must have an adequate management of market risk to ensure optimal profitability.
10	Debashish (2008)	The study aims at understanding the foreign exchange risk management practices in Indian enterprises. The study finds that companies use derivatives widely for risk management and prime reason for hedging is reduction in volatility of cash flows.

### 3. Composition and Structure of Various Risk in Banks

**3.1 Credit Risk:** The credit risk has got two components, “Quantity of Risk” which is the outstanding loan balance as on the date of default and “Quality of Risk” which is severity of losses that is defined by default probability and the recoveries that could be affected in the event of default. Credit risk comprises of:

- **Default:** It is the probability of the event of default.
- **Exposure:** The outstanding balances at the time of default constitute exposure risk.

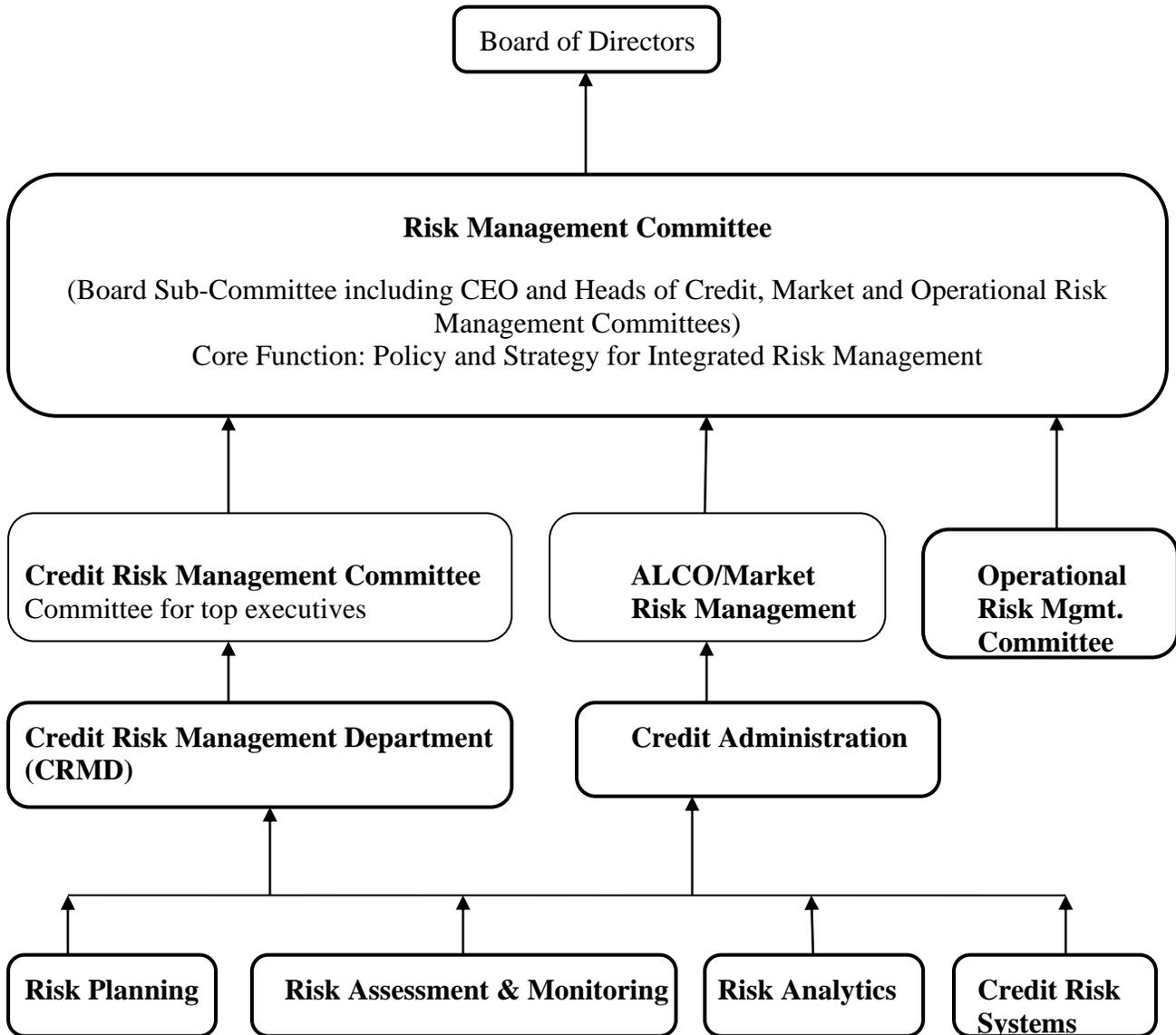
- **Recovery:** The loss in case of default is the amount outstanding at the time of default fewer amounts recovered.
- **Geographical Spread:** Concentration of banks advances also creates credit risk for banks. Geographically well diversified credit reduces the level of credit risk in the circumstances like cyclone, earthquake etc.

**3.2 Market Risk:** The market comprises of the risk causes due to the change in the prices of the equity, commodity, foreign exchange risk and interest rate over the market. The risk of adverse impact on net interest income is the interest rate risk (**Goyal & Agrawal, 2010**). Risk which gives negative impact on the profit of the banks due to change in the exchange rates (**Jorasia, 2013**).

**3.3 Operational Risk:** The operational risk is basically comprises of the “transaction risk” which arises from the fraud and failed business process and “Compliance Risk” which loss of legal and regulatory action, reputation loss (**Chakrabarti, 2015**). The risk can take the following form:

- Internal Frauds such employee theft, Internal misreporting and insider trading.
- External Fraud such as robbery, forgery, cheque kiting, and damage from computer hacking.
- Employment practices and workplace safety such as workers compensation claims, violation of employee health and safety rules, organised labour activities, discrimination claims, and general liability.
- Clients, products and business practices. Such as fiduciary breaches, misuse of confidential customer information, improper trading activities on the bank’s account, money laundering, and sale of unauthorized products.
- Damage to physical assets such as terrorism, vandalism, earthquakes, fires and floods.
- Business disruption and system failures such as hardware and software failures, telecommunication problems, and utility outages.
- Execution, delivery and process management such as data entry errors, collateral management failures, incomplete legal documentation, and unauthorized access given to client accounts, non-client counterparty misperformance, and vendor disputes.

A typical Organizational structure for Risk Management in banks suggested by the Reserve Bank of India is as follows: -



As mentioned above the sound organizational structure for the successful implementation of the effective risk management and it has to work efficiently (RBI, n.d). The Board of Directors is the apex body who is responsible for the management of risks. The Risk Management Committee (RMC) which is a board level sub-committee including chief executive officer and heads of credit, market and operational risk committees. The committee has to maintain the balance between the various committees. Further, Asset-Liability Management Committee (ALCO) is formed with the objective to manage the positions of Assets and Liabilities in banks.

Banks has to form high level Credit Policy Committee (CPC) also called Credit Risk Management Committee (CRMC) to deal with credit policy issues. Each bank must also form Credit Risk Management Department (CRMD) to monitor and enforce the limits set by CPC. Similarly to deal with operational risk and IT risks banks should have Operational Risk Management Departments/Committees.

#### 4. Changing Scenario of Risk in Commercial Banks

The risk management began to study after the World War II. Many sources supported for the origin of the modern risk management (Crockford, 1982; Harrington and Neihaus, 2003; Williams and Heins, 1995). Before the Industrial Policy, when there were nationalized banks operating in the Indian market, the risk horizon was limited to narrow extent. Earlier, banks were operating manually with no computerization and focus on their primary functions of deposits and advances. With the advent of the Core Banking Solutions, main risks addressed in banks were credit risk, solvency risk and market risk. But with the advent of the technological development namely core banking solutions in banking, there is has been expansion in the areas of risk. When there is introduction of computers in banks, there is increase in number of operational risks such as failure business processes, system failures, internet connectivity etc.

The present era is the era of technology and a survey conducted by Cisco said that Indian is the second largest smart phones users in the world. Every fourth individual out of ten is tech savvy and so banks are now come up with variant of products that are mobile friendly and tech friendly. Banks face operational risk in day to day activities. Such risks may be related to the traditional banking business and new generation banking business which is related to computers and telecommunications. The level of risk computerized environment is much more than the traditional business environment.

##### 4.1 Risks in Traditional Banking Business

- **Disregard of system and Procedures-** The risk arises due to overlooking and disregard of prescribed systems and procedures. The risk comes from the breakdowns in internal control and corporate governance.
- **Error Risk-** Risks arises due to wrong feeding of information's, additions or processing errors.
- **Fraud Risk-** Risk arises due to unauthorized transactions, deletions in records in data intentionally.

##### 4.2 Risk Related to Computers and Telecommunications Systems

- **Organization Risk-** The absence of clear reporting lines and responsibilities in the organization structure can result in the poor distribution of human and financial resources.
- **Location Risk-** With the increase dependency on technology, the resources are more susceptible to natural and unforeseen risks such as floods etc.
- **Outsourcing Risk-** It is common practice for all banks to outsource some or all of their data processing and IT. Without proper management control and documentation the

responsibilities and liabilities of supplier and customer may not be clear. Over reliance on the single supplier increases the risks from the supplier failure and results high cost.

- **Interruption due to hardware and Software Failure**-When computer systems are out of action, the damaging effects on the real-time banking services to clients are immediate and increase rapidly.
- **Improper Disclosure of Information**-Most bank information is created by or directly linked with the computer processing. Some of the information are confidential and it will leads to huge risk if

## 5. Risk Mitigation Strategies

Banking Risk is basically classified as credit risk, market risk, operational risk and solvency risk. There are different mitigation strategies for each type of risk.

### 5.1 Credit Risk

The credit risk can be measured and controlled by various techniques. **Kanchu & Kumar (2013)** risk rating, loan review mechanism, exposure ceilings, portfolio managements. **Singh (2013)** suggested risk- based pricing, Covenants, Credit insurance and credit derivatives, tightening, diversification, deposit insurance as strategies for mitigating credit risk.

Risk Based Pricing is a strategy where generally lender may charge high rate of interest to borrowers who are more likely to default. In Covenant, lenders may ask for certain conditions such as periodical report of financial condition, should not conduct that actions which can negatively affect the financial position and repay the loan in full. Sometimes lenders may hedge their credit risk by purchasing credit insurance or credit derivatives. Through tightening, lender can reduce the amount of credit either in total or to certain borrower's. Lenders may also reduce credit risk by diversification of borrower's pool.

Other strategies adopted by banks are Risk Rating where comprehensive risk rating system is developed. Under Loan Review Mechanism the loans are identified with their credit weakness and adequacy is also determined. Lenders also perform the portfolio reviews where they preserve the desired quality of loans.

### 5.2 Market Risk

Market risk comprise of several other risks so its management is quite crucial for the banks. It includes interest rate risk, commodity price risk and equity price risk.

Techniques for management of *interest rate risk*

- **Dedication:** In this method, matching of cash flows of assets and liabilities are required. Groups of assets and liabilities are developed. This eliminates interest rate risk and liquidity risk.
- **Immunization:** This strategy preserves the market value against any change in interest rates. In this the average duration of the asset portfolio and liabilities portfolio are matched.
- **Active Management:** This strategy helps in taking advantage of shifting relative values by taking positions between various instruments and various maturities.

- **Rate Anticipation:** This involves taking views on the rate movements in respect of balance sheet exposure and taking decisions.

Techniques for management of *Foreign Exchange Risk* are classified as internal and external techniques.

#### **Internal Techniques**

- **Netting:** Netting is a method adopted wherein an asset in a foreign currency is used to pay-up a liability in a foreign currency so that there is no need of conversion.
- **Leading and Lagging:** Leading means making a flow occur earlier than the due date while lagging means delaying the flow beyond the due date.
- **Invoicing:** Exchange risk is avoided if an invoice is made in domestic currency thereby avoiding the need for conversion.

#### **External Techniques**

- **Forward Contracts:** It is an agreement to buy or sell foreign exchange for a pre-determined amount, at a pre-determined rate, and on pre-determined date. The bank normally covers its position by entering into a forward contract with other banks.
- **Currency Futures:** These are the exchange traded and transacted as per the guidelines.
- **Currency Options:** It gives the buyer option to buy or sell foreign currency at pre-determined price on a specified future date.

### **5.3 Operational Risk**

With regard to operational risk, several methods may be adopted for mitigating the risk. They are mentioned below: -

- **Insurance-** Insurance could be used to externalise the risk of potentially low frequency, high severity losses, such as errors and omissions (including processing losses), physical loss of securities, and fraud.
- **Backup Facilities-** Losses that might arise due to business disruptions due to telecommunication or electrical failures can be mitigated by establishing redundant backup facilities.
- There should be strong internal auditing procedures for avoiding employee fraud or product flaws.
- There should be reliable information systems in place that cover all significant activities of the bank.
- Banks must classify operational loss event into various risk categories based on frequency and severity.
- Outsourcing of activities can reduce the institutions risk profile by transferring activities to other with greater expertise.

### **5.4 Solvency Risk**

The mitigating strategies for mitigating solvency risk are as follows:

- **Alternative –Scenarios**

The banks should evaluate the liquidity profile under different conditions, normal situations, bank specific crisis and market crisis scenario.

- **Contingency Fund Plan**

Banks should prepare contingency plans to measure their ability to withstand bank-specific crisis or market crisis scenario. CFL are the stress tests designed to quantify the likely impact of an event on the balance sheet and the net potential cumulative gap over 3 month period.

- **Volatile Liability Dependency Ratio:**

By calculating this ratio, bank can assess to what extent bank is relying on volatile funds to support long term assets.

- **Core Deposit Growth Rate**

This ratio shows much asset growth was funded by core deposit growth. The higher the ratio the better will be the position.

## 6. Future Prospect

Risk Management has been the matter great concern for every economies of the world. During the last two decades, the world economy has been facing many downturns in banking sector due to the inappropriate management of risk or not proper planning for risks. After the collapse of the Bretton Woods many banks in the world face the financial losses. By considering these failures and other crisis in the international financial markets, the central bank governors of the G-10 countries established a committee on Banking Regulation and Supervisory Practices in 1974. Later, it renamed as Basel Committee on Banking Supervision (BCBS). The BCBS time to time issue the Basel Norms with the main objective of risk management and stability of banks. Initially, BCBS issued BASEL I norms in 1988 followed by BASEL II norms in 2006. But these norms did not work as per the standards set. After the 2008 US financial crisis, BCBS came with more advanced approach known as BASEL III Norms. These norms were the extended version of BASEL II norms and its objective is to have more resilient banking system around the world. Presently, the BASEL III norm is in implementing stage and has to be fully implemented by 2019.

BASEL Norms are helpful in bringing the stability and maintaining liquidity of banks. In future, the banks have to maintain their capital base as per BASEL III norms which will strengthen the capacity of the banks for meeting out the stress situations.

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## **REDEFINING RURAL MARKETING: AN APPROACH TOWARDS MICRO ENTREPRENEURSHIP**

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### ***Abstract***

*Where almost seventy percent of Indian are living in rural India, most of these are “hard to reach” and offer relatively lower business potential. Hence reaching them through the conventional distribution system is a big challenge. These challenges may require new marketing thinking to deal with the issues and to realize vast potential of thus far ignored rural markets. Hindustan Unilever Limited (HUL) to tap this market conceived of Project Shakti. The project begin in year 2001 developed a network of forty five thousand Shakti Entrepreneurs in more than one lakh villages across fifteen states reaching three million homes. The strategy not only played a vital role to penetrate in rural India but also bring to the notice the potential of business opportunity exists in rural India. It is the foresight of the company to sense the new business opportunity in rural India and tapped it so beautifully that it became a case study for new comers in the sector. The present paper explores in detail survival and growth of the HUL unique marketing strategy “Shakti Entrepreneur” with passage of time. In addition, the paper brings the lessons learnt with special reference to Dhindaar Village of Uttar Pradesh and gradual extension of the project.*

**Key Words:** Shakti Entrepreneur, Hindustan Unilever, Marketing, Distribution Channel, Self Help Groups (SHGs), Social Network.

### **Introduction**

With the urban market saturated, FMCG companies are now targeting the rural markets. In spite of the income imbalance between urban and rural India, rural holds great potential since 70% of India's population lives there. India has more than 6,30,000 villages, most of these are hard to reach due to poor connectivity and offer relatively low business potential. This *rural* context poses several challenges, such as low-income, absence of basic marketing infrastructure,

subsistence living, irregular income and demand patterns, dependence on agriculture, high social stratification, lack of social mobility, and traditional value orientation, to marketers. Furthermore, retailers cannot be present in all the centers as many of them are so small that it makes them economically unfeasible. These challenges may require new marketing thinking to deal with the issues and to realize vast potential of thus far ignored rural markets. Hindustan Unilever Limited (HUL) to tap this market conceived of Project Shakti. This project was started in year 2001 with the aim of increasing the company's rural distribution reach as well as providing rural women with income-generating opportunities. This is a case where the social goals are helping achieve business goals.

**Problems Associated with Rural India**

1. Poor developed distribution channels
2. Lower Purchasing power
3. Lack of Trained Staff
4. Limited infrastructure facility

The strategy not only played an important role in the success of HUL in remote area but also became a part of learning for the beginners who too want to enter in rural areas. It is the foresight of the company to sense the new business opportunity in rural India and tapped it so beautifully that it became a case study for new comers in the sector.

**Shakti: A Micro Business, With Massive Impact**

Rural Indian markets, whose potential has historically been dismissed, account for more than 50% of fast-moving consumer good (FMCG) sales, and 60% of the durables market. The annual size of the rural market for FMCGs has been steadily growing and is estimated at \$11 billion. The companies have realized that it is too costly to ignore this market any longer. It is an interesting fact to note that while the per capita income of rural India is half what it is in urban India, the surplus disposable income is roughly the same, as standard of living is cheaper in rural area as compare to urban areas.

In overcoming the difficulties of penetrating rural markets, companies are turning to the rural poor not only as potential consumers, but as retailers as well. Collaborating with microcredit clients has proven to be good business. The most revolutionary example of such partnership is between Indian company Hindustan Lever Limited (HLL), a subsidiary of Unilever, and CARE India's multi-state microfinance program. By linking HLL with self-help groups throughout India, women have received training in retail and marketing to sell staple products in rural, low-income areas.

The Shakti is a micro enterprise programme initiated in year 2001 that creates opportunity for the rural population to sell HUL products door to door in their local area. This resulted in easy access of HUL products in the hands of low income consumers and reduces the menace of locally sold spurious products. The company targeted the Self Help Groups (SHG) members as the promoter of their product. The initial training is also imparted to market and sell the product efficiently to the HUL agents. These agents were termed as Shakti Amma's. The term has been

derived to rightly address the Indian rural entrepreneurs. The word “Shakti” means the power, which HUL gave to rural women through providing means to become an entrepreneur. While the word “Amma”, is a local term generally used in villages to address women. Thus the theme of the project is to empower the rural based women while at the same time creating a healthy route to penetrate in rural market.

**Objective**

**1. To extend direct reach into untapped markets** The aim of the project to help the company to penetrate in rural untapped areas in partnership with Self Help Groups. The direct marketing strategy adopted by the company to promote its products.

**2. To build brand through local influence** To overcome the problem of limited media coverage, the company appointed the Shakti Entrepreneur as a brand ambassador of their products. They are not just brand ambassador but also generate sales of HUL products.

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| <ol style="list-style-type: none"> <li>1. Communication builds a brand</li> <li>2. Micro enterprise create livelihood</li> <li>3. Social initiatives improve the standard of life by providing quality products</li> </ol> |
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**3. Empower Underprivileged Women** HUL as a company is also well aware of its social obligation towards the society. Hence through partnership with village level Self Help Groups provided sustainable livelihood opportunity to its members.

**Business Model of Shakti Project**

The recruitment of a Shakti Entrepreneur or Shakti Amma (SA) begins with the executives of HUL identifying the uncovered village. The representative of the company meets the panchayat and the village head and identify the woman who they believe will be suitable as a SA. After training she is asked to put up Rs 20,000 as investment which is used to buy products for selling. The products are then sold door-to-door or through petty shops at home. On average, a Shakti *amma* records monthly sales of Rs10,000-15000, on which she earns Rs1000-1500; those earnings come out of a 3% discount that HUL gives her on its products, as well as a trade margin of approximately 10%. A really outstanding Shakti *amma*—a Diamond Shakti *amma*—can even book Rs30,000-40,000 of sales every month, often turning her house into an HUL store. Thus on an average a Shakti Amma makes a 10% margin on the products she sells.

**Social Network: A success Ladder**

*If companies want to succeed in an emerging market, they must link up with India's vast social networks to reach remote customers.*

*Pradeep Kashyap, founder and CEO of MART,  
A rural market consultancy company*

In the words of Kashyap, "In a country like India, or any developing economy, the physical infrastructure is weak, but the social infrastructure is very strong," Unlike in the west, where the

physical infrastructure is very good -- the roads, the electricity -- but the social infrastructure doesn't need to be strong. So we have to leverage on our social infrastructure." The success of HUL in rural India is its local partners in the form of shakti entrepreneur.

### **Benefits of the Shakti Project**

The project Shakti popularized the brand HUL among the rural India. It leads to easy access to such areas which was far beyond the reach of the company with its present resources. The benefits which the company derives out of the project are as follows:-

**1. Availability of staff at lower cost** In India the peoples are strongly connected socially. To reach the Indian customer efficiently and effectively is through word of mouth. To penetrate in Indian rural market, it is strongly required that the seller familiar with the customer taste, income and buying behaviour. Thus a local villager when hired by the company increases the sales to many folds. The women are the homemaker and are the real purchaser of the fast moving consumer goods. Hence to tap the rural India with its FMCG products, the company targeted the women folk. In addition the direct selling helps the company to manage its administration cost of operations and survive in the market.

**2. Localised Partner** The local hired and trained "Shakti Entrepreneur" is the unique selling tactic of the HUL. The shakti entrepreneur moves from home to home for selling products helped to well verse its brand among the rural India. The frequent visit to customers created a strong bonding of the Shakti Entrepreneurs with its customers. They are familiar what are their customer's requirement, taste and preference.

**3. Distribution Channel and Direct marketing** To overcome the issues of weak distribution network in remote areas, the company adopted the direct marketing strategy by appointing "Shakti Amma". The shaktiamma move from house to house and even small kirana shops and kiosks in the village to sell the product. Thus makes the easy accessibility of the brand even in far flung areas.

**4. Advertisement and Promotion** To promote the product the company trained the selected Shakti Amma by providing soft skills and complete knowledge about the HUL products and their correct usage. The Shakti Entrepreneurs are the live advertisements who go from home to home talking about relevant brand benefits -- like hygiene and healthcare - of HUL products. The front room of the family house often becoming a marketing and distribution tools in one go. The Shakti Amma not only created awareness among the potential consumers but also increased demand of the HUL products.

**5. Communication Linkage** The company also run a Shakti Vani project to supplement the project shakti Under this programme, trained communicators visit schools and village congregations to drive messages on sanitation, good hygiene practices and women empowerment. This serves as a rural communication vehicle and helps to boost up sales.

**6. Decision Making Tool** The Shakti entrepreneurs provide in-depth knowledge about the consumers buying behavior in terms of what they want, what they can afford, when they buy. She knows all its customers very well. It provide the vital information which facilitate the company in decision making regarding to the type of product to promote, divestment decision,

the pricing issue, discounts, marketing strategies. In addition the information so gathered helps the company to take decisions at the time of launch of new product.

**7. Shakti Entrepreneurs** In overcoming the difficulties of penetrating rural markets, company turning to the rural poor not only as potential consumers, but as retailers as well. Collaborating with microcredit clients has proven to be good business. The project helps the Shakti entrepreneur to earn 1000-1500 rupees a month, which is a significant amount for a BPL family, supplement the monthly income. Moreover it provides entrepreneur skills, boost up confidence, and enhance the decision making skills, leadership qualities of the Shakti Entrepreneur. In short contribute towards the overall development of the underprivileged section and helps HUL to achieve its social obligation towards society.

The main advantage of the Shakti programme for HUL is having more feet on the ground. “Shakti Ammas”(SAs) are able to reach far flung areas, which were economically unviable for the company to tap on its own, besides being a brand ambassador for the company. Moreover, the company has ready consumers in the SAs who become users of the products besides selling them. To solve the value chain issue the company closely work with its local shakti entrepreneurs. The shakti entrepreneurs has lead to twin benefit to the company. Where it boost the income prospects of the Shakti Entrepreneurs, it also provides HUL with security of supply of raw materials and new distribution routes to improve the penetration of company products.

### **A case study of Dhindaar Village -Uttar Pradesh**

To do business in rural India is not a cheap alternative. Apart from orienting an urban-centric supply chain to access smaller villages, companies have to accept that rural consumers often have illogical or impenetrable loyalties. “Rural consumers are a more sensitive to getting value for their money, especially with consumer goods. The section deal with the ground reality of the Shakti Project in terms of difficulties faced and the innovative solutions explore by the Shakti Entrepreneurs in Uttar Pradesh.

**1. Unorthodox solutions** Roshni, a Shakti *amma* from Dhindaar village of Uttar Pradesh, found that her customers were dissatisfied with the effects of the Fair & Lovely she told. So she organized a seminar devoted to showing the women the correct way to use Fair & Lovely—what her Shakti trainer, Jitendra Kumar, calls the “*aathka funda*”, the method of daubing spots of the cream in a figure of eight on the face, and then massaging it in. “And now it sells much better,” Roshni says.

**2. Live Demonstration** Roshni, a Shakti *amma* from Dhindaar village in Uttar Pradesh, says sales of Fair and Lovely improved after she conducted a seminar to show her customers the right way to apply the cream.

**3. Cash based transaction** It was being realized by the company that few Shakti Ammas who sold their products at credit to enhance sales found difficulty in recovery. Thus “We also advise

our Shakti *Ammas* not to sell on credit,” says Prashant Jain, an area sales and customer manager for central Uttar Pradesh (rural) with HUL. “Recovery is sometimes difficult, because many of these customers are also relatives or known to her in the village, so they feel embarrassed to ask for money. So we advise them to sell (for) cash only.”

**4. Home to Shops** HUL learned very early that Shakti *Ammas* should be encouraged to sell to retail shops as well as homes if they were to feel optimistic about their earning potential.

**5. Logistics** Another lesson rose out of Project Shakti’s logistics. Jain describes how HUL initially thought it viable to only target villages with a population of 2,000 or more, how market strategists sat down with census lists, and how *ammass* were found in those selected villages and started off with a minimum of Rs10,000 worth of stock.

When HUL started delivering stock to these *ammass* twice a month, however, it realized that it was also in its best interests to cultivate Shakti *ammass* in the villages that lay along that route, however small they were. “Even if we are just dropping off stock worth Rs1,000 or Rs2,000 at these villages on the way, it makes economic sense,” Jain says.

**6. Shaktimaan Mode** Today 45,000 shaktiammas push HUL products in India. Last year, the company decided to diversify the network and include husbands and sons in the distribution process. To further expand its reach to far off rural areas, HUL recently brought in its new ‘Shaktimaan model’ (empowered man) where the village men work as distributors of HUL products. They head out on their bicycles, provided by the company, in order to sell the subsidized HUL products to nearby villages. They cover much more ground than the women, who do not like to travel outside their villages on their own. As of 2011 there are about 10,000 men signed up for the system. That has added an additional 23,000 rural shakti distributors, helping HUL triple their rural reach.

**7. Shakti Days** Although the company has been successful in the initiative and has been scaling up, it faces problems from time to time for which it comes up with innovative solutions. For example, a problem faced by HUL was that the SAs were more inclined to stay at home and sell rather than going from door to door since there is a stigma attached to direct selling. Moreover, men were not liable to go to a woman's house and buy products. The company countered this problem by hosting Shakti Days. Here an artificial market place was created with music and promotion and the ladies were able to sell their products in a few hours without encountering any stigma or bias.

### **Shakti Project Achievements**

This model has been the growth driver for HUL and presently about half of HUL's FMCG sales come from rural markets. The Shakti entrepreneur project has almost ten percent contribution in the total national turnover. According to the HUL Annual Report of 2009, the company has developed a network of 45000 Shakti entrepreneurs in more than 100000 villages across fifteen states reaching three million homes. The project not only benefited the company but also

enhanced livelihood of 75000 rural women by INR 18 crore. In addition the expansion of project towards “ Shakti Man” (Empowered Man) further enhanced the rural shakti distributors to 23000 helping the HUL to triplicate its penetration in rural areas.

### **Future Plans**

The long term aim of the company is to have 100,000 Ammas covering 500,000 villages and reaching 600 million people. This programme will help provide HUL with a growing customer base which will benefit the company for years to come. Since the beginning of first quarter of previous year, the HUL want to ensure that the rural folks not only get access to capital, but also generate savings. In a step to promote financial inclusion in rural markets, HUL's 'Shakti Ammas', a network of self-help groups that distribute the company's products in remote villages with a population of 2,000 and less, will now be opening bank accounts for people.

HUL has tied up with leading public sector bank, State Bank of India (SBI), to kick off a pilot project on financial inclusion in Maharashtra and Karnataka. At present, 12 Shakti Ammas, as customer service providers, have opened around 1,000 accounts, and the plan is to roll out the project across the country in the next 12 months. With a network of 43,000 Shakti Ammas enrolled with HUL, in excess of 30 lakh bank accounts are expected to be opened in the next one year-each Shakti Amma is expected to open at least 70 accounts.

### **Conclusion**

Almost a decade back when no single company thought about reaching to the 70 percent of the potential rural customers, the Hindustan Unilever Ltd. came up with a unique marketing strategy called “Shakti Amma”. The project became a powerful tool in the hands of HUL that helps to reach the untapped area of its potential customers at the cheapest cost. It was a successful strategy in such remote areas where the role of media was totally absent, and peoples are unfamiliar with the company’s product. Despite challenges faced to penetrate in rural India, the company being focused and gradual improvement in the Shakti Project positioned the HUL as a leader of the fast moving consumer good market especially in rural India. The success of the brand HUL can be judged by the claims of the company “HUL is a part of daily life two out of three Indian”.

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## MAHASWETA DEVI'S TREATMENT OF FEMALE BODY AND RAPE IN HER SHORT STORY *DRAUPDI*: A STUDY

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*Women are assigned secondary position in the patriarchal society. They are looked upon as weak, fragile, incompetent, sexual object, and the 'other' by the male dominated society but in Mahasweta Devi's short story **Draupadi**, the female protagonist is being represented just the opposite of the typical women that the patriarchal society portrays. The author has not allowed her female protagonist to be submissive and conquered by the male dominated society. Dopdi being a woman of strong mind and will has even defied the shame associated with rape. In fact, she has inverted the rape-shame upon her predators through her naked body. The present paper studies how Mahasweta Devi's treats the female body as a weapon against the oppressor in her short story **Draupadi**. The paper also studies how the notion of shame associated with rape is deconstructed by the author through her bold female protagonist.*

Since time immemorial, women have always been the victim of humiliation, marginalization and sexual objectification. The hegemonic society fundamentally oppresses women by characterizing them, on every level, as the 'other' or 'second sex'. Usually, Women are characterized as irrational, weak and submissive while men as rational strong and protective. Therefore, society always views the position of women to be inferior to men. The innatist position granted to women is very well stated by J.S Mill in *The Subjection of Women*:

“Think what it is to a boy, to grow up to manhood in the belief that without any merit or any exertion of his own, though he may be the most frivolous and empty or the most ignorant and stolid of mankind, by the mere fact of being born a male he is by right the superior of all and everyone of an entire half of the human race”

(Mill, p. 95)

Position of women in society particularly those of the marginalized tribal ones are beyond imagination as they have to endure vivid layer of marginalization. They are subject to class and caste discrimination apart from gender discrimination. But, Mahasweta Devi is one such writer who not only depicts the lives and sufferings of the subaltern women but also equips them with voice for resisting against the oppressor. In Mahasweta Devi's short story *Draupadi*, the female protagonist Draupadi also known as Dopdi Mejhen exemplifies just the opposite of the role that was assigned to her by the patriarchal society. Dopdi was a twenty seven year old lady who was actively involved in the Naxalite Movement with her husband Dulna. As an active Naxalite activist Dopdi and Dulna became threat in the eye of the police authority. However, Dulna was

shot dead by the soldiers and the search for Dopdi continues. At last, Dopdi was also being captured and taken to police camp. Interrogation and investigation took place for one hour and after that the process of making her starts. Dopdi was sexually assaulted by the soldiers. They thought that the aftermath of rape will weaken Dopdi's spirit as a rebel as well as a woman, but she shows no sign of submission or subjugation toward them. She tears her cloth with her teeth and breaks the traditional belief of womanhood or womanly behavior and stands against this belief by challenging the Senanayak unarmed with her naked body. She is not ashamed of her naked body. She walks naked towards the Senanayak in the bright sunlight with her head high. Therefore, the Senanayak as well as the soldiers were surprised to face such response of Dopdi which they have never expected. In fact, she turned her victimized body into a weapon to taunt the male ego. Her nakedness becomes an affront to the masculinity of the attacker.

“Draupadi pushes Senanayak with her two mangled breasts, and for the first time, Senanayak is afraid to stand before an unarmed target, terribly afraid”

(Devi, p.196)

Rape is sexual violence against women imposed by men. In a male dominated society, rape signifies power of men over women. As Brownmiller asserts in her seminal work *Against our Will: Men, Women and Rape* that rape

“is nothing more or less than a conscious process of intimidation by which all men keep all women in a state of fear” (Brownmiller, p. 15)

She has also asserted that,

“Rape is a crime not of lust, but of violence and power”

(Brownmiller, p. 15)

Again rape is also associated with dishonour and lost of chastity. So, a woman who is being raped is supposed to be doomed in shame and guilt. They usually remain mute about their raped experienced and never raise their voice against their predators. But, the rapist or the victimizer should be ashamed of their acts rather than the victim because it is they, who should be guilty about their inhuman acts and not the victim. Hence, Dopdi's denial of shame imposed to her by the oppressor through the act of rape reveals her courage and strength in spite of being a rape victim.

“Draupadi shakes with an indomitable laughter that Senanayak cannot understand. Her ravaged lips bleed as she begins laughing. Draupadi wipes the blood on her palm and says in a voice that is as terrifying, sky splitting, and sharp as her illusion, What's the use of clothes? You can strip me, but how can you clothe me again, Are you a man?”

She looks around and choose the front of Senanayak's white bush shirt to spit a bloody gop at and says, There isn't a man here that I should be ashamed. I will not let you put my cloth on me. What more can you do? Come on, counter me – come on, counter”

(Devi, p 196)

Violating or exploiting the modesty and freedom of women is not a new phenomenon. The mythical character Draupadi from *Mahabharata* is an archetype of female been marginalized and objectified. However, in *Mahabharata*, Draupadi was rescued from being stripped naked through the divine intervention of Lord Krishna. But, unlike the mythical figure Draupadi, Mahasweta Devi's female protagonist Dopdi Mejen is not rescued by any gods or male agent. She is gang raped repeatedly by her predators and only her very assaulted body acts as an agent to confront her oppressors. As Gayatri Spivak states:

“The men easily succeed in stripping Dopdi- in the narrative it is the culmination of her political punishment by the representatives of the law. She remains publicly naked at her own insistence. Rather than save her modesty through the implicit intervention of a benign and divine (in this case it would have been godlike) comrade, the story insists that this is the place where male leadership stops”

(Spivak, p. 388)

Dopdi confronts her predators very courageously. She has not let herself to be weak and submissive even after the act of rape practiced on her. In fact, her very body that was victimized becomes an embodiment of power to revolt against her predators. Hence, she derives strength from her female body to protest and invert the shame of rape towards her exploiter. Therefore, Dopdi's female body becomes the most powerful weapon against her exploiter. And according to Gayatri Spivak, by refusing the disciplining power of shame scripted into the act of rape, Dopdi emerges as the most powerful “subject” who can be describe as “a terrifying super object” (Spivak, p. 388)

Usually, the rape victims remain silent and do not raise voice against the culprits, but Mahasweta Devi through her short story Draupadi has deconstructed the whole notion of shame associated with rape. Dopdi defies the docility of being a subaltern woman by protesting her predators with her naked body. Thus, Mahasweta Devi, by portraying Dopdi courageous enough to face the aftermath of rape and raise voice against her oppressors destroys the connivance of silence surrounding rape and in doing so she enlightens the fact that the victimizer should be guilt ridden rather than the victim. Thus, Dopdi's female body becomes a symbol of voice and power.

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## PINTER'S *THE ROOM*: A PERFECT FUSION OF MENACE AND EXISTENTIAL ANGST

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### Abstract

*Harold Pinter, one of the most acclaimed playwright and a Nobel laureate, is very well known for his peculiar writing technique called 'Comedy of Menace'. The socio-political factors prevailed in England during the end of the first half of the twentieth century have played a major role in generating his themes. His plays portray the insecurity grown in the mind of postmodern man. The Room (1957), one of his most discussed and critiqued plays, portrays the insecurity feeling of postmodern man, soon after the Second World War. The entire play revolves round the protagonist called Rose and whose strange experience in a shabby room in a large house.*

*The play also attempts to portray the absurdity of human life. It presents an allusive symbolism of fear and nightmare. It also dramatises the inarticulate existential fears. The play symbolises the realistic marital relationship between a tyrannical husband and a sentimental wife. The paper attempts to examine how Pinter has portrayed the existential angst of postmodern man in his play *The Room*, and how much he has succeeded in fusing it with his unique technique 'Comedy of Menace'.*

Among the twentieth century playwrights influenced by Absurdism and New Theatre Movement, Harold Pinter emerged as the most remarkable for his experiments in dramatic language. Certainly, Pinter is generally seen as the foremost representative of British Drama in the second half of the twentieth Century. He occupies a position of high esteem in the global dramatic arena and his name is illustrated as an adjective to describe a particular ambience and environment in drama - "Pinteresque". Like Samuel Beckett's, Harold Pinter's plays mainly deal with the theme of the dismay of modern man. *The Room* (1957), *The Dumb Waiter*, (1957), *The Birthday Party* (1958), *The Caretaker* (1960), *Night School* (1960), *Monologue* (1972) and *Betrayal* (1978) are prominent among them. Pinter was awarded Nobel Prize for literature in 2005 for his entire contribution to literature.

Undoubtedly, the peculiar socio-political factors prevailed in England during the end of the first half of the twentieth century have played a major role in generating his themes. Harold Pinter, son of a Jewish dressmaker was born on October 10, 1930 in the London borough of Hackney; obviously he had to spend his childhood and adolescence at a time when the Second World War was at its peak. Historically, the 1930s were a time of economic depression and this in turn led to political and racial unrest. In Germany and Italy during the 1930s, fascist governments took hold and a racial politics favoured by English fascists threatened Jews in England. In fact, life could not always have been easy for a Jewish boy in London's East End, in the 1930s.

It is, in fact, tempting to see Pinter's progression from the earlier plays to the later in terms of a closer approach to realism. In the early plays the wryly comic tone of the opening scenes is gradually replaced by something much more intense and horrific and something considerably farther away from mundane consideration of likelihood. *The Room*, first performed in the year 1957 is a one act play. In the play, neither the consistency nor the conviction is altogether unimpaired. The play is about two people in a room. Martin Esslin rightly comments on the techniques and themes used by Pinter in *The Room*:

*This rapidly and spontaneously written one-act play, The Room (first performed at Bristol University in May 1957), already contains a good many of the basic themes and great deal of the very personal style and idiom of Pinter's later and more successful work—the uncannily cruel accuracy of his reproduction of the inflection and rambling irrelevancy of everyday speech; the common place situation that is gradually invested with menace, dread and mystery, the deliberate omission of an explanation or a motivation for the action . . . (Esslin 237).*

*The Room* marked the first appearance of a theme or idea that has recurred in his later works. *The Room* is warm and cosy. In this play the title 'The Room' is seen rather as a womb, isolated from the cold, dark and hostile world. The inmates of the room are Rose, a woman of sixty and Bert, a man of fifty. The woman is completely devoted and absorbed in attending on the man, who just sits there, pursuing the newspaper and letting himself be served and attended to by the woman. He hardly ever speaks a word, except only now and then answering her in monosyllables. Their marital relationship can be guessed only by her devotion to him, though it is not certain. Pinter has created a milieu of liquidness and inexplicability around his protagonist. The protagonist uses language as a veil for meaning and seems afraid of revealing meaninglessness and loneliness. Their action is unmotivated and inexplicable.

The security of the protagonist, though apparently light and true, is nonetheless false and pseudo, and is most likely to be shattered by someone from outside. The playwright seems to impress the audience by all this that all people long for security, and try to create it within an area that can shut out the outside world. Whereas the security thus created is unrealistic and false and destined inevitably to be shattered to pieces by the violent and hostile force that dwell in and occupy the outside world. The playwright seems to inculcate in the minds of the audience that

the security is an illusion, a vain hope, and part of man's fragility in a world that allows no one to remain alone.

In a shabby room in a large house, Rose, a woman of sixty, is fussing over her husband Bert, a man of fifty, a van driver, who appears to be rather simple-minded but who never speaks to her, not even to reply to her rambling monologue on the virtues of the room they live in. The room is in a vast house; outside it is winter and night. Rose sees the room as her only refuge, her only security in a hostile world. This room, she tells herself, is just right for her. She would not like to live downstairs in the basement, where it is cold and damp. Pinter frequently uses the weather outside to emphasise the protective envelope or womb that the room appears to form around the characters. Rose's almost motherly solicitude for Bert is partly justified by the fact. It suggests later in the play, that he has been ill. However, this cannot be taken as necessarily true or false. Like all statements of fact in Pinter, they are capable of being neither proof nor denial. The room for Rose is comfortable, representing as it does. Her only security; and it is just right for her:

ROSE: This is a good room. You've got a chance in place like this. I look after you, don't I Bert? Like when they offered us the basement here I said no straight off. I knew that'd be no good. The ceiling right on top of you. No, you've got a window here, you can move yourself, you can come home at night, if you have to go out, you can do your job, you can come home, you're all right. And I'm here. You stand a chance (*The Room* 6).

The room, this small speck of warmth and light in the darkness, is a precarious foothold; Rose is afraid that she may be driven from it. A warm and cosy room surrounded on all sides by a chilly and inimical world, is quite an implicitly menacing situation. It appears quite likely that some one from the hostile world will break upon them and shatter the warmth and cosiness of the room. Rose again and again refers to the warmth and cosiness of her room as against the obscurity and dampness of the basement floor which was at first offered to them. Again and again she asks herself if there are other tenants still living in the basement and at the same time she congratulates herself on living on the first floor. Rose is not sure of the place of her room in the scheme of things, how it fits into the house. When she asks Mr. Kidd, an old, weak man, whom she takes for the landlord but who may be merely a caretaker, how many floors there are in the house, even he is vague about the matter:

ROSE. How many floors you got in this house?

MR. KIDD. Floors. (*He laughs*) Ah, we had a good few of them in the old days.

ROSE. How many have you got now?

MR. KIDD. Well, to tell you the truth, I don't count them now.

(*The Room* 14)

Bert keeps mum even when Kidd enters the room and does not pay any attention to the doting devotion of Rose. This entire milieu presents a dangerous situation in which the menace is implicit. Rose's husband and Mr. Kidd leave. Rose remains alone. The door of the room assumes all the menace of an opening into a vague unknown existence of the house when Rose's husband and Mr. Kidd leave. When Rose finally opens the door to empty the garbage can, two people are

seen standing outside it. A moment of genuine terror has been produced with the utmost economy of means. And even though the strangers are merely a young couple named, the atmosphere of terror is kept up. They are looking for a room. Although their inconsequential dialogues create laughter, yet the menace emanates from the hidden areas of consciousness and concealed tensions. Rose gets a shock on seeing them; the atmosphere of menace is here further developed.

Mr. Kidd's information regarding an intruder who desires to talk to Rose in the absence of her husband generates doubts in the minds of the audience. Rose, then bids Mr. Kidd to send the visitor to her upstairs quickly before Bert comes back home. Rose is left alone. Again the door becomes the focal point of a nameless menace. It opens. A blind Negro enters. His name is Riley. He has a message for Rose. While they are conversing, Bert, Rose's husband returns. He, who has not spoken throughout the entire first scene, now speaks; Bert speaks about the menace of the dark. Noticing the Negro, he gets upset. In a fit of anger, he beats the Negro savagely until he remains motionless. Rose holds her eyes. She has gone blind. Here the play ends abruptly. This abrupt end of the play gives a shock to the audience. Bert's violent attack on the Negro seems to be meaningless as it could not be justified by either the playwright or the character. It evokes the combination of absurdity and menace in the minds of the audience. In *The Pinter Problem*, Austin E. Quigley remarks on the character of the Negro: "The conclusion focuses on the death of a blind Negro,...This late entry, with its consequent abridgement of information about the Negro, has inevitably led to a variety of inspired guesses about who he is and what he represents" (Quigley 142).

The play was not finally successful during those days. In his *The Theatre of the Absurd* Martin Esslin puts his finger on its main fault: "The weakness of *The Room* is clearly its lapse from horror, built up from elements of the common place, into crude symbolism, cheap misery and violence" (Esslin 237). *The Room* shows not only the main characteristics of Pinter's style fully formed; the weaknesses it displays also allow us to judge how he gradually learned to avoid the temptations into which he fell in his first bout of spontaneous enthusiasm. Yet Esslin himself interprets the play symbolically: "The room becomes an image of small area of light and warmth that our consciousness, the fact that we exist, opens up in the vast ocean of nothingness from which we gradually emerge after birth and into which we sink again when we die" (Esslin 235). In other words, the room is a naturalistic equivalent of Beckett's dustbins, urns and sacks. But it is difficult to decide whether or not this equivalence is suggested by the wisdom of hindsight, stimulated by the ideas explored in later plays.

The play presents an allusive symbolism of fear and nightmare. It dramatises the inarticulate existential fears. The play symbolises the realistic marital relationship between a tyrannical husband and a sentimental wife, tormented by dark forebodings and existential fears. The blind Negro is clearly an allegorical figure. He has been loitering at the basement for many days and has or seems to have a foreknowledge of the future. So, the Negro must be a being from beyond this world. He may be either a dead man or the messenger of death itself; perhaps Rose's own dead father. His blackness and blindness further reinforce these allegorical implications.

The going blind of Rose at the end of the play is also symbolic; it means the snapping of her marital relationship with Bert. The Negro and Bert intrude into the world of Rose. She is the victim. The play has no single conclusive meaning. It is an allusive multiple symbol. In the hands of Pinter, the European drama of Absurd culminates into a concrete British comedy of menace. In fact, *The Room* showcases the existential angst of the postmodern world. The playwright seems to inculcate in the minds of the audiences that the security is an illusion, a vain hope, and part of man's fragility in a world that allows no one to remain alone.

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## COMPARATIVE AESTHETICS AND CRITICAL THEORIES OF T.S. ELIOT: AN OVERVIEW

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Internationalism in aesthetics made a first debut in the first international congress of Aesthetics, held in 1913 in Berlin. But it was confined within the limits of Western literature. The gap between the occidental and the oriental aesthetics remained as ever before. But due to the zeal of renaissance spirit, scholars in the East, particularly in India, China and Japan, and orientalist in the West started writing on oriental arts and aesthetics in English and other European languages. Oriental school of poetics has six types; *Dhavani*, *Rasa*, *Alamkar*, *Vakroti*, *Reeti* and *Auchitya*. The last school is *Auchitya* propounded by Kshemendra (circa 11 A.D.) After the gap of six hundred years, the name of Panditraj Jagannath can be mentioned, but his theory of poetics can also be included in rasa-theory. It should also be kept in mind that all these theories which have been developed are related to poetry. For dramaturgy the *Natysashashtra* of Bharat Muni and *Dashroopak* of Dhananjaya, *Sahityadarpan* of Vishvanath Kaviraj are prominent books on the subject. But in Sanskrit tradition poetics and dramaturgy are interconnected, so that is why, all the three above mentioned books focus on drama and poetry both. After Panditraj Jagannath no outstanding literary theory was developed and came into being. In the vernacular languages also, no original theory was propounded afterwards.

Whereas, the literary criticism of West is concerned, it has been developing since Plato up to the present age. Not only in Greek and Latin, but in European vernacular languages various theories have come out. For instance in English there is long tradition of criticism, since Philip Sidney to Matthew Arnold of Victorian Age. Then modern criticism was started by T.S. Eliot which was continued by F.R. Leavis and I.A. Richards. There has since long been a tendency to point out the dichotomy that exists between Eastern and Western literary concepts. On the one hand there have been scholars like Fraz Bopp, Grassman, Schiller, Schopenhauer and Nietzsche who have been attracted by the universal appeal of classical Indian thoughts and on the other hand there are the detractors who despise all things Indian.

However, there may be traced various parallels between Indian and Western literature as well as literary theories. For instance, there has been a spurt in the recent times to trace the affinity between Aristotle's *Poetics* and *Indian dramaturgy*. "Noted exponent Bharata, expounding his theory of rasa theory took into account not only the Indian world-view but also

human psychology, which forms the essence of all great literature” (Ray 7). His *Rasa-sutra* has never been refuted though it has been appreciated by several followers of Bharata who have added their own perception to it and have thereby enriched it to a considerable extent. Bharata's *Rasa-sutra* though conceived in fourth century B.C. holds relevance even today. Researches have been drawn in this course, some parallels between *anubhava*, a major constituent of *rasa* and T.S. Eliot's concept of objective correlative and also between *sadharanikarana* - another principle implied in *rasa* theory and the concept of negative capability expounded by Keats. Although there is a basic difference between *sadharanikarana* and negative capability, the first appears in common men/readers/viewers, while the second appears in poets but, a via media can be traced out between the two.

In the sixth chapter of *Natyashastra*, Bharata expounds his famous *rasa sutra* as: *Vibhavanubhava - vyabhichari - samyagod rasanishpattih*, which is translated as this: *Rasa* comes from “a combination of *vibhavas*, *anubhavas* and *vyabhichari*” (Meson and Patwardhan 46).

*Rasa* according to Bharata is poetic pleasure. This pleasure comes only when there is a stimulus or *vibhavas* and it does not come to light unless it is manifested through *anubhavas*. A dark deserted place may arouse the emotion of fear hence it will serve as the cause or *vibhavas*. This fear in the heart of the character shall not be known unless it is manifested through horriification and trembling and trembling etc. These manifestations are simply the physical effects of the emotional state (permanent emotion as well as transient emotion). There is and has to be a casual relation between the stimulus and the emotional state experienced and manifested by the character. For instance the dark, lonely place in the above quoted example must inevitably arouse the emotion of fear; hence the manifestation of fear by the character will sufficiently generate the same emotion in the reader. On the contrary if the writer were to present a well-lit, well inhabited place and the characters were still to experience fear, the readers shall not be convinced. This disparity between the emotional state shown by the writer and that of the reader will pose serious hindrance in the enjoyment of poetic pleasure or *rasa*. Bharata talks of two types of manifestations: auditory and visual - *angika* and *vachika*. Both these types are essential in a work of literature; especially in a play the visual manifestation has an important place as it is through this only that the spectator experiences *rasa* or pleasure.)

In his essay “Hamlet and His Problems” Eliot puts forward the concept of objective correlative as a kind of meditation between the creator and the reader / spectator. Eliot writes:

The only way of expressing emotion in the form of art is by finding an objective correlative in other words a set of objects a situation, a chain of events which shall be the formula of the particular emotion, such that when the external facts which must terminate in sensory experience are given. The emotion is immediately evoked. (124-125)

The very word 'sensory' denotes physical effect. This effect may be auditory and it may also be visual. Eliot takes into account all stages of emotional process. The principle of objective correlative presupposes the existence of an emotion in the heart of creator prior to its embodiment in the work of literature. Ray states:

The poet or playwright experiences the emotion and then he infuses it into his characters that must manifest it through accurate correlatives so that an exact emotion is produced in the heart of the reader / spectator as well. If at any stage any one element is not proper, the realization of pleasure suffers. (9)

Eliot takes two examples - one to show how objective correlative works for communication and another to show how the writer fails in communicating the emotion in the absence of the same. Lady Macbeth's sleep-walking in Shakespeare's *Macbeth* is taken as a perfect example of objective correlative. The picture of the lady, walking in her sleep, holding a candle brings to the reader's mind her emotional and mental state. The objective correlative here is accurate. The dramatist doesn't need to say anything. The picture stands as an objective symbol of the emotional state. Shakespeare could not transmit the pleasure of the *Hamlet* to reader/spectator as "he failed to create an objective correlative for the purpose of communicating Hamlet's agony and dilemma" (Ray 9).

Eliot calls *Hamlet* an artistic failure because Hamlet's anguish does not seem accurate in the given situation. Had he been an adolescent, the reader / spectator could still expect or at least accept, such excessive sentimentality from him but keeping in mind his age and calibre one does not understand why he suffers so terribly. Had any other man been in similar situation, he would never undergo the same intensity of anguish. Shakespeare shows such emotional state as is supported neither by the situation nor by the characters. Hence he fails to convince the reader / spectator due to lack of a proper correlative. Thus this principle takes into account the cause as well as the representation of emotional state as manifested through physical effects. Wimsatt and Brooks, however, make a useful distinction between motive and objective correlative. Quoting Yvor Winters who talks about 'motive' as a kind of objective correlative, Wimsatt and Brooks make suggestion:

If the poet is to "control emotion by providing" motives for it, he is indeed compelled to make use of 'a set of objects, a situation, a chain of events. These are objectives and can be presented; since the emotion is generated by these objects and actions and, in so far as it is controlled, by the selection and rearrangement of these objectified elements, they may fairly be called the correlative of the emotion. For whether relation to the emotion is that of cause or of symbolic equivalent, their correlation with the emotion is evident. (676)

The principle of objective correlative has been interpreted variously by various critics. Matheson represents the poet's emotion. Objective correlative then means the objective, concrete form of the subjective and abstract emotion. Thus objective correlative is a means through which the creator can depersonalise even personal through which the creator can depersonalise even personal emotion while at the same time retaining its human content. The emotional state of fear can be well expressed by trembling and horrification even without the writer saying a word. While admiring Dante's poetry, Eliot praises his visual imagination or the ability to make the reader see what the poet saw. This is possible only when instead of describing the emotion by the help of words; the writer presents a picture of that emotion which becomes synonymous with the emotion itself.

One may find a literary equivalent of *anubhava* in T.S. Eliot's principle of objective correlative. Lady Macbeth walking in her sleep is an example of *angika* or visual correlative whereas Macbeth's speech at the death of his wife is that of *vachika* or auditory correlative: What Eliot takes as the formula of a particular emotion is naturally the inevitable motive and manifestation of the emotional state. If the creator has a proper knowledge of human psychology, he shall necessarily present only such motives and manifestations as are accurate.

As Eliot points out, Bharata in his *rasa theory* presupposes the experience of pleasure in the heart of the creator. The creator then conveys it to the reader/spectator by the help of manifestation or *anubhava*. While depicting the emotion of love the creator is helped by the permanent emotion of love in his own heart. This he projects in his work, the character experiences love which is manifested through various objective presentations. Restlessness, perspiration, trembling and anxiety are some manifestations of love. The speech of Macbeth at the death of Lady Macbeth (Tomorrow and tomorrow and tomorrow) is also quite comprehensible, as it seems the inevitable consequence of the tragic death of his wife. Lady Macbeth's pitiable condition is caused by her sense of guilt. Hence her guilt is the *vibhava* or *karuna* or pity here. This sufficiently fills Macbeth's grief or *shoka*. Since Macbeth's grief is rightly caused by his wife's sad plight, it successfully generates similar emotions in the heart of the reader/spectator. Anyone in Macbeth's place will experience precisely the same emotions, Lady Macbeth's sleep walking and she repeatedly washing her hand serves as the proper correlative. Hence the poetic pleasure is realized unhindered. It may also be noted that *vibhava* or cause and *anubhava* or manifestation of the character becomes the cause of *vibhava* of the poetic pleasure for the reader/spectator. The sleep walking of Lady Macbeth is the manifestation of her anguish but it becomes the cause of grief for Macbeth as well as the reader. It is this that leads to the reader's perfect identification with Macbeth; thereby increasing the scope of poetic pleasure or *rasa*.

Eliot takes a complete logical as well as psychological view of emotional states which results in the poetic pleasure. As early as 4<sup>th</sup> century B. C. Bharata had evinced a similarly holistic approach. One notices that what was conceived by an Indian poetician in as early as 4th century

B.C. was still considered innovative in the 20th century A.D. The principle of *anubhava* or objective correlatives is relevant even today and it is taken as the best method of poetry.

For its realization *rasa* depends on various constituents but there is one very important aspect which is explicit, is implied in Bharata's *Natyashastra* and that is the role of the reader/spectator. While defining the mental faculty of *sumana* Bhatta Nayaka calls this state *sadharanikarana*. In the sixth chapter of *Natyashastra*, Bharata writes about *sumanas* by which he seems to mean sensitive reader/spectator, one who has a pure mind. Abhinavagupta in his *Abhinavabharati* has developed this concept of *sumana*. He interprets it in this way:

With a mind that is completely free from any kind of obstructions, from any sense organ (i.e. completely concentrated) because they are completely absorbed in the thrill of imaginative experience. (quoted in Messon and Patwardhan 47).

For as long as the reader/spectator remains bound by his ego, he shall not be able to enjoy pleasure. This transcendence leads to generalization of emotions. *Sadharanikarana* requires total identification of the perceiver with the perceived. This is the ideal state for poetic pleasure. It is a kind of *advaita* (monism) or oneness between the perceiver and the object of perception. This is the state when one becomes oblivious of all personal boundaries and goes beyond time and space. This is how pain becomes pleasurable and *karuna* or pity brings joy.

While considering Eliot's critical theories in the light of the Sanskrit poetics A.N. Dwivedi points out,

The characters projected by the poet cease to be mere individuals and become representatives of humanity as a whole. What the poet artistically produced is nothing but *vibhavas* (universalised stimuli), *anubhavas* (universalised responses) and *vyabhicharibhavas* (universalised moods and feelings). Their successful combination is the essence (*atman*) of literature-poetry and drama. If *artha* is the soul (atman), a language heightened by *alamkarsand gunas* is the very body (*sharira*) of poetry and, therefore both are inseparable prerequisites. (91)

Both Eliot and Bharata are concerned with the manner in which the creative poet should plastically mould the aesthetic situation or context in such a way that it stimulates in the perceiver the same emotion which the poet originally felt. The poet is, therefore, credited in his creative moment to impersonalise and universalise the world of emotion by the spell of his art.

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## “ERRORS ENCOUNTERED BY YEMENI STUDENTS IN THE USE OF ARTICLES”

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### **ABSTRACT:**

*This article is an attempt to explore some grammatical errors particularly in articles: the definite article (the) and no article (Ø) ) committed by Yemeni students in Faculty of Education, Zingibar. To collect the data of the study, a test was performed. The subjects of the study were selected randomly from students in the English department, college of Education Zingibar, University of Aden. They are 150 students of second year. In the process of data analysis, the most commonly, applicable, and reliable system (statistical package for social sciences) is preferred to be used. The paper deals with the review of related literature, methodology, data analysis, interpretation and conclusion. Through various tables and diagrams, the errors have been identified and suggestions to overcome them have been given. The study also reveals that most of the students are not familiar with the difficult usages of the English definite article spontaneously use the Arabic definite article “al” into the English definite article “the” even if it is expressed by a zero article in English. Further, it has shown that the vast majority of the students’ errors are due to the effect of their mother tongue (interference) on English.*

**Keywords :** Errors, the definite article and no article (Ø).

### **1. Introduction**

English is an international language spoken as a native and as a second or a foreign language in many countries in the world. It is communicated in different fields and it is taught in schools, universities in almost every country on this earth. In the country like Yemen, English is a foreign language. Whether it is taught as a second language or a foreign language, there are many errors committed by the learners even after their education or training for a number of years. The present paper is an attempt to investigate, point out these errors to analyse them, identify their causes and suggest solutions. Before contemplating on this, it is imperative to have a look at the definitions of Error Analysis.

## 2. Error Analysis

The spreading of Error Analysis started in the 60s and 70s of the previous century. Error Analysis is a type of linguistic practice that focuses on the errors learners make. Many scholars have defined the error analysis in different definitions. Corder (1967) is regarded as the “father” of this field (E.A). He dealt with errors in a totally different point of view that they were dealt with before. Corder showed that errors were regarded as “flaws” that should be eradicated, but he considered them as very important ‘devices’ that the learners use to learn; they are ‘indispensable’. (Abi Samra, 2003:). Corder defines Error Analysis has two objects: one theoretical and another applied. The theoretical object is to understand what and how a learner learns when he studies a second language (L2). The applied object is to enable the learner to learn more efficiently by using the knowledge of his dialect for pedagogical purposes. At the same time, the investigation of errors can serve two purposes, diagnostic and prognostic.

"There is an Italian proverb ' Sbagliando' ( we can learn through our errors) ... making mistakes can indeed be regarded as an essential part of learning". (Norrish 1983).

Brown (1987) says that language learning, like any other human learning is a process that involves the making mistakes in order to understand the process of L2 learning, the mistakes a person made in the process of constructing a new system of language should be analyzed carefully. Here, we can give the definition of EA as a process based analysis of learners' errors

Corder (1967) explains the significance of the learners' errors in three different ways. “the first to the teacher in that they tell him, if he undertakes a systematic analysis, how far towards the goal the learner has progressed, and consequently what remains for him to learn. Second, they provide to the researcher evidence of how language is learned or acquired, what strategies or procedures the learner is employing in his discovery of the language. Thirdly, (and in a sense this is their most important aspect) they indispensable to the learner himself, because we can regard the making do errors as a device the learner uses in order to learn. After the definitions of Error Analysis, it is necessary to define Article.

## 3. Article:

### 3.1 Definition of Articles:

A word which is used with a noun, and which shows whether the noun refers to something definite or something indefinite. English has two articles which is used with a noun, and which shows whether the noun refers the definite article *the*, and the indefinite article *a* or *an*. The types of the definite article (the) based on its use, (Quirk et al, 1985; Hawkin, 1978; Celce- Murcia & Larsen- Freeman, 1999) usually categorize the English definite article “the” into two main categories of meaning:

### 3.2. The generic meaning in definite article:

In its generic use, “the” usually functions with a singular noun to mean either a species, a race, or people of a nation, as in “the German is very athletic”. Some grammarians ( Celce- Murcia &

Larsen-Freeman, 1999; Christophersen, 1939) suggest that generic use of “the” can also be employed with plural nouns, as in “the Germans are very athletic”.

### 3.3. The non-generic meaning in definite article:

Referring to the non-generic meaning of the definite article, different classifications have been exemplified by scholars and grammarians. Exemplifications, Hawkins, (1978) developed a theory known as the Location Theory that classifies the non-generic uses of “the” into eight types. Instead of using the eight mentioned original categories, Liu and Gleason (2002) amalgamated them into four major uses as follows: Cultural use, situation use, structural use and textual use.

## 4. Research Methodology and Sampling:

To collect the data for the study, a test was distributed to the students. A bout 150 students of the second level from the second year, English department College of Education Zingibar were randomly chosen to be the sample of the study. Interpretative, analytical and investigatory methods have been used in order to arrive at the conclusion of the present study.

## 5. Data Analysis:

The data collected from the students has been analysed and interpreted in the following way. Various tables have been used to classify the errors and show the percentage of errors committed by the select students. There are six questions on articles. The students were instructed to fill the appropriate article in the space provided (blanks).

### Sentence no. 1

e.g. The Gulf countries have made Ø progress.

College	Correct Responses	%	Deviant Responses	%
Zingibar	64	42.66	86	57.33

**Table: 2. The percentage of errors while answering the article ‘Ø’**

### Observation:

In the first sentence in the sample which is about the Zero Article ‘Ø’ most students put the definite article instead of no article in the above table which shows there are 86 respondents e.g. 57.33% from College of Education Zingibar have given deviant responses.

### Interpretation:

Depending on the above observation it is crystal clear that students are not quite comfortable with the no article. More than half students in college, Zingibar face difficulty when they answer the first sentence.

**Sentence no. 2**

e.g. That is **the** problem I told you about.

College	Correct Responses	%	Deviant Responses	%
Zingibar	75	50	75	50

**Table: 3. The percentage of errors while answering the definite article ‘the’**  
**Observation:**

In the second sentence in the sample which is about the definite Article ‘**the**’ half **students** put the zero article instead of definite article ‘the’ in the above table shows there are 75 respondents e.g. **50%** from College of Education Zingibar have given deviant responses

**Interpretation:**

From the above observation half students in college, Zingibar commit errors in the second sentence which is about the definite article ‘the’.

**Sentence no. 3**

e.g. Hashem lives in **Ø** Yemen.

Sr.No.	College	Correct Responses	%	Deviant Responses	%
1	Zingibar	95	63.33	55	36.66

**Table: 4. The percentage of errors while answering the zero article ‘Ø’**  
**Observation:**

In the Third sentence in the sample which is about the zero Article ‘**Ø**’. The students put the zero article instead of definite article ‘the’ in the above table which shows there are 55 respondents e.g. 36.66% from College of Education Zingibar have given deviant responses.

**Interpretation:**

From the above observation less than half students in college, Zingibar commit errors in the third sentence which is about the zero article . In the following table illustrates how many mistakes the respondents commit for each one of the articles.

**Sentence no. 4**

e.g. Khalid takes a walk when **the** night is quiet.

Sr.No.	College	Correct Responses	%	Deviant Responses	%
1	Zingibar	86	57.33	64	42.66

**Table: 5. The percentage of errors while answering the definite article ‘the’**

**Observation**

In the Fourth sentence in the sample which is about the definite Article **'the'**. In the above table shows there are 64 respondents e.g. 42.66% from College of Education Zingibar have given deviant responses.

**Interpretation:****Sentence no. 5**

e.g. Karem does not eat Ø chicken.

Sr.No.	College	Correct Responses	%	Deviant Responses	%
1	Zingibar	45	30	105	70

**Table: 6. The percentage of errors while answering the zero article 'Ø'**

**Observation:**

In the Fifth sentence in the sample which is about the zero Article **'Ø'** Two thirds of students commit errors and put the definite article instead of zero article **'Ø'**. In the above table displays there are 105 respondents e.g. 70% from College of Education Zingibar have given deviant responses .

**Interpretation:**

The above table displays a large number of the respondents from the college of Education, Zingibar add the definite article **'the'** instead of the zero article **'Ø'** as in the Arabic language 'al' because they are highly affected under the influence of their mother tongue (Arabic). Only 45 testees from the college of Education, Zingibar have gathered the correct answers.

**Sentence no. 6**

e.g. I think **the** man over there is very unfriendly.

Sr.No.	College	Correct Responses	%	Deviant Responses	%
1	Zingibar	73	48.66	77	51.33

**Table: 7. The percentage of errors while answering the definite article 'the'**

**Observation:**

In the sixth sentence in the test which is about the definite Article **'the'**. In the above table explains there are 77 respondents e.g. 51.33% from the College of Education Zingibar have given deviant responses.

**Interpretation:**

From the above observation more than half students in college, Zingibar commit errors in the sixth sentence which is about the definite article 'the'. Some of the informants used the definite article and others omitted it and a few respondents made errors using an indefinite article 'a' as the table follows. 'the'. 73 students from the college of Education, Zingibar have obtained right answers.

**6. Conclusion:**

Six sentences on articles have been analysed in the above mentioned way. After the data analysis and interpretation, following conclusions have been drawn:

- i. The students' correct responses of the definite articles and zero articles are 438 responses out of 900 with a percentage of (50.66%).
- ii. The total number of the students' incorrect responses is 462 with a percentage of (51.33).
- iii. The students do not possess sufficient knowledge grammar in general and articles in particular.
- iv. The students can't easily distinguish between the zero article and the definite article.
- v. Even after being instructed to fill in the blanks with zero/no article or definite article, some students filled the indefinite articles as well.
- vi. The students have been influenced by their mother tongue. They have used the definite article 'the' instead of zero article. Since in the Arabic language there is no zero article. This justifies the negative transfer of the mother tongue while learning foreign language. The teachers of the English language in Yemen should be aware of the negative transfer of the mother tongue by using remedial teaching to solve this problem.
- vii. Most of the students made errors when they filled the gaps which contained English definite articles and no article. It means that more than half of the students' responses were incorrect.
- viii. Mother tongue interference is one of the major causes leading to committing errors by learners.

**7. Suggestions and Recommendations:**

Based on the conclusions drawn above, following suggestions and recommendations have been given to the students, teachers and researchers:

1. Special attention needs to be paid to distinguish between the definite article and indefinite articles.
2. Students need to be paid extra attention for teaching articles, as it has been neglected at various schooling levels.
3. Zero article is not understood by the students and it should be given equal weightage while being taught.
4. ICT should be exclusively used to make the teaching-learning of articles more interesting.

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## AN EMPRESS OF GWALIOR STATE

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After the demise of Mahadji Scindia in 1794, his adopted son Daulat Rao Scindia became his successor to the Gwalior state. He was neither brave nor diplomat like his father. He did not exert himself to expand or exploit the state expansion and administration earned by virtue of his ancestors. On the other hand British regime had put a lot of pre-conditions on him to make him un-influential in the state affairs and also in foreign policy.

Daulat Rao was influenced by his beautiful and diplomatic wife named Baijabai. He administered the state and family affairs with her advice. Baijabai was the only lady from the royal family, who took active part or fully involved her self in the politics with open mind and ever prepared to plan conspiracy in order to gain political mileage.

Baijabai was born in 1784 at a place called KAGALGAO in Kolhapur state. Her father Sakharam Ghatge was “DESHMUKH” of Kagalgao. He was also called the “Sargerao”, which was the ‘KHITAB’ of his family bestowed by Shahaji Bhonsale.<sup>1</sup> Sultan Yusuf Adilshah of Bijapur had given the Vatandari of Kayalgao to (by the former) ancestors of Sakharam.<sup>2</sup> Baijabai was one of the most beautiful, graceful, brave clever and above all intelligent girl of Sakharam’s family. Over the years she had built confidence in tackling acute problems of family. Before her marriage, she had solved various political and economic problems faced by her family. She was also a good horse rider.

Peshwa Baji Rao of Pune was very much attracted by extraordinary beauty and cleverness of Baijabai. On the marriage proposal from Peshwa in the year 1798 at the age of 14, she was married to Daulat Rao Scindia<sup>3</sup> on the proposal of marriage from Peshwa.

After the marriage with Daulat Rao, her life had changed tremendously. She started looking after the state administration along with her husband. Daulat Rao also appreciated her political strategy. She was also consulted for her advice in the matter of royal family and state affairs<sup>4</sup> time and again. She also took proper advice from her father Sakharam and brother Hindoorao who were occupying good political post in state administration. All the three cohesively implemented their strategies and policies regarding their interest like Nurjah in Mughal regime.

Maharani Baijabai’s strategy came in to light after the death of Daulat Rao who passed away on 21<sup>st</sup> March 1827. Before his death neither he declared his successor nor had not adopted any one as his heir to the throne. There is no evidence that he ever desired to adopt a son to be his successor.<sup>5</sup> A few days before his death as he seriously fell ill and realized that his end was near, he called the Resident Major Stewart and apprized him with his last desire that after him his wife Baijabai should be allowed to rule the state as regent.<sup>6</sup> It was very clear evident that after the death of Daulat Rao all the responsibilities would be thrust upon Baijabai.

Soon after the death of Daulat Rao, a document was presented before Resident by Hindoo Rao brother of Baijabai. It was called the will of late Daulat Rao. So-called will was unsigned. According to the will Daulat Rao had declared his intention to adopt a son as the ruler of state and should be loyal to them and state.<sup>7</sup> Hindoo Rao was appointed as superintendent of the state in the so-called will. The question was not raised about the will that it was taken. But there were some doubts regarding that document. If Daulat Rao had a desire to adopt a son why did he not tell before the Resident? Why, there was no signature on it? Why, the British regime or Resident did not raise any doubt or question on it? The answer of these questions can trace only in various possibilities.

According to the wishes of Daulat Rao, Baijabai continued to act as the Regent. But still the requirement existed for the legal successor was very much intact. Infact Baijabai and Hindoo Rao wanted to decide themselves the legal successor for the state, but due to some problems they could not decide till the death of Daulat Rao. It might be the possibility that Baijabai might have in her mind to have a child adopted from her maternal family but as per the opinion of Rajpurohit, adoption should have been from her husband's family.<sup>8</sup> Thus, their expectations adversely affected. The plan of adoption of a child from her family misfired or failed.

Now, Mukut Rao, close relative of Daulat Rao, adopted as a son or successor in the year 1827. At that time, he was only 11 years old. He was declared the legal successor of Daulat Rao as well as Gwalior state and named as ALIJAH JANKOJI SCINDIA, on 17<sup>th</sup> June 1827.<sup>9</sup> Baijabai was given the charge of Regent & Hindoo Rao was declared as a minister.

The adoption of Jankoji was only an adjustment for Baijabai. She wanted to rule whole life over Gwalior state. After seven years she was forced only to act or live like Rajmata, while her dream was to rule till life. Therefore, the relationship between Baijabai and Janakoji Rao became worthless or painful. Her behaviour towards Jankoji became unpalatable. She kept the prince under restraint, excluded his name from the state seal and intrigued to remain Regent for life. Education facility could not be arranged for Jankoji Rao.<sup>10</sup> He was termed as minor and incapable. Thus, day by day the jealousy between both of them became more and more crucial and prevailed.

In April 1830 Baijabai met Resident co. Fielding and apprised him that some persons involved in instigating her son against her and were trying to create problems in state administration. So, she asked for the permission of the Resident to throw out such persons from state and captured their property under the state law.<sup>11</sup> She also asked the Resident that the transfer of power to Jankoji Rao be friezed because he was inefficient and let her exercise all the powers of government. Resident forwarded her demands to the Governor General in council but the council refused to take sides in the dispute, because till that time their policy regarding the Indian states was impartial.

On the other side Jankoji Rao was very puzzled by the harsh attitude of Baijabai and he fled from the palace to Residency. But the Resident refused to give any kind of assistance and asked him to return back.<sup>12</sup> At last G.G. Lord William Benting decided to come to Gwalior to settle the dispute. He reached Gwalior in December 1832. He advised Jankoji Rao to wait

patiently and warned Baijabai to stop the harsh attitude towards Jankoji. He also indicated that Jankoji would be supported by the British as the future ruler of Gwalior.<sup>13</sup>

Due to the conflict between them the position of state was deteriorating and unrest prevailed all over the state. In 1833, Jankoji Rao once again left the palace and reached Residency. But the new Resident Cavendish advised him to go back to the palace and warned Baijabai that once the prince was received the army support from British, he could not do anything for her.<sup>14</sup> Because at that time the policy of E.I.C. had been changed. Now E.I.C. was working on interference for its political benefit.

Cavendish could not stop the bitterness between Baijabai and Jankoji Rao. Jankoji Rao had received the support of army and some main officials of state.<sup>15</sup> British moral support was also with him. In this different and changed circumstances Baijabai left or escaped from Gwalior in 1834 and reached Dholpur and then Agra.<sup>16</sup> British officers also wanted to keep away Baijabai from Gwalior. Thus, all her efforts failed however she devoted her private fortune of over 3 crores to fomenting intrigues and attempting to overthrow the Maharaja Jankoji Rao.<sup>17</sup> (35-36)

Thus Baijabai had tried to rule over Gwalior state till life but failed, for this she also resorted to the conspiracies but not succeeded. It was a black spot on her life due to conspiracies against her son. It affected her political and administrative achievements adversely. Though, she was a good, brave, able and expert administrator.

British officers were faded up due to her shrewdness or cleverness. They tried to make her administration unstable. For this, they adopted every kind of tactics, but not succeeded. Once, the officers from Calcutta wrote Resident to grab the huge wealth of Gwalior so Gwalior could fall in economic crises. But this Baijabai was very clever; she had the intuition from very beginning. She sent her "WIWAN" to Resident and asked them that Gwalior army had not received the salary for a long time. They were ready for the revolt. If granted ten lakhs, it would be a great favour or obligation.<sup>18</sup> Thus the efforts of Britishers to grab the money were failed.

After leaving Gwalior Baijabai lived in various places as Dholpur, Agra, Farukkabad, Banaras, Nasik, Ujjain etc.<sup>19</sup> British administration continued to pose the problem for her. They captured her treasury. But she did not lose heart. After the death of Jankoji Rao at 7<sup>th</sup> Feb 1843, Tarabai adopted a minor boy aged 8 years named Bhagirath Rao (Jayaji Rao). Now Tara Bai invited her with gracefully and gave the revenue of Ujjain paragon for her expenses. While she stayed in Ujjain<sup>20</sup> she centralized herself in religious and cultural activities. Patnai Bazar of Ujjain, Sarafa bazaar and Sabji Mandi are her contribution. Her name was associated with historic places as Madan Mohan Mandir, Dwarkadish Gopal Mandir, Pishach Mochan Ghat, and Ram Ghar of Ujjain.<sup>21</sup> After some time, Tara Bai called back her to live in Gwalior.

When in 1858 mutiny broke out in Gwalior and the revolutionaries formed the new government under the leadership of Rani Laxmi Bai and Tatya Tope at that time also Baijabai had shown her courage to protect the English ladies from revolutionaries. Under her leadership all the ladies of the royal family had gone to the fort of NARWAR.<sup>22</sup> This time, Rao Sahab leader of the revolutionaries, wrote two letters inviting her to take charge of the new Government. But she was a very cunning or shrewd and diplomatic lady.<sup>23</sup> She was 74 years old and could not go so on. She also knew that the Britishers could not be defeated by them and the

revolution had been suppressed all over the country. So, she decided not to take risk. She sent both the letter to Sir Robert Hamilton. Resident Major Mapherson had quoted these letters in his diary.<sup>24</sup> Thus, because of her intelligence she saved herself from the Britishers. At the age of 78 she expired in 1862.<sup>25</sup> Baijabai was an able, wise, diplomat and competent lady of her time. Her rule was firm, able and just. T. Wheeler<sup>26</sup> writes about her: "She was courageous lady. She was a woman of high spirits and during her time the affairs of Gwalior were conducted with as much efficiency as those of any other principality." Daulat Rao told to British Resident before his death that ruler's wife is wise and scrupulous then ruler had no need to worry about his state administration after him.<sup>27</sup> And Baijabai also proved her efficiency and ability to govern the state administration.

Baijabai issued the coins of the state with her mint mark 'SHRI'. She issued the coins from Lashkar city mint, Gwalior Fort Mint, Burhanpur Mint, Sheopur Mint, Ujjain mint and Narwar mint.<sup>28</sup> In the year 1827, the Gwalior Fort mint issued a gold Mohar weighting 3.80 gms with Shri mint mark. She also issued silver coins of one half and quarter rupee. One paise copper coins were also issued from Gwalior fort mint with mark of 'dagger' and legend in Persian 'Baijabai'.<sup>29</sup>

To conclude it may be said that Baija Bai proved herself as the Queen and Regent of Gwalior State by virtue of her wit, wisdom and ability. The decision of Daulat Rao to appoint her as the Regent was most appropriate. Baijabai got the help and support of her father and brother in her administrative duties just as Nurjahan had, but her father, being too much of a conspirator, was divested of his responsibilities. Just as Nurjahan had to give up the affairs of the state because of too much of political ambitions, the same happened with Baija Bai. She couldn't do justice to her son Jankoji Rao too because of the same reason. Hence her name is tainted in the history. It may also be said that had there not been undue pressure of the British and had she got the support of the bureaucrats her name could have outshined in the history of Gwalior and she might have been remembered in the annals of history as does Ahilyabai Holkar.

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## ROLE OF T.D.S. IN INCOME TAX ACT, 1961

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**Tax Deducted at Source (TDS)** is a means of collecting income tax in India, governed under the Indian Income Tax Act of 1961. Any payment covered under these provisions shall be paid after deducting prescribed percentage. It is managed by the Central Board for Direct Taxes (CBDT) and is part of the Department of Revenue managed by Indian Revenue Service (IRS). It has a great importance while conducting tax audits. Assessee is also required to file quarterly return to CBDT. Returns states the TDS deducted & paid to government during the Quarter to which it relates.

Tax deducted at source (TDS), as the very name implies aims at collection of revenue at the very source of income. It is essentially an indirect method of collecting tax which combines the concepts of “pay as you earn” and “collect as it is being earned.” Its significance to the government lies in the fact that it propones the collection of tax, ensures a regular source of revenue, provides for a greater reach and wider base for tax. At the same time, to the tax payer, it distributes the incidence of tax and provides for a simple and convenient mode of payment.

The concept of TDS requires that the person, on whom responsibility has been cast, is to deduct tax at the appropriate rates, from payments of specific nature which are being made to a specified recipient. The deducted sum is required to be deposited to the credit of the Central Government. The recipient from whose income tax has been deducted at source gets the credit of the amount deducted in his personal assessment on the basis of the certificate issued by the detector.

In the concept of TDS, Income Tax Act requires specified persons to deduct tax on specified nature of payments being made by them. An Individual or an H.U.F. is not liable to deduct TDS on such payment except where the individual or H.U.F. is carrying on a business/profession where accounts are required to be audited u/s 44AB, in the immediately preceding financial year. A person is liable to get its accounts audited u/s 44AB if during the relevant financial year its gross sales, turnover or gross receipts exceeds Rs. 1 Crore in case of a business, or Rs. 25 lacs in case of a profession.

There are also some conditions also where there is no liability of deductor to deduct TDS which are as follows.

- On declaration furnished by payee on Form 15G or 15H as the case may be.
- On certificate issued by ITO.

- Payment to Government/RBI/Statutory Corporation etc.
- Exempt Incomes.
- Interest Payment by Offshore Banking Units.
- Payment to New Pension System Trust.
- Notified payment to Notified Institutions / Associations.

<b>Section 192</b>	<b>Payment of Salary and Wages</b>
Criterion of Deduction	TDS is deducted if the estimated income of the employee is taxable. Employer must not deduct tax on non-taxable allowances like conveyance allowance, rent allowance, medical allowance and deductible investments under sections like 80C, 80CC, 80D, 80DD, 80DDB, 80E, 80GG and 80U. No tax is required to be deducted at source if the estimated total income of the employee is less than the minimum taxable income (Rs. 2,50,000/- in case of Individual, HUF, AOP, BOD and AJP. Nil for others.)
TDS Rate	As per Income Tax, Surcharge and Education Cess rates applicable on the estimated income of employee for the year.

**TDS Rates for Payments other than Salary and Wages to Residents (including domestic companies) for FY 2014-15 (AY 2015-16)**

Section	For Payment of	On Payments Exceeding	Individual/HUF	Others
<b>193</b>	Interest on Securities	Rs. 5000/-	10%	10%
<b>194</b>	Deemed Dividend	No minimum	10%	10%
<b>194 A</b>	Interest other than on securities by banks	Rs. 10000/-	10%	10%
<b>194 A</b>	Interest other than on securities by others	Rs. 5000/-	10%	10%
<b>194 B</b>	Winnings from Lotteries / Puzzle / Game	Rs. 10000/-	30%	30%
<b>194 BB</b>	Winnings from Horse Race	Rs. 5000/-	30%	30%
<b>194 C (1)</b>	Payment to Contractors	Rs. 30000/- for single payment	1%	2%
<b>194 C (2)</b>	Payment to Sub-Contractors / for Advertisements	Rs. 75000/- for aggregate payment during		

		Financial Year		
<b>194 D</b>	Payment of Insurance Commission	Rs. 20000/-	10%	10%
<b>194 EE</b>	Payment of NSS Deposits	Rs. 2500/-	20%	NA
<b>194 F</b>	Repurchase of units by Mutual Funds / UTI	Rs. 1000/-	20%	20%
<b>194 G</b>	Commission on Sale of Lottery tickets	Rs. 1000/-	10%	10%
<b>194 H</b>	Commission or Brokerage	Rs. 5000/-	10%	10%
<b>194 I</b>	Rent of Land, Building or Furniture	Rs. 180000/-	10%	10%
	Rent of Plant & Machinery	Rs. 180000/-	2%	2%
<b>194 IA</b>	Transfer of Immovable Property (w.e.f. 01.06.2013)	Rs. 50 lacs	1%	1%
<b>194 J</b>	Professional / technical services, royalty	Rs. 30000/-	10%	10%
<b>194 J (1)</b>	Remuneration / commission to director of the company	-	10%	10%
<b>194 J (ba)</b>	Any remuneration / fees / commission paid to a director of a company, other than those on which tax is deductible u/s 192.	-	10%	10%
<b>194 L</b>	Compensation on acquisition of Capital Asset	Rs. 100000/-	10%	10%
<b>194 LA</b>	Compensation on acquisition of certain immovable property	Rs. 200000/-	10%	10%

1. No surcharge or education cess is deductible / collectible at source on payments made to residents {Individuals / HUF / Society / AOP / Firm / Domestic Company) on payment of incomes other than salary or wages.
2. TDS at higher rate of 20% or TDS rate, whichever is higher, has to be deducted if the deductee does not provide PAN to the deductor. (section 206AA)

All persons who are required to deduct tax at source or collect tax at source on behalf of IncomeTax Department are required to apply for and obtain Tax Deduction or Tax Collection Account Number (TAN).

Point of Deduction of TDS

**Salary:** At the time of payment

**Other Payments:** When income paid or credited including credit to “Payable” or “Suspense” account.

**Consequences of failure to deduct tax:**

**Interest** – 1% of the tax deductible.

**Penalty** – equal to the amount of tax deductible but not deducted.

Due Dates for depositing TDS

Quarter	Salary Payments	Other Payment
April to February	7th of next month	7th of next month
March	30th April	30th April

**Consequences of default:**

**Interest** @ 1.5% of tax not deposited is payable u/s 201(A).

**Punishable** with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine under Section 276(B).

Issue of TDS Certificate

**1. Section 192 (TDS on Salary) :**

The certificate on Form No. 16 should be issued by the deductor by 31st day of May of the financial year immediately following the financial year in which the income was paid and tax deducted.

**2. In all other cases :**

The certificate on Form No. 16A should be issued within fifteen days from the due date for furnishing the “statement of TDS” under rule 31A.

**Penalty on Failure to Issue TDS Certificate:** Rs. 100/- every day for the period failure continues subject to a maximum of TDS amount.

Forms for submitting Quarterly Statements of Tax Deducted at Source (Rule 31A)

(a) Statement of deduction of tax under section 192 in Form No. 24Q

(b) Statement of deduction of tax under sections 193 to 196D in :

1. Form No. 27Q in respect of the deductee who is a non-resident not being a company or a foreign company or resident but not ordinarily resident; and
2. Form No. 26Q in respect of all other deductees.

Due Dates for submitting Quarterly Statements of Tax Deducted at Source (Rule 31A)

Date of ending of the quarter of the financial year	Due date, if deductor is an office of the Government	Due Date for others
30th June	31st July of the financial year	15th July of the financial year

30th September	31st October of the financial year	15th October of the financial year
31st December	31st January of the financial year	15th January of the financial year
31st March	15th May of the financial year immediately following the financial year in which deduction is made	15th May of the financial year immediately following the financial year in which deduction is made.

**Penal Provisions for failure / default in submitting returns /statements**

Section 272A(2)	Failure to submit returns prescribed under Section 200(3)	<b>Penalty</b> of Rs. 100/- every day during which the failure continues upto a maximum of TDS amount.
Section 234E	Failure to TDS return in time	<b>Fine</b> of Rs. 200/- every day during which the failure continues will be levied on deductor as long as the default continues, subject to a maximum of TDS amount.
Section 271H	(i) If deductor defaults for more than 1 year in filing TDS Statement(ii) If deductor furnishes incorrect details like PAN, TDS amount, Challan particulars etc.	<b>Penalty</b> which shall not be less than ten thousand rupees but which may extend to one lakh rupees.

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## THE REPRESENTATION OF THE COSMIC SEED (BINDU) IN *KASHI*: A MANDALA POEM BY DR. CHARU SHEEL SINGH

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*Kashi: A Mandala Poem* is related to the Mandal theory of the poet. Before writing this long Mandal poem, Charu Sheel Singh has also developed his Mandal Literary theory. However, in this long poem, he has dealt with the existential powers of Kashi. It is through the union of Lord Shiva and Parvati, this entire creation came into being. Here in *Kashi*, Kashi itself becomes the symbol of creative process.

The mortal pyres near the river Ganga become the source of immortal imagination or we can say, these burning pyres become associative with the immortal existence of Lord Shiva. Kashi works as a symbol of creation for Charu Sheel Singh. It is where the great river takes a bend and gives life to everyone who devotes his or her life to the metaphysical realities of life. In the words of Dr. Charu Sheel Singh: “Kashi is the cosmic seed, (bindu) of all creation. It is the scriptural text Lord Shiva’s body generates. The whole of the Kashi area is Shiva-Linga measured in the form of a circle with the centre at the Madhyameshwar. Kashi existed on Shiva’s trident in the Golden Age (Sat Yuga), while in the succeeding ages it became a chariot, a cakra and a conch-shell.”<sup>i</sup>

Kashi itself becomes a symbol of cosmos (*Prakriti*) which meets with an eternal cosmocity (*Shiva*) in order to materialize the concept of time and timelessness. Kashi is projected as the symbol of creation. The cycling glory of seasons is represented as a myth where the Sun goes down every night and comes up every morning in a cycle of creation. Similar is Kashi when the Sun goes down in the Ganga and comes up in it. Kashi as the eternal city is the symbol of all this.

Kashi produces the essence of all *rasas* that exist in *Beebhats* (*Jugupsa*) disgust. Hence the imagery of the Manikarnika Ghat of Kashi where the dead are cremated is brought up. On the mortal pyres, the immortal imagination of the Mandala, the Shri Yantra of Kashi is situated. It is with this ironic juxtaposition of the mythopoeia facts that the poem carries forwards its argument in a tour de force.

The poet has also included many other symbols which are related to the concepts of *Purusha* (Shiva) along with the description of the low-mimetic zones of the creative process.

“It was Lord Hari Vishnu who brought the rest of the earth on par with Kashi by incarnating Himself as a Boar. Vishnu again meditated for thousands of years to bring Shiva to Kashi who finally agreed to make the city His abode. Parvati is no

less responsible for making Kashi what it is and, for this reason, I have visualized Kashi in the form of a Sri Cakra which is the body of the goddess inhabiting Shiva within. Kashi, there is a mandala, and the mandala is the body of the goddess. When Kashi as the body of Shiva expands into manifest time, it becomes the body of goddess – the goddess being Shiva’s female emanation – the creative power with the help of whom Shiva brings this world into existence.”<sup>ii</sup>

The energies of the goddess are woven into the cosmic garland of love and is manifested with the body of Shiva in Kashi. The body is mortal, but the energy is immortal, hence the mortal pyres of immortal imagination.

Kashi is the divine city, the abode of Lord Shiva Himself. Civilizations have come and gone, ages have withered away but Kashi has proved its eternal credentials by withstanding the ravages of time. Throughout the historiographical narratives available on Kashi in different Puranas and other books, one has altogether missed a poetic *avatara* of Kashi in English.

This is the first poem of its kind that evokes Kashi with mandala auguries that ultimately take their figural posture into the body of a Sri-Cakra the genealogical ambience of the goddesses who enfold Shiva in the form of a *bindu* surrounded by peripheries of multiple kinds.

The eternal shores of knowledge are represented in this mandal poem with emphasis on the present rivers of Varuna and Assi and the semi-present rivers of Mandakini and Saraswati. Though this imagination is immortal it is represented through the mortal pyres of the Assi ghat of Kashi.

The poem is an immense contribution to Indian English Literature in terms of its richness of experience and range of metaphorical imagistic repertoire. Before writing this long Mandal poem, Charu Sheel Singh has also developed his Mandal Literary theory. A lot of symbolism in Kashi is attributed to the dual nature of Prakriti and Purusha. Parvati is Prakriti and Shiva is Purusha and in the city of Kashi, the Mandala city, this symbolism of cosmos and cosmicity is played out.

However, in this long poem, he has dealt with the existential powers of Kashi. It is through the union of Lord Shiva and Parvati; this entire creation came into being. Here in ***Kashi***, Kashi itself becomes the symbol of creative process.

The mortal pyres near the river Ganga become the source of immortal imagination or we can say, these burning pyres become associative with the immortal existence of Lord Shiva. Kashi itself becomes a symbol of cosmos (*Prakriti*) which meets with an eternal cosmocity (*Shiva*) in order to materialize the concept of time and timelessness.

The jyotir-linga is always accompanied by the yoni, its female counterpart and hence the play of the Prakriti and Purusha is daily played out in Kashi, the eternal city. Dr. Charu Sheel Singh signifies the historicity of the city along with the non-temporal eternity of the Prakriti and Purusha paradigm in this beautiful work.

Kashi symbolizes timelessness in its eternal nature. The fragmentary narratives of the grandiloquent stories that symbolize the proto-history of the city tell about frescoes that are fragmentary. The poet has also included many other symbols which are related to the concepts of *Purusha* (Shiva) along with the description of the low-mimetic zones of the creative process. These aspects came to light during the course of this study while analyzing philosophical dimensions in the text of *Kashi*.

*Kashi: A Mandala Theory* can be considered to be the greatest achievement till date of Dr. Charu Sheel Singh. The historiographical narratives on Kashi are immense in the other works of Charu Sheel Singh but a meta-narrative exclusively on this divine city is missing in them. In *Kashi: A Mandala Poem*, the seizural quest for the mystical secrecies pave a way to a poetic avatara of Kashi in English.

The grand poem not only gives an authentic narrative of the story of Kashi but also goes on to the extent of envisioning this cosmic city from a newer perspective and in this creative process, generates Kashi as a Sri Cakra, a mandala which has several entry points and all the points are the different doors to eternity.

Life and its activities tell us the passage of time and on the other hand, the city of Kashi tells us about timelessness. It tells us about the Cakras of our own soul, the Cakras which should be opened in order to reach the highest level of self-realization, something which the city of Kashi makes far easier for a human being. The above lines discuss the climaxes of the Hridaya cakras which are described in the authoritative text of *Tripura-Rahasya* which is referred to herein the assimilative powers of *Tripura-Sundari*. It also symbolizes the fragmentary frescoes of time and timelessness of the city of Kashi.

One of the most important concerns of *Kashi: A Mandala poem* is the description of high and low mimetic zones. The exteriors of twenty-four Kashi petals are shielded by ghats which are the monumental bodies of Tirthas. The pragmatics of Sri Yantra is also explained in the ample idiom of the poet. He sees Kashi as the body of Parvati, and life and death as the twin Parvati sisters, thus making Kashi the crematorium ground that foregrounds in one's consciousness the temporality of all existence.

“In his discussion of tragic romance Frye uses “effect” in a somewhat different sense. The death or isolation of the romantic hero, he says, “has the effect of a spirit passing out of nature, and evokes a mood best described as elegiac. . . . The elegiac is often accompanied by a diffused, resigned, melancholy sense of the passing of time, of the old order changing and yielding to a new one” (AC, 36–37).

This melancholic mood, created by the death of the hero, is a fact of emotional importance, so that Frye is here speaking not of internal effects but of the affective significance which the death of the hero has upon us as readers. In fact, Frye's discussion of both tragic romance and tragic high and low mimesis dwells more upon principles relating to affective response than upon any other principle. He turns to Aristotle once again, taking the traditional concept of catharsis to express the central position of high-mimetic tragedy within the five modes; and he expands this doctrine, applying it to tragic romance and to low-mimetic tragedy, through a discussion of the “two general directions in which {6} emotion moves.” In high-mimetic tragedy, pity and fear are

the emotions representing these two directions, the former moving us toward an object, the latter away from it (AC, 37).”<sup>iii</sup>

Dr. Singh defines Kashi as the endless Pranava: a thought less/eternity where terrestrial heights/and brutish sea-deeps equivocally/meet and evaporate. The poet expresses that the poem is death in motion of life. We cannot escape the concentricity God has transcribed us into. This is reflective of the high mimesis of Northrop Frye as discussed above.

Singh presents the tale of linga and creation into the epic modes of incredible reality. He narrates the theory of the bursting of the ‘Hiranyagarbha’, the cosmic egg, which was in the shape of a linga. He also makes a reference to the panchakroshi yatra, the area that is a mini-cosmos in itself. Towards the end of the great work, the poet says that Kashi tales are samadhi postures/that ever gesture renewed forms/of a panchganga confluence/enshrined in internal sentience. Shiva, Kashi, Samadhi, Luminosity is all one.

The state of samadhi in which all sorts of dualities dissolve into absences, gives way to realization of the emptiness of being which further leads to the understanding of Kashi and its luminosity, and this knowledge of luminosity means the realization of Shiva/ truth.

The poet leaves no stone unturned in marveling the scriptures on Kashi, which is quite evident from his acknowledgment made to a wide range of books. The present volume is a perfect blend of history/tradition and creation. Singh adds a dash of zing to history and creates a new metaphorical imagistic repertoire of Kashi.

When the present day poetry abounds in momentary thoughts and feelings; descriptions of petty experiences; the social and political problems and confines to the particular environ, a poetry like *Kashi: A mandala Poem* stands apart, almost, making one reminiscent of Tagore or Aurobindo, for its spiritual, intellectual and aesthetic qualities/features and for its display of high and low-mimetic zones.

## REFERENCES

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<sup>i</sup> Singh, Dr. Charu Sheel. *Kashi: A Mandala Poem*. New Delhi: Adhyayan Publishers, P. ix.

<sup>ii</sup> Ibid.

<sup>iii</sup> Denheim, Robert. *Northrop Frye & Critical Method. The Educated Imagination*. New York. p. 43.

fp=dyk , ० l æhr ea l kSn; kRed l Uryu

uerk pksdkfv; k  
जीवाजी विश्वविद्यालय,  
Xokfy; j

Hkkjrh; dykvka ea ftruh l erk l æhr , ० fp=dyk ea gS mruh fdl h vl; dyk ea ugha इतिहास इस बात का साक्षी है कि इनका आपस में कितना पुराना सम्बंध है "विष्णु धर्मोत्तर पुराण" के "चित्रसूत्रम" में चित्र सूत्रकार पर प्रकाश डाला है उसका कथन है कि किसी व्यक्ति dks fp=dyk l h[kus ds igys l æhr dk vH; kl djuk pkfg; s rHkh og fp=kadu ea i kjær gks l drk gA vtærk dh fp=dkjh ea Hkh dyk ds RkRoka ds vfrfjDr l æhrkRed l i/vka dk i okg gea vyx l s vi uh /ofu l j l fj ea ogk ys tkrk gS vtærk ds fp=ka ea fp= ds Hkko l Ei Uu l pkey js[kkvka ea l æhr d l E; d Lo: lk ¼xku ck| , ० uR; ½ dh l thork vd; uh; gA bu fp=ka ds v/; ; u l s ; g Kkr gkrk gS fd os nksuks dyk; , d nwl js dh i j d gA nksuka gh dykvka dk mnxe l kSn; l dh eny &Hkr i j .kkvka l s gvrk gS l i j nrk dk vuHko djus dh शक्ति तो सभी मनुष्यों में होती है किन्तु कलाकारों में यह शक्ति कई गुना अधिक होती है। सृजनशीलता कलाकार सौन्दर्य दर्शन से प्रभावित होता है उसका भावुक हृदय आनन्द से भर उठता है इस दिव्य अनुभूति को वह कभी स्वर के माध्यम से, कभी शब्दों के माध्यम से तो कभी jæ rFkk js[kkvka d ek/; e l s 0; Dr dj nrk gS dykdjkka dh l kSn; l Hkkoukvka dk tc LVhd xg.k dj yrk gS rc dykdfR dk fuekZk gkrk gS l kSn; l je.kh; rk dk : i klrj gS ftl ea साधारण चमनकृति से परे लोकोत्तर आनन्द का निर्माण करने की शक्ति निहित होती है

YkfyR dyk; æ euष्य के सौन्दर्य बोध का प्रतीक है। ललित कलाओं में वास्तुकला, मूर्तिकला चित्रकला , संगीतकला और काव्यकला की गणना होती है यह कलाये मन के संतोष के लिये होती है साथ ही उनमें विशिष्ट मानसिक सौन्दर्य की योजना होती है परन्तु "यह सौन्दर्य क्या gS l kSn; l s rkr; l fdl h l i j i Lrph dks ns[kus vkSj l uus ij ftl j l dk vkLoknu gekjk eu djrk gS ml s l kSn; l dgrs gS vkLoknu l ektr gksus ij vkUkln Hkh l ektr gS l i j vfHko; atukvka dk y{; gh vkuUn dh mi yC/kh djuk gS bl h j pukRed l s i j fRr l s : lk dh mRi fRr gkrh gS yfyR dykvka ea ; gh : i Loæ vi us i Hkko l s vkuUn dh vuHkrh mRi Uu djuk gS

ललित कलाओं के सौन्दर्य रसास्वादन के तत्वों पर यदि दृष्टिपात किया जाय तों उनमें , d rjg dk l k/KE; l fn[kkbZ nrk gS vkf[kj bl cEgkuUn dk j l kLoknu djus okyk ekuoeu , d gh gS cEgkuUn dh l onukvka dks i klr dj k nus okyh bu yfyR dykvka dk LFkkbZ Hkko] dgha , d gh Lrj i j fodfl r gkrk gS pkgs og l æhr ds Loj , oa y; gka ; k fp=dyk ea jæ रेखा या आकार है कला का विशुद्ध आनन्द कला के मूलगामी तत्वों में समाया रहता है भारतीय fp=ka dh js[kkvka ea tks y; Hkj h gA

jæks dk tks oHko f[kyk gS og l æhrkuUn ds l kfUk#; dks crkrk gS fp=dyk , ० संगीत के ऐसे अनेक समान मूलभूत तत्व हैं जो रूप में सौन्दर्य की वृष्टि करने में सहाय करें

: lk ea l kSn; Z mRi Uu djus grq vk/kfud l kSn; Z foKku] l ki s{krk ]l erk] l æhr]l ūryu विरोधात्मक तत्व भाव की व्यक्ति एवं स्वर वर्ण एवं भावों क आपसी सम्बंध आदि का निर्देश djrs gS bu fofHkUu rRoka dh vyx&vyx izdkj l s foopuk l ækhr ea i Lrp gA

l ki s{krk %& l ki s{krk l s rkRi; Z : lk dk og xq k gS ]ftl ea i R; sd [ka M nll js [ka M l s l Ec/n vks] l ki s{krk gsrk gS bl vk/kkj ij tc rd l æhr ea , d Loj nll js Lojka l s fu; ekuq kj l Ec/n u gks] tks fd o. kka }kj k fd; k tkuk gS l æhr dh jpuK l Hko ugha gS l æhr ds l eku fp=dyk ea Hkh dykdj dks bl rRo dk vk/kkj ekudj dk; Z djuk i Mrk gS इसमें कलाकार को एक निश्चित माप-तोल अनुपात और अनुमान का ध्यान रखना चाहिये। बिना bl ds fp= dk l kSn; Z i Hkkfor gks tkrk gS ftl ea u rks y; gS vks] uk gh l kSn; ] cks/k] js[kkvka rFkk jæks }kj k fufeR vkdkjka dk vuq kr rFkk l ekuq kr dykकार की प्रभावी शक्ति ij fuHkj gA

l erk %& समता सौन्दर्य का एक गुण है जिस प्रकार चित्रकला में सुन्दर शरीर में प्रत्येक अंग का एक प्रकार की सुडोलता किये हुये होना आवश्यक है उसी प्रकार संगीत में स्वरों का लगाव U; kl vi U; kl oknh l æknh Lojka dk mfpr iz; ks jkx ea Lojka dh yBr ea l erk dk xq k vfuoK; Z gS okLofod l kSn; kUqkhr ds fy; s vfuoK; Z gS fd] pks jæka dk] js[kkvka dk] fp=ka dk iz; ks fd; k tk; ] muea l erk dk xq k fo|eku gka

l ūryu %& fp=dyk ea : ijs[kk rFkk jæ dk l ūryu dykdj dh dykRedrk ifrekv'श gS js[kkvka rFkk jæks ea l ūryu fLFkj j [kus ds fy, e/; LFk js[kkvka rFkk jæks dk iz; ks l kSn; Z : lk ea l gk; d gA

fojks/kkRed rRoka dk mi; ks %& nks fojks/kh xq k /kekã dk mi; ks mudks bdBkvkdj], d nll js ds xq kka dk fodkl djus ds fy; smudks mHkkj us ds fy; s djrk gS; gh इस सिद्धान्त का तात्पर्य है पार्श्वभूमि और उस पर दिखाई देने वाली वस्तुओं के गुण धर्मों में पारस्परिक विरोध होने के कारण भी सौन्दर्य के दर्शन होते हैं चित्रकला में भी विरोधी भाव वाले jæ l kFk&l kFk iz; Dr gks rks dyk ea pek v आकर्षण उत्पन्न हो जाता है चटकीली वस्त्र 0; oLFkk LkTtk ea gjjyky]i hyjuhys rFkk fplgr fojks/kh jæks dk iz; ks djrs gS pVdnkj jæ ds l kFk gYds jæ dk iz; ks Hkh fd; k tkrk gA

Hkko %& कल्पनाहीन,भावहीन कला निम्न स्तर की होती हैं। भाव मनोवैज्ञानिक मनोदशक dk परिणाम है भाव कल्पना व चिन्तन पर निर्भर है भावों को अभिव्यक्त करने की चेष्टा प्राणी मात्र का स्वभाव है राग के सौन्दर्य में स्वरों के साथ-साथ भाव,लय,शब्द, तथा गीत आदि का सम्बंध gS fofHkUu jkx fofHkUu Hkkoka l s l Ec/f/kr Hkh fd; s x; s gS ts s jkxka ea gj l e; /khj]xHkhj ]vMkuk] ppy] ekudks k] xHkhj] fgMksy] ohj] mxj] tkfx; kjd; .k bl h izdkj dkey Loj Hkh करुणाभाव उत्पन्न करने में सहायक होते हैं जिस कलाकृति में भावपुष्ट होते है वे हृदय की xgjkbZ dks Nirrs gS vkRek dh i pkj gsrh gA y; dk Hkh Hkkoka l s egRoi w kZ l Ec/ak gsrk gA

शोक करुण में यह ओर विलंबित ,हास्य ,शृंगार में मध्यकर, उत्सह कोछ विस्मय में  
Jr y; A

Loj o. kZ ¼j ½ , oa Hkko %&

Lojka dk o.kZ l s vkj jæks dk Hkkoka l s l Eca/k LFkkr fd; k x; k gS l æhr , oa o. kka ds  
v0; Dr Hkko l s ge fuEu ifj. kke Kku dj l drs gS A

Loj o. kZ jæ eukHkko

सा लाल हृदय को अपूर्ण बल, उत्साह ,वीरता, बल एवं शक्ति का  
l pkj

प नीला स्वच्छता शीवलता,शुध्दता,mRi Uuk dj us okyKA

oks ukjæh gypy o i z l æhr mRi Uuk dj us okyKA

ध गहरा नीला भावनाओं को दृढता,उत्पन्न आदर्श,मर्यादा,धैर्य,बलिदान

ग पीला प्रकाशमय स्वच्छ पवित्र।

uh c&uh yky uhys jæ dk fofler Hkko jktl h jæ

म हरा शीतलता, स्फूर्ती,सोम्यता

भारतीय विचार कों, दर्शनिकों एवं कलाओं में अनेक शताब्दी एवं पूर्व संगीत,वर्ण,उनके द्वारा  
उत्पन्न मनोभावों से सम्बंध स्थापित कर लिया था श्री कृष्ण की रkl yhyk fn[kkus gsrq o. kZ  
संगीत का ही प्रयोग किया है यद्यपि वैज्ञानिक प्रयोगो द्वारा प्रतेक स्वर के रंग निश्चित होने के  
i æk. k i klr ugha gks l ds gS A

bl iækj l kSn; Z vuar gS vl he gS l kSn; Z dh rjæks dHkh Lojka l s dHkh y; rky l s  
i l QfVr gsrh gS rks dHkh xækhjrk ]ppyrk LkjyE; dHkh jæ dHkh js[kk dHkh Hkkoka }kj k  
vi w kZ vkuån vkj l q[k dh vuHkrir gsrh gS A

I UnHk%

- 1- छायाण्ट अंक 79,1996 उत्तर प्रदेश संगीत प्रबन्ध संम्बाद क: रविन्द्र नाथ बहोरे नाटक  
vdkneh y[kuÅA

## चीनची दक्षिण आशियातील व्युहरचना आणि भारतीय सुरक्षेपुढील आव्हान

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सिरसाळा ता. परळी वै. जि. बीड

चीनच्या एजुज समरीज आजि परराष्ट्र धोरजात दजिज आशियाचे स्थान हे पूर्व अज्जेय आशिया आजि मध्य आशियाच्या नंतर असले तरी अलिज डच्या जळात चीनची दिवसेंदिवस महत्व वाढत चालले आहे तसेच परराष्ट्र आजि संरक्षण धोरणात आक्रमकता आणत विस्तारवादी भूमिका घेतली आहे. चीनचे दक्षिण आशियात अधिक सक्रिय होण्याची अनेक कारणे आहेत त्यापैकी पहिले कारण सन १९९१ नंतर भारताच्या आर्थिक व लष्करी शक्तीमध्ये झालेली वाढ . शिवाय अमेरिका प्रणित चिन विरोधी धुरीमध्ये भारताच्या सामाविष्ट होण्याच्या शक्यतेचे चीन मधील राजकिय सत्ताधिशांचे भुवया उंचावल्या आहेत. भारताने या प्रकारचे महत्वाकांक्षी पाऊल उचलू नये या साठी चीन कार्यरत आहे. जर भारताने चीनविरोधी पावले उचलल्यास नेपाळ,भुतान आजि बांगलादेश या देशांनी निदान तटस्थ रहावे यासाठी चीनने दजिज आशियातील प्रभाव वाढवण्यास सुरुवात केली.

चीनच्या दक्षिण आशियातील सक्रियतेचे दुसरे कारण म्हणजे अफगाणिस्तानातील अनिश्चितता ज्यामुळे सार्कच्या सक्रिय सदस्य असलेल्या अफगाणिस्तान आणि पाकिस्तान दोन्ही देशांशी अधिक सलोख्याचे संबंध प्रस्थापित करणे आवश्यक झाले आहे. सार्कच्या माध्यमातुन भारत आणि पाकिस्तान, अफगाणिस्तान या परस्परविरोधी हितसंबंध असलेल्या देशामध्ये ज ही प्रमाणात सलोखा घडवणे शक्य झाल्यास ते चीनला आपल्या पथ्यावर पाडून घ्यायचे आहे. अफगाणिस्तानातील यादवीचा दुष्परीजाम चीनच्या शिन्शियांज प्रांतातील असंतूषट आजि फुटीरवादी संघटनांच्या वाढत्या ज रावायांमध्ये होजे अपरिहार्य आहे. पाजि स्तान आजि मध्य आशियातील जजराज्याच्या मदतीने विजुर स्वतंत्रतावादी संघटनांचा प्रसारास चीनने ज ही प्रमाजात आळा घातला असला तरी तो पुरेसा नाही. अफगाणिस्तानातुन सशस्त्र कारवायांसाठी दहशत वाद्यांची रसद मिळत राहील्यास विकास कामे आणि लष्करी ताकद यांच्या जोमावर शिन्शियांगमधील परिस्थितीवर नियंत्रण मिळवणे चीनला शक्य होजार नाही.

दजिज आशियामध्ये चीनचे तिसरे ध्येय आहे स्वतंत्र तिबेट आंदोलनाला या प्रदेशातुन जु ठल्याही प्रज रचा पाठींबा आणि सहानुभूती मिळू नये याची दक्षता घेणे. भारताच्या बाबतीत ही ध्येयाप्रती शक्य होणार नाही. याची चीनच्या नेतृत्वाला जाजीव आहे. मात्र भारताप्रमाजे नेपाळमध्ये २० हजाराहुन अधिज तिबेटी निर्वासित आहेत. त्यांच्यावर नियंत्रज ठेवज्यासाठी नेपाळी सरकारला शक्य ती सर्व मदत करण्याचे आणि विविध आर्थिक प्रकल्पाच्या माध्यमातून प्रलोभने दाखवण्याचे धोरज चीनने अवलंबलेले आहे. नेपाळ भुतान आणि श्रीलंकेतील बौध्द धर्मीयांची सहानुभूती मिळण्याचा प्रयत्न दलाईलामा सातत्याने ज रत असल्याचे चिनचे मत आहे. त्यामुळे या देशातिल जनतेशी मैत्रीपुर्ण संबंध प्रस्थापित करण्यास चीन उतावीळ आहे. तसेच चिनमधील आर्थिज सुधारजांच्या प्रजि येत पूर्वेज डील प्रांताचा झपाट्याने विजस झाला पज इतर प्रदेश माजासलेले राहिलेत. या प्रांतामध्ये निर्माण झालेल्या विकासाच्या प्रचंड अपेक्षा आणि त्यातून धुसमुसत असलेला असंतोष चीनच्या काळजीचे विषय आहेत. चीनच्या सीमावर्ती प्रांताच्या विकासासाठी पाकिस्तान नेपाळ, भूतान, बांगलादेश आणि भारताचे सुध्दा सहज र्य मिळजे

आवश्यक आहे. त्याचप्रमाणे शिन्शियांग प्रांताचा व्यापार वाढण्यासाठी पाकिस्तानातील ग्वादर बंदराच्या निर्मितीत चीनने भरघोस साहाय्य दिले. त्याचप्रमाणे बांगला देशातील चित्तगाव बंदरातून युनान आज तिबेटमध्ये आंतरराष्ट्रीय व्यापार घडवून आणण्याची चिनची कार्ययोजना आहे. चीनच्या पुर्वेकडील विकसीत समुद्रकिनाऱ्यापेक्षा ग्वादर, चिनगाव, ही बंदरे शियांग तिबेट आज युनान प्रांतांना अधिज जवळची आहेत. भारत आज बांगला देशामात्रे चिनला आशिया-न प्रदेशाची सरळ व्यापार प्रस्थापित करणे शक्य आहे. यासाठी बी.सी.आय.एस. बांगला देश चीन भारत म्यानमार हा आर्थिक प्रखंड तयार करण्याची चीनची महत्वाकांक्षी योजना आहे. या बाबत भारताच्या दोलायमान धोरणाला इतर शेजारी देशांच्या दबावातून प्रभावित ज रज्याचे प्रयत्न चीनने चालवलेले आहेत. भारताच्या पुढाज राने स्थापन झालेल्या बिम्स्टेज बांगलादेश, भारत, म्यानमार, श्रीलंका, थायलंड आर्थिज सहजारी संघटनेला अध्याप अपेजाजृत यश आलेले नाही. आज चिनच्या पुढाज राने स्थापन झालेल्या शांघाय जे. ऑपरेशन जृप या मध्ये आशियाजें द्वीत संघटनेला सुजीचे दिवस आले आहे.

दक्षिण आशियातील चीनच्या वाढत्या शिरकावाचे पाचवे कारण आहे. सातत्याने वाढत असलेली उर्जेची पूर्तता सुनिश्चित करणे पश्चिम आशियातून जलमार्गे होणारा तेल आणि नैसर्गीक वायुचा पुरवठा अविरोध सुर रहाण्यासाठी श्रीलंका आणि मालदीव या हिंद महासागराजवळील देशांच्या बंदराचा दळणवळण आणि लष्करी संरक्षण पुरवण्यासाठी उपयोग ज रज्यासाठी चीन उत्सुज आहे या दृष्टीने चीनने या देशांना भरघोस तांत्रिज आज आर्थिज मदत देऊ जेली आहे. या पाचकारणाशिवाय भारताला दक्षिण आशियातच बंदिस्त करण्याचे परंपरागत धोरण चीनने त्यागलेले नाही. यासाठी पाकिस्तानशी मैत्री चीनने कायम जोपासली आहे. या शिवाय भविष्यात दोन देशांमध्ये लष्करी संघर्ष झालाचतर पाकिस्तान, बांगलादेश, श्रीलंका, आणि मालदीवमधील बंदराचा उपयोग भारताला जेरीस आणण्यासाठी करता येणे शक्य आहेच. एकंदरीत आर्थिक विजस फुटीरवादी आंदोलनावर नियंत्रज आज भारतावर वचज ही चीनच्या दजिज आशियाईव्यहरच-नात्मज धोरजाची उद्दिष्ट्ये आहेत.

### ★ भारतीय सुरक्षेपुडील आव्हान :-

राष्ट्राच्या संरजजासाठी शत्रूलाओळजजे अनिवार्य असते. त्याची ओळज पटली जी त्याचे मनसुबे, व्युहरचना, रजनीती अन सामर्थ यांचा अभ्यास करणे अनिवार्य ठरते शत्रुचा सामना करण्यासाठी त्या स्तरावर आपली सामरीक शक्ती आणि त्यासाठी लागणाऱ्या औद्योगीक उत्पादनात वाढ करायची असते सेना दलास शक्तीशाली करण्याची प्रक्रिया निश्चितच दिर्घकालीन आहे. त्याचाच एक भाग म्हणून भारताच्या शेजारी असलेल्या चीनने संरक्षणावर १३२ अब्ज अमेरिकन डॉलर्स एवढा खर्च करणार आहे. ही वाढ माजच्या वर्षापेजा तीस अब्ज डॉलर्सने अधिज आहे. ही अतिशय धक्ज ादायज अशी घटना असून त्यामुळे अनेज आशियाई राष्ट्रांची झोप उडाली आहे भारत, जपान, दजिज जेरीया, फिलीपाई-स आज व्हिएतनाम या सारज्या राष्ट्रांमध्ये चीनच्या वाढत्या संरजज जर्चामुळे ज मालिची असुरजितता निर्माज झाली आहे. चीनची बरोबरी ज रज्यासाठी या राष्ट्रांनी देजिल आपल्या संरक्षण खर्चात वाढ करण्याचे संकेत दिले आहेत. त्यातून एक भीषण शस्त्रास्त्र स्पर्धा आशियात आकारात येण्याची शक्यता आहे. तसेच सीमावादाच्या प्रश्नावरून भारत चीन यांच्यातील संबंध तणावुर्व बनले असतांना चीनने संरक्षण आधुनिकिकरणाचा एक व्यापक कार्यक्रम २००० सालापासून हाती घेतला आहे. दरवर्षी चीनने संरक्षण अंदाजपत्रकात वाढ होत असतांना दिसून येते आहे. सन २००० मध्ये चीनने संरक्षणावरील खर्च १२ अब्ज अमेरिकन डॉलर्स एवढा होता तर २०१० मध्ये ६० अब्ज डॉलर्सवर पोहचला २०११ मध्ये ९१ अब्ज डॉलर्स तर २०१३ मध्ये ११२ अब्ज डॉलर्स वाढ केली तर २०१४ मध्ये १३२ अब्ज अमेरिज-न डॉलर्स एवढी भरमसाठ वाढ ज रुन आशिया चीनने लष् री जमतेच्या बाबतीत इतर राष्ट्रांना माजे टाज ले आहे. त्याच बरोबर आशिया जंडातील सामर्थ वाढविज्यासाठी आज आज्ञेय व ईशा-य आशियाई राष्ट्रांवर दबाव टाज ज्यासाठी चीनने

नौदल आधुनिकीकरणाचा एक व्यापक आणि सुत्रबद्ध कार्यक्रम २००० पासून हाती घेऊन हिंदी महासागरात प्रवेश करून भारताला सामरीज दृष्ट्या घेरण्याचा प्रयत्न सुरु जे ला आहे भारताच्या अंदमान बेटापासून अवघ्या १२ जि लोमीटरवर असलेल्या बेटावर चीनने हायपॉवर रायडर्स बसविले आहेत शिवाय हॉज्ज, स-या, वुडी स्प्राटली सिहा नौज वले, इस्मादेजा, (थायलॅंड) म्यानमार मधिल, जोजो, सिटवे, बांजलादेशातील चिनजाव, श्रीलंजेतील- हंबनटोटा,, मालदिव मधील मराओ तर पाजि स्तानातील ज्वादर, ईराज मधील अल अदाब सुदान या बेटावर तळ उभारण्यास सुरुवात जेली आहे. एजं दरीत चिनच्या या सामरीज नितीमुळे भारताचा अज्जेय व ईशा-य आशियई राष्ट्रांशी असलेला व्यापार तसेच या जेत्रामधिल भारताच्या साजरी जलवहातुक स्वातंत्र्याच्या अधिकारांवर मर्यादा येण्याची शक्यता आहे. तसेच दक्षिण आशियातील आशिया प्रशांत क्षेत्रात आशियातील राष्ट्रांना वर्चस्व प्रस्थापित करू देजार नाही. असा स्पष्ट इशारा चीनने दिला आहे. शिवाय भारताचा शेजारी असलेल्या पाकिस्तान बरोबर अधिक सामरीक संबंध वृद्धिंगत करण्यावर अधिक भर दिला जात आहे. पाकिस्तान सोबत अजुसहजार्था सहजार्थातून एसीपी १००० नावाने ओळजले जाजारे हेक्यूक्लियर रिअॅक्टर ९.६ अब्ज डॉलरचे असून त्याच्या पासून ११ हजार मेजॉवेंट उर्जेची निर्माती पाजि स्तान जरजार आहे. तसेच लष्करी व आर्थिज सुधारजांसाठी ४६००० जेटी डॉलर्सची जंतवजुज ही चीनने जेली या जंतवजुजीच्या माध्यमातून ३ हजार जि लोमीटरचा महामारी पश्चिम चीनपासून थेट ज्वादर या बंदराला जोडून चीन पाकिस्तान आर्थिक मार्ग असे त्याचे नामकरण करण्यात आले आहे या महामार्गामुळे पश्चिम आशियातील तेल व नैसर्जीज वायु वाहून नेज्यासाठी चीनचे तब्बल १२ हजार जि लोमीटर अंतर वाचजार आहे शिवाय या परिसरातील चिनचा दबदबा वाढणार असुन पाकव्याप्त काश्मिरमध्येही चीनची सरळ उपस्थीती असेल. परिजामी हिंदी महासागरात या नव्या महामार्गामुळे शिरकाव करणे सहज शक्य होणार आहे. एकंदरीत चीनच्या वाढत्या लष्करी सामर्थ्याचा व सामरीक नितीचा सर्वाधिक धोका भारताला बसणार आहे. त्यामुळे भारत आणि चीन मधील सामरीक समतोल बिघडणार आहे. हा समतोल टिज विज्यासाठी भारताला आपला संरजज जर्च वाढवावा लाजजार आहे.

### संदर्भग्रंथ :-

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चुनौतियाँ एवं अवसर, राधा पब्लिकेशन्स नई दिल्ली २०११.
- २) डॉ. शुक्ल कृष्णानंद भारत की सुरक्षा चुनौतियाँ, राधा पब्लिकेशन्स नई दिल्ली २०११.
- ३) डॉ. चौधरी अनिता बदलते भू-राजनीतिक परिदृश्यमे भारत-चीन सम्बन्धो का अध्ययन, राधा पब्लिकेशन्स नई दिल्ली २००९
- ४) डॉ. जान वसीम अहमद भारत चीन पाजि स्तान सम्बन्ध डिस्ज वरी पब्लिशिज हाऊस प्राईवेट लिमिटेड नई दिल्ली २०१०
- ५) वै. लोकसत्ता औरंगाबाद.

## विविध घराण्यातील राग-यमणचे दर्शन

प्रा. सविता जंतराव जेजे टे

संगीत विभाग,

श्री शिवाजी महाविद्यालय, परभणी

भारतीय शास्त्रीय संगीत हे राग संगीतावर आधारलेले आहे. 'राग' हा भारतीय संगीतातील परमोच्च सर्जन बिंदु आहे. राग संज्ञेलाचे प्रमुज आज षज तत्व ठरते ते त्याच्या जायन विस्ताराच्या विविध शैलीवरून शास्त्रीय संज्ञेतातील राज हे थाटातुन निर्माज झालेले आहेत. दाजीजात्य पं. व्यंज टमजी यांच्या ७२ थाटातुन पं.वि.ना. भातजंडे यांनी सुटसुटीत १० थाटातुन राजांची विभाज्जी जे ली. या १० थाटापैजी ज ल्याज हा एज थाट आहे आजि तो एज राज देजील आहे म्हजजेच तो जनज राज आहे. पुढे याचे नाव यमज ज से झाले याची एक अख्यायीका आहे की, एकदा एक गुरु आपल्या शिष्यासमोर हा राग गात होते. गायन संपल्यानंतर त्या शिष्यांनी गुरुला विचारले की "गुरुजी ये आप क्या गा रहे थे" तेव्हा गुरुजींनी त्याला उत्तर दिले की, मै ए-मन गा रहा था. सहज गुरुजीच्या तोंडुन 'एमन' हे नाव निघुन गेले आणि त्यांना ते रागाचे नाव आवडले आणि तेव्हापासुन त्यांनी कल्याणला एमन म्हजज्यास सुरवात केली व पुढे याच ए-मन चे यमण रागात रुपांतर झाले. खरे तर हे छानच झाले कारण हा राग गायकाच्या मनातलं जायल्या सारजा वाटतो आजि श्रोत्यांच्या ही मनात घर ज रुन बसतो म्हजुन या राजाचा मनाशीचं संबंघ आहे असे वाटते असा हा यमन राग सर्वच गायकांच्या आवडीचा राग आहे. संगीताचा गुरु शिष्य परंपरेत बहुतेक गुरु याच रागापासुन गायन शिकवण्यास सुरवात करतात प्रातः काळी ज्याप्रमाणे भैरव रागाच्या अभ्यासाचे महत्व आहे. त्याप्रमाणे सायंकाळी यमण राग अभ्यासासाठी महत्वाचा मानला जातो.

भारतीय संगीतामध्ये असे काही प्रसिध्द गायक होऊन गेलेत त्यांनी आपल्या पुत्रांना व शिष्यांना गायजी शिजवुन प्रचलित व प्रसिध्द केली. त्यांच्या त्या गायन शैलीचे अनुकरण आता पर्यंतचे त्यांचे वंशज व शिष्य ही परंपरा चालवत आहेत याच गायन शैलीच्या परंपरेला घराणे म्हणुन संबोधिले जाते. या घराण्यातील राग, स्वर हे बहुतांशी सारखेच आहेत परंतु त्यांच्या आजवाचा लगाव व स्वरसमुह सादर करण्याचा ढंग प्रत्येक घराण्याचा वेगवेगळा दिसुन येतो आणि म्हणुनच हा अमुक घराण्याचा तो तमुक घराण्याचा असे ओळखले जाते अशी ही प्रमुख घराणे पाच आहेत १) ग्वाल्हेर घराणे, २) जयपुर घराणे, ३) किराणा घराणे, ४) आग्रा घराणे, ५) दिल्ली घराणे.

घराणे कोणतेही असो रागांचे नियम प्रत्येक घराण्यात सारखेच असतात. त्याच प्रमाणे यमण किंवा कल्याण रागाचे ही सर्व नियम व राज वैशिष्ट्ये हे प्रत्येक घराण्याला अर्थातच बंधनजर असजारच तरी सुध्दा प्रत्येक घराण्याचे जायज त्या राजाचे नियम सांभाळुन त्या राजाची प्रजृ ती, माधुर्य इ. ज यम ठेवुन आपापल्या घराण्याचे वैशिष्ट्ये दाजवुन देतात यात त्या जायजचे जरे कौशल्य दिसुन येते.

आता ज ल्याज-यमज राजाचे वैशिष्ट्ये पाहु, पारंपारिज लजज जीतात ज्याचे वर्जन ज ल्याज राजिनी अति सुजज र जिं वा सब जुजीजन यमज जात असा हा ज ल्याज राज हा जनज राजापैजी एज राज आहे म्हजजे हिंदुस्थानी संज्ञेतात दहा थाटांची जी

सोपी, सरळ, सुटसुटीत पध्दत मा-यता पावली आहे त्या पध्दतीतील ज ल्याज हा एज महत्वाचा थाट आहे. हया थाटातील तीव्र मध्यम हा कल्याण निदर्शक स्वर न चुकता आपले अस्तित्व दाखवुन देतो. कल्याणशी जोडलेल्या सर्व रागांमध्ये हा तीव्र मध्यम आढळुन येतो.

प्राचीन ग्रंथात या यमण किंवा कल्याण रागाचे मुर्तीध्यानाचे वर्णन पुढीलप्रमाणे केलेले आहे. शिरावर छत्रचामर धारण ज रणारा, निर्मळ तांबुल सेवन करणारा, मस्तकी रत्नमाला धारण करणारा, शुभ्र वस्त्र नेसणारा व सिंहासनावर बसणारा असा हा कल्याण किंवा यमण राग आहे. हा रागांग राग कल्याण, कल्याणच्या सर्व प्रकारांचा आधार राग आहे. या रागात तीव्र मध्यम सोडुन बाकी सर्व स्वर शुध्द आहेत. वादी स्वर गंधार असुन संवादी स्वर निषाद आहे. आरोह-अवरोहात सातही स्वरांचा उपयोग होत असल्याने याची जाती संपुर्ण-संपुर्ण असुन हा राग रात्रीच्या प्रथम प्रहरात गायला जातो. जरी या रागाच्या गायकीचा विस्तार तीन्ही सप्तकात केला जात असला तरीही या रागाचा प्रमुख स्वर पुर्वांगात असल्यामुळे पुर्वांगप्रधान राजामध्ये हा राज प्रमुज मानला जातो.

असा हा अति प्राचीन राज असुन देजील आज पर्यंत याची जोडी जशीच्या तशी टिजु-न आहे. शास्त्रीय संजीताप्रमाजेच भजन, जिर्तन, नाटयसंजीत, भावजीत व चित्रपट संजीताद्वारे जनसामान्यांपर्यंत याची आवड निर्माज झालेली दिसुन येते. याच्या विविध स्वभावाची वैशिष्ट्ये पुढीलप्रमाणे दिसुन येतात. जंभीर प्रजृतीचा भारदस्त यमज, स्वरांना हळुवारपजे स्पर्श ज रजारा लडीवाळ यमण, लालीत्य पूर्ण यमण, भक्तीभाव निर्माण करणारा यमण व शृंगारातुन खुलवणारा यमण अशा विविध रुपात यमज आपला साजात्जर प्रजट ज रतो. हा राज जाज्यासाठी जितज सोपा तितजच जायजच्या जल्पज तेला अधिजधिज वाव देणारा आहे. श्रीमती सुलभा ठकार म्हणतात यमण हा अश्वक्रांता मुच्छनेतुन निर्माण होतो. यमण कल्याण ऐवजी जैमिनी कल्याण असे नाव पं.वि.दा. पलुस्करांच्या पुस्तकात सापडते तर जर्नाटज संजीतात यास यमुनाज ल्याजी असे नाव आहे.

विविध घराण्यात यमण रागाचे दर्शन माझ्या मते यमण राजाविषयी कोणत्याच घराण्यात दुमत दिसत नाही. सर्वच घराण्यामध्ये यमणचे सारखेच स्वरुप आहे. मुख्य म्हणजे घराणे हे गायन शैलीवर आधारित आहेत. रागांचे नियम स्वरुप हे प्रत्येक घराज्याला सारजेच असतात तरी देजील त्या त्या घराज्यांच्या जायन वैशिष्ट्यामुळे लजाव इ. वैशिष्ट्यातुन प्रत्येज घराज्याची विविधता लक्षात येते.

**जाल्हेर घराजे** - या घराज्याचे वैशिष्ट्ये असे जी, या घराज्यात जोरदार व जुल्या आवाजात जायन जे ले जाते. त्यामुळे यमज हा भारदस्त व सुर्यप्रजशासारजा डौलदार असतो. यात सरळ, सपाटताना, बोलताना जमजचा उपयोग विविध लयजरीत यमणाचे दर्शन होते या घराण्याचे प्रमुख गायक हस्सु, हद्दु खाँ, बाळकृष्णबुवा इचलकरंजीकर, वासुदेवबुवा जोशी, पं. वि.दि. पलुस्कर, पं. ओमकारनाथ ठाकुर इ.

**जयपुर घराजे** - या घराज्याची वैशिष्ट्ये म्हजजे जुल्या आवाजात जायन, बोल उपज आजि अनाघात लय, यात आलापी छोटया छोटया तानांनी बढत ज रित राज सजवला जातो. या घराज्यात राज ज्ञाताना वज्र स्वरुपात आलाप-ताना घेतल्या जातात ज्यातुन रागावरील पकड लक्षात येते. या घराण्याचे प्रमुख जायक उ. मुहम्मद अली खाँ, उ. अल्लादिया खाँ, मोगुबाई कुर्डीकर, केसरबाई केरकर, किशोरीताई अमोनकर इ.

**किराणा घराणे** - हा घराणा सु-मधुर गायकीचा आहे. शब्दापेक्षा स्वरांना जास्त महत्व ही गायकी देते. आलाप प्रधानता या घराण्यात दिसून येते. किराणा घराण्यात यमण विविध प्रकारात गायला जातो. जसे- ख्याल, बंदीश, तराणा, धृपद, भजन, नाटयजीत, भावजीत इ. या घराण्याचे प्रमुख जायज उ. अब्दुल ज रिम जाँ, पं.भिमसेन जोशी, उपेंद्र भट, जंजुबाई हंजल, हिराबाई बडोदेकर, रोशन आरा बेगम उ. अमीर खाँ, सवाई गंधर्व इ.

**आग्रा घराणे** - या घराण्यात नोम तोम ने आलापी केली जाते. आकर्षक बंदीश व लयकारी युक्त गायन या घराण्यात ख्याल गायकी बरोबर धृपद व धमार यात बोल-तानावर प्रभुत्व दिले जाते. त्याचप्रमाणे यातील बंदीशी शब्दांची तोड-मोड न ज रता गायन केले जाते. या घराण्याचे प्रमुख गायज स्व. उस्ताद फैय्याज खाँ, अलखदास, मुलुकदास, जग्गु खाँ, खुदाबक्श, उ. विलायत हुसैन खाँ इ.

**दिल्ली घराजे** - या घराण्यात तान घेज्याची एज विशिष्ट पध्दत आहे. उदा: जोड-तोडची तान, झुलाची तान, झजलेची तान, उखेडची तान इ. या घराण्यातील ताना दृत लयीत असतात यातील बंदीशी कलापूर्ण असतात. ताल व लयीवर अधिकार जायनात सुंदर स्वर समुहांचा उपयोग ज रुन ज लात्मज जायनाचे प्रदर्शन ही जास वैशिष्ट्ये या घराण्याची आहेत. तानरस जाँ द्वारे या घराण्याची स्थापना झालेली आहे त्यांचे पुत्र उमराव खानने या घराण्याचा प्रसार केला.

वरीलप्रमाणे मुख्य पाच घराण्यामधुन यमण रागाचे विविध स्वरुपात दर्शन होउ शकते अर्थात संगीत ही कला व शास्त्र गुरुमुखी विद्या असल्या कारणाने प्रत्येक घराण्याचा अभ्यास करण्यासाठी गुरुकडुन खास तालीम घेणे जरूरीचे आहे. पुस्तकातुन जिं वा जॅ सेट रेजॅडींज जिं वा सि.डी. द्वारे हे शक्य होत नाही. तरी सुध्दा शालेय व महाविद्यालयातुन संजीताचा प्राथमिज अभ्यास करुन रागांचे ज्ञान होऊ शकते. आपल्याला कोणते घराणे आवडते, आवाजाला पेलवते या विषयी विचार करण्याची पात्रता येते व त्याप्रमाणे पुढील मार्गक्रमण करता येतो.

## संदर्भ ग्रंथ

- १) संगीत विशारद- हाथरस प्रजेशन
- २) अभिनव गितांजली - रामाश्रय झा
- ३) संगीत यात्रा - रोचना भडकमकर
- ४) भारतीय संगीतशास्त्र नवा अन्वयार्थ - सौ.सुलभा ठकार

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*The villages epitomize the soul of India, with 68.84 per cent of the population lives in rural areas. As majorities are weaker sections deprived of formal financial system, are forced to resort local lenders that not only ready to provide adequate credit on personal security at short notice, but also allow repayment in kind. However, gradually in the desire to grab large landholdings the professional moneylenders began to exploit the poor peasants through unfair lending practices. The high rates of interest, annual repayment system, unclear and complex contracts, act as strategies to exploit the poor completely. We found that apart from financial helplessness, the illiteracy of the borrower, lack of numeracy knowledge, discrimination by formal financial institutions, and are short of resources expose the poor's at economic, social and psychological risk continuously. Management of emergency does not lift the poor. It requires such scheme that acts as a protection shield to save the weaker section from deep rooted poverty cycles and helps to smoothen household economy. The paper discusses the economic, social and psychological sufferings of the weaker sections they face due to prevailing repayment practices adopted in the informal financial market. The paper also tries to highlight the role of microfinance scheme in the lives of the financially disadvantaged peoples.*

**1. Introduction**

Being the second most populous country of the world, 68.84 per cent India still lives in villages. The majority of the producers are peasants with small land holdings, while some possessed large land piece became rich and powerful. Thus the agricultural community may be divided into two classes those who lend and those who borrow. The vast majority are of the borrowers. These small peasants have enough resources to keep going smoothly. Nevertheless, the economy of such households gets frequently disturbed due to events like marriage, chronic illness or failure of crops, which involves huge expenses. Few who have little savings or own a piece of land could manage to overcome such circumstances, but majority borrow. The majority borrowers are peasants who have no collateral to offer which does not mean they have completely barred from the financial services. On the contrary, such peasants typically have multiple credit sources in village economies, as well as informal ways to save and insure. The most common informal sources comprises of neighbors, relatives, friends, local traders, village shopkeepers, landowners, and professional moneylenders. The devices are usually diverse and overlapping with their own unique advantages and drawbacks.

## 2. Conventional Financial Risk Management Ruse

*Recovery Practices: a breakdown of poor economically, socially and psychologically*

“The poor face more risks than the well off, but more importantly, they are more vulnerable to the same risk”, (Rangrajan, 2008, p. 6). To meet major life cycle needs maximum poor’s approach local moneylenders. Being residing in same locality, the moneylenders and other local shopkeeper’s owners well know the character of a borrower, and gets ready to finance the poor without collateral on their personal creditworthiness. For providing easy money at their risk moneylender used to charge high rate of interest, with complex terms and conditions, which at times makes the borrower slave of the moneylender for lifetime. For instances a borrower taken credit for farming and due to unfavorable monsoon the crop destroy. The peasants find themselves unable to pay back even principal money. Against the recovery of principal and compound interest, the moneylender used to take away family assets like land, house, jewelries, utensils, and sometimes live stock. Those who have nothing to offer against credit recovery, forced to live a life of slavery throughout their life span, in the farms of moneylenders.

Such prevailing practice of recovery sometimes takes away the only sources of income from the peasants, makes them economically poorer. The force full encroachment of valuable assets visible in locality, declares them defaulter. No one become ready to marry their daughters as family unable to offer dowry. The local shopkeepers refuse to give ‘ration’ on credit. The friends and relatives of good time turn their faces in the hard time. Force the poor peasant to live on the mercy of large landowners. That further breaks the family socially and psychologically.

Therefore, due to inability of the formal financial system to tap the poor peasants and artisans, the professional moneylenders hold the grip of on the rural economy and the resulting indebtedness of the peasantry is a problem still untouched by any agency, government or private, except for the usual empty schemes on paper. Thus, the practice of charging usurious rates and the operation of a deeply exploitative grid of interlocked, imperfect markets badly affected the rural poor economically, socially and psychologically.

## 3. Micro Credit Evolution: To Rescue Poor from Financial Crunch

As a reaction to the exploitative practices of the private moneylenders, the British rulers had passed several legislations favoring ryots. Official cognizance of this need goes back to 1793, when the system of taccavi loans introduced, providing loans at low rates of interest for agricultural improvements mainly for the digging of wells. The Land Improvement Act 1871 passed during the rule of Lord Mayo (1869-1872). Subsequently, the report of the Famine Commission of 1880, which lead the enactment of the Acts of 1883 and 1884 said, "It should be the policy of the government to advance money freely and on easy terms on the security of land". Later Agriculturists Loan Act was passed in 1884 to provide for the advance of loans to the owners. Further, “the Frederic Nicholson’s Report of 1892 stated that the state must assist the development of organized credit. It must remove all disabilities and obstacles which prevent the lender and borrower from meeting and it must stimulate competition with the money lender by suggesting and favoring the establishment of credit associations of all class. Simultaneously in Europe, the Wilhelm Raiffeissen Cooperative model of Germany was getting a remarkable success to meet the financial needs of the poor peoples. Thus, being convinced by the Raiffeissen model, the British Government decided to replicate the model in response to the late 1980s peasant’s riots on account of coercive alienation of land by moneylenders in India. Thus, the cooperative model of India adopted from Europe became the foundation of modern microfinance in South Asia.

Although the seed of micro credit sowed by Ela Bhut, through the incorporation of Self-Employed Women’s Association (SEWA) cooperative bank in Ahmadabad, India, in year 1974. However, the decade of 1980s was marked as the formal beginning of the modern microfinance through the inception of DWCR scheme of 1982 and self help group movement initiated by the collective efforts of NABARD, MYRADA and GTZ in southern India.

Convinced with the ability of self-help group concept, to provide affordable quality financial services to the peasants and brings them in the main stream of the economy the Government of India supported the concept of microfinance through establishment of NABARD. Microfinance is the first scheme introduced formally in the year 1992 by the government of India to provide micro credits to the low-income people. The aim of the scheme is to create the micro formal financial structure to meet the financial needs of the poor and relive them from

old recovery practices that resulted in economical, social and psychological stress to the borrower and his family. Thus, the evolution of micro credit model is mainly to rescue the low-income people from the clutches of the professional moneylenders and to provide a dignified livelihood.

#### 4. Method

To identify whether microfinance lead to recovery of a household economy from the clutches of informal financial market and helped them to live a dignified life. The purpose is also to see the intensity of economic, social and psychological benefits reaped by the subjects through the microfinance programme. To develop the indicators, we defined priority areas that women value based on extensive literature review and applied lessons learned from social performance tools. The 200 microfinance borrowers residing in Uttar Pradesh rural and urban settings were selected to fulfill the research objective. The likert's four point scales used to check the intensity of the programme where ever required. The intensity of the scale comprises of significant (above 80 per cent change), noticeable change (60-80 per cent), marginal change (up to 30 per cent), and no improvement respectively. The notable findings reported using frequency tables and percentages. It is intend to assist policymaker's with valuable information to improve outreach of the programme.

#### 5. Result

The results reveal that majority 76.5% subjects taken loan for productive purpose while 22.5% taken for other purpose like asset building, and education of children. However, a fraction of subjects taken loan to set off their earlier credit obligations received at high interest rates. (See table 1)

The results indicate nearly all 97.5 per cent borrowers begin saving a part of their income regularly. The 53 per cent able to save between 11per cent to 15 per cent of their income, while 36 per cent save ten per cent of their proceeds. The five per cent saved 16 to 20 per cent and three per cent started saving even more than 20 per cent. However, the two per cent subjects were not able to save at all. (See table 2)

The result indicates varied purpose for which savings are done. The 25.5 per cent subjects saved to invest in business, 11.5 per cent for food security, five percent to pay chronic health bills. A fraction of subject reported savings for social security, celebrating major festivals (like holi, diwali, eid), and to gain self respect

respectively. The 13.5 per cent reported savings are to meet contingency like certain emergency, and to pay prior loan obligations. (See table 3)

The majority (27 per cent) of the subjects found illness is the major risk that breaks their household economy. The 31 per cent subjects who are staying in areas prone to natural disaster prefer to gets self secured for natural tragedy. Farmers (four per cent) always look to save his harvest from bad weather, while those who (three per cent) working in service sector want secured from loss of job. The subjects (eight per cent) having live stock rearing business wish to seek such policy that helps to protect them from sudden death of their animals. Few (four per cent) prefer house security from fire and nine per cent looks for such insurance policy that could save their vehicles from theft and accident. (See table 4)

The nearly majority (74 per cent) reported significant change in employment status. Following the trend 12 per cent subjects reported marginal change, and four per cent said noticeable change in their employment status. However, ten percent said no change at all in their employment status. (see table 5)

The investigation revealed that 28 per cent respondents posses low financial literacy, while 40 per cent have some knowledge and 32 per cent have a good knowledge of numeracy.

#### 6. Discussion

##### *Microfinance Mechanism: Problems and Solutions*

Purpose of micro credit Keeping in mind the fact that poor not only gets short of money to invest in productive purpose but often to meet their consumption needs. The Microfinance Services Regulation Bill, India comprehensively defines microfinance services as 'providing financial assistance to an individual or an eligible client, either directly or through a group mechanism for: An amount, not exceeding rupees fifty thousand in aggregate per individual, for small and tiny enterprise, agriculture, allied activities (including for consumption purposes of such individual) or an amount not exceeding rupees one lakh fifty thousand in aggregate per individual for housing purposes, or Such other amounts, for any of the purposes mentioned at items (i) and (ii) above or other purposes, as may be prescribed'.

The microfinance not only provides credit for income generating activities but also to meet other financial obligations that may result in long term sustainability. For instances cemented roof for storage of gain or to begin micro business, education to children for their better employment opportunity, to meet health and

consumption expenses to keep self intact for working hard.

The results give clear implication that microfinance not only helps to meet the productive needs of the poor but also meet other life cycle needs. It was also found that micro credit helps the poor to meet prior loan obligations taken at high rate of interest. Thus relieve them not only from financial stress, but also build up social and psychological security. (See table 1)

**Self screening peer members** To overcome the problems faced by formal financial system to serve the poor, under the microfinance scheme, five to fifteen low-income poor's suffering from continuous financial risk, but residing in same locality and enjoy similar socio-economic status grouped together. To overcome the problem of recovery risk, insufficient knowledge about credit worthiness, that makes formal financial system to stay away from doing business with weaker sections. The group was given discretion to self select their co-members. Being familiar with the creditworthiness of their neighbours, the group members immediately listed out the defaulters. The self-screening among the group members helped to step up to meet their financial needs.

**Micro installments: prompt repayment** The majority low-income people such as landless labourers earn daily and consume daily. However poor also face life cycle risks like death, marriage, and illness, thus if able to save a penny may goes to meet contingency. Makes it difficult for them to save money and keep that bulk of saved money intact for the day of repayment.

The loud and harsh tone of moneylenders and threatening words of taking away the valuable resources, even throwing and selling the same in front of borrower house, reveals the poor economic condition which the borrower suffering silently, among their neighbours. Often through the word of mouth, the condition of family spread in the whole village locality that not only results in decline in social status but also mental pressure. The thought of their inability to pay back credit, and its consequences push the entire family to live a stressful life. It results in so much psychological distress at times that often results in suicide of the borrower and even sometimes-entire family, to escape from social trauma of becoming bankrupt.

The group lending mechanism encourages the practice of lending helping hand towards each other. The peer pressure, fear of becoming a default group, and panic of debarred from taking further loan stimulates the members to repay installments regularly. Even one member not able to meet his or her installment, the co members of the group willingly extend helping hand to maintain the dignity of the entire group.

Thus breaking the repayment schedule into the micro weekly installments, than the yearly recovery, not only increased the repayment rates but also helped the borrower to live a dignified life in his social setting.

**Saving for self dependent** The micro finance not stress over borrowing every time. But through compulsory micro saving discipline for all borrowers, inculcate saving habit among its clients. The continuous saving for long time graduates them, from micro credit borrower to become a self dependent.

The study investigation reveals that majority respondents are now developed the habit of saving. Some who already had certain resources prior to become part of microfinance are able to save more than 15 per cent. However, those who suffered from certain risk like death of live stock destroy of crop, and so on, found it difficult to save, due to loss of only source of income. (see table 2) The empirical results point out that like a wealthy peoples, poor also have diverse life cycle need. It is worth to notice that a fraction of people do saving to enhance their social status and for self esteem. The future is always uncertain hence a small number of subjects started building to build up their assets for future security. It is interesting to note that a good number nineteen per cent respondents understand the need of education and hence save a fraction of their earnings to meet education expenditures of their children. (See table 3)

**Risk mitigating tool** It was observed that nearly all the microfinance institutions operating in the region insist borrowers to take micro insurance. Hence, all the subjects got a compulsory life insurance policy. The policy relieves the family from the micro loan obligations after the death of main earner of the household. The policy covers the spouse too so that if men is the borrower and may dies, her wife could have some financial support, to manage family.

A part from life insurance now microfinance institutions started giving compulsory live stock insurance, agriculture insurance, business loss insurance on the basis of activity in which a borrower engaged. Such provisions help the borrowers to have some kind of economic and psychological security.

The empirical results depict that apart from life security, poor need social and psychological security. Such security comes from mitigating life cycle risk like loss of job, harvest, cattle, and house and property due to happening of certain miss-happening not under control like natural disaster, bad weather conditions, death, accident, and theft. (See table 4)

**Self employed** The provision of microfinance help to smoothen the household economy through investment of loan money either in the existing business or beginning a

new one either to the borrower or his or her family member.

Keeping a side ten percent subjects who stated no change in their employment status, rest admitted improvement in their employment status. Those who stated no change might have diverted fund to other family member, encountered any loss, or utilized the loan money other than for productive purpose. The majority (74 per cent) subjects reported significant improvement due to change of their status from being a homemaker to micro entrepreneur now. The subjects who continuously be short of money now able to smoothen their business and reported noticeable change in their employment. (See table 5)

**Financial Literacy** The financial literacy is the key element to reap benefits of microfinance scheme. However, it was found from the literature that lack of numeracy knowledge leads to discrimination of poor's by formal financial institutions, and exposes them more towards economic, social and psychological risk. The education level, age and work experience are the major reasons of variation in financial literacy of the subjects. (See table 6)

## 7. Conclusion

The high rates of interest, annual repayment system, unclear and complex contracts, unfair practices, act as a strategies to exploit the poor completely. Apart from financial helplessness, the illiteracy of the borrower, lack of numeracy knowledge, discrimination by formal financial institutions, and be short of resources expose the poor's at economic, social and psychological risk continuously. Management of emergency does not lift the poor. It requires such scheme that acts as a protection shield to save the weaker section from deep rooted poverty cycles and helps to smoothen household economy. The microfinance is a unique programme that not only enhance the economic status of the borrowers but also results in social and psychological security. Through breaking the entire repayment cycle in to micro installments payable in stretch of fifty four weeks mitigate the mental risk to a large extent. The provisions of compulsory add on programs like saving, insurance, financial literacy, results in holistic development of a low-income people. Beside the enormous benefits, the scheme is not free from flaws. Hence policy makers should device the techniques to make enrich the programme. The customized product, flexile repayment schedule, mass campaign, and implementation of information and communicational technology are urgent needs to boost the Indian village economy.

Table 1  
**Responses for what purpose micro credit taken**

Purpose for micro credit	Frequency	Percent	Cumulative Percent
Start Business	42	21.0	21.0
Running Business	18	9.0	30.0
Agriculture	48	24.0	54.0
Animal Husbandry	45	22.5	76.5
Asset Building	34	17.0	93.5
Education	11	5.5	99.0
To pay prior loan	2	1.0	100.0
<b>Total</b>	<b>200</b>	<b>100.0</b>	

Table 2

**Responses for ability to save after taking microfinance**

Saving Ratio	Frequency	Percent	Cumulative Percent
<b>No</b>	5	2.5	2.5
<b>10 per cent</b>	72	36.0	38.5
<b>11-15 per cent</b>	106	53.0	91.5
<b>16-20 per cent</b>	11	5.5	97.0
<b>more than 20 per cent</b>	6	3.0	100.0
<b>Total</b>	<b>200</b>	<b>100.0</b>	

Table 3

**Responses for the purpose savings among respondents**

Purpose of Saving	Frequency	Percent	Cumulative Percent
<b>No</b>	5	2.5	2.5
<b>Income generate</b>	31	15.5	18.0
<b>Agriculture purpose</b>	20	10.0	28.0
<b>Food security</b>	23	11.5	39.5
<b>Medical purpose</b>	11	5.5	45.0
<b>Education</b>	38	19.0	64.0
<b>Asset building</b>	7	3.5	67.5
<b>Marriage purpose</b>	29	14.5	82.0
<b>Festival</b>	3	1.5	83.5
<b>Social security</b>	2	1.0	84.5
<b>Self respect</b>	4	2.0	86.5
<b>Pay unforeseen expense/emergency</b>	27	13.5	100.0
<b>Total</b>	<b>200</b>	<b>100.0</b>	

<b>Medium</b>	80	40.0	68.0
<b>High</b>	64	32.0	100.0
<b>Total</b>	200	100.0	

Table 4

*Responses for the purpose insurance is required among respondents*

Insurance required	Frequency	Percent	Cumulative Percent
No	19	9.5	9.5
Illness	54	27.0	36.5
Loss or Damage of House	8	4.0	40.5
Poor Business Performance	13	6.5	47.0
Loss or Damage of Vehicle	19	9.5	56.5
Loss of Employment	7	3.5	60.0
Loss or Damage of Cattle	16	8.0	68.0
Fall In Harvest	8	4.0	72.0
Natural Disaster	31	15.5	87.5
Other	25	12.5	100.0
Total	200	100.0	

Table 5

*Responses for the change in the self employment status of the respondents*

Change in Self Employment Status	Frequency	Percent	Cumulative Percent
No	20	10.0	10.0
Marginal	24	12.0	22.0
Noticeable	8	4.0	26.0
Significant	148	74.0	100.0
Total	200	100.0	

Table 6

*Responses for the financial literacy of borrowers*

Change	Frequency	Percent	Cumulative Percent
Low	56	28.0	28.0

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