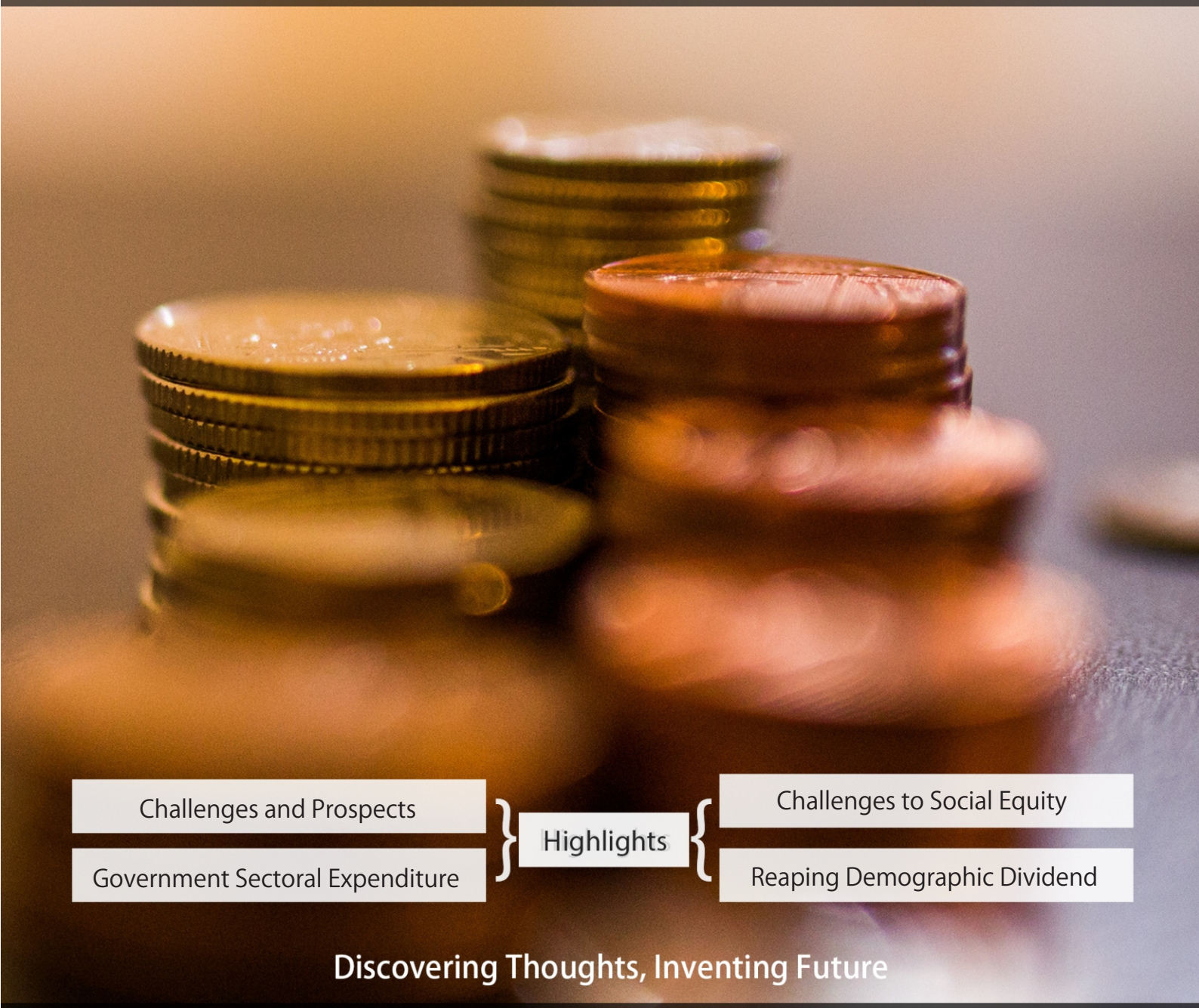
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Challenges and Prospects

Government Sectoral Expenditure

Highlights

Challenges to Social Equity

Reaping Demographic Dividend

Discovering Thoughts, Inventing Future

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The Effect of Government Sectoral Expenditure on Poverty Level in Kenya

By Loyce V. Omari & Willy Muturi
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Abstract- This study investigated the effect of sectoral government expenditure on poverty level in Kenya. Private Consumption per capita, a measure of poverty, was the independent variable while education, health, agriculture and infrastructure expenditures were the independent variables. Time series data for the period of 1964-2010 was used and was tested for unit root using Augmented Dickey Fuller test whereby all variables were found to be integrated to I(1). A lag length of three was selected using Vector Autoregressive model. Presence of co-integration was confirmed using the Johansen test which showed there was one co-integrating equation. Vector Error Correction model indicated that there was a stable long run relationship between poverty level and sectoral government expenditure in Kenya. The regression results indicated that agriculture and health expenditures have a positive and significant effect on poverty level while infrastructure expenditure has a negative and significant effect on poverty level. The effect of education expenditure on poverty level was insignificant. It is recommended that the government in Kenya increases expenditure allocation to agriculture and health sectors.

Keywords: poverty, government sectoral expenditure, vector error correction.

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The Effect of Government Sectoral Expenditure on Poverty Level in Kenya

Loyce V. Omari [α] & Willy Muturi [σ]

Abstract- This study investigated the effect of sectoral government expenditure on poverty level in Kenya. Private Consumption per capita, a measure of poverty, was the independent variable while education, health, agriculture and infrastructure expenditures were the independent variables. Time series data for the period of 1964-2010 was used and was tested for unit root using Augmented Dickey Fuller test whereby all variables were found to be integrated to I(1). A lag length of three was selected using Vector Autoregressive model. Presence of co-integration was confirmed using the Johansen test which showed there was one co-integrating equation. Vector Error Correction model indicated that there was a stable long run relationship between poverty level and sectoral government expenditure in Kenya. The regression results indicated that agriculture and health expenditures have a positive and significant effect on poverty level while infrastructure expenditure has a negative and significant effect on poverty level. The effect of education expenditure on poverty level was insignificant. It is recommended that the government in Kenya increases expenditure allocation to agriculture and health sectors.

Keywords: poverty, government sectoral expenditure, vector error correction.

I. Introduction

During the pre-independence period Kenya like many other African Colonies at that time was characterized by deprivation of the natives. Upon attainment of independence the government decided to pursue poverty alleviation alongside economic growth. First of those efforts were in the Sessional Paper No. 10 of 1965 and the Sessional Paper No.10 of 1973. The Sessional Paper No. 10 of 1965 was the launch pad for the country's economic and social development with focus on elimination of poverty, disease and illiteracy. The Sessional Paper No.10 of 1973 set out strategies based on objectives spelt out in sessional paper no 10 of 1965 one of the being the enabling of the most poor to share in the country's economic benefits. There are various literature that show that poverty worsened after independence especially when the economic performance took a nose dive which resulted into Structural Adjustment Programs (SAPs) in 1980s by the World Bank and International Monetary Fund (IMF).

In between the government continued to implement new policies among them the District Focus for Rural Development (DFRD) in 1983 which sought to stimulate rural economies to contribute to the national output and to reduce rural poverty. This was followed by Sessional Paper No.1 of 1986 on Economic Management for Renewed Growth whose preparation was informed by poor economic performance and worsening poverty levels. It reinforced the implementation of SAPs with more focus on economic growth and the subsequent results was that Kenyans were economically hurt by the programs especially liberalization that saw commodity prices go up and cost sharing of services like healthcare and education. However, a study done by Kabubo-Mariara and Kiriti (2002) found that macroeconomic policies put in places through SAPs resulted to decreased poverty levels attributed to improvement in economic growth. The need by government to cushion the poor resulted to launching of the Social Dimension of Development (SDD) Programme in 1994. This programme was not effective due to lack of political good will, under-budgeting and diversion of funds.

Since 1966 the government drew up National Development Plans of which each covered a five-year period except the 1994 plan which spanned three years and the 2001 plan which spanned seven years. These plans contained policies towards poverty eradication some of which were not implemented or were duplications. In 1999 a single long-term plan was unveiled by the name of the National Poverty Eradication Plan (NPEP) covering the period 2000-2015 adopted in line with the International Development Goals to halve global poverty (Republic of Kenya, 2001). The NPEP was implemented through short-term strategies called Poverty Reduction Strategy Papers (PRSPs). World Bank and IMF initiated the PRSPs in a bid to make country members own the reform programmes and increase focus on poverty reduction efforts. Other than the PRSPs being crucial in the attainment of the MDG poverty target, the PRSPs informs the World Bank and IMF concessional lending policies in the Highly Indebted Poor Countries (HIPC) initiative in which debt relief is seen as key to poverty reduction. The first PRSP paper was for the period 2001-2004, this and later PRSPs were formulated as pro poor and pro-growth with the recognition that economic growth alone was not enough to reduce poverty.

In 2002 there was change of government whose key promise was economic growth and the new

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government realigned policies and plans towards fulfilling this promise. In addition to the existing plans and policies, the Economic Recovery Strategy (ERS) was unveiled in 2003 to put Kenya on an economic recovery road after a slump in economic growth for over two decades with worsened poverty situation (Republic of Kenya, 2003). The ERS aimed to revitalize growth and create employment which in turn would reduce poverty. In the blueprint, it was recognized that interventions will be required through education, healthcare, housing, social security among others to directly address the poverty situation while pursuing pro-poor growth. Through the ERS the economy improved from a growth of 0.5 per cent in 2003 to 7 per cent and poverty declined from 56.8 per cent in 2000 to 46 per cent in 2006 (International Monetary Fund, 2010).

Replacing the ERS was the Kenya Vision 2030 a long term economic blueprint towards becoming "a globally competitive and prosperous country with a high quality of life by 2030" (Republic of Kenya, 2008). Kenya Vision 2030 is divided into three parts i.e. economic, social and political pillar with each containing the means by which to attain middle income status in which the economy would grow at a projected rate of 10 per cent per annum. The particular activities termed as flagship projects to be undertaken are contained in Medium Term Plans (MTPs) which are strategic five-year plans towards attaining Vision 2030 and are used to guide the budgeting process. The MTPs are also presented to the World Bank and IMF as the country's PRSPs. Under the social pillar, Kenya is to achieve a reduction in poverty by between 3 and 9 per cent from 46 per cent level of poverty as at 2006 (Republic of Kenya, 2008).The achievement of ERS and the Kenya Vision 2030 were also to contribute towards the achievement of the Millennium Development Goals (MDGs) for Kenya.

Kenya was expected to halve its poverty incidence from 43.3 per cent in 1990 to 21.7 per cent by 2015 as per her MDG target of poverty (Republic of Kenya, 2012). The share of poorest quintile i.e. 20 per cent in national consumption ought to have been at 9.6 per cent in 2015 expected to have increased from the baseline of 4.8 per cent in 1990. The objective of this paper then is to investigate the effect of government sectoral expenditure on poverty in Kenya which will serve to show whether economic benefits in terms of poverty reduction differ by the level of funds allocated to a particular sector. The rest of this paper is organised follows: section two is the literature review; section three discusses methodology; section four presents the research findings and finally section five concludes the paper.

II. Literature Review

Various literature have classified theories of poverty in different ways and the theories have evolved over time. The theories explain poverty: what brings about poverty, what perpetuates poverty and how to address poverty. Classical theory of poverty is the oldest theory and according to classical economics, the market is self-regulating and resources are efficiently assigned to production units. Redistribution of output is also as a result of free market and wages reflect one's productivity and as such poverty results from individual choices about work. Therefore, poverty is seen not to be as result of market failure but poor economic decisions of individuals such as being lazy or being uneducated (Davis & Sanchez-Martinez, 2014). Further, living in deprivation is as a result of individual decisions and that hard work and better choices are sufficient to lift one out of poverty. It is generally viewed by the non-poor that people who live in poverty deserves it and the poor tend to choose and nurture a culture of poverty which leads to intergenerational poverty i.e. 'poverty begets poverty' (Davis & Sanchez-Martinez, 2014). Bradshaw (2006) notes that the American Values of Individualism is based on the fact that hard work, motivation and persistence can cause one to succeed and therefore failure is as result of individual decision, so is poverty. This implies society or government has no part in one's plight of poverty and thus it should not intervene.

On the other hand, the Keynesian theory of poverty hold that poverty is as a result of structural factors which could be economic or social or political. The proponents of this theory acknowledge that the poor are impoverished due to external reasons mostly beyond their control. Marshall and Keynes explain poverty to have been caused by economic underdevelopment and lack of human capital (Jung & Smith, 2006). There also exist market failures such as uncertainty which may perpetuate one's economic situation given that the poor are more vulnerable to shocks that affect their income. According to this liberal approach; market distortions, institutional rigidities and general underdevelopment do cause poverty rather individual choices. Intervention by the government is viewed as a means to promote economic development and welfare (Davis & Sanchez-Martinez, 2014). During the Great Depression of the 1930s, J M Keynes, a British economist argued that government intervention through expansionary fiscal policies was necessary to stimulate aggregate demand and create jobs thus reducing unemployment. Increasing employment is critical given the poor gain income by offering their labour as their sole asset (Hull, 2009). In such situation, government intervention would be necessary to stimulate the economy and via multiplier effect reduce poverty.

The Marxist theory of poverty, which is a radical theory, shifts from the orthodox economic theories of poverty and focus on the role of the nature of demand for labour, non-individual characteristics that determine wage levels and the duality of labour markets. The Marxists explains the existence of poverty from a political economy approach in which poverty is as a

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result of capitalism and related social and political factors based on class division. According to Marxism, the market is inherently dysfunctional (Blank, 2003; Bradshaw, 2006) in which in capitalist economies, the owners of capital which is the ruling class will earn more while owners of labour will earn much less since the cost of labour is kept unnaturally lower than its valued added through the threat of unemployment by maintaining a 'reserve army of unemployed' (Davis & Sanchez-Martinez, 2014). Low wages prevent the poor labourers from saving and makes it highly probable that these labourers would slide further into poverty in the event of shocks.

A more recent theory is the theory of social exclusion and social Capital. Social sciences have identified poverty to be exacerbated due to social exclusion and lack of social capital inherent in the structural characteristics of society. Social exclusion occurs when an individual or a community is wholly or partially excluded from full participation in the society in which they live. Sirovatka and Mares (2008) summarise various definition of social capital 'as a quality, as a social resource or a social glue that is the property of a group, a community or a society, and as such it is available to its members.' Morazes and Pintak (2007) as cited in Davis and Sanchez-Martinez (2014) regarding poverty note that, there is general consensus that exclusion is non-participation in consumption, production and political engagement. Socially excluded individuals and communities fail to access opportunities and resources that are necessary to improve their economic welfare. One form of social exclusion may lead to another form of exclusion resulting to multiple permanent disadvantages (Sameti, Esfahani, & Haghighi, 2012). Low levels of social capital worsen the possibility that one can climb out of poverty and reinforces unemployment and economic distress among low income earners. Intervention through expansion of public expenditure and provision of public goods would be expected to provide a form of bridging to rest of the society particularly investment in social welfare. The next subsections discusses empirical literature based on the hypothesized variables.

a) Agriculture Sector Expenditure and Poverty

The poor in Kenya engage mainly in agricultural activities and poverty is more prevalent in rural areas where the main source of livelihood is agriculture. Geda, Jong, Mwabu and Kimenyi (2001) using 1994 household level data collected in the Welfare Monitoring Survey and applying binomial and polychotomous logistics models found that being employed in the agriculture sector increased probability of being poor and concluded that investing in the sector would be vital in reducing poverty in Kenya. Accelerating growth in agriculture has the direct impact of raising the nominal incomes of the poor through employment creation and real incomes of the poor through reduced food prices that comprise the largest portion of the poor's budget. Thurlow, Kiringai and Gautam (2007) and Christiaensen, Demery and Kuhl (2012) note that the contribution of a sector to poverty reduction depends on the sector's own direct growth, the indirect growth arising from spillover sector linkages; the participation by the poor in that sector, reflecting the responsiveness of overall poverty to the sector of origin of GDP growth; and the relative size of the sector in the economy. Janson, Mango, Krishna, Rademy and Johnson (2009) used the asset based approach and participatory methodology at household and community level to study poverty dynamics in Kenya. Their study established crop and livestock diversification and commercialization of agriculture played a role in helping some households escape poverty while other households fell into poverty due to crop loss or livestock death caused by drought and diseases.

Thurlow et al. (2007) applied dynamic Computable General Equilibrium (CGE) micro simulation model to analyse growth and distributional changes in Kenya. Without taking the cost of accelerating growth in the different sectors, the impact of sectoral growth on poverty reduction and inequality is analysed using three scenarios. A baseline scenario, a scenario which compares poverty reduction due to agricultural and industrial growth and a scenario that examines the agriculture sector and estimates the poverty reducing impact of accelerating growth in the sector. From the micro simulation, a faster agricultural growth in the agriculture-led scenario results to rising income and expenditure for those in extreme poverty with most effect being felt by the rural poorest. On the other hand, faster non-food manufacturing growth in the formal and informal sectors under the industry-led scenario has most impact in reducing poverty in the less-poor households. It was also found that agriculture had larger income multipliers that created more jobs and raised incomes and its economy wide linkages were more pro poor. In studying the effect of increasing budget allocation to agriculture, increasing agriculture spending by 10 per cent as per Maputo Declaration, would lift 1.5 million people out of poverty as defined by the poverty line by 2015. The 10 percent increase in agriculture was still found not be adequate to meet the expected growth in agriculture and to meet the MDG poverty by 2015. Therefore, increased spending on agriculture coupled with non-agricultural investments that are pro poor would be essential.

b) Health Sector Expenditure and Poverty

In 2001 the Members of the African Union countries pledged to allocate to the health sector at least 15 per cent of their annual budget in what is known as the Abuja declaration (World Health Organisation, 2011). Janson et al. (2009) found that more households

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fell in to poverty due to poor health than those that that escaped poverty through employment due to formal education. Specifically 40 per cent of households sampled across Kenya fell into poverty due to poor health and debilitating health care expenses. The income of the poor is very vulnerable to shocks and these shocks among them drought, political instability, economic shocks like high inflation and health related shocks drastically affect incomes of the poor and may have insufficient or no means of smoothing their consumption. Scheil-Adlung et al. (2006) conducted a comparative analysis on the impact of social health protection on access to health care, health expenditure and impoverishment for South Africa, Senegal and Kenya using 2003 household survey data. The health insurance coverage is low in these countries with South Africa having 12.3 per cent of population covered, Kenya the coverage is 9.1 per cent and Senegal 4.2 per cent and in all the three countries the lower income group has very few people covered. Applying a multiple logistics regression, the study established that across the three countries the likelihood of descending into poverty due medical expenditure is between 1.5 per cent and 5.4 per cent of the households. It was also found that health related expenditure widens the poverty gap; in South Africa the poverty gap increased from 37 per cent of the poverty line to 41 per cent; in Kenya it increased from 25 per cent to 27 per cent; and in Senegal it increased from 54 per cent to 64 per cent.

Asghar, Hussain and Rehman (2012) studied the long run impact of government spending in various sectors on poverty reduction in Pakistan for the period of 1972-2008 applying co-integration and Error Correction Mechanism (ECM). Poverty as the dependent variable was measured using headcount index while the independent variables were: government spending on health; government spending on education; government spending on law and order; government spending on economic and community service and budget deficit. The study found that the coefficient for government spending on health was insignificant. A similar study conducted for Lao PDR by Sourya, Sainasinh and Onphanhdala (2014) using panel regression analysis found domestic health funding to have a positive and significant coefficient meaning that poverty increased with spending on health sector. Foreign health funding was found to be insignificantly related to poverty. Awe (2013) and Osundina, Ebere and Osundina (2014) also examined the effect of government health expenditure on poverty in Nigeria using co-integtration analysis of time series data and a case study applying chi-square respectively. Awe (2013) found expenditure on health to have a significant and positive impact on poverty reduction while for Osundina et al. (2014) found expenditure on health to be insignificant to poverty reduction. The results from these studies maybe different due scope, choice of variables and research methodologies but are still crucial in informing this study given no similar studies have been done in Kenya.

c) Education Sector Expenditure and Poverty

Education is said to affect poverty directly through increasing wages and increasing chances of employment. Janson et al. (2009) established that in 28 per cent of the household that escaped poverty, education played a vital role in getting a job. Education increases the value and efficiency of the labour force thus the higher the education level of the labour force the lower the expected number of the poor in that economy. In Kenya, the level of education is the most influencer of poverty (Geda et al, 2001) and since a female headed household is more likely to be poor; investment in female education is recommended to reduce poverty. In the study conducted by Asghar et al. (2012), the impact of government expenditure on education on poverty was found to be negative. These findings are consistent with those of Awe (2013) in his case study of the Ekiti State of Nigeria. Osundina et al. (2014) found that government spending on education in Nigeria to be insignificant to poverty reduction. As per author's knowledge, the effect of education expenditure on poverty has not been studied for Kenya.

In an analysis of how Kenya can achieve the MDGs from a baseline scenario, the results show that an efficient and optimal allocation of public expenditures play a key role on whether the MDGs will be achieved by 2015 (Kiringai & Levin, 2008). The study concluded that investment through higher budgetary allocation to the education sector needs to increase and even a further increase on higher education level is required. Due to the economy wide implication of MDGs, it is expected that education will influence the composition of the labour force by raising its average educational level thus increasing labour productivity; incomes will be expected to increase also and the general economy performance is expected to improve. The total effect would be to accelerate the achievement of MDGs including eradication of extreme poverty.

d) Infrastructure Sector Expenditure and Poverty

Seetanah, Ramessur and Rojid (2009) conducted a study to answer whether transport and communication infrastructure alleviated urban poverty in developing countries. The study covers twenty developing countries and uses panel data for years 1980-2005. From running a cross section regression, length of paved road was found to be statistically significant and negatively related to poverty head count ratio. Fixed telephone line per 1000 people is used as a measure of communication infrastructure and is found to negatively relate to poverty headcount ratio but not significantly. Thus, infrastructure is seen to increase participation by the poor in economic activities and increase access for the poor to more economic activities. Moreover, infrastructure investment increases

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economic growth and number of jobs available for the poor. However, no clear explanation for the choice of regressors used in the study; the study takes various variables shown by research to determine poverty and includes length of paved road and fixed telephone line per 1000 people as proxies for infrastructure. Further, a dynamic panel analysis is conducted to mitigate the problem of endogeneity and control for lagged and feedback effects. The findings from the dynamic panel analysis are consistent with those of fixed effect model.

The main objective of the study by Osundina et al. (2014) was to examine the relationship between government spending on infrastructure and poverty reduction in Nigeria. Per capita income was used as a proxy measure of poverty reduction. The expenditure on infrastructure was disaggregated into government spending on building and construction and government spending on road transport. The study found that government spending on building and construction to be positively and significantly related to poverty reduction while government spending on road transport to negatively and significantly related to poverty reduction. In the earlier study by Awe (2013) where public spending on infrastructure had a wide scope to include road network, access to electricity and water and public utilities. The study found that public expenditure in infrastructure played a significant role in reducing poverty in Ekiti State. Sourya et al. (2014) found that both domestic and foreign expenditure on infrastructure did not have a significant impact in reducing poverty in Lao PDR. They explain that this may be due to skewed distribution of funds between rich and poor provinces. In Kenya there are not many studies in relation to the effect of physical infrastructure on poverty. Thurlow et al. (2007) introduced an increase in government spending in rural feeder roads in their micro simulation model for analysing growth and distributional changes in Kenya. In a scenario where road expenditures in government spending increase by 2.7 percent, national poverty declines by 2 percent. This study will thus bridge the existing gap in literature as in regard to the effect of increasing government spending in physical infrastructure.

III. Research Methodology

The research design used in this study was a diagnostic research study design with a quantitative approach which involves an investigation of association among variables. The study used annual econometric data covering the period 1964-2010 for Kenya collected from the Kenya National Bureau of Statistics. The study used private consumption per capita, a poverty measure, as the dependent variable as also used by Ogun (2010). The independent variables were agriculture, infrastructure, and health and education sectoral expenditures, each as a ratio of total government expenditure to control for level of public spending. Regression analysis was used to test the dependence relationship between the dependent variable and the independent variables. The data was analysed with the help of data analysis software specifically E-views 7 to generate a regression model of the variables given herein.

The estimated model followed the Keynesian framework in which an increase in government expenditure results to increased consumption and economic growth thus leading to poverty reduction. Using the expenditure allocation framework of Ferroni and Kanbur as modified by Paternostro, Rajaram and Tiongson (2005) in which allocations seek to maximise the welfare effect; the level and composition of public spending affects basic social indicators, poverty incidence and national income. In the framework poverty (P) is a function of expenditure allocation to social sector(S), infrastructure sector (K), other sectors (O) and national income (Y) i.e.

$$P=f(S,K,O,) \quad (3.1)$$

The functional relationship defined for this study is as follows:

$$\text{Poverty}=f(\text{Sectoral Expenditure}) \quad (3.2)$$

The choice of the independent variables was informed by various studies which have shown that the poor interact most with these sectors. Moreover, these sectors are among the six Sector Working Groups (SWG) under the Medium Term Expenditure Framework (MTEF) that guide resource allocation based on strategic priorities. Particularly under the 2014/15-2016/17 MTEF these sectors form part of the key priorities areas for achievement of shared prosperity (Republic of Kenya, 2014).

The estimated Ordinary Least Square (OLS) multiple linear regression model for this study took the following form:

$$PC = \beta_0 + \beta_1 {AGR}/{TGE} + \beta_2 {HEA}/{TGE} + \beta_3 {EDU}/{TGE} + \beta_4 {INFR}/{TGE} + \varepsilon_t \quad (3.3)$$

Transforming Equation 3.3 into natural log, the log linear form is as follows:

$$LN_PC = \beta_0 + \beta_1 LN_AGR + \beta_2 LN_H + \beta_3 \text{LN_ EDU} + \beta_4 LN_{INFR} + \varepsilon_t \quad (3.4)$$

Where:

PC = Private consumption per capita

AGR= Agriculture sector expenditure

HEA= Health sector expenditure

EDU= Education sector expenditure

INFR= Infrastructure sector expenditure

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TGE = Total government expenditure

βi are parameters and εt is the Error term.

Vector error correction model (VECM) was applied to established existence of short and long run relationships from sectoral expenditure allocations to private consumption per capita as a proxy measure of poverty. The general error correction model for this study is as follows:

$$\Delta LN_PC_t = \beta_0 + \beta_1 \Delta LN_AGR_t + \beta_2 \Delta LN_HEA_t + \Delta LN_EDU_t + \beta_4 \Delta LN_INFR_t + ECM_{t-1} + \varepsilon_t \quad (3.5)$$

Before the VECM was run diagnostic tests including unit root test and co-integration test were done. The variables were tested for unit root by use of Augmented Dickey-Fuller (ADF). Independent variables were tested for multi-collinearity by use of correlation coefficient. The descriptive statistic of the error term was generated to ensure that its probability distribution follows a normal distribution; its mean is approximately zero and that there is zero covariance between the error term and independent variables. The expected result is that all independent variables have a positive effect on the dependent variable i.e. public spending in agriculture, health, education and infrastructure leads to reduction in poverty level in Kenya.

IV. Research Findings

The nominal data series was converted to real values with 2009 being the base year i.e. 2009=100 before data analysis was carried out. Consumer Price Index (CPI) was used to convert private consumption data to real values while GDP deflator was used to convert sectoral expenditure data. The p values for the Jacque-Bera (JB) statistics for the explanatory variables in Table 4.1 show that the JB statistics is not significantly different from zero at 5 per cent level of significance. Therefore, the variables are normally distributed implying that they are uncorrelated and independently distributed. Table 4.2 is a correlation matrix for the explanatory variables which shows all correlation coefficient to be less than 0.80. It is clear that there is no perfect nor severe multi-collinearity among the explanatory variables.

Table 4.1 : Descriptive Statistics

Variable	Observations	Mean	Std. Dev.	Max	Min	JB	P-value(JB)
LN_AGR	46	-0.0310	0.201	0.458	-0.665	3.915	0.14
LN_EDU	46	0.0157	0.120	0.363	-0.217	4.066	0.13
LN_HEA	46	0.0024	0.110	0.212	-0.341	6.061	0.05
LN_INFR	46	0.0084	0.266	0.844	-0.687	3.276	0.19
LN_PC	46	-0.0070	0.078	0.214	-0.260	15.445	0.0004

Table 4.2 : Test of Multi-collinearity

	LN_AGR	LN_EDU	LN_HEA	LN_INFR
LN_AGR	1.000			
LN_EDU	0.242	1.000		
LN_HEA	0.194	0.534	1.000	
LN_INFR	0.200	0.443	0.308	1.000

The variables were then subjected to unit root testing using the ADF Test. The test showed that all variables have unit roots i.e. were non stationary at level and became stationary after first differencing as shown in Table 4.3. A linear regression model with non-stationary variables gives spurious results. However, if the regression model results to residuals that are stationary the variables could be integrated.

Table 4.3 : Unit root tests

	Level				First Difference			
Variable	ADF Value	Critical Value 1%	Critical Value 5%	Remarks	ADF Value	Critical Value 1%	Critical Value 5%	Remarks
LN_PC	-1.1884	-3.5812	-2.9266	Non stationary	-5.9569	-3.5847	-2.9281	Stationary
LN_AGR	-2.8290	-4.1705	-3.5107	Non stationary	-8.1547	-4.1756	-3.5131	Stationary
LN_HEA	-2.0855	-3.5812	-2.9266	Non stationary	-5.6346	-3.5925	-2.9314	Stationary
LN_EDU	-2.7351	-3.5812	-2.9266	Non stationary	-6.6467	-3.5847	-2.9281	Stationary
LN_INFR	-1.6147	-3.5812	-2.9266	Non stationary	-7.2407	-3.5847	-2.9281	Stationary

The OLS regression model was ran for Equation 3.4 and the residuals series was found to be stationary at 5 per cent level of significance as shown in Table 4.4; an indication of presence co-integration. The variables

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were then tested for co-integration using the Johansen test of co-integration.

Table 4.4 : Residual Unit Root Test

ADF Value	5% Critical Value	P-Value
-3.014	-2.9266	0.041

The lag length of 3 was selected by Vector Autoregressive (VAR) model using the sequential likelihood ratio (LR) test. In Table 4.5 both the trace test and Max Eigen test indicate presence of one co-integrating equation at 5 per cent level of significance. Therefore, the variables are integrated to order I(1). This is an indication of presence of long run equilibrium among the study variables.

Table 4.5 : Johansen Test of Co-integration

		Trace		Max Eigen Statistic	
Number of Co-integration	Hypothesis	Trace Statistic	5% critical value	Max statistic	5% critical value
None	Ho; r=0, H1; r≥1	112.3175*	69.819	67.70857*	33.877
At most 1	Ho; r=1, H1; r≥2	44.60898	47.856	23.94142	27.584
At most 2	Ho; r=2, H1; r≥3	20.66756	29.797	11.94213	21.132
At most 3	Ho; r=3, H1; r≥4	8.725429	15.495	8.33356	14.265
At most 4	Ho; r=4, H1; r≥5	0.391869	3.841	0.391869	3.841

The presence of a long run equilibrium having been established, then in the short run the relationship among study variables may be characterized by disequilibrium. The error correction term (ECT) corrects gradually the deviation from long-run equilibrium through a series of partial short-run adjustments. Running VEC model for this study resulted to co-integrating equation shown by Equation 4.1. The model was adequate to explain the variation in the dependent variables as shown in Table 4.8. The R squared of 64.56 per cent is sufficient to explain variation in private consumption per capita, while other variables not included in the estimated model explain 35.44 per cent of the variation. Durbin Watson of 2.0476 implies absence of serial correlation of the error term and p-value of the F statistic being less than 5 per cent shows that the model is reliable in showing the relationship between sectoral government spending and poverty in Kenya. The residual diagnostic tests in Tables 4.6 show that error term, εt in Equation 3.5 is normally distributed, has no serial correlation and has no heteroskedasticity further confirming the model is a good fit for the study.

Table 4.6 : Residual Diagnostic Tests

Test	Chi-square /JB	P-value	Remarks
Heteroskedasticity Test: Breusch-Pagan-Godfrey	18.9652	0.5214	No heterokesdaticity
Breusch-Godfrey: Serial Correlation LM Test	3.2376	0.3564	No serial correlation
Normality Test: Jacque Bera	0.0338	0.9833	Normally distributed error term

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Table 4.7 : Granger Causality Results based on VECM

Dependent Variable	Independent Variables: χ^2 -statistics of lagged 1st differenced term (p-value)					ECT_{t-1} coefficient
	ΔLN_PC	ΔLN_AGR	ΔLN_EDU	ΔLN_HEA	ΔLN_INFR	[t-ratio]
ΔLN_PC	-	1.011 (0.799)	5.229 (0.156)	1.662 (0.646)	9.807** (0.020)	-0.239** [-3.175]
ΔLN_AGR	3.655 (0.301)	-	4.146 (0.246)	1.913 (0.591)	11.636*** (0.009)	0.529** [2.358]
ΔLN_EDU	4.941 (0.176)	0.172 (0.982)	-	7.306 (0.063)	5.435 (0.143)	0.001 [0.007]
ΔLN_HEA	10.428 (0.015)**	3.888 (0.274)	5.760 (0.124)	-	2.369 (0.499)	0.228 [1.958]
ΔLN_INFR	1.250 (0.741)	2.762 (0.430)	3.862 (0.277)	4.183 (0.242)	-	0.568 [1.606]

*Note: *** and ** denotes significant at 1% and 5% significance level, respectively. The figure in the parenthesis (…) denote as p-value and the figure in the squared brackets […] represent as t-statistic*

Table 4.7 shows that ECT is negative and significant confirming that there exists a stable long run causality from sectoral government expenditure to poverty at 5 per cent significance level. Private consumption per capita adjusts to government sectoral expenditures in health, education, agriculture and infrastructure with a lag and only about 23.9 per cent disequilibrium is corrected within a year.

$$LN_PC = 14.8845 + 0.2700LN_AGR - 0.0489LN_EDU + 1.4518LN_HEA - 0.4286LN_{INFR} \quad (4.1)$$

Table 4.8 : VECM Coefficients

Variables	Coefficient	Standard Error	t-statistic	P-value
LN_AGR	0.2700	0.0844	3.1986	0.001392
LN_EDU	-0.0489	0.2013	-0.2427	0.405041
LN_HEA	1.4518	0.4014	3.6170	0 .000432
LN_INFR	-0.4286	0.0937	-4.5663	0.000025
R^2 = 0.6456 DW=2.0476 F-statistic=2.9604 (p-value=0.006)				

The estimated long run equation given in Equation 4.1 shows that government expenditure on agriculture and health have a positive and significant effect on private consumption per capita and thus leads to reduction of poverty level. This is consistent with priori expectation and similar to findings by Awe (2013). Mendali and Gunter (2013), Oni (2014) and Thurlow et al. (2007) found higher agricultural output led to increased poverty reduction and so support increased investment in agriculture like this study. A one per cent increase in agriculture expenditure and health leads to a 0.27 per cent and 1.45 per cent respectively increase in private consumption per capita. Government expenditure on education has an insignificant effect on private consumption per capita thus on poverty level contrary to priori expectation. This may be explained by reduced access for post primary education for class eight candidates who are beneficiaries of Free Primary Education (FPE) program. Post primary education is more crucial in the fight against poverty as shown by studies by Dollar and Kraay (2002); Janjua and Kamal (2011); Weber, Marre, Fisher, Gibbs and Cromartie (2007); and Awan, Malik, Sarwar and Waqas (2011). Government expenditure on infrastructure has a negative and significant effect on private consumption per capita and consequently on poverty reduction also contrary to priori expectation. A one per cent increase in government expenditure on infrastructure results to 0.42

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per cent decrease in private consumption per capita implying increased level of poverty. However, in the short run there is a significant direct causation from government expenditure on infrastructure to private consumption per capita as shown in Table 4.7. This may be as a result of creation of many casual jobs during construction and setting up of the various infrastructure projects in the short run. In the long run the debt servicing burden may cause private consumption per capita to decrease since the infrastructure projects are financed by public debt.

V. Conclusion

The main objective of this study was to investigate the effect of sectoral government expenditure on poverty level in Kenya. Private consumption per capita, a proxy measure for poverty reduction, was the independent variable while education sector expenditure, health sector expenditure, agriculture expenditure and infrastructure sector expenditure were the independent variable. Co-integration analysis and error correction mechanism were used to establish presence of long run and short run relationships among the study variables. The co-integrating order of variables was tested using ADF test and all variables were found to be integrated to I(1). The ECT for the VEC model was found to be negative and significant an indication of presence of a stable long run equilibrium. The study finds that the composition of government budget expenditure has an effect on poverty level in Kenya. Both the coefficients of agriculture and health expenditures were found to be positively related to private consumption per capita and thus poverty reduction. Education expenditure was found to have an insignificant relationship with poverty. This implies that the expected benefits of increasing employability and wage level provided by attaining formal education do not result to poverty reduction for Kenya. The coefficient of infrastructure expenditure was found to be negatively related to private consumption per capita and thus poverty reduction. However, it was found in the short run government expenditure on infrastructure was significant to poverty reduction. The model was a good fit for the study and therefore is reliable in showing the effect of government sectoral expenditure on poverty reduction.

This study recommends that budget planning and execution should continue being pro-poor and pro-growth. In particular the government should increase its expenditure allocation to the agriculture sector and enhance an agriculture-led growth. To date the greatest contributor of GDP in Kenya is the agricultural sector and in the last five-year contribution to the GDP by the sector averaged at 26.18 per cent (Republic of Kenya, 2015). The government should also increase allocation to the health sector since it would reduce out-of-pocket health expenses for the poor and enable them to resume productive activities. The newly revamped universal health care through the National Health Insurance Fund is a big step in the right direction. Education expenditure was not found to enhance poverty reduction however the government needs to invest in post primary education similar to FPE. Wilhelm and Fiestas (2005) noted low access of children from poor households to secondary schools in the developing countries they studied. Public spending in infrastructure has not been found to be poverty reducing but the government should continue to invest in infrastructural development as a pro growth measure. Wilhelm and Fiestas (2005) also noted that investment in infrastructure to have a tendency to disproportionately benefit the richest segment of a country. This further makes the issue of poverty targeting of public expenditure a policy concern. Agénor, Bayraktar and El Aynaoui (2005) indicates that public expenditure constitutes both in investment in "service" for example in education and health and investment in "growth" for example in infrastructure and agriculture. Therefore, it is crucial for the government to formulate a framework for determining an optimal allocation of government budget expenditure across sectors and within sectors.

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Reaping Demographic Dividend in Bangladesh: Challenges and Prospects

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Abstract- Demographic change in Bangladesh is opening up new economic opportunities. As in many countries, declining infant and child mortality helped to spark lower fertility, effectively resulting in a temporary baby boom. As this cohort moves into working ages, Bangladesh finds itself with a potentially higher share of workers as compared with dependents. If working-age people can be productively employed, Bangladesh's economic growth stands to accelerate. Theoretical and empirical literature on the effect of demographics on labor supply, savings, and economic growth underpin this effort to understand and forecast economic growth in Bangladesh. Policy choices can potentiate Bangladesh's realization of economic benefits stemming from demographic change. Failure to take advantage of the opportunities inherent in demographic change can lead to economic stagnation.

Keywords: *demographic dividend, population transition, investment, vocational education.*

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Reaping Demographic Dividend in Bangladesh: Challenges and Prospects

Mallika Roy [α] & Md. Safiullah Kayesh [σ]

Abstract- Demographic change in Bangladesh is opening up new economic opportunities. As in many countries, declining infant and child mortality helped to spark lower fertility, effectively resulting in a temporary baby boom. As this cohort moves into working ages, Bangladesh finds itself with a potentially higher share of workers as compared with dependents. If working-age people can be productively employed, Bangladesh's economic growth stands to accelerate. Theoretical and empirical literature on the effect of demographics on labor supply, savings, and economic growth underpin this effort to understand and forecast economic growth in Bangladesh. Policy choices can potentiate Bangladesh's realization of economic benefits stemming from demographic change. Failure to take advantage of the opportunities inherent in demographic change can lead to economic stagnation.

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I. Introduction

The fiscal and economic crises enveloping many of the world's wealthiest nations—from Italy and Japan to the United Kingdom and the United States—have brought to light the economic challenges arising from tectonic shifts in demography in the developed world.

During the demographic transition, sharp declines in fertility lead to large changes in a population's age structure. Smaller birth cohorts decrease, youth dependency ratios and mechanically increase output per capita if output per worker and the labor force participation rate of the working-age population remain unchanged. This generates the demographic dividend. In developing societies mortality rates decline followed by a fall in fertility rates, inducing a change in the age structure. As a result of declining population growth, there is a bulge in working-age population and shrinking dependent population that can allow for faster rates of economic growth when combined with effective policies and markets.

The effect of changes in the age structure of a nation upon its economy has been studied for decades (Coale and Hoover, 1958; Easterline, 1967; Simon, 1981; Ehlrich and Ehlrich, 1990, Bloom, Canning and Malaney, 2000; Mason, 2005). The underlying theory says that demographic dividend puts a positive impact on a nation's economic development and that in high fertility societies; fertility reduction is a potentially powerful tool to reduce poverty (Eastwood and Lipton, 1999; Mason and Lee, 2004).

Amongst many South and Southeast Asian countries, Bangladesh enjoying great success with family planning programs along with the remarkable improvement in health status, India with impetus on basic and secondary education and technology sector, Thailand's drive for better health, turned out highly thriving in liberalizing their markets and attracting foreign investments (Bloom, Canning, and Sevilla, 2003).

II. Literature Review

Roy et al. (2014) examined the prospects of demographic dividend in India. The census projection report shows that the proportion of working-age population between 15 and 59 years is likely to increase from approximate 58% in 2001 to more than 64% by 2021. Such a trend would make India one of the youngest nations in the world.

Prof. Dora Thompson et al. (2012) stated that for an ambitious target of inclusive growth it is essential that India capitalizes on her demographic dividend effectively on a sustainable basis. The research paper elucidates and finds out as to how the phenomenon of inclusive growth and a demographic dividend of India are complementary to each other.

Prince TC (2014) explained that there is a positive correlation between the size of working age population and economic productivity, but the effectiveness of both requires a consistent set of policy initiatives based on national priority. The following areas must require a special attention from the side of the government including health sector, education sector, investments in backward areas, and research & development initiatives on areas of public importance, creation of employment opportunities, extent foreign direct investments (FDI) in traditional sectors and ensure women participation in formal employment sectors.

David E. Bloom, David Canning and Jaypee Sevilla (2001) on a working paper examined the relationship between population change and economic development in particular regions of the world: East Asia; Japan; OECD, North America and Western Europe; South-central and Southeast Asia; Latin America; Middle East and North Africa; Sub-Saharan Africa; and Eastern Europe and the former Soviet Union.

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Finally, it discussed the key policy variables that combined with reduced fertility and increases in the working-age population, have contributed to economic growth in some areas of the developing world.

Ian Pool (2007) highlighted important features of the transition process too much neglected by economists.

Ms. Hareem Tariq & Ms. Mani A Malik (2012) focused on the issues involved in taking advantage of the demographic dividend and how to overcome these issues, the strategies involved in optimally utilizing the present situation which would not only ensure that there will be a rise in national income but also, it would be an overall development of the nation and upliftment of the standard of living of the society. This paper highlighted the key development areas on which India was already successful and the areas in which it was putting efforts to develop a force.

Policy brief by J. Gribble et al. (2012) explained the connection between the demographic dividend and investments in voluntary family planning; highlighted Africa's particular challenge in achieving a demographic dividend and the need for immediate action; and underscores the investments in health, education, and gender equity, as well as subsequent economic policies, that are needed to open and take advantage of this window of opportunity.

III. Need for the Study

Bangladesh is a highly densely populated country with the population growth rate 1.6 percent in 2014.Population growth is always considered as a serious concern but sometimes demographic transition brings potential economic benefit. Most of our population directly or indirectly depends on agriculture and their per capita income in agriculture is very low. We have to bring diversification in agriculture and reduce our population dependency on agriculture in order to substantially increase per capita incomes in agriculture. Especially we have to give an emphasis on industrial led agriculture. People in our country are working in the unorganized sector getting lower incomes, little health protection, and no incentives. Hence, if Bangladesh needs to accelerate its phase of development , one important possibility is by increasing investment in human capital and another creates an environment in which there are fewer people less on agriculture, creation of productive jobs in the organized sector, enhancing entrepreneurship, foster investments while improving strategies for increasing the productivity in agriculture. We require more flexible labor markets, especially women literacy, greater women participation in all socio-economic aspect, a broad attitude about women working, higher rates of female labor force participation, a healthier population, improved infrastructure and technological advancement. In brief, Bangladesh needs to foster decades of inclusive growth. Now, the challenge for Bangladesh is how to reap the benefits of the demographic dividend. In this paper, we have attempted to explain the relationship between demographic dividend and its dependency on the socio-economic policy framework being adopted and implemented by Bangladesh government.

IV. Objectives

- To critically evaluate the demographic trends in Bangladesh based on the past, present and projected data.
- To identify what challenges are associated with inclusive growth for attaining demographic dividend.
- To find out the effective measures to ensure maximum mileage that can yield demographic dividend.
- To get a clear idea about the future prospects generated by the demographic dividend.

V. Research Method

In this paper, we review demographic trends in Bangladesh of the past, present and projected. Our main focus is on the years 2020-2025. We begin by looking at the characteristics of demographic transition-age dependency ration, data on population growth and its components (births, deaths, and the international migration) and the age structure and the sex composition of the population. We conclude by discussing the results of these demographics. In this paper, we mostly use data from the United States Census Bureau, International Data Base (IDB), and World Bank, newspapers, websites and other various secondary sources.

Thus, the study has been divided into three parts to cover the different aspects of demographic dividend:

- Data analysis and key findings
- Explore the socio-economic challenges
- Policy recommendation

To fulfill the objectives various variables have been selected such as investment, Gini coefficient, income, female labor forces, participation rate, crude birth rate, crude death rate, life expectancy, age dependency ratio and population growth rate along with the potential parameter demographic factors.

VI. Key Findings: The Demographic Transition in Bangladesh

We have got the key findings by analyzing the following demographic indicators.

a) Age dependency ratio (% of working– age population) in Bangladesh

According to the World Bank definition, Age dependency ratio is the ratio of dependents-people

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younger than 15 or older than 64-to the working-age population - those ages 15-64.

If we analyze the graph 1and 2, then we will see that the in the 1970s the growth rate of dependent population was higher than the growth rate of working age population. In the early 80s, we have seen a huge shift in the growth rate trends, with more working-age population than the dependent population.

Over the time, the dependency ratio is gradually declining. This states that we have already entered in the demographic transition phase and this has created a window of economic opportunity. Age dependency ratio in Bangladesh was last measured at 53.68 in 2014 which was 69.13 in 2000, according to the World Bank. Now the question is whether Bangladesh will be able to realize the benefit of the demographic dividend or loss the windfall, will rely on it's accepting the challenges in providing and implementing proper policies.

b) Population growth and its Components

Bangladesh annual population growth rate in the year 2013-2014 is 1.59 % as per US census bureau 2014. In Table 1 it is very clearly stated that Bangladesh is in the process of demographic transition. If we look at the birth rates it has drastically reduced to 21.6 from 31.1 per 1000 population and the death rates have decreased to 5.6 from 7.4 thereby reducing the number of dependents on the working age population.

As per table 2, the gap between births and deaths is gradually narrowing in Bangladesh, resulting in slower population growth rate has been declining and expected the rate will be 1.4 percent in 2025.

- *Crude Birth Rates (CBR)*

Crude birth rate indicates the number of live births occurring during the year, per 1,000 population estimated at midyear. During the 1995–2025 the CBR in Bangladesh is projected to decrease smoothly from 32 per 1,000 to 18 per 1,000. The number of births in a country depends on the average number of births per woman of childbearing age and the number of women in this age range. If the number of women of childbearing age is increasing, the number of births can increase even if the number of births per woman is decreasing–a phenomenon termed as "population momentum". We now discuss each of these in turn. The total fertility rate (TFR), the average number of lifetime births per woman (or more precisely, the number of births a woman would have in her lifetime if at each age she experienced the age-specific fertility rates of that year), is a measure of fertility that is not affected by the number of women of childbearing age in the population. The TFR is thus considered a better measure than CBR for comparing fertility levels between countries or time periods. The census bureau`s IDB estimates that the TFR in Bangladesh will decrease very gradually to "replacement level"- the level needed for population stabilization in the long run (approximately 2.1 children per woman) by 2025.

- *Crude Death Rates (CDR)*

Crude death rate indicates the number of deaths occurring during the year, per 1,000 population estimated at midyear (World Bank). It is strongly affected by the age composition of a population. Bangladesh Crude death rate (CDR) is projected to remain stable at 6 per 1,000 from 2014 to 2025.

c) Age –Sex Structure of the Population

Population pyramids are normally used to depict the age-sex structure of a population of a certain country. A nation with high fertility rates, the pyramids are formed with a wide base with a large number of young age population and narrow bands near the top representing an older population which are near the end of their natural lifespan. In Graph 3, 4, 5 and 6 we show population pyramids for Bangladesh for the year 2000, 2014, 2025 and 2050. The Bangladeshi age-sex structure in 2000 is a good example of classical pyramid shape. The pyramid shape of the year 2014 has a thicker base than the year 2000. Now, due to fewer births as we go forward, the base (age 0-4) of the pyramid for Bangladesh in 2025 is not as wide as it for 2000, but above age 20 the bars are all much wider than they are now for those age groups. As a result during this period the proportion of the population in the labor force ages is increasing, provides a one-time 'demographic dividend 'for investing heavily in human resource development. As measured by the proportion the population in the labor force ages (here defined as 15-59) this window projected open widely in Bangladesh over the next 10-20 years, which is a relatively short period. The labor force growth would slow down and level off by 2050 and decline (Graph 6) and labor force growth will occur after a certain period of 2025. With declining fertility and rising life expectancy, the population aged 0-14 and 0-60+ will be approximately equal by 2050. After this point in time, old-age dependency will exceed youth dependency.

However, now it is time to bank on Bangladesh`s demographic dividend. Census data 2014 shows that youth group is now sharpest at 15-24 age groups, as its youngest and oldest age group begin to slender. Now the working age population is 53.68% of the total, as against 69.13% in 2000.

VII. Prerequisite of Demographic Dividend in Bangladesh

Economic theories tell us that land, labor, capital, entrepreneurs, science and technology, health, environment have to be used properly for the maximum returns for the development of the economy. The demographic transition created surplus labor and

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extensive investment is required to utilize surplus labor. For transferring the demographic transition into a demographic dividend, following prerequisites have to be fulfilled.

a) Maximum return from arable land by crop diversification and using high yield crops.

b) Ensure large scale and continual long-term investment in the manufacturing sector. Since labor-intensive manufacturing sector will generate capital and absorb labor surplus.

c) Ensure sufficient institutional vocational training to meet the demand of efficient and skilled labor.

d) Female labor force participation should be increased with workstation security and others amenities.

e) More globalizing and more diversifying manufacturing units will increase earnings and persistent surplus which will help in capital formation.

f) Capital formation provides the momentum for an effective and efficient combination of factors of production to ensure sustainable economic growth.

g) Capital accumulation is necessary to provide labor with tools and implements of production. It is important enough to make a greater degree of specialization possible.

h) Maintenance internal political instability, so that the investment will not hamper and there is no wastage of capital.

i) Entrepreneurs play a vital role in economic development and key contributors to technological innovation and new job growth. Proper policy and incentives can boost up entrepreneurship.

j) Adopt latest science and technology in every sector so that local producers can compete in the global market with pricing power.

k) Per capita health expenditure should be proportionately increased with labor force growth.

l) Increase capacity building against the adverse environmental situation and problems due to global warming.

m) Strong transportation management and developing agriculture facilities and infrastructure that will help in marketing agriculture produce and agro-based industry.

n) Protect internal financial sector from global financial oscillation and establish safeguard against corruption.

Apart from capital and land, labor has to be deployed dexterously. If appropriate policies are not formulated, the demographic dividend might, in fact, be a cost, leading to unemployment and unbearable strain on education, health and old age security.

VIII. Socio – Economic Challenges

In this way of demographic transition Bangladesh face following socio-economic challenges which are also impediment toward getting the dividend.

a) Investments by framing proper policy

So far, Bangladesh has performed poorly in attracting FDI and is far from having achieved its potential could derive from foreign investment. The country lacks a coherent strategy on how to promote private investment, contribution to sustainable development, inclusive growth and job creation. A critical challenge for development is the poor quality of infrastructure. Insufficient supply of electricity has been a major bottleneck to investment over the past decade and transport is another crucial issue as well as.

b) Poverty reduction and formation of pro-poor policy

For poverty and extreme poverty reduction, in recent years, Bangladesh is being tagged globally as *'the land of impossible attainments.* The World Bank announced in June 2013 that Bangladesh had reduced the number of people living in poverty from 63 million in 2000 to 46 million in 2010, despite a total population that had grown to approximately 150 million. The country has already achieved the targets meant for a hunger and poverty free society under the Millennium Development Goals (MDGs). Substantial progress in reducing poverty rates has been achieved, although doubt remains about the nature and extent of present levels of poverty. Microfinance programs benefit the moderately poor more than the destitute, and the impact can vary by income group. However considerable attempts are yet to be done. Important efforts are needed on the part of the government to formulate and implement growth strategies. The strategies should identically cover:

- Assisting NGO: The effectiveness of microfinance institutions in alleviating poverty is still in question and not free from debate. The government will need to assist NGOs in moving towards financial sustainability of the poor section.
- Export policy: Lack of policy inducement for agriculture and industry is an obstacle to the economic growth. The growth of exports and imports of capital goods and raw materials for industries has declined. (Unnayan Onneshan, 2014).
- Labour mobility: To make further inroads will require drawing more of the unemployed, underemployed and informal sector workers into more productive work, but in recent years, the formal sector has shown very limited absorption capacity.
- Social Safety Net (SSN): The coverage of SSN programs has been widening and the benefits are gradually expanding. In 2005, there were 11 SSN programs from which 13 percent of households

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received benefits. By 2010, the number of programs had increased to 30 and 25 percent of households received benefits (HIES 2011). Thirty percent of rural households received benefits from these programs compared with 9 percent of urban households. The budgetary allocation for SSNPs has been increasing but the percentage share of SSNPs in the national budget and GDP peaked in 2010-11 and then started to decline (Barkat et al. 2013). The coverage of the SSN programs is not universal and many researchers have argued that progress as not been satisfactory (CPD 2008; Raihan 2013)

- Urbanization: Bangladesh has surplus workers in the agricultural sector. If Bangladesh is to raise the overall level of productivity and incomes, productivity in the agricultural sector will need to rise and there will require being a movement of workers out of the agricultural sector. Urbanization will be a key driving force in the future. With all population growth (some 75 million over the 50 years 2011-2061, according to the medium UN projection) occurring in urban areas, it is crucial for Bangladesh to develop a comprehensive urban development strategy.
- Remittance: Temporary overseas labor migration has become an important matter in Bangladesh's employment situation. Like urbanization, it reflects the search for better opportunities by Bangladesh's burgeoning labor force. Labor migration affects Bangladesh's demography and development by delaying childbearing and contributing remittances.

c) Skill development programs of migrant workforce

Skill development and vocational training will help futures migrants get better and high paying jobs overseas, which in turn will bring greater volumes of remittances. In recent years, we have seen an impressive growth in remittances. Bangladesh earned a record of $ 15.31 billion remittances in the fiscal year ended June 2015 and by the end of this decade its remittance will be $20 billion. An estimated 1.5 million people join the labor force every year. A significant portion of these workers migrates to countries across the world. According to World Bank report, Bangladeshi migrant worker, who speak little English, have poor basic formal education and few vocational industries – specific skills often face severe job insecurities. The lack of knowledge of a foreign language, other than English, is limiting factor. The workforces are, therefore, at a disadvantage when it comes to new job opportunities, especially in our tech-driven world. Bangladeshi migrant's workers earn two times less than Indian peers and three times less than Sri Lankan for the same work just because of their level of skill. Bangladeshis working abroad were hardly educated and skilled. As a result, their wages are very low and they are exploited.

d) Development of infrastructure

Infrastructure development has many components, including, but not limited to, the development of the following, to name the most obvious items:

- Adequate power supplies on a national scale
- National roads and highways
- International standard bridges
- Port capacity and increased efficiency

The budget for 2014-2015 has been set against this backdrop to face major economic challenges such as–decelerated economic growth due to stagnant investment, supply side constraints like inadequate infrastructure and deceleration in social sector spending. Infrastructure financing will require billions of dollars. Structuring financing will need a commitment from 3 main stakeholders the private sector, the public sector and the international development partners. The focus should be to encourage public-private partnership, both local and foreign; ensure that the right economic and monetary incentives are created for all parties so that they remain committed and engaged. In this regards, it is crucial to engage experienced professional teams in the early planning stages of the financing structure. The business community will be supportive of any initiative to resolve the infrastructure crisis.

e) Need base IT platform

IT sector is relatively a young sector in Bangladesh. During the1990 s this sector came to the policy maker glance and has immense prospects. Bangladesh Government declared this sector as trust sector. Bangladesh Government moving forward to Digital Bangladesh. Information and Communication Technology (ICT) is one of the fastest growing sectors in the country. It has been recognized as the key driving force for the socio-economic and industrial development of Bangladesh. Realizing the importance of ICT, the present Government has declared its commitment to take ICT to the door-steps of the wider community and to establish 'Digital Bangladesh' by 2021 through the development and expansion of ICT in the country. But still, need more emphasis on the ICT to spread the benefit in the nation.

f) Integration between Government, Academia and Industry

There is a lack of integration between the government, academia and industry in Bangladesh. The curriculum in the education institutes is being taught in the same manner as it was taught decades ago though the methods of business have changed drastically. The strategy of three Es — education, employability, and employment have to be taken care off. Total Attendance in early childhood education 2005-2012 of Bangladesh

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is still 14.6% (2005-2012). (Unicef, 2013) The largest part of Bangladeshi schools is of poor quality. Teachers are not skilled enough. There are problems on the quantitative side too.

g) Flexibility in labor Market and Product Market in Bangladesh

Bangladesh provides cheap labor and labor market flexibility. It is true that Bangladesh labor market is more flexible than Indian labor market. Labor regulations relaxation can foster higher employment. More firms can enter the organized sector due to increased output and profitability, increasing competition and lowering the prices of formal goods. This helps in increasing the competitiveness of the economy leading to an increase in exports. A relaxation in product market regulations will accelerate investment and increase in output but much relaxation will be required for Bangladesh to outstrip the stagnant GDP growth rate.

h) Providing Rural Prosperity in Agriculture and agro-based industries

Crop agriculture in Bangladesh is constrained every year by challenges, such as a) Loss of Arable Land, b) Population Growth, c) Climate Changes, d) Inadequate Management Practices (fertilizer, water, and pests management), e) Quality Seed Production, f) Credit management, g) Unfair Price of Produces, and h) Insufficient Investment in Agricultural Research. In Bangladesh, about 80,000 ha of arable land is going out of production every year. The loss is alarming and needs to be addressed immediately. The land use policy of the government should be updated and implemented immediately to stop further loss of arable land. (Mondal, 2010)

i) Prioritizing equitable and pro-poor policies

Income and non-income indicators of poverty, as well as improvements in GDP (both in terms of levels and decreasing volatility), provide evidence of sustained poverty reduction in Bangladesh. However, increases in inequality in the 1990s hindered the extent to which growth benefited the poor. Now Bangladesh has achieved favorable human development conditions at a relatively low level of per capita income. Steadfast, well-organized infrastructure is critical to economic and social development for promotion of pro-poor growth. Progressive and technologically advanced management of infrastructure investment, increasing the role of infrastructure in the routines of poor people, development of public-private participation model in the rural areas and promoting sector investment, development of cross-sector integration are some of the areas where the government needs to look into so that the poor strata of our society are included in the economic development leading ultimately the achievement of demographic dividend.

j) Women's economic, social and political participation

Despite the progress of the last few decades in women's health, education, nutrition, economic opportunities and political participation, women in Bangladesh remain far behind men on these indicators (Rahman 2013). Prevailing socio-cultural perceptions towards women are significant challenges to progress. According to recent World Bank report, Bangladesh is expected to add 1.8 percentage points to GDP growth each year as the number of women joining the country`s labor force continue to rise. This will help the country reach to medium-income level by 2021. The female labor force participation rate would be increased from 34% to 82% over the next decade, according to the World Bank Group`s women, Business and the law 2016 report. In Bangladesh, women faced gender-based job restrictions.

k) Promotion of good governance

Good governance as a concept has drawn a sweeping public attention since the 1990s. In Bangladesh, there is a huge difference between the rich and the poor and between the urban areas and rural areas. Also, the disparity exists in the use of scarce natural resources between the corporate and the communities. However, Bangladesh has recognized these issues and has placed the concept of good governance in the 7th Five Year plan. But, at the same time, proper implementation of strategies is required. The successful implementation of good governance nurtures a "development dividend".

l) Rule of law

In democratic society rule of law is very much accompanied with poverty reduction, development of human capital, empowering women, decentralization and economic development. It is a prerequisite for development. These are the key elements for good governance and sustainable peace building. In Bangladesh, the existing age old legal system is so slow, costly and time-consuming. Sometimes a person takes it as a tool of harassment. Moreover, Fairness is absent in the legal procedure. Due to high population density and extreme inequality in the resource distribution, the law and order situation is deteriorating at an alarming rate and making life increasingly insecure. It is widely believed that well-functioning law and justice institutions and a government bound by the rule of law are important to economic, political and social development. Peaceful conditions in the country develop confidence in the citizens. Effective, timely and impartiality in the justice adds to their confidence. The conclusive, strategic and holistic rule in the law can help in the development of democratic governance.

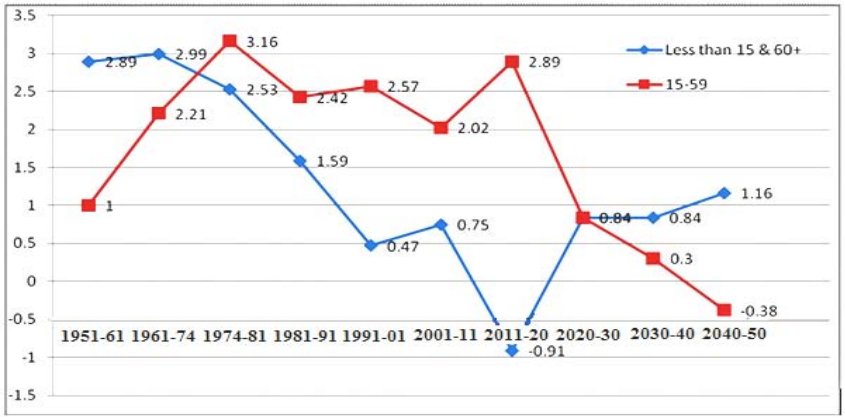
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IX. Policy Recommendation

- To take amenities of the global market, policies for investment have to be formulated to have a long lasting effect.
- The government will need to assist NGOs in moving towards financial sustainability.
- The government should take export strategy for agriculture products, capital goods, and raw materials so that the producer could get incentives.
- Improving educational quality can play a crucial role to widen the major sectors of Bangladesh. So, the government should prioritize to focus on global standard education to enable Bangladesh to compete in the international market.
- Govt. should increase budgetary allocation for SSN program and widen the scope.
- Bangladesh government should expand the vocational training activities as well as the pre-departure orientation (PDO) program on technology and foreign language.
- Proper enforcement of Right of Children to Free and Compulsory Education Act has to be done.
- To get the dividend, policies should go beyond anti-poverty programs to focus on childcare, transportation and removing legal restrictions on women`s work.
- Women's autonomy and decision-making power should be increased by govt. awareness program.
- Govt. need to formulate a proper strategy on agro-industrial linkages, increasing the crop productivity, increased access to agro-industries, providing agricultural credit, having access to advanced technology, developing the wastelands, development of biomass power and biofuels, which in turn can create bountiful opportunities and sustained generation of employment.
- Administrative changes and decentralization, transparency in each department, anticorruption strategies, and strategic assistance to multilateral organizations are some of the matters in which the government has to look deliberately to achieve demographic dividend.
- Law and order and fairness in the effective application should be the top priority of the government of Bangladesh.

X. Conclusion

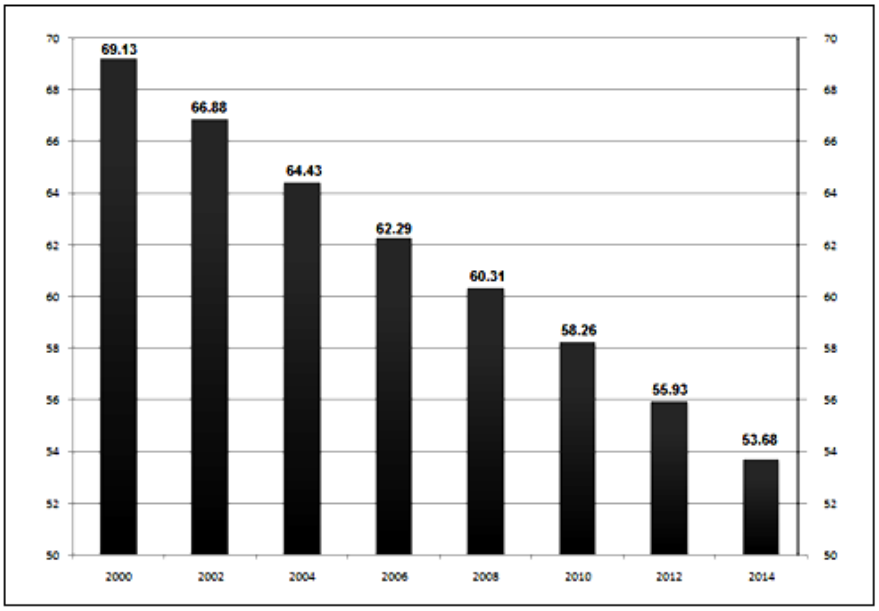
Aboundless supply of young, healthy and educated workers unburdened by both young and old dependents can provide a boost to economic growth, providing the enabling social and economic conditions also subsist. The demographic dividend is not automatic. It is achieved only if the correct human resources policies are pursued. The dividend appears as an addition to the growth that could be expected by capital investment in infrastructure, improved technology, manufacturing plant, or by trade policy, market liberalization etc. If the benefits of the first demographic dividend are attained, per capita income will rise and with more persons economically active, the savings rate will also increase. The policies required to achieve the second demographic dividend are concerned mainly with providing mechanisms and incentives for people to save during their working years.



Graph 1 : Trends in growth rate of working age population (15-59) and the growth rate of dependent population (0-14 and above 60 years)

Sources: a. ESCAP- Population of Bangladesh -1981
b. BBS- Population Census -1991
c. BBS- Bangladesh Population Census – 2001
d. UN World Population prospects – 2010 revisions
e. BBS- Bangladesh Population and Housing Census -2011

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Graph 2 : Age Dependency Ratio (% of working –age population) in Bangladesh

Source: World Bank Indicators (2014) –Bangladesh Population
Note: Population dependency ratio is defined as 100 - [Population ages 15-64(% of total)

Table 1 : Components of Population Growth – Custom Region – Bangladesh

Year	Birth Per 1,000 Pop	Death per 1,000 Pop	Net No. of migrants Per 1,000 pop	Rate of natural increase (%)	Growth rate (%)	Population	Births	Deaths	Net No. of migrants	Natural increase	Population change
2000	31.1	7.4	-6.3	2.3	1.7	132,150,767	4,112,532	977,916	-836,514	3,134,616	2,298,102
2010	23.4	5.8	-2.1	1.8	1.6	156,118,464	3,657,856	907,048	-330,971	2,750,807	2,419,836
2014	21.6	5.6	0.0	1.6	1.6	166,280,712	3,593,326	937,823	-3,326	2,655,503	2,652,177
2025	18.2	5.6	1.8	1.3	1.4	197,673,655	3,597,661	1,112,903	349,882	2,484,758	2,834,640

Note: The growth rate may not equal the sum of the rate of natural increase and the migration rate due to rounding
Source: US Census 2014

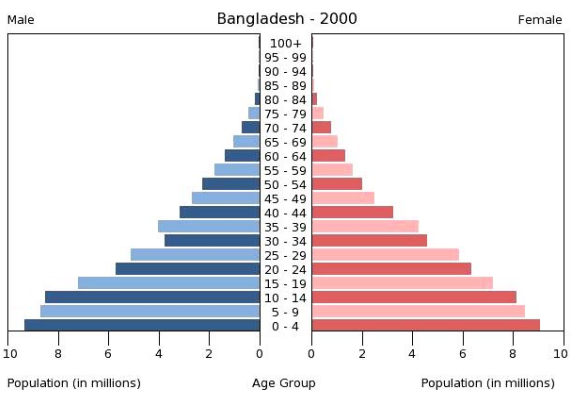
Table 2 : Demographic Indicators of Bangladesh

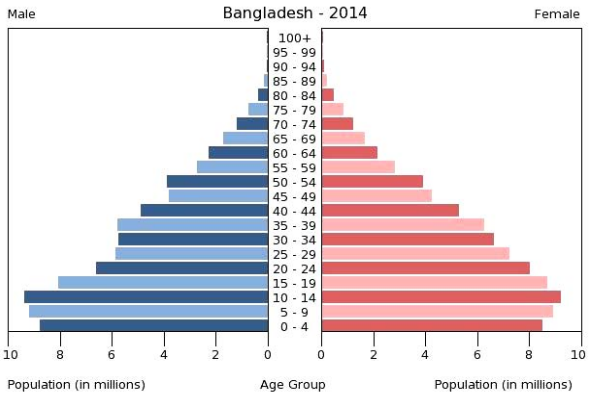
Demographic Indicators	1995	2005	2014	2015	2025	2050
Population						
Midyear population (in thousands)	121,442	144,139	166,281	168,958	197,674	250,155
Growth rate (percent)	1.6	1.7	1.6	1.6	1.4	0.6
Fertility						
Total fertility rate (births per woman)	3.8	3.1	2.5	2.4	2.1	2.0
Crude birth rate (per 1,000 population)	32	28	22	21	18	13
Births (in thousands)	3,925	3,981	3,593	3,572	3,598	3,357
Mortality						
Life expectancy at birth (years)	61	68	70	71	74	79
Infant mortality rate (per 1,000 births)	92	62	46	44	31	13
Under 5 mortality rate (per 1,000 births)	126	79	57	55	37	15

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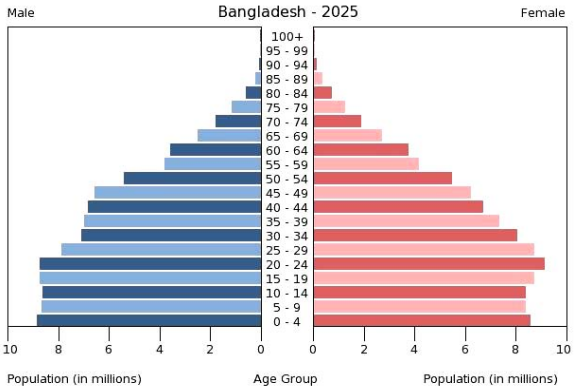
Demographic Indicators	1995	2005	2014	2015	2025	2050
Crude death rate (per 1,000 population)	9	6	6	6	6	8
Deaths (in thousands)	1,074	899	938	948	1,113	1,941
Migration						
Net migration rate (per 1,000 population)	-7	-5	-0	0	2	-0
Net number of migrants (in thousands)	-901	-690	-3	78	350	-23

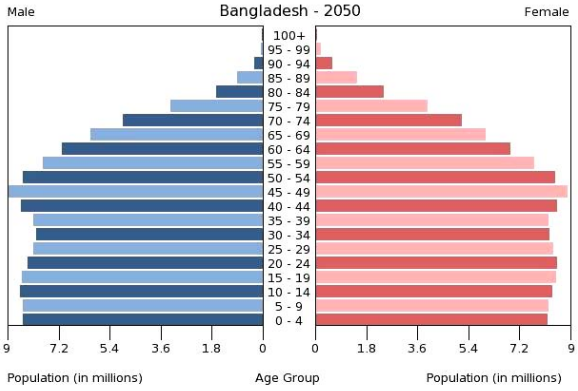
Source: US Census Bureau, 2014





Graph 3 : Bangladesh Demographic Pyramid -2000 *Graph 4 :* Bangladesh Demographic Pyramid -2014





Graph 5 : Bangladesh Demographic Pyramid - 2025 *Graph 6 :* Bangladesh Demographic Pyramid -2050

Source: US census Bureau 2014

Table 3 : Bangladesh: Evaluation of Poverty

Poverty Headcount Ratio (in percent)		1992	1996	2000	2005	2010
	Urban	42.7	27.8	35.2	28.4	21.2
	Rural	58.7	54.5	52.3	43.8	35.2
	National	56.6	50.1	48.9	40.0	31.5
Poverty Gap ratio at $1.25 a day (PPP) (in percent)		23.8	19.2	18.6	14.1	11.1
Gini Index		27.6	33.0	33.5	33.2	32.1

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Reproduction of Poverty and Recent Transformations in Cuban Welfare Regime. Identifying Challenges to Social Equity

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Abstract- This paper presents a discussion about how current changes in welfare regime in Cuban current context limit poor families´ capabilities of resilience and opportunities for overcoming poverty. From the analysis of contextual changes in welfare regime in the country, it is analyzed the role and relationships between State social policies, market based transactions, and families´ informal support networks in families´ coping strategies. Based on qualitative methodology the study evidenced a contradiction between the formal tendency to reinforce commodification and familiarization of welfare, and the strong dependency poor families have from State support and traditional de-commodificated welfare regime in Cuba. This contradiction supposes an essential challenge to social equity in the current process of Actualization of Cuban Development Model.

Keywords: *reproduction of poverty, poor family, coping strategies, welfare regime, actualization of cuban development model.*

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Abstract- This paper presents a discussion about how current changes in welfare regime in Cuban current context limit poor families´ capabilities of resilience and opportunities for overcoming poverty. From the analysis of contextual changes in welfare regime in the country, it is analyzed the role and relationships between State social policies, market based transactions, and families´ informal support networks in families´ coping strategies. Based on qualitative methodology the study evidenced a contradiction between the formal tendency to reinforce commodification and familiarization of welfare, and the strong dependency poor families have from State support and traditional de-commodificated welfare regime in Cuba. This contradiction supposes an essential challenge to social equity in the current process of Actualization of Cuban Development Model.

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I. Introduction

Poverty has become a critical challenge to the struggle for human development in modern world. There is no country or society actually free from its perverse presence, and it continues being a shadow for every social and economic achievements. The analysis of how it is reproduced and how states and civil society articulate their positions upon this matter, frame the approaches of many studies on poverty. Acknowledging the role of social institutions in the process, inequality, labor markets and welfare architectures occupy central attention in order to clarify the conditions surrounding the reproduction of this phenomenon.

Poverty primarily has to do with spiritual and material deprivations interconnected to the difficulty or impossibility to expand human capabilities, in a spatial and temporary delimited context. Its reproduction makes reference to the chronic nature of the limitations for human capabilities that relays on everyday life reproduction (Sen, 1997).

From a sociological point of view, causes of reproduction of poverty have to do with the combination of structural and agential dimensions, which set a system of conditions that surround peoples' lives. In other words, such explanation of reproduction of poverty elaborates on how people internalize this set of conditions, or opportunities, and consequently externalize strategic practices. This repertory of strategies are based on people's interpretation and objective opportunities in a welfare regime configuration. The original concept of welfare regime refers to the ways in which the production of welfare is distributed between State, Market and families (Esping-Andersen, 2000, p. 102).

In this perspective, the reproduction of poverty is related to the extent welfare becomes de-familiarized/familiarized or de-commodificated/commo-dificated, and to the ways people in different social positions are capable of modulating the impacts of this structure in their everyday life reproduction. The discussion regarding welfare regimes and their impacts on reproduction of poverty, questions how modulations in welfare architectures modify equity opportunities, and influence regional, collective or individual´s incomes, labor benefits, educational achievements, social security, among other human development requisites.

In Latin America, region for several years highlighted as the most unequal worldwide, multiple historical configurations of development and welfare regimes has been signed by many different ideological, economic and political scenarios (Martínez, 2005). Within the region, Cuba presents a particular context, specifically in its welfare architecture which promotes a development strategy oriented to guarantee citizen's entitlements as a key factor for economic growth. But despite political and social will for more than fifty years, poverty has reproduced on multidimensional basis. Above all, recent years have assisted to important changes implying a profound reform of welfare and economic trends in the country, after the launch of the New Lineament for Economic and Social Development, by Communist Party in 2011, basis for the Actualization of Cuban Development Model. The main idea behind these Actualization, is to enhance Cuban strategy for economic growth and macroeconomic balance, without affecting the social achievements already accomplished (Murillo, 2014).

Present paper exposes a discussion about how current transformations in the Cuban welfare regime has an effect upon the reproduction of poverty in the country. The analysis starts with a brief presentation of welfare regime transformations, in the Actualization of

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Cuban Development Model, and about the situation of poverty in the country. It later elaborates about the limited capabilities of poor families to face current welfare regime reconfiguration and overcome poverty. But first, it is important to present the theoretical and methodological grounds that sustain the analysis[1].

a) *Basis for reading relationships between welfare regimes and reproduction of poverty in a Cuban context*

The most recognized reference about welfare regimes is the work of Esping-Andersen. It consisted in the elaboration of institutional models of welfare, formally constituted in concrete Welfare states. From his work, countless interpretations have been made to explain the processes of de-familiarization and de-commodification of welfare, and how they have influenced social stratification, family solidarity and social exclusion, in different contexts.

This kind of approach focuses on dimensions like the set of provisions and responsibilities given to different actors in the system. It emphasizes in how the variety of welfare systems have absorbed responsibilities traditionally assumed by families. Configuration of welfare differs between social protection schemes and development models. Civic and social values, institutional structures, different paths toward modernization and industrialization in a historical perspective, among other factors, have configured models in which groups and individuals meet their necessities or reproduction (Therborn, 2004).

One of the critics made to this approach, above all to Esping-Andersen classic proposal, argues that typologies centered in formal institutional descriptions of Welfare States don´t reflex the factual arrangements that configure welfare opportunities to every social strata, and that such models are not suitable for developing countries or social systems other than welfare states (Messina, 2010).

Nevertheless, the use of welfare regime approach provides the analytical frame for revealing the connections between Social policies, market interactions and families´ informal networks, as they are connected in everyday life, whether they are covered or not by formal institutions. This analysis can be used to study realities beyond the ways States postulates, for example, the attention to poverty, or regulations over labor market.

Especially in cases like Cuba, where there isn´t a specific policy oriented to poverty reduction, it is necessary to guide the analytical thinking towards questions such as how poor people "meet" their needs of reproduction, and how is it possible to find expressions of reproduction of poverty in a universalistic social policy system.

In this system, social policy could be seen as the set of principles and actions that determine distribution and social control over welfare in a certain population, by a political trend. Social policy are regulation tools based on the hierarchal distribution of power (Herrera & Gaston, 2003).

Market could be understood as the mediation of economic patrimonies in wellbeing guaranties. Also, for the significance of social labor division in this mediation, market is often concreted, formally or informally, in labor relationships and labor´s institutional world. Its role is usually studied by the ways States regulate or deregulate the action of market on employment, the security of labor force, and on the opportunities of insertion in labor structures (Miguelez & Prieto, 2001).

Family support networks make reference to systems of relationships that emerge spontaneously between family members, and with other institutions, individuals or groups. Such relationships are loaded with social capital, involving reciprocity norms and mutual trust (Flaquer, 1995).

This set of relationships is usually regulated by public policy. But actually, concrete arrangements go beyond regulations, and are structured based on the ways current people adapt to their position in social space. Micro practices configure new sets depending on the quality of family social networks and on their cultural, social and economic patrimonies, among other factors.

In societies with a strong presence of informality, there is a whole world of opportunities (or their lack) that exists paralleled to formal welfare system. In this combination of formal and informal institutions, family strategies plays an important role. Family strategic practices for everyday reproduction, express the ways in which concrete people bend formality into their own conditions and alternatives towards survival or social mobility (Martínez, 2008).

With this statement, the research was focused on explaining how poor families in two specific areas of Havana, Cuba, recreates formal welfare system, and display particular arrangements between State social policies, market and their own informal support networks. It is centered as well in how these recreations limit the opportunities of overcoming poverty in context of changes in Cuban formal welfare regime. These questions can be thought all the way around to reflect upon how current changes in Cuban welfare regime, affect the opportunities of poor families for overcoming poverty, hence, contribute to the reproduction of poverty.

For this analysis, it is necessary to characterize the changes to welfare regime in current Cuban context; to analyze the coping strategies that poor families in

[1] This paper is a result of a fieldwork research carried out from 2009 until 2014, in poor areas of Havana city. Title: The reproduction of family poverty from the perspective of welfare regimes in Cuban current context, 2014, University of Havana, PhD dissertation.

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concrete neighborhoods develop in order to face poverty; and to identify the balances and particular ways of interaction between state, market and informal support networks in coping strategies, compared to the demands for wellbeing in formal macro structural welfare regime changes.

In this analysis, the attention is paid to the interactions and arrangements between State, Market and family support networks, which are sustained by family coping strategies in everyday life. It is in family where access to welfare is expressed, and it is from family that individuals interact many times with other welfare institutions. With this byline, the source of information required for the study are family members, especially the head of the households in poverty conditions, in the selected areas of the city.

In this study, families who participated live in two poor neighborhoods of San Miguel del Padrón, and Arroyo Naranjo municipalities, in Havana city. These neighborhoods, Residencial San Miguel and El Moro, respectively, were chosen due to their lower urbanization and social development compared to others in the city. They are located in the periphery of Havana and they were suggested by experts and key informants as likely scenarios where to conduct the research.

Poor families were identified by a dichotomy classification that distinguish poor from not poor families. For this identification method it is common to use income and housing conditions of the families and households as main analytical variables (Paz, 2010). This perspective was combined with profiles created from research antecedents in Cuba, which affirm that Cuban poverty is characterized by low income, insufficiencies for acquiring a basic basket of goods, and the precariousness of housing (Zabala, 2010). These criterions were completed with the conditions that chosen families should dwelled in the selected areas for more than 5 years. In total 22 families were contacted, and this number was set by the saturation principle. Concrete selection of families was conducted under the snow ball procedures in a theoretical sampling (Rodríguez , Gil, & García).

In depth interviews with head of the families and other members, all together as a group, make possible that gathered information represented the actual conditions and strategies of families. These "group interviews" were combined with the information provided by key informants like officers from social services and policies institutions in the selected communities and municipalities. Also observations to these areas contributed to select the families, and to complete the information about their daily lives. The fieldwork was conducted between 2009 and 2013, and updated in 2014.

Qualitative analysis was conducted in two main direction. One was looking for the objective opportunities these families have and what they understood can count on in everyday life (interactions between State policies, market relationships and family social networks); while the other was focused on how such arrangements and interactions once stable and regular in time, make these families vulnerable and limit their capabilities for resilience in a Cuban current context.

In this analysis, any dimension was understood like "states", by the opposite, each of them was articulatedwith the limitations they imply for the families, regarding overcoming poverty. Wellbeing dimensions in this case were constructed by the combination of different theoretical perspectives about welfare and poverty. From this combination five dimensions emerged:

- Possibilities for a healthy live (includes health, nourishment, quality and security about habitat);
- Access to education (includes level of education, cultural, political and citizenship orientation and information);
- Opportunities for being a social agent (includes social and political participation, autonomy, employment, incomes and consumption);
- Social inclusion (includes sense of belonging, social protection and cooperation);
- Emotional fulfillment (includes self-value, sense of plenitude and realization) (Peña, 2014).

The analysis reflects about norms, legitimized behaviors and regular interaction of State, market and family support networks in family strategies and practices on each dimension. Coping strategies express poor people imaginaries and daily deliberate practices toward life reproduction in the dimensions of welfare they consider more urgent or necessary. These strategic actions recreate a system of interactions that if allow poor people to survive, limit their real opportunities to overcome poverty.

Analytically, the exposition of the findings comes from a brief description of what is changing in Cuban context that challenge such strategic practices of poor families, and continues with the analysis of families´ poor conditions and coping strategies based on what informants narrative expressed. The informant's discourses play a significant role not only providing the information but inspiring the logic of analysis exposition.

b) The revolutionary social protection model and the constitution of welfare regime in Cuba. The context of changing

The traditional concept of social development sustaining Cuban social policy, postulates the necessity to grow in the integration of living conditions and material welfare, equity, transformation of social values, and social behaviors-relations (Ferriol, Alvarez, & Therborn, 2004, p. 23). Based on equity and social solidarity, the foundations of this model has considered

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that social and economic projects should be simultaneous. But this idea is becoming flexible in the New Lineaments for Economic and Social Policies, which were approved in 2011 by the Sixth Congress of the Communist Party (PCC), and are strengthened by the Seventh Congress in 2016. In these lineaments, it is ratified that no one is going to be left unprotected. But the expression of this idea shows certain priority to economic growth over social protection, resulting in a contradiction with the very foundational basis of "with the humble by the humble and for the humble" defended as a starting point of equity and social solidarity in Cuban socialism.

Despite these recent subtle changes in discourse, it is possible to affirm that traditionally, Cuban model has been essentially de-commodificated, strongly based on State responsibility, with some elements of familialistic behavior. It means that until 1990s, most welfare guaranties depended on social policy regardless individuals or family revenues. Services and provisions accesses were unsubordinated to consumption capacities of incomes, and unrelated to any type of social contributions of citizens, or social class positions, considered as part of universal citizenship rights. Anyhow, the emphasis on State responsibilities during this period, didn´t exclude the recognition of families and non-governmental organization as supportive actors of welfare architecture.

This traditional model has received progressive formal and informal modifications during the last three decades. The turning point for these transformations was the decade of 1990, mainly due to the disappearance of communist bloc, and the reinforcement of USA´s blockade. The economic crisis which begun to take part in Cuban development conditions ever since, compelled Cuban government to implement a group of measures in the economic and administrative fields that implied changes in social protection. Such formal changes, also conducted to informal transformation in social fabric, which made difficult the identification of an unequivocal welfare regime model after the nineties.

Though social policies continued managed and ruled by the State, between 1993 and 2000, several changes postponed the expansion of social goals, and introduced transformations in the design of provisions and services. Some of them were to give more responsibilities to local levels, and new institutional frames, with the participation of NGOs in the management and funding social policies programs.

In these years, labor market experienced a first big contraction leading to the expansion of self-employment and the reduction of State employment. This situation introduced informally a deregulation of labor market, and retracted State responsibility in the accomplishment of decent full employment principle. It was not legal for private entrepreneurs to freely hire employees, but the process started informally without rules for labor force protection in the private sector.

The irruption of market in welfare provision during these years was evident in the dependency, not formalized, from family or individuals patrimonies to access goods and services, traditionally guaranteed by the State. The reasons for such informal changes had to do with the economic contraction that affected the quality of State services and responses to social demands, with the existence of a parallel or black market, and with the reorganization of labor participation as a platform for welfare.

Those adjustments were related to factual adaptations, not sustained in a formal retraction of the State roles in social development. Actually, the political will of the government and the accumulated investment in social services infrastructure created in former periods, allowed to keep and even develop most social achievements like children schooling, high life expectancy; low prevalence of diseases caused by infections, low child mortality rate, among other indicators (Ferriol, Alvarez, & Therborn, 2004).

Formally, to face the crisis meant to emphasize the responsibilities of the State. An example of this is the behavior of social expenditure in relation to GDP: while the State budget decreased around 9% between 1989 and 1996, expenses in social field grew up a 17%, keeping its proportion respecting GDP (Ferriol & et al, 1997, p. 65). But closing the decade, new taxation systems began to take place based on the new Tax Law of 1994. After that, direct economic basis of redistribution were reformulated, with a larger implication of civil society (self-employees small entrepreneurs) compared to former periods.

Nevertheless, social expenditure continued as an important element of economic performance and development in the country until today. In 2009, largest State expenses were concentrated in human development dimensions like education, health and social security and assistance (51.1% of the current structure of State expenses). During first decade of XXI century, new social programs were created to assist vulnerable people like lonely elders, such as Communitarian restaurants, free medicines, among others (for more details see (Castiñeiras, 2004).

Described conditions express the political intentions to keep the coverage and quality of the social services. But the decrease or low economic growth during the last 20 years, caused that the government wouldn´t be able to sustain all services and provisions that were broadened during former years, above all after the impact of 2008 global crisis in the national economy. The continue overcharge of State social expenditure without enough economic support during following years (Espina, 2010, p. 232), made Cuban social policy to go through new adjustments. Again, in the very base of transformations is the problem of efficiency and

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sustainability of Cuban economic development model. It all makes ineludible the discussion about how to keep those levels and structure of State expenditure without a sufficient economic platform, how to transform Cuban economy into a sustainable base for human development in the country.

As a response to those questions, in 2010 the Communist Party elaborated the New Lineaments of Development for the next period; they were approved during Party´s Sixth Congress in 2011 after popular discussion. New objectives or economic goals with a large social impact were appointed:

- To increase national incomes (export) and diminish expenses in foreign currencies (efficient substitution of importation);
- To enhance productivity rates;
- To reduce social expenditure;
- To reduce superfluous employment (Triana Cordoví, 2010, pp. 12-13).

Socially, employment became a central and critical aspect of the conditions for Cuban model actualization. In this field, new scenario demands as well regulations that enhance the revalorization of work as a legal source of income, the increase of nominal and real wages as a strategy for improving productivity of labor, and the reversion of the deregulated behavior that informality and self-employment (private) assumed for a portion of active labor force in the country.

Associated to this issue, self-employment and private entrepreneurship are intended to assume former State workers in a new labor world composition. From 228.1 thousand employees in the sector in 2010, in 2013 they increased to 424.3 thousand in 2012, around the 35% of total employees in the economy (ONE, 2013). This, inevitably, has brought transformations not only in the employment compositions, but to the entire components of social structure.

Still, State employment represents the biggest portion in labor composition, but its workers experience the impacts of increased disparities between nominal and real wages, which become more evident in family´s economies. These disparities are related to the price fixation policies of government, which recharge consumers not only because of the devaluation of domestic currency, but because of the high prices to products of high demands (Rodríguez J. L., 2011, pág. 33). This situation is thought to be alleviated with recent price diminishment, but it actually haven´t eliminated the basic salaries-prices contradiction for most State employees, and other social groups.

The complexities of the situation are documented by recent studies about employment in the country and specifically in Havana. These studies confirm a path from a relatively homogeneous labor world, to a labor market evidently heterogeneous and unequal. This labor market is formed by sectors of occupations which incomes are not enough to satisfy basic needs of large populations. Also in this new scenario, informal and non-State sectors let very often higher incomes than those from state or formal offers (Espina & others, 2004, pág. 7).

This situation represents at least two central issues regarding welfare regime: first is the problem of sustainability, institutions and actors correlation in welfare production, in which other actors like market are starting to acquire more responsibilities; and secondly, are the reforms to labor market specifically, social security and social provisions, were more individual and familial responsibilities are intended. In both cases, welfare and its limitations are formally consequences from the participation of individuals, families, and communities strategic adaptations to this context. In adapting, the different sort of resources and patrimonies unequally distributed in society play a more significant role.

This brief description calls the attention about how to keep ethical principles and traditional behaviors of Cuban social protection in social development today. It also highlights the social consequences of changes that accentuate inequity in this context. For example Gini coefficient at the end of 1990s raised up to 0.38 in contrast to the 0.24 from the 1980s. It was still low if compared to the rest of Latin-America, but it showed a process of income concentration, breaking down the homogenous tendency of former periods (Espina, 2010, p. 200).

Essentially new reforms are centered in the balance of economic indicators more than in developing social dimensions; although it is considered that such dimensions should be as less affected as possible. The new tendencies in Cuban development model are still in constitution because the changes are too close in time, but they have been strengthened with the new measures and legislations approved by the National Assembly and sector ministries after 2012. If historically Cuban welfare regime was clearly de-familiarized and de-commodificated, new scenarios are opening toward more market and family participation. The role of informal social networks supporting families are key factors of the new configuration, now even acknowledged by political leadership (lines 40 y 42) and 25 (line 166)) (PCC, 2011, p. 14).

It means that it is reinforced formal and informally the individuals and families responsibilities in the satisfaction of problems that formerly were almost absolute responsibility of State. As a result, some dimensions of welfare depend on the economic and social resources of families. It won´t be just because of deficiencies in social policies formal implementations due to lack of resources, but because of formal retraction of coverage and designs of such policies. In other words, due to the formalization of practices that

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were traditionally considered informal. This change will make inequity to escalate, based on the availability of groups´ patrimonial resources (PCC, 2011, pp. 23-25). One example: the beneficiaries of social assistance between 2005 and 2010 reduced from 535 134 people to 235 482, as the households beneficiated by this system went down from 301 045 in 2005 to 116 757 in 2011 (ONE, 2010); (ONE, 2013).

The design of welfare regime in Cuba is now moving toward a central issue present in the discussion about the topic internationally: the acceptable balance in the institutional organization of welfare, between State vs. Market, and State vs. civil society. The tendencies to familiarization, and commodification of welfare in Cuban case, affect differently depending on the individuals and families position in social space. Obviously lower positions, poorest sectors of society, are in disadvantaged conditions for facing the challenges.

Poverty has existed in Cuba as a consequence of many historical and structural factors, but recent expressions of poverty are associated to the economic crisis after 1990s and the related political and economic measures already explained. In 2006, and since 1999´s evaluations, it was affirmed that poverty in Cuba reached the 20% of total population (Ferriol, Ramos, & Añé, 2006). Other recent reports, sustain the same figures proving the persistence of this social problem in Cuban society. This situation is also related to social exclusion, weak connections with social protection services, and other conditions mainly in slums and irregular neighborhoods formed by internal migration in largest cities.

Although there isn´t new official data about the extension or intensity of poverty in the country today, it is evident that new scenarios are unable to generate work sources and proper retributions that could reinforce structural mechanism of social inclusion related to employment. The combination of reconfiguration in labor market, low incomes from majoritarian state employments and pensions, and the formal or informal increase of market mechanisms in welfare provision, especially those linked to consumption, are among the main conditions that difficult overcoming poverty regardless other State initiatives such as subsidies for food and housing for vulnerable groups.

The main condition for reproduction of poverty from a political perspective has to do with the fact that Cuban social policy system doesn't recognize poverty explicitly. In consequence there is no policy or program systemically focused on poverty as a complex phenomenon. Although some programs identify vulnerable population, the lack of a multidimensional and dynamic understanding of the problem make impossible its solution in upcoming years.

Lack of macro structural data, and suggestions from context analysis, justify this study not to focus on social policies themselves from a macrosociological perspective, but to narrow the study to the very base of social reality: How families arrange the interaction between what they receive from State, what they need to solve in market relationships, and what they can satisfy by their informal support networks; how they cope with everyday life based on the resources they can activate, which are provided by welfare regime formal configuration and informal adjustments.

It is possible to propose that as inequality patterns are reinforced with recent changes, different everyday life strategic practices will institutionalize different arrangements between State, Market and families, under the same macrostructural welfare architecture. This logic allows to analyze the effects that macro-processes have in micro-space reality of poor families, and it also highlights the necessity of completing information about the phenomenon in Cuba.

To prove not only this fact, but that current changes are reinforcing the conditions for reproduction of family poverty, next pages will explain the main thesis of this paper supported by fieldwork research about concrete twenty two poor families in selected urban areas like Residencial San Miguel and El Moro.

c) *Thinking about welfare regime and reproduction of poverty: from family coping strategies to contradictions between formal and informal welfare arrangements*

In these 22 families, 12 were from Residencial San Miguel and 10 from El Moro. Total population was 89, from them, 39 men and 50 women. Thirteen families were from five to eight members sized. The smaller were constituted by elders, or single mothers. Most of the sample represented black or mixed people. These brief information expresses the complexity of poor people in Havana, where there is an overrepresentation of single mothers, old people, black or mixed population, majorly with low educational levels.

As it was presented, and defined by qualitative approach, five dimensions of wellbeing were followed in the study. They were opened to the narratives of informants, depending on what they considered more important in each case, and what they do to satisfy the needs they have regarding each dimension.

Quality of education and health in everyday life…

From this population, 25 were under 18 years, and all were attending schools, even three children with disability. This fact corroborates the accomplishments of universalistic Cuban social policy toward education. Nevertheless, from adult population of this sample, there are just seven who finished university studies, and 30 adults just finished high-school. Educational dimension analysis of this families reveals that most of adults actually at some point of their life dropped off school and only completed the legal compulsory academic levels. As a consequence, these people don´t count

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with any capacitation that allows them to be competitive in labor market.

Local authorities either develop any capacitation in these neighborhoods in order to provide families with tools for overcoming disadvantaged positions. Most of the information they use to respond to everyday demands or for any project come from relatives, friends, and neighbors, which reinforce their constrained capabilities for innovation and overcoming limiting conditions.

In the other hand, the existence of universal health policies, provides access to medical attention and even focal assistance to patients with economical disadvantages. For this reason, poor families in this context are not necessarily in bad health conditions, or neglected in their right to medicines, special treatments or any other health requirement. However, interviewed families affirm their problem with health is related to the quality of the services, which they consider lower than in other areas of the city.

Related to health dimension, one important aspect is the quality of the neighborhood´s habitat conditions and housing. Lack of communal hygiene and insalubrity characterize the areas were these families live. This deterioration of habitat environments is combined with the bad situations of the houses. Poor families dwell in buildings made of disposable materials, in spontaneous constructions, and even in spaces illegally occupied that were not originally built as houses. This situation reinforce the marginality of such neighborhoods, actually, informality is the main characteristic of their dwelling conditions. This informality is based on inexistent documents for ownerships, transition of houses without legal approval, and illegal occupation of spaces:

"…*this was a storehouse that… we had to come to live here because of our needs, we don´t have property or anything like that. I lost my former house, and I occupy this place… I know this is not legal*" (family 2)[2].

The legal tenancies are based on free usufruct over housing, from all families, just two were owners of their houses. Anyhow, poor families in this areas refer to this issue as the most stressing worry they have, because it is also common the difficulties in water supplies and other services provisions related to housing. In general terms, this condition is one of those characterizing poverty in urban areas like Havana´s slums.

With the notion of this precariousness, families use to demand public institutions to solve their housing vulnerabilities. Their main strategy for dealing with housing and habitat conditions is to request attention from formal institutions. Nevertheless, lack of material resources has limited as well local institutions responses to the situation:

"… *I will give you an example, here construction plans are directives, and it also has to do with the economical limitations of the country. Here in Arroyo Naranjo, I have to build 73 houses a year, but this is a minimum percentage of what I need to do actually. If I want to solve the housing problem I would need to build 300 houses a year…* (Officer of Housing Investment Municipal Unit- Arroyo Naranjo)[3].

Other problem related to health dimension is linked to nourishment. Interviewed families agree with this one as the main privation they experience. In this aspect, the State provisions also play important roles: "…*mead, I just eat it when the government provides it, because it is too expensive, and we can´t buy mead otherwise*… (Family 8). Although the offer only satisfies a small part of population demands, these families refer to depend on the per capita food subsidy from universalistic Cuban State policy. Other aid supported by the State is the focal State program of communitarian restaurants for old people without family support. Though the program is thought for lonely elders, others with low resources benefit from their offers.

But basically, strategies for coping with this limitation are related to adjustments in consumption, reorganization of feeding frequency during the day, and a distribution of food among family members by which children, ills and elders, are privileged. Other strategies for coping with lack of food is to harvest in gardens and backyards and to exchange goods with neighbors and friends: "… *here we help each other, if a neighbor needs mango for children´s juice, we are always available for helping…"* (Family 9). In this aspect, family support networks play a role in solving emergent and short term needs, while State offers play the main part in the long run coping.

However, this specific issue is strongly related to incomes. The dependency on the State provision, regardless their limitations in resources or quality, has to do with the restrictions that a reduced patrimony imposes to these families. As it is logical to think, it is important then to understand the conditions of the families under study regarding the third dimension. This one has to do with the opportunities of families to be a social agent, including employment, sources of income, social and political participation and institutional dialogue among others. It is important to pay closer attention to these issues in order to continue the analysis.

Families as social agents: what they can actually do

The opportunities for becoming and acting like a social agent, imply first of all the possibilities of

[2] From now on each family quotation will be identified by the number of the family in the study, which is determined by the order in which they were interviewed.

[3] In the case of quotations from officers from formal institution it will be named the specific institution and the municipality they represented.

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economic integration and direct incidence in the development of social life. Starting with employment, it is the opinion of an officer of Municipal direction of Work and social security ministry, that by one side, local population has the right to request for employment, or pension, but by the other side, institutions not always count with necessary resources for satisfying the demands: "*we do give them response to requests… dissatisfactions are very clear… Everyone who comes for a job, may not get a positive solution, but we tell them that as soon as the country is ready… there are also opportunities in private sector. There are people who come asking for a rise in the pension, because they say it is not enough, not even with the subsidy for food and medicines, is not enough, and we still have these dissatisfactions* (Officer of Municipal Direction of Work and Social Security Ministry- Arroyo Naranjo).

However, in poor families under study, jobs are provided by the State: 27 persons in the group of families work for the State, specifically in the sector of services. Other persons are pensioners. This fact corroborates that most of poor families in Havana actually have adult members working for the State, but despite the certain security it provides, low salaries and no other regular source of incomes limit consumption capacities of the people; and with this, limit their possibilities to not depend on State focal programs for vulnerable groups.

Total incomes of these families were from 200 to 700 Cuban pesos a month per family. Per capita average income was around 120 pesos a month. Comparing this information with the calculations made by Cuban analysts, it is demonstrated the poverty of income characterizing social reproduction of these families. This is strengthened because none of these families had any member involved in legal self-employment or private activities, though it was common the reference to sporadic informal practices in order to increase family incomes.

The main families´ strategies for facing income limitations include the exchange of remittances between friends and relatives: "*I tell you, one day my sun gives me 20 pesos, other day my other sun gives me, and so on*" (family 8); "…*sometimes my family from abroad send money, my sun in law also gets sometimes, but this is very seldom, just to help with something very specific* (family 9).

Also, as it was said before, informal economic practices are frequent. They consist in selling products harvested or manufactured by the family, speculation with products that were purchased at lower prices in other areas of the city, and in offering services to neighbors.

The reference to these activities highlight the limitations they face in developing incomes from a formal source, or related to regular employment or pension. The difficulties for such achievements are related both to low wage in State employments, and to the limitations their education and social capital imply for any other employment strategy. For these reasons, these families are tied to irregular sources of incomes, also limited in guaranteeing any level of consumption sufficient for sustainably satisfying their needs.

This limitation as it was suggested, makes them dependent on the services that are provided by the State, and diminishes their possibilities to be more proactive in the new welfare reconfigurations. From this point of view, it is important to pay attention not only to the services themselves and their quality, but also to how these people can turn these provisions into opportunities of becoming social agents (Sen, 1999).

Regarding services and their quality, families agree that in their neighborhoods there are deficiencies in the policlinics; that food from communitarian restaurants is insufficient and bad elaborated; and that they don´t count with any leisure possibilities, parks or other recreational area in the community: "*this is an unprotected area, we don't have any significant here, nor a park, nor a common area to organize activities (…) we just have a pharmacy nearby, and no gastronomic offer or something like that…*" (Circumscription Deputy - Residencial San Miguel).

Despite the offer of subsidies and other focal services to vulnerable groups in the territory, for these people such services don´t provide any real impact in overcoming their dependency, cause they can´t be turned into overcoming poverty. The very existence of such services justify the nomenclature of a protected poor that have been used by some analyst in the country (Espina, 2008).

Anyway, the analysis of this dimension, emphasizes in the formal institutional limitations to provide real possibilities to overcome poverty, but at the same time, it demonstrates the importance of these provisions for these families´ survival. Speaking about strategies, formal institutions become central aspects of their fundamental support.

Actually, these families not only approach formal institutions to receive their assistance services, but also to dialogue and impose demands. But if they can really exercise their right to participate and demand from public institutions, their critics are related to the real impact this participation may have in their everyday life´s transformation.

Regarding this issue, it is possible to affirm that these families have a limitation in the exercise of their rights, though they actually use them. It is not due to inexistent channels for imposing demands and dialogue with authorities, but because the ultimate purpose of this dialogue doesn´t operate in the way of changing poverty conditions for these families throughout participation.

Families´ participation in social life is expressed in the assistance to communitarian forums,

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accountability meetings with local deputies, and the demands about family or community complains to formal service institutions: "…*people bring problems to the Council but we have always had problems with resources*" (Circumscription Deputy -El Moro); "*in the assemblies you go, say things, they say they are going to do something, but at the end, nothing from nothing*" (family 6).

In this dialogue, deputies´ conception of participation means actually that family shall execute decisions made from "above", to be involved in the communitarian activities that authorities have designed for them. This discourse expresses a contradiction with what families expect public institutions. It is translated into a particular way of dialogue: families identify the channels, go through them to claim for their needs, but they don´t actually trust those institutions would solve the situations in the short term. Practical difficulties in this issue are not related to a deficient understanding of institutions´ missions, or lack of knowledge regarding how to communicate with them, but to the negative evaluation families construct about institutional performance.

Despite this evaluation, there is no development of communitarian or family initiative alternatives to formal institutions display. Instead are common reflections like: "…*we don´t have other strategies because we are adapted to what we currently have, we are educated to accept what we have*" (family 6).

The combination of the factors discussed in this dimension put boundaries to resilience capabilities of these families, due to their high dependency of formal institutions, and the limitations these institutional performance has. It makes to think about the restrictions these families have for facing institutional changes already in place, and the lack of social programs that would go beyond assistance toward promotion of overcoming poverty.

It is possible to see the complexities of this institutional dependency when some interviewed affirm: "*I expect a better future for my family (…) we do can have it, why not, I we have the Revolution*…" (Family 8). And of course, this situation already described, has implications and is also affected by the way these families perceive themselves, and value themselves. The quality of State provisions and the reproduction of dependency, generate feelings of self-devaluation and inequality that comes associated to structural aspects of their situation. The development of unhappiness and frustration by this side, is pooled with other supports that supply social inclusion and meanings to their lives.

d) Feelings are part of wellbeing: social inclusion and self-perceptions

Last two dimensions of the analysis are related to the possibilities and the way people develop sense of belonging and social inclusion, also to the feelings people generate about what they can be and feel able to do. The dialectic between feelings and perception or subjective reality and objective opportunities is so complex that in this case just some specific connections were highlighted depending on what was expressed by the informants.

Starting with the strong feeling of inequality, these families perceive their neighborhoods are receiving less attention than other areas of the city: "*sometimes I am frustrated because in other places I see things getting better but here is not the same*" (family 9).

In this aspect inequality acquires the tone of territorial grounds. Related to this, the residence in these specific neighborhoods plays important role in the vision of themselves in society. But this perception about the neighborhood is not monolithic, actually is also complex as it is split into two different set of arguments: one is built about the neighborhood as a whole, as a community; and the other is constructed taking into account the closest neighbors who are part of their social support network.

In the first group of ideas some families affirm that people in the slum "*have such a negative mind that are all the time thinking how to do something or play head, drinking rum, to burglar working families´ houses and so on*…" (Family 15). These opinions differ from ideas about the closest circle of neighbors: "*here everybody knows each other, and for example if I have a problem in my family, they support me, they help me*" (family 8).

This reciprocity and social capital implied in this close relationship support most of social integration and positive sense of belonging for these families. The sustainability of this social capital is guaranteed by everyday exchange of favors and goods that help each other to face daily life. The possibility to activate this networks in moments of needs and tribulations are important supports for survival, emotionally and objectively. The only condition for the existence of this mutuality is precisely the expectancy of reciprocity.

The intervention of this support is produced due to the contraction of consumption possibilities by incomes and real salary, and also because of the limitations of formal institutions performance. Informal support networks also carry out functions not formally assigned to any welfare actor. For example they are very active during stressing situations like death, deceases, or any other type of suffering: "when my mother died, I was alone here, b*ut a neighbor who lives there, immediately came here and helped me"* (family 3); *"when my granddaughter was ill and interned at a hospital, my neighbor gave me 20 pesos for buying food"* (family 2).

It is interesting that despite this relevance of social capital in informal support networks, not only emotionally, but also instrumentally, they don´t replace

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formal institutions grounding their expectations for the future.

Both for explaining their poverty conditions, and for thinking about future overcoming of poverty, formal institutions, which up to now are State institutions, occupy a central position in their imaginaries: "*I need this and that, but I can´t have it because the State won´t give it to me*" (family 7). It means that their interpretation of causes and solutions are embedded in State responsibilities. They consider their own responsibility, just in make good use of what the State can provide. In this, education of the children is thought as one of the most important use. This is related to the ultimate aspiration of breaking the cycle of reproduction of poverty with a generational perspective, rather than in everyday life basis. Anyhow, as it was seen, there is no strategy rational and organically oriented to this goal. An important limitation here is that families don´t understand the links between everyday life and long term achievements.

But how this reality of practices, conditions, understandings and perceptions reveals a particular interaction between State, Market and families; and how their dialogue with recent changes in welfare regime contributes with the reproduction of poverty. These are the questions addressed in following reflections.

e) Formal and informal welfare arrangements. Insights to contradictions

Informal arrangements are expressed in the regular configuration of interactions between social policies, market based exchanges and support networks. These interactions are as well evident in the coping strategies implemented by families in everyday life. Such informal arrangements actually deal with formal organization of welfare architecture, and depend on the resources families may display attending to their positions in social space.

Welfare regime in Cuba is moving toward a readjustment of traditional roles of State, Market and families. In this movement, the State is delivering or intending to share responsibilities with families and opening legally spaces for the action of the Market. As it was possible to see, the potential action of market in everyday life reproduction of these families is almost inexistent. It means that current changes place a contradiction between what these families implement as strategies for survival, and what recent adjustments demand families must assume as formal responsibilities. Family support networks are in this situation, vital for sustaining stability of the entire system despite the contradiction.

Though State formally still remains as the central actor, and so it is for poor families´ strategies, State retraction in some aspects reinforces families´ limitations for overcoming poverty. This retrenchment is more visible in labor market composition and institutions, reduction of the amount of subsided products that now has to be purchased based on offer-demand prices, and the existence of market action spaces (black or informal market) outer State regulations. Potentialities of families´ current strategies for positively turn these changes into opportunities for overcoming poverty are really reduced.

This population so far has only manage to participate from market based relationship in a residual way. About labor market, they don´t have conditions or potential for being competitive using education or social capital, nor have economic resources for investing in formal private businesses. This is very important to be taken into account, as the formal projection in this issue is that a large number of workers would migrate from State employments to private or cooperative sectors. This situation means as well reproduction of limited conditions for generating stable and regular incomes in the new scenario, other than state offers.

Regarding opportunities analysis, services and goods provided by social policies incorporate focal programs only with assistance perspective, and are not oriented to change practices, in order to reduce poverty conditions of families. Assistance character doesn´t open real possibilities to overcome poverty.

Anyway, it is fair to say that the focal programs they receive are vital for their survival, independently from quality of provisions. The problem is that most of social policies are oriented to universalization of offer, and are not sensible to the impacts of social inequality in the access to their benefits. Universalization of satisfaction requires a combination of focal and universal programs that are not yet developed in the country.

This last aspect has to do with the reduced role these families play in making decisions about their own lives and about their environments. They are just recipients of external and bureaucratic practices that not always respond to their primary need of overcoming poverty. This limitation is related to the design of a policy that doesn´t recognize inequity or poverty in the essence of any of its programs.

Analysts affirm that formal institutional arrangements (above all social policies) have a significant role in structuring processes of overcoming poverty, which otherwise intervene in its reproduction. Social policy must focus on poor people empowerment, to increase poor people capabilities and to broaden economic possibilities to access market, specifically labor market (Holmes, Knack, Manning, Messick, & Rinne, 2000, p. 4).

Poor families in the study use their informal support networks as scape valves. This networks help releasing tensions in society in general and in each family´s particular lives. But attachment to these networks keeps families tied to reduced resources that if allow them to survive, can´t provide a real way out.

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Lack of empowerment contributes to reproduction of poverty first of all because it means lack of organizational power toward common goals. And in second place these families can´t make their participation and dialogue with institutions positively affect their quality of life. If this analysis is complemented with the behavior of subjective dimensions, and dependency already explained, a vicious circle of negative effects is constantly reproduced on daily basis; which is not expected to be transformed by new welfare regime designs.

f) Final comments. The challenges of poverty to social equity in Cuban socialism

Present paper has approached to the factual mechanisms of reproduction of poverty in Cuba, specifically in urban contexts like those studied in this case in Havana City. The main interest has been to reconstruct these mechanisms as they are established in everyday strategic practices of poor families in two specific slums of Havana: Residencial San Miguel and El Moro.

The origin of this analysis is the understanding that Cuban is moving from a clear de-commodificated welfare regime toward a mixed model, where the State is sharing responsibilities in welfare with families and market based relationships. So far, the entrance of market is more evident in the reorganization of labor market institutions and in the reduction of universalistic subsidies over basic basket goods.

In this context, poor families are characterized by low level of education and capacitation for active social participation, bad habitat condition and housing informality, difficulties for completing food consumption and basic basket, limitations in quality of local services displays and lack of leisure possibilities. Nevertheless, it is important that these families count on certain provisions of State services that allow minimums requirements for everyday life reproduction.

Poverty in this case is also related to the prevalence of State employments and pensions as regular and stable income sources. Likewise, the lack of implication in legal private initiatives, and the practice of sporadic informal economic activities as a palliative for income limitations are part of their reality. Such palliatives depends on the dialogue with formal institutions in order to place demands to public services, but actually, they offer but limited opportunities to exercise autonomy and social change through social and political participation.

Other dimension of these families´ poverty is related to self-perception. This is characterized by powerlessness and dissatisfaction, awareness of inequality and helplessness. Subjectively, these families express a complex sense of belonging. By one side it refers to the community they evaluate as neglected and negative, while by the other side, it refers to strong neighborhood networks that offer direct emotional and instrumental support.

The main strategies these families develop are related to immediate economic needs such as incomes, and consumption. These actions are rather spontaneous than rational and they arenot elaborated meeting calculated long term goals. Among these strategies are the regulation of family consumption, informal economic practices as complement of state jobs and pensions, systematic exchanges of goods and services with friends, relatives and neighbors.

Also poor families use to demand formal institutions for solutions to their problems. But such interaction though is conceived as a strategic dialogue, is unable to promote real social change, neither for families themselves nor for their communities. In this point it is relevant that strategic practices are centered in family welfare or survival, and they are not conceived upon communitarian problems or common projects.

It is easy to appreciate that some aspects of the analysis are located in this final considerations both as characteristics of poverty conditions, and as family coping practices. The circularity of poverty reproduction in this case is understood in such a way that those conditions of a poor existence become causes and consequences of reproduction of poverty. This understanding relates to the perspective of poverty not as a “state of affairs” but as a complex process, in which practices are not mere reflex of living conditions but a dialectic part of them.

From this statement, the analysis of poverty reproduction, from the welfare regime point of view, reveals that the dependency from state provision and the understanding that State is the main responsible for providing families, basically condense the line of integration between family´s situation, perceptions and practices.

Thinking in balances between state, market and informal support networks, it is possible to affirm that everyday life practices oriented to welfare express arrangements in which state has the most important role, while market has a residual part, and informal networks allow adjustments moderating the contradictions between state and market in new scenario.

The problem it implies for reproduction of family poverty has to do with the incoherencies between what families are used to do for coping, and have institutionalized in current practices, and what the State is promoting with new changes in welfare regime regarding families' responsibilities.

This behavior expresses a contradiction between the direction of main changes in welfare regime, and the limitations of family´s dependency from State in their coping strategies, specifically in the dimensions that are more affected by current changes. This contradiction represents one of the main

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challenges for Cuban socialism regarding social equity today.

From this analysis it is not possible to sustain that current changes are lineal causes of poverty themselves. Causality can´t be read as a simple line of connections. In reproduction of poverty other factors actually take place. But in this case, present analysis was oriented to think about how poor people is coming across changes; how such changes, in the ways they are taking place so far, contributes to reproduction of poverty.

This connection actually is evident if macro-formal architecture of welfare regime is contrasted with everyday practices and conditions of concrete families in poverty. The nature of labor market reconfigurations, and the assistance character of focalization, among other aspects reveal poverty catalyzers in current context. The lack of specific response from social policy to poverty reproduction reinforce this situation.

The preoccupant outcome of this mixed welfare regime, without a proper acknowledgment of poverty factors in Cuban context, would provoke a displacement of inequality and poverty from public responsibility toward individuals and families. Negative impacts of this relocation would go beyond the limitations of poor people to face new challenges, but would accelerate loosening social cohesion.

In other direction, naturalization of social inequality and poverty in Cuban society would jeopardize the aspirations of solidarity as the political frame of Cuban socialism. This is why major challenge for the Actualization of Development Model in Cuba consists, first of all, in the public recognition of the problem, the integral analysis of the factors and processes that reproduce poverty in the country, and consequently, the monitoring and adjustment of each new step in its impact over such phenomenon.

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Food Security Status in Bangladesh: An Analytical Overview

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Abstract- Food is a basic human need for human survival. To achieve Millennium Development Goals, food security has become top most concern for Bangladesh. This paper examines performance, challenges and policies in food security in terms of availability, access, and absorption or nutrition. Specifically, this paper focuses on the progress in supply side of food in terms of availability at the national level and how far has Bangladesh progressed in attaining access to food and nutrition requirements at the household level. The paper argues in favor of strengthening the role of various social safety net programs, increasing subsidy in agriculture sector and enhancing purchasing power of the people food security production and availability of food grains. This paper has also given attention on the effect of inflation on price of food grains. The paper concludes that Bangladesh should target self-sufficiency in food grains production to satisfy domestic demand in normal production years.

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Food Security Status in Bangladesh: An Analytical Overview

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I. Introduction

To achieve food security at national level, Bangladesh adopted policies designed to increase rice production with the objective of achieving rice self-sufficiency. According to 15(a) of the constitution of Bangladesh it shall be a fundamental responsibility of the state to secure its citizens to the provision of basic necessities of food. As the government has started to inspire agricultural research and development, irrigation and rural road infrastructure, liberalized private sector and imports of pumps for tube-well irrigation in the late 1980s and also able to import food grains to relief pressure on domestic production. As a result Bangladesh has made impressive progress in agriculture sector in the last three decades and Bangladesh per capita food grain production exceeded the target level of 454 grams a day for the first time in 1999/2000 and then again in 2000/2001, with only small volumes of rice imports. This is a tremendous achievement owing to its small territory and huge population and this was achieved through agricultural mechanization and modernization. It cannot be denied that Bangladesh has come a long way ahead in achieving food security and has witnessed steady growth in the production and consumption of food grains. However, recent hike in the prices of agricultural commodities especially rice and wheat has posed a major threat on food security. In the span of little over three and a half year four major cyclones and several floods have struck Bangladesh. In 2007 it was cyclone Sidr- the meanest hurricane of all time, And in 2009 the infamous cyclone Aila, are the most devastating seen by the people of Bangladesh. In rice production, Bangladesh saw a massive loss to the tune of 1.5 to 2.0 million tons. And post Sidr, Bangladesh got huge amount of foreign aid by various donor agencies and countries. In addition to it, many of the rice exporting countries have imposed restrictions on exports.

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II. Data and Methodology

Data used in this exercise were obtained mainly from the BBS documents namely Yearbook of Agricultural Statistics, Statistical Yearbook and Statistical Pocketbook of Bangladesh. Some unpublished data were also obtained from the office of the Director, Agriculture Wing, Bangladesh Bureau of Statistics and the Department of Agricultural Extension. Total food grain production in the respective years for the districts was arrived at by adding production of individual varieties of rice and wheat. For the purpose of determining surplus/deficit status, however, net production data were used by deducting 10 percent as seed, feed and wastage from gross production. Population of the districts and for the country for the years 1995-96, 1999-2000 and 2000-2001 were obtained from the Statistical Pocket Book of Bangladesh (various issues).

III. Progress towards Food Security

With a per capita gross national product (GNI) of $700 in FY2010, Bangladesh is considered as a developing country. Nonetheless, over the past 3 decades, the country was able to achieve near self-sufficiency in rice production, overcoming its food deficiency. However, during the second half of 2007, twin floods and a destructive cyclone in Bangladesh severely affected the food security of about 25 million people. The condition was further aggravated by the escalation of food grain prices brought about by rising international prices. Being a net food importing country, Bangladesh had to deal with soaring international

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prices, which eventually caused a significant increase in domestic prices. Considering that about 40% of the population is under the upper poverty line and 25% is below the lower poverty line, a 50% price increase in rice can significantly reduce the intake of the poor. The surge in food prices severely affected the purchasing power of poor and vulnerable people, exposing them to hunger and malnutrition. Consequently, an additional 2.5 million households or 12 million people have fallen below the poverty line in 2008; according to a study by the Center for Policy Dialogue. The study likewise confirmed that from January 2007 to March 2008, people below the poverty line experienced an income erosion of 36.7% because of higher food prices. The government is therefore faced with the challenge of strengthening its safety net programs to enable the poor and its vulnerable population to cope with increases in food prices and to ensure adequate food supply (Supporting the Safety Net Programs for Food Security in Bangladesh).

The *Government of Bangladesh* (GoB) considers agriculture, food security and nutrition to be major priorities. The Government considers the fight against food and nutrition insecurity a key strategy for Bangladesh to become a middle-income country. The election manifesto of the present Government, as well as relevant constitutional provisions, provides the latest evidence of this commitment. Over the last 40 years rice production in Bangladesh has been tripled (ref-1). Government declares 2021 as the year of achieving food security. To achieve this goal govt. targets to build up nine food storages which capacity will be 8.34 lac mt. To improve food security situation country investment plan was initiated which provides a strategic and coherent set of 12 priority investment programs to improve food and nutrition security in an integrated way.

Table 1 : Per capita dietary energy supply (DES) and proportion of under nutrition in total population

Year	Dietary energy supply (kcal/person/day)	Proportion of undernourishment (%)
1990-92	1960	38
1995-97	1930	41
2000-2002	2170	29
2005-2007	2250	27

Source-FAO 2010

Bangladesh has achieved significant progress towards improving food security by a 11% decrease in the proportion of undernourished between 1990-1992 and 2005- 2007 down to 27% (Table-1). However, mainly due to population growth, the number of undernourished actually increased from 54.2 in 1995-97 million to 41.7 million in 2005-07. According to the assumed population of 181.4 million in 2015, attaining the MDG hunger target implies that the number of undernourished people must decrease to 31.8 million. Meeting the WFS (World food summit) hunger, i.e. reducing the number of undernourished to 19.65 million by 2015, implies that the MDG1 target needs to be overachieved with the proportion of the undernourished brought down to 11%. Correspondingly, Per capita dietary energy supply (DES) increased from 1960 kcal/day in 1990-92 to 2250kcal/day in 2005-07, and prevalence of under-nourishment in total population decreased correspondingly from 25 to 20 percent (Table 1). Between 1992 and 2005, poverty headcount ratio has fallen down from 56.6% to 40%. Despite the national level food security and strong economic growth, the total number of undernourished people has not declined in recent years. The World Bank and GoB-UN in their respective reports on MDGs, put the target of 34% children being underweight as non-attainable at present rates of progress. Thus, while adequate production and income growth at the national level are necessary, these are not sufficient for eradicating under nutrition and poverty. Specific measures must, therefore, be adopted to address the different components of comprehensive and effective (household and individual level) food and nutritional security.

Here the status of food security in Bangladesh is explained in terms of three conditions of food security: Food availability, access to food and food utilization and safety.

a) Food Availability

Availability of food depends on production, import and food aid. Though Bangladesh is on the threshold of achieving self sufficiency in food production yet world wide trend in food aid is decreasing. We have calculated SSR in monetary terms and found that for rice and wheat combined the ratio is 99.13 and 99.29 for year 2006 and 2007 respectively. Yet when the price was increased in the international market enough volume for import was also scant.

i. *Domestic production*

Food grain production, particularly rice production has doubled in the last two decades with the use of Green Revolution technology (high yielding

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varieties, fertilizer, irrigation and pesticide) coupled with growth of institutional infrastructure and a positive shift in public policy and market forces. As a major staple, rice occupies 71 percent of the gross cropped area and accounts for over 94 percent of food grain production. Its contribution to total per capita calorie and protein intake is 74 percent (Hossain et al, 2004). Rice thus occupies the centre stage of food security and continues to draw major attention of the Government for further increasing the production.

Remarkable progress has been made in rice production during the last ten years. In 1994-95, rice production was 16.83 million tons, which has steadily increased to 26.19 million tons in 2003-04 (Table 2). Rice production estimated for the year 2004-05 is 25.16 million tons. Wheat production also increased from 1.25 million tons in 1994-95 to 1.91 million tons in 1998-99. It then started declining and the production has come down to 0.97 million tons (estimated) in 2004-05. Similarly, pulses and oilseed production steadily declined mainly because of the loss of areas under these crops to Boro rice and other remunerative winter crops. Production of vegetables and fruits has increased, but at a slow pace from 1.21 million tons and 1.41 million tons in 1994-95 to 1.61 million tons and 1.55 million tons in 2002-03 respectively.

Table 2 : Domestic production (gross) trend of food grains, potato, pulses, oilseeds, vegetables and fruits (1994-95 to 2004-05)

(000' m. tons)

Year	Food grain		Potato	Pulses	Oilseeds	Vegetables	Fruits
	Rice	Wheat					
1994-95	16833	1245	1468	535	480	1214	1414
1995-96	17687	1369	1492	524	471	1254	1431
1996-97	18880	1454	1508	525	478	1290	1418
1997-98	18862	1803	1553	518	482	1306	1403
1998-99	19905	1908	2762	499	476	1526	1359
1999-00	23067	1840	2933	394	406	1529	1357
2000-01	25085	1673	3216	377	394	1472	1406
2001-02	24300	1606	2994	355	392	1599	1467
2002-03	25190	1507	3386	345	369	1605	1547
2003-04	26189	1253	4855	332	286	6133	1619
2004-05	25157	976	5948	527	566	7278	4600

Source: BBS, DAE

But the production of vegetables jumped to 6.13 million tons in 2003-04 and 7.28 million tons in 2004-05 according to the Department of Agriculture Extension (DAE). Fruit production has also jumped to 4.60 million tons in 2004-05. Spectacular success has been achieved in the production of potato. It has made a quantum jump from 1.47 million tons in 1994-95 to 5.95 million tons in 2004-05 (Table 2). Production of non-cereals such as pulses, oilseeds, vegetables and fruits, which are the chief sources of protein, mineral and vitamin, still remains far below the actual requirements, making it difficult to provide balanced diet for all. Fish production increased from 1.17 million tons in 1994-95 to 2.10 million tons in 2003-04 (National Fish week-2005). The current per capita intake of animal protein is less than 2g per day against the FAO recommendation of 28g per day (GOB paper 2005).

ii. *Growth*

Crop sub-sector growth has been highly unstable varying from – 1.7% in 1994- 95 to 1.67% in 2003-04 (Bangladesh Economic Review, 2004). The highest growth rate of 8.1 percent was registered in 1999-00, followed by 6.4 percent in 1996-97 and 6.2 percent in 2000- 01. This shows that it is possible to enhance growth of crop agriculture with appropriate use of production inputs under favorable climatic conditions.

iii. *Per capita availability*

In estimating the per capita availability of food items, BARC based its calculation on the population size of 119, 130 and 139 million for the year 1994-95, 1999-00 and 2004-05 respectively and the per capita food intake figure published by BBS in 2003 (Household Income and Expenditure Survey, 2000).

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Table 3 : Production and availability of major food items (1994-2005)

Food Items	Production (million tons)			Availability (gm/capita/day)		
	1994-95	1999-00	2004-05	1994-95	1999-00	2004-05
Cereals	18.08	24.91	26.13	374	472	464
Potato	1.5	2.93	5.95	32	57	108
Pulses	0.53	0.39	0.53	11	8	10
Oilseed	0.48	0.4	0.56	10	8	10
Vegetable	1.21	1.53	7.28	21	24	108
Fruits	1.41	1.36	4.6	24	22	68
Fish	1.17	1.66	2.10*	27	35	41*
Meat	0.48	0.7	1.06	11	15	21
Milk	1.52	1.7	2.14	35	36	42
Egg(million)	2400	3990	5625	2.76	4.2	5.54

*Source: BBS, DAE, DLS, DOF, BARC; * 2003-04 figure*

Accordingly, per capita availability of cereals (rice and wheat) has been found to increase from 374 gm/day in 1994-95 to 464 gm/day in 2004-05 (Table 3). Sharp increase in per capita availability of potato, fruits and vegetables is seen in the last two years, while the per capita availability of pulses and oilseeds has remained stagnant or declined. Availability of meat, milk and egg has also increased as shown in Table 3. Fish availability increased from 27 gm in 1994-95 to 41 gm in 2003-04.

iv. *Import*

For the sake of convenience, public import and food aid data are taken together for discussion as the volume is not large compared to domestic production and private import. Import of food grains either by the private sector or by the public sector does not follow any pattern or trend (Table 4). It depends on the gaps in production created by flood damage or damage due to other natural disasters (of course, private sector import can be affected, if the Government imported stock is sold in the open market at a subsidized price). Table- 4 shows that with gradual increase of private sector import, public sector import of food grains has decreased. Public sector import is expected to level off with further increase of private sector import which is more likely to happen in the future. In the domain of import either by the Government or by the private sector, quality, price and timing of import are important parameters that need to be taken into account in ensuring food security.

Table 4 : Food grain Imports in Bangladesh

(000 m. tons)

Fiscal year	Food aid arrival			GOB commercial			Total GOB import			Private commercial			Total national import		
	R	W	T	R	W	T	R	W	T	R	W	T	R	W	T
1995-96	1	743	744	490	351	841	490	351	841	650	200	850	1141	1293	2434
1998/99	59	1174	1233	345	429	774	345	429	774	2660	820	3480	3064	2423	5487
2001-02*	8	493	501	0	0	0	0	0	0	118	1171	1289	126	1664	1790
2004-05*	27	262	289	72	30	101	72	30	101	1196	1786	2982	1294	2078	3372
2007-08	82	177	258	292	0	292	292	0	292	1681	1235	2916	2055	1411	3467
2010-11	6	157	163	1264	777	2041	1270	934	2204	291	2818	3109	1561	3752	5313

Source: Food Department

Note: R - Rice W - Wheat T – Total

**including Food Aid wheat receipts for Direct Distribution by USAID Projects.*

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Table 5 : Food grain Production and Requirement 1971-72 to 2020 (000' MT)

Year	Mid-Year population (million)	Food grain requirement	Production				Net total Production	Import+ Donation (Rice + Wheat)
			Rice	Wheat	Maize	Total		
1971-72	72.60	12019.73	9774.0	113.0	2.2	9889.20	8744.03	1220.00
1975-76	79.90	13228.33	12560.0	215.0	2.0	12777.0	11297.42	1493.00
1979-80	87.60	14503.15	12539.0	827.0	1.0	13367.0	11819.10	2782.00
1985-86	100.30	16605.78	15041.0	1060.0	3.00	16104.0	14239.16	1200.00
1990-91	111.00	18377.28	17785.0	1004.0	3.00	18792.0	16615.89	1577.00
1995-96	122.10	20215.01	17687.00	1369.0	32.00	19088.0	16877.61	2427.00
2000-01	131.50	21771.28	25085.00	1673.0	149.20	26907.20	23791.35	1554.00

Source: Bangladesh Bureau of Statistics (BBS), Department of Agricultural Extension (DAE) and Ministry of Food (MOF)

Note: (i) Food grain Requirement is calculated @ 16 Ounce (453.66 gm) per day per head from 1971-72 to 2020.

(ii) Net Total Production is calculated by deducting 11.58 % of total Production for seed, feed & wastage as per study on 'Seed, Feed and Post Harvest losses' Ministry of Food (MOF).

(iii) Population as per Bangladesh Bureau of Statistics (BBS) estimation.

(iv) Projected Production of Rice, Wheat, Maize as per DAE estimation.

(v) Figures for 2005-06 as per Bangladesh Bureau of Statistics (BBS) estimation.

v. *Current availability and gaps*

The total requirement of cereals in 2004-05 is estimated to be 23.03 million tons, based on 487 gm/capita/day consumption (BBS Household Income and Expenditure Survey 2000) for a population size of 139 million.

Table 6 : Demand-Supply Balance of Selected Essentials

(Million tons)

Food Items	2006-07 Aggregate Supply*	Aggregate Consumption Demand**	Demand-Supply Balance
Food grain	213.75	235.83	-22.08
Potato	52.77	25.56	27.21
Lentil	1.31	6.17	-4.86
Spices	16.96	25.73	-8.77
Onion	9	13.46	-4.46
All Vegetables	93.06	134.78	-41.72
Brinjal	13.01	9.37	3.64
Potol	1.22	6.64	-2.42
Pumpkin	2.16	8.18	-6.02
Karala	1.05	6.99	-5.94
Okra	1.46	7.84	-6.38
Tomato	5.8	2.21	3.59
Lal shak	2.32	14.83	-12.51
Puishak	2.27	9.54	-7.27

*DAE Statistics; ** Based on PPRC April, 2007 Consumption data and inclusive of 10% markup to accommodate non-household and unforeseen demand.*

Against this, production of cereals (cleaned rice and wheat) in 2004-05 is estimated at 23.52 million tons after deduction of 10% for seeds, feed and wastage, showing a surplus of 0.49 million tons. Potato production is reported to be surplus by 1.01 million tons. Gaps between requirement and production of other important food crops and livestock products are wide. According to BARC estimate, the current deficit (2004-05) of pulses and oilseeds are 1.12 million tons and 2.26 million tons respectively. Similarly, shortage of vegetables and fruits is estimated as 2.24 million tons and 2.70 million tons respectively. The national deficit of milk and meat is 10.38 million tons and 4.95 million tons respectively, and of egg is 8645 million (DLS, 2005). The present national requirement of fish is estimated at 2.30 million tons, showing a deficit of 0.20 million tons (DOF,

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2005). These gaps are likely to widen by 2015, if appropriate policy and development interventions are not taken with urgency.

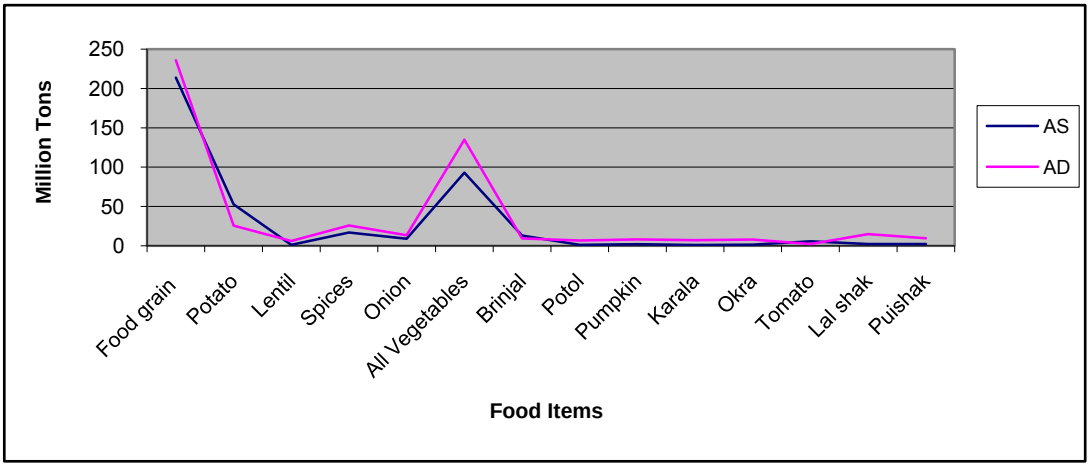


Figure 1 : Aggregate Supply (AS) vs. Aggregate Demand (AD)

From the very beginning of the figure-1; it is caught sighted that the demand and supply of food grains in 2006-07 is in imbalanced situation. There is a poor capability of our nation to meet the current demand due to the insufficient of production. From the view point of potato it is much better in production. From the figure here is enough doubt in the issue of food security where it shows that the vegetables production among all the items is not adequate to satisfy the current demand. Therefore, price hike climbing up due to the shortage of production than its demand. It is really a matter of stun and awe for our nation.

b) Access to food

Food security is a function not only of availability of food, but also of the purchasing power of the people. It is therefore important that every household should either have capacity to produce adequate food for all the members, or have the purchasing power to acquire it. It has to be appreciated that a country may be food surplus, but all its citizens may not be enjoying food security, as some may have no purchasing power.

Agriculture sector contributed to about 22% of total GDP, out of which crop sector shared 73%, fisheries 10%, livestock 10% and forestry 7%. Bangladesh has been hit by a doubling in the price of the main staple, rice, in the past years and many low paid workers say that they have been forced to have only one meal a day. In terms of loss in income, the results show that the poorest households are hardest hit by rising food prices in both urban and rural areas. Across all income groups, landless households are on average worse affected by high food prices. In Bangladesh, where land distribution is not as equitable and rural households have more limited access to land, the impact of rating food prices is negative for most households.

According to latest Household Income and Expenditure Survey (HIES 2000) of Bangladesh Bureau of Statistics (BBS) the malnutrition problem is desperately serious for the poorest 14% of the rural population consuming fewer than 1600 calories per capita per day, levels barely adequate for survival. Another 10% consume between 1600 and 1800 calories per day, while roughly 23% consume more than 1800 calories but less than the minimum caloric requirement set in Bangladesh at 2122 per day. It has been evident that increased domestic production, supplemented by imports and overall public food management contributed to relatively adequate availability of food at national level over the recent past years. Food security at household level is closely linked with poverty. These poverty and food security problems are massive, with approximately half of the population lacking the resources to acquire enough food and consequently remaining below the poverty line.

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Table 8 : Poverty situation in Bangladesh as measured by the cost of basic need (CBN) Method

Locations	Percent of Population below poverty line					
	Upper poverty line			Lower pov erty line		
	1991-92	1995-96	2000	1991-92	1995-96	2000
National	58.8	51	49.8	42.7	34.4	33.7
Rural	61.2	55.2	53	46	38.5	37.4
Urban	44.9	29.4	36.6	23.3	13.7	19.1

Source: Household Income and Expenditure Survey, 2000, Bangladesh Bureau of Statistics.

i. *Price Trend*

Prices have been rising in Bangladesh over time particularly during the last few years. In 2000-01, the year to year annual inflation rate based on consumer price index (base year 1995/96=100) has been only 1.9 percent. Since then the inflation rate is steadily rose to 7.2 percent by 2003-04. Food prices began to rise much faster compared to non-food prices (Economic Survey, 2007).

As rice dominantly constitutes the food basket of our population, price of rice influence the other commodity prices. During 1995-96 to 2003-04, the average annual wholesale price of coarse rice remained stable at around Tk. 1200 per quintal. Since then it began to rise sharply. The annual average price was Tk. 1474 in 2004-05, Tk. 1580 in 2005-06 and Tk. 1700 in 2006-07. During 2007-08 the monthly price rose steadily from Tk. 1994 in July 2007 to Tk. 3095 per quintal in September 2008. The average monthly wholesale price of wheat moved in a similar fashion from Tk. 1495 in July 2007 to Tk. 3075 per quintal in September 2008. This was three tomes the average annual price of wheat in 2004 which was Tk. 1017 per quintal. All these price variations reflect partly the depleting stocks of food and the rising prices since 2004-05. Other food prices particularly those of edible oil, milk and sugar as well as pulses which are largely imported had increased several folds. The following tables show the price trend of major staples; rice and wheat and some essentials like Potato, Sugar, and edible oil (Soybean) in Bangladesh. The following tables show that rice price increased significantly in 2007 and 2008 later decreased in 2009 yet higher than the price level in 2007.

Table 9 : National Average (Month wise) Price of Coarse Rice

Month	2006		2007		2008		2009	
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail
January	1536	16.3	1647	17.6	2757	28.9	2294	24.4
February	1576	16.7	1714	18.2	2771	29	2172	23.2
March	1589	16.8	1735	20.4	1923	30.6	2013	21.6
April	1594	16.9	1917	20.3	3182	33.2	1814	19.6
May	1590	16.8	1858	19.8	2836	29.7	1883	20.4
June	1540	16.4	1830	19.4	2888	30.2	1793	19.5
July	1561	16.6	1871	19.8	3121	32.6		
August	1583	17	2014	21.3	3076	32.2		
September	1587	16.6	2104	21.7	2990	31.3		
October	1602	17.1	2124	22.3	2923	30.7		
November	1623	17.3	2187	23.2	2665	28.2		
December	1593	17.3	2326	24.8	2460	26.1		
National Yearly Average	1581	17	1944	21	2799	30	1995	21
variation with previous period	_	_	22.96	23.53	43.98	42.86	-28.72	-30

Source: Department of Agricultural Marketing (DAM)

The average wholesale price of coarse rice is increased by 22.96% from 2006 to 2007 and the average change of wholesale price is the maximum in 2008 (Figure-2). As the impact of the increasing trend of price from 2006 to 2007 the average change of retail price of coarse rice has been increased by 23.53% and the percentage change of retail price is highest in 2008 after then it slow down in the next year. From January to February wholesale price increased rapidly and from March to May it is nearly consistent in Figure-2. During June it falls down From July to November it is started to increasing in 2006. In 2007 it is increasing till to the end of the year except the month of May, June and July. In 2008 the price of coarse rice having the positive trend to

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increasing till August except March, May and June and from September it is declining. There is a positive relation between wholesale and retail price of coarse rice.

Table 10 : National Average (Month wise) Price of Wheat

Month	2006		2007		2008		2009	
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail
January	1414	14.9	1848	19.4	3017	31.3	2096	23.1
February	1407	15	2144	19.8	3088	32.1	2123	22.7
March	1377	14.7	1880	19.7	3028	33.2	1684	18.8
April	1420	15	1867	20.1	2923	31.1	1472	16.5
May	1457	15.3	1856	20.1	2918	31.1	1486	16.2
June	1466	15.6	1892	20.4	2902	30.7	1508	16.5
July	1484	15.6	2021	21.8	2969	31.3		
August	1496	16	2328	24.5	2971	31.2		
September	1551	15.6	2372	25.2	2900	30.5		
October	1577	17	2582	26.9	2847	29.8		
November	1517	18	2706	29.4	2644	28		
December	1800	19.3	2781	30.3	2287	24.5		
National yearly average	1497	16	2190	23	2875	30	1728	19
Variation with previous period	-	-	46.29	43.75	31.28	30.43	-39.9	-36.67

Source-Department of Agricultural marketing

Wheat price followed the lead from rice price increase and the wheat price is increased around 45% both for wholesale and retail price types in 2007 later it increased in lower rate around 30% in 2008. Though 2009 started with price decrease yet the level is higher than the price level of 2006.

c) Utilization /Absorption

Food absorption in the body is a major problem in rural areas as well as in urban slums. In the words of AmartyaSen and Jean Dreze, 'the capability to be nourished depends crucially on other characteristics of a person that are influenced by such non-food factors as medical attention, health services, basic education, sanitary arrangements, provision of clean water, eradication of infectious epidemics and so on'. This can be termed absorption food insecurity when the body is not in a position to absorb the nutrients from the food taken, due to factors mentioned above.

i. *Food consumption*

Average per capita daily intake of major food items (in group) in the country was 886.2 grams in1991-92, which increased to 913.8 grams in 1995-1996 but it reduced to 893.1 grams in 2000. Inrural area average food intake was 878.1 grams in 1991-92, 910.5 gram in 1995-96 and 898.7grams in 2000. In urban area food intake reduced over the years. It was 938.40 grams in 1991-92, 930.80 grams in 1995-1996 and 870.7 grams in 2000.

In 1985-86 average calorie intakes was 2191 K.cal in 1988-89, it increased to 2215 K.cal in 1991-92, it further increased to 2266 K.cal but in 1995-96 it dropped to 2244 K.cal and again dropped to 2240 K.cal in 2000.

In the rural areas, it was 2203 K.cal in 1985-86, increased to 2217 K.cal in 1988-89, further increased to 2267 K.cal in 1991-92, slightly reduced to 2251 K.cal in 1995-96, but increased to 2263 K.cal in 2000. But in urban area, the intake of calorie shows ups and downs over the periods. It was 2107 K.cal in 1985-86, increased to 2183 K.cal in 1988-89, further increased to 2258 K.cal in 1991-92, but sharply reduced to 2209 in 1995-96 and further reduced to 2150 in 2000. Apart from being calorie deficient, the Bangladeshi diet is very unbalanced. About 75% of energy comes from cereals when according to FAO the proportion ideally should be around 55%. Protein intake during 1985-86 to the year 2000 moves within the range 62.50 grams to 64.96 grams with a high intake of 64.96 grams in 1995-96 to a low 62.50 grams in 2000.The intake over the years ranges between 61.88 grams to 64.45 grams with a low intake of 61.88grams in 2000 and a high intake of 64.45 grams in 1995-96 in the rural area, but in the urban area, the intake ranges between 64.96 grams to 68.27 grams with a low intake of 64.96 grams in 2000 and a high 68.27 grams in 1988-89.

IV. Conclusion

Food availability, food access and food absorption are not separate phenomenon but are interlinked. Food production is linked to livelihood access and food consumption. Livelihood access in turn influences the demand for food and better prices and production thereof. Better livelihood access also leads to improved living standard, better education, better knowledge on health and hygiene, etc. Ensuring food security would continue to be a major challenge for Bangladesh in coming years. To meet this challenge, Bangladesh must increase its domestic production so that availability of food increases substantially. As a net

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food importing least developed country, Bangladesh may also put forward its concerns and demand for food aid to the WTO. Bangladesh in the past has been successfully able to increase food production and consumption of all segments and hopefully Bangladesh will also be able to meet the current challenges.

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The Opportunity Cost of Public Expenditure of Kaduna State: A Case of Free Feeding Policy in Public Primary Schools

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Abstract- This paper focuses on the opportunity cost of school feeding policy introduced by Kaduna State Governemnt. Kaduna State Public Primary School like any other States suffers huge set back in terms of Teachers welfare, infrastructural facilities, Teachers training and development, Teachers motivation among others. It is on this basis that the study critiqued government choice of feeding pupils against addressing key fundamental issues confronting the core objectives of educational institutions like primary schools in the State. The research solely relay on secondary sources of data while Victor Vroom's expectancy theory of motivation was adopted as a framework of analysis. It was deduced from the reviewed literatures that, free feeding policy is counterproductive as it does not seems to be the immediate needs of Kaduna State Public Primary Schools, neither does it have the capacity to meet the core objectives of the policy. Thus, the paper see the policy as a way to achieve cheap political gain rather than an attempt to improve the educational standard of public Primary Schools in the State.

Keywords: education, expenditure, feeding, opportunity cost, policy and school.

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The Opportunity Cost of Public Expenditure of Kaduna State: A Case of Free Feeding Policy in Public Primary Schools

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Abstract- This paper focuses on the opportunity cost of school feeding policy introduced by Kaduna State Governemnt. Kaduna State Public Primary School like any other States suffers huge set back in terms of Teachers welfare, infrastructural facilities, Teachers training and development, Teachers motivation among others. It is on this basis that the study critiqued government choice of feeding pupils against addressing key fundamental issues confronting the core objectives of educational institutions like primary schools in the State. The research solely relay on secondary sources of data while Victor Vroom's expectancy theory of motivation was adopted as a framework of analysis. It was deduced from the reviewed literatures that, free feeding policy is counterproductive as it does not seems to be the immediate needs of Kaduna State Public Primary Schools, neither does it have the capacity to meet the core objectives of the policy. Thus, the paper see the policy as a way to achieve cheap political gain rather than an attempt to improve the educational standard of public Primary Schools in the State. It is in view of the above that the paper recommends to the State government that; Teachers welfare, training and development, infrastructural development should be the centre piece of Kaduna State education policy in Public Primary Schools.

Keywords: education, expenditure, feeding, opportunity cost, policy and school.

I. Introduction

Education, according to Sen cited in Elijah and Frederick (2015) the only way to build a nation is to provide quality and adequate educational infrastructure for its youth. It is through education that lives and people are shaped to become future political leaders, scientists, economics, artists and thinkers. Education in its general sense is a form learning in which knowledge, skills, and habits of a group of people are transferred from one generation to the next through teaching, training, and research.

Education particularly basic education makes an important contribution to alleviating human suffering by improving people ability to take advantage of the opportunities that can improve their well–being (Economic Recovery Strategy 20-03-2007 in Ministry of Education, 2008). This initiative can easily be struck by poverty. Active participation in education by the children from families struck b y abject poverty is affected especially of the family cannot afford to provide food to the children.

It is in view of the above that Governor Mallam Nasiru El-Rufa'I listed when the flagged it off at the Aliyu Makama Local Government Education Authority (LEA) Primary School, Barnawa were quite impressive. He said, the policy is aimed at boosting pupil's nutrition and health and encourage school attendance so that every child can have nice years of free, decent basic education no matter the income level of their parent. He further posited that the policy will also create 17,000 jobs for caterers plus thousands of their assistants; save a lot of time and money for parents; boost demand for food iteams; empower women food vendors; import new skills; established higher standards of hygiene and provide extra income to thousands (Mahmud, 2016).

No doubt, the School Feeding Policy (SFP) can be used to address temporary hunger to make a huge contribution in the improvement in attendance and school achievement especially for children who do not have anything to eat before going to school, result to difficulty in concentrating and performing aptitude tasks. The long term objective of the SFP according to Khatete, Pendo and Oyabi (2013) is to assist in the promotion of Universal Primary Education to the socio-economically disadvantaged and nutritionally vulnerable children especially girls in pre-primary and primary schools in targeted areas. The short term objectives are to increase enrolment, prevent dropout, stabilized attendance and assist primary schools to improve the attention span and ultimately the learning capacity of students by relieving short term hunger.

However, the opportunity cost of SFP in Kaduna state to a very large extent is unjustifiable considering the state and nature of primary schools and the general educational sector in the state. The primary schools in Kaduna is largely characterized by poor infrastructure; poor teachers welfare(where in some cases state owe 6-8 months salaries of teachers),absence of learning facilities and instructional aides, poor training and development schemes of teachers among others. It is in view of this that, the paper seeks to investigate why Kaduna state opted for school feeding against the other prominent challenges confronting public primary schools' in Kaduna state.

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II. Conceptual Clarification

a) Opportunity Cost

Opportunity cost is the cost of an alternative that must be forgone in order to pursue a certain action. Put another way, the benefit you could have received by taking an alternative action. Example within the context of the subject matter if a government decides to constructs roads, the opportunity cost is the alternative projects that might have been carried out instead (electricity supply, Hospital facilities, workers welfare etc).In both cases, a choice between two options must be made .It would be an easy decision if you knew the end outcome; however, the risk that you could achieve greater 'benefit 'with another option is the opportunity cost (Daniel, 2015).

In microeconomic theory, the opportunity cost of a choice is the value of the best alternative forgone, where a choice need to be made between several mutually exclusive alternatives when one alternative is chosen .Opportunity cost is a key concept in economics, and has been described as expressing "the basic relationship between scarcity and choice".

b) Public Expenditure

Public expenditure refers to government expenditure, that is, government spending. It is incurred by central, state and local governments of a country. According to Supriya (2011) public expenditure can be defined as,' the expenditure incurred by public authorities like Federal, State and Local Governments to satisfy the collective social wants of the people. He further maintain that, in developing countries, public expenditure policy not only accelerates economic growth and promote employment opportunities but also plays a useful role in reducing poverty and inequalities in income distribution.

c) School Feeding

School feeding is a targeted social safety net that provide both educational and health benefits to the more vulnerable children, thereby increasing enrolment rate, reducing absenteeism and improving security at the household level (Meryers, Sampson, Weizman, Rogers et al cited in Elijah and Frederick (2015). The idea of free meal in primary schools arrives from the fact that, hunger is one of the most pervasive and damaging phenomena for millions of children today. Ithas far reaching effects on developlement of both individuals and nations. School feeding is a special arrangement made in school to provide children with food to supplement what they may have eaten at home to help them remain in school as a measure to reduce temporary hunger while in school (Khatete, Pendo, and Oyabi, 2013).

Hunger according to Elijah and Frederrick (2015) negatively affects the brain development of children and impedes their chances of educational success later on. They further argued that, hunger, poverty and poor education are interdependent when children are hungry, chances that they would attend school are limited and without education, their chances of breaking the poverty trap are significantly reduced. Amira (2014) categories School meal in to two:

i. *In-school meals*

Children are fed breakfast, lunch or both in school. Meals can be prepared at the school, in the community or be delivered from centralized kitchens. Some programs provide complete meals; others provide high energy biscuits or snacks.

ii. *Take-home ratios*

Entire families receive food provided their children attend school regularly. Like conditional cash transfers, the ratios' value compensates for the costs of sending the child to school. For particularly vulnerable students, such as girls or orphans, in-school meals can be combined with take –home ratios for greater impact.

d) Public Policy

Public policy like other social science concept has no universally accepted definition. There are as many definitions as there are scholars in the field. In an attempt to do justice to the meaning of public policy, it is imperative to visualize many definitions and assesses their point of departure and convergences. According to Chowdhury, (2005) a recurrent problem in the social sciences is that many terms, such as "development and policy "have multiple meanings and depends on who is using the term and in what context as to its meaning. Among the many competing definitions of "public policy "some are very complex, while others are quite simple. Despite their variations, they all agree on a certain key aspect.

According to Harris cited in Sambo et al (2005) public policy consists of the goals and assumptions that underlie what government does, a kind of guide for government action. He went further to argue that government are limited by scars recourses and by the ability to do everything at once. Consequently, policy making means that government, must make choice, that is decide to do one thing rather than another or to do a little of this and a lot of that. Dlakwa (2009) asserts that public policy consists of all the likes and dislikes of government that are put together in the form of statutes or codified into law. He further stressed that, the passage of these likes and dislikes into law inevitably segregates them from other issues that government feels compelled or not compelled to act upon informally or unofficial.

On a similar note, Frderich (1963) also assert that public policy is a proposed course of a government within a given environment providing obstacles and opportunities which the policy was proposed to utilized and overcome in an effort to reach a goal or realize in objective or purpose. Jenkins and Anderson cited in

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Dlakwa (2009) conceptualisations of public policy are more precise than what offered by Dye. They define public policy as 'a set of interrelated decisions/purposive course of action taken by a political actor or group of actors concerning the selection of goals and the means of achieving them within a specified situation where those decision should, in principle, be within the power of those actors to achieve'.

e) Theoretical framework

This research will be anchored on Vrooms expectancy theory of motivation advanced by Victor H.Vroom (1964).According to this theory, the intensity of the tendency to perform in a particular manner is dependent on the intensity of an expectation that the performance will be followed by a definite outcome and on the appeal of the outcome to the individual. The relevance of this theory lays from the fact that, every employee in an organization has pre-determined goals to attain in a time frame. It is the possibilities of attaining his targets or goals that determine the level of his inputs or motivation in a work place. In a case where an employee dictates his inability to meet up worth his basic goals, the worker is subsequently de-motivated.

According to Sapru (2013) expectancy theory focuses on performance variables. The theory argues that a person's motivation towards an action would be determined by the expectation towards an action would be determined by the expectation that the effort would culminate in a success. Expectancy is the perceived probability of satisfying a particular need of an individual based on past experience. In a more practical terms, expectatancy theory says that employees will be motivated to exert a high level of effort when they believe that effort will lead to a good performance appraisal, that a good appraisal will lead to organisational rewards such as a bounce, a salary increase, or a promotion; and that the reward s will satisfy the employees personal goals. The chain goes like this; individual effort-individual performance-organizational reward-personal goals.

In this case ma lot of teachers 'in primary schools in Zaria and Sabon Gari local government see the performance-reward relationship (performance outcome)in their job as being weak .The reason is that an organization may reward a lot of things besides just performance. For example, the free meal scheme have a short term positive impact on the pupils' and the great expectation of having a meal in school is a significant motivation to the pupils 'and a plus to government or the educational sector in terms of enrolment, retention and completion.

It is in relation to this that this paper has observed that most employers tend to ignore workers' needs in their effort to achieve cheap political points or effort to produce more at lower cost per unit. This may be possible in the short run, but in the long run, there are adverse effects leading to grievances, frusteration, and higher rate of labour turn-over which in the final analysis may not be in the interest of the employer. It is in view of this that Victor Vroom's expectancy theory has to be recognized and enforced.

According to Ngu (2014) the expectancy theory implies that workers come to the organization with certain basic expectations or needs which they strive to achieve, and the more they achieve them, the more they are motivated to work and increase the output which in the final analysis leads to the achievement and maximization of the employer's objectives. It was the expectation of the research study that, the Kaduna State government would have consider making teacher comfortable and the learning environment conducive for learning before introducing the feeding program. Such would have gone a long way to revive the past glory of teachers and the long time retrogressive status of primary education in Kaduna State.

f) Review of Literature

According to the UN World Food Program, in developing countries almost 60 million children go to school hungry every day, about 40% of them are in Africa. In the poorest countries, school feeding policy is emerging as a common social safety net response to the crisis. In 2008, 20 governments looked to school feeding programs as a safety net response to protect the poorest. The UN World Food Program assisted some 22 million children with school feeding in 70 countries, and the World Bank Group launched a Global Food Crisis Respond to the food and fuel crisis, including by scaling up school feeding program (WFP Report, 2010).

School meal program help in reducing the risk of school withdraw ,low attendance; poor concentration and improve the school child performance; however, Amira (2014) posited that major differences exist in the provision, composition, effective application and stability throughout school systems and in accordaning to the economic status of different countries. Acoording to Oyefede cited in Isa et al (2012), there are as many types of programs as there are countries, but they can be classified into two main group based on their modalities:

- In-school feeding, where children are fed in the school which can be divided into two categories namely; a)program that provides meals b)Program that provide s high energy biscuits or Snacks.
- Take home rations where families are given food if their children attend school.

All public schools in Unite Kingdom offer school launches everyday of the week, where approximately 45% of primary and secondary school pupils are provided with meal for children nowadays more than

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food provided at school (Michele and Jonathan 2009).in addition, school meals are part of a means– tested program; such that 18% of the pupil population from less privileged backgrounds is eligible to receive school meals for free (Amira, 2014).

The USA has been serving breakfast to school children across the nation since the pilot program began in 1966.Today,the School Breakfast Program (SBP),a federal and state reimbursement program for each breakfast served that meet federal requirements, has provided breakfast for more than 8.5 million children nationwide (Levinger,1992, cited in Amira, 2014).

The Kenya school feeding program started in 1980 for most urban schools and by 1995 a national policy articulated that school meal are compulsory in all primary schools in Kenya. In 2003 both the WFP and the Ministry of Education collaborated in an effective program aiming at expansion and refinement of the food program in rural schools in particular (Langinger, cited in Amira2014).

India also said to have a long tradition of school feeding program, largly by the state government with some external assistance. India Supreme Court directed the state governments to introduce school feeding program in all government and government assisted primary schools. This was the result of a petition from the People Union for Liberties large coalition of organizations and individuals that led to the Right to food campaign (Akandi and Alayande, 2011).

In Brazil, the school feeding program is in the country's constitution, and is part of the government's Zero Hungry Program (ZHP),covering nearly 37 million children each year, the program is among the largest in the world. Its implementation are managed by the disbursement of the financial recourses for school meals in each municipality (Akanbi and Alayande, cited in Khalid and Sherif, 2012).

The Nigeria government is yet to make school feeding a national policy despite the obvious hunger and nutritional deficiencies among pupils in primary school. Even though, school feeding might not necessarily be the immediate focus of government in Nigeria base on the nature and character of educational sector especially in primary schools in both urban and rural areas. It is amazing that most of the state own primary schools are in a state of decadence, with poor teachers' welfare and incessant industrial conflict as a result of teachers neglect by the government. Thus, many parents and stakeholders in the educational concern of Nigeria see school feeding policy as couinter productive, as teachers who constitute the engine room are not motivated to take the job as a vocation.

The unique system of free meal in primary school introduced by Governor Mallam Nasiru El-Rufai is a good model for other states with exception of Osun state were the policy have been consistent for sometime. Howerver, and in spite of the lunches provided have to meet one third of the pupil's daily nutritional reuirements, school meal services in Zaria and Sabon Gari Local Government Areas of Kaduna State do not always have a good reputation among pupils, parents, teachers or the communities stakeholders. The most common complaints are long queues, cramped, late arrival of the meal, lack of dinning Hall, overcrowded dinning areas. It is in relation to this that the paper agrees with Amira (2014) were he argued that, an unfriendly eating environment has a major consequences of eating behaviour ,including an increase in plate waste overcrowded and noisy lunch rooms.

The Kaduna state feeding policy most immediate purpose appears to boost school enrolment. In this goal it has already succeeded, probably beyond expectations. Governor El-Rufa'i said since the program started, pupil's enrolment in Kaduna Public Schools has jumped by 64% to 1.8 million. There could be a small problem with the feeding timing. DailyTrust on Saturday's reporter found that the food vendors arrived at the school at 8:30 am and serve the pupils when they came out on break at 9:00an to 10:00am.The reporters also said the pupils were more eager to talk about food than about school curriculum. The suspicion is that many of them go to school just for the food (Mahmud,2016).It has equally reported by Vanguard (15th March, 2016) that Kaduna State Government, yesterday, expressed concern over the desertion of schools by primary pupils after taking the free meal offered them. The pupils have developed the habit of leaving school immediately after the free meal under the guise of going to drink water. Commissioner for Education, Science and Technology, Dr.Shehu Adamu, told newsmen in Kaduna that government was disturbed by this situation. It is further argued that, the boost in school attendance quickly raises the question; are other facilities in place to accommodate such an astronomical boost in enrolment with in such a short time? Number of classrooms, numbers of teachers, teachres' quality and welfare; furniture and teaching aids were already in short supply, not only in Kaduna State but all over the country (Daily Trust, 2016).

On weekly basis, school feeding policy cost around 300 million which is around the cost educating children in some developing countries. When compared with deworming, free school uniform or teachers incentives, feeding program may not be the most cost effective way for policymakers to raise enrolment. But when viewed as a social transfer-as another way to help poor families feed their children and get them to school, feeding program can be very useful.

Drawing a lesson from the foregoing discussion, it can be deduced that the SFP introduced by the Kaduna State Government is a mere politics on the psyche of the masses hiding under the guise of improving education quality in the state. Boosting

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education need should take a holistic approach taking its root from the budget proposal to a level of implementation. This argument is in consistent with Jideofor (2016) who argued that:

Promoting education and health: The Bauchi state example I am quite impressed with Bauchi state government's 2016 revenue and expenditure estimates. Of its budget proposal of N47, 306,964,985, it allocated 52% to capital expenditure and 48 per cent to recurrent expenditure. More importantly, the state has one of the highest (if not the highest allocation to the education sector) in this country. It allocated the sum of N26, 736,579,182 (a whopping 20% of its total budget) to the education sector. According to the state government, projects and programmes it intends to pursue to realize its goal of qualitative education include the purchase of furniture, supply of instructional materials, library books and equipment, construction of more public schools as well as rehabilitation of existing ones. Though the allocation to the education sector fell short of the 26 per cent allocation to the education sector recommended by UNESCO and the 30 per cent allocation canvassed by some Nigerian educationists, it is certainly one of the highest (if not the highest ever allocation to education) by any government in the country - federal or state. Remarkably there is no elephant project (such as establishing a state University) to gulp this relatively huge allocation, which is commendable. Bauchi state's allocation to education compares favourably with El-Rufai's ambitious education programme in Kaduna state. Of Kaduna state's 2016 budget of N171.7bn, education received N27.5bn (about 16%). It should be recalled that in 2014 the federal government made a big bone of the fact that it increased the allocation to the education sector to 10.7 per cent, up from 8.7 per cent in 2013…

To further narrow the SFP to Kaduna State, Vicent, the President of Kaduna State Chapter of National Association of Proprietors of private school said in Christiana (2016) says "…The issue of feeding school children by the State government is a misplacement of perioruity; the continuity of the policy is not certain because they will not have the political will to sustain the feeding is not the way to make children come to school, when you attract children with food ,when the food is no longer there, they will run away from school. Government should have concentrated on other areas like training the teachers and getting people supervise the schools..."

g) Analyzing the Opportunity Cost

Like any other public primary school teachers in Nigeria, various research exploring Kaduna state teachers working condition shows that, teachers are poorly taken care of and are dissatisfied with their living and working conditions. The key reasons for this are not far fetch:

- Poor salaries and irregular payment of teachers' salaries
- Poor infrastructures
- Lack of teachers training and development
- Inadequate fringe benefits
- Poor supervision
- Lack of instructional materials

This paper critically observed that these conditions are responsible for low teacher morale and the difficulty in attracting and retaining qualify youths into the teaching profession. It is in line with this, the papercritique the rationale behind Kaduna State government for making sensitive and critical aspect of the primary school educational sector an opportunity cost to Free Feeding Policy. It is observed that according to Mahmud (2016) Kaduna state spend a weekly bill of 300 million on school feeding pregame. This implies that the State government spend about 4 billion every school term. This amount can be channel into one or two of the problems identified above. Additionally, such huge amount can be injected into; renovation and furnishing of primary schools, enhanced teacher training and confort, close monitoring and inspection of schools and teachers, provition of free uniforms, provition of books and working tools, increase in daily spending from #33 to #180 per primary pupil for three meals, free, compulsory basic education for all.

The above point of view is in consonance with Iiunor cited in Emmanuel atal (2005) said "training is one tool which management uses to develop the effectiveness of human resources in many organizations. The effective development of human resources of the educational system is one vital contribution to the future, long term growth and survival of education". This call our attention that, the success of educational system in Kaduna state depends mainly on the quality of teachers, and their training because of the explosion brought about by technological innovation.

In the same vein, teachers are engine room of any educational system and indeed the nation and whose morale is low is not likely to perform as expected. A hungry teacher cannot be committed neither does it seat and watch pupils eating their meal with a smelling face. Hence, when teachers are not properly motivated, their level of job performance may be low and the core objectives of the school may not be accomplished.

In an attempt to establish the relevance of staff motivation Ngu (2014) argued that:

Workers motivation as a pre-requisite for human relation. It is an essential ingredient inhuman relation. In fact, it is part and parcel of human relations. It is nevertheless synonymous with human relations because while it is possible to have workers motivation without necessarily embracing the wide spectrum of human relations… Although the achievement of the later does not

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necessarily mean the achievement of the former; it enhances the chance of attaining good human relations both within and outside the organization, and is therefore worth pursuing. This is so because habitually aggrieved or disgruntled and frustrated workers cannot be expected to present or exhibit a good image of their organization. If anything such workers tend to portray a bad image of their organization.

It can be deduced from the above submission that, employee's motivation has a great role to play in enhancing the workers to project the image of the institution or organization in a good light while the objectives of the institution is likely to be achieved with maximum impact.

III. Policy Recommendations

- Teachers' welfare, training and development and infrastructural development should be the centre piece of Kaduna State education policy in Public Primary schools.
- The state government should partner with Parents Teachers Associations (PTA) to come up with measures to restrict pupils from sneaking homes after meals.
- Government attention should not completely swing to huge attendance in schools, rather should also focus on measures to ensure education/school curriculums are treated and updated.
- Kaduna State Government should change the psyche that makes pupils think school as a means to an end, rather an end in itself.

IV. Conclusion

The proponents of school feeding policy claim that providing food in schools would ostensibly attract less privilege children to schools, improves their attendance and reduced drop-outs. However, drawing a lesson from the content analysis of literatures, the paper sees the school feeding program as mere chasing shadows or an attempt to gain cheap political point at the expense of the obvious challenges confronting primary school educational sector in Kaduna state.

It was deduced from the research that; government own primary schools teachers' salaries, which characterized by poor welfare scheme, poor training and development, poor instructional aid and infrastructures among others. It is thus, the position of this paper that; in as much as Feeding Policy is timely and necessary considering the level of low enrolment pupils especially the girl-child in schools, hunger and poverty across the nation, making it a topmost priority at the expense of the fundamentals is counter -productive.

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Ownership Trends in BSE 100-Index Companies from 2000 – 2014: Evidence and Implications

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Keywords: *corporate governance, ownership structure, BSE, trend analysis.*

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Ownership Trends in BSE 100-Index Companies from 2000 – 2014: Evidence and Implications

Nahila Nazir [α] & Amarjeet Kaur Malhotra [σ]

Abstract- Ownership and control of corporations under the watchful stewardship and surveillance of their boards have a significant influence in shaping corporate behavior and the equitable management of relationships between and among themselves, the society and communities they serve, and the governments of the countries they operate in. This paper tracks the movements in corporate ownership in India among its top companies indexed in BSE-100 in the first decade of the new millennium and moving forward in to the second. The paper is organized as follows: section I provides a brief overview of the development of the corporate format of business organizations; section II provides literature related to the topic and describes the sample and its categorization for analysis,; section III methodology; and section IV sets out the findings, interpretation and conclusions.

Keywords: corporate governance, ownership structure, BSE, trend analysis.

I. Introduction

Corporate governance as a subject has gained strong rise globally both in scientific and cultural community as well as in organization level. The separation of ownership and control is exactly what creates the necessity for corporate and business governance, which include mechanisms to ensure advisable decision making and earnings maximization. Ownership structure is an important aspect of corporate governance system. Berle and Means 1932 call focus on the prevalence of broadly held corporations in the United States in which ownership of capital is dispersed among small shareholders, but still control is concentrated in the hands of professionals. Jensen and Meckling (1976) or Grossman and Hart (1980) indicated that the modern field of corporate and business finance is rolling out around the round the same image of a broadly held corporation.

Looking back at the evolutionary background of the corporation as known today one could detect at least three major defining trends. First was the artificial creation of the corporate entity by the legal practice, followed launch of limited liability, the popularity of the corporations' to spend money on and hold stock of another firm, and lastly, the switch from democratic to plutocratic voting rights leaving one vote per shareholder to one vote per share and thence to even more skewed differential voting rights. The next was the introduction of the publicly traded (bought and sold) corporation representing a paradigm change in the manner business could be scaled up, where owners of the slice of the organization (represented by the percentage of shares hold) neither got claims to the property (net of liabilities) with their company in kind nor the compulsion to be permanently connected with their shareholdings; they could leave by selling their stocks disposing them off or otherwise. The developments of the organization board itself and its role, accountability and responsibility is the third defining component in modern corporate governance. However, the board is 'elected' by the shareholders but once so elected the board is practically its own arbiter in all matters associated with the company. With the demise of the lively, small time entrepreneurial investor-manager and the ascent of the generally unaggressive absentee shareholders in the organization format of business generally, professional management took over that function subject to the guidance and oversight of the board. The focus of this study is to analyze the trend of ownership structure for the period 2001-2014.

II. Literature Review

Ownership structure has important implications for corporate governance and protection of minority shareholders' interest. Concentrated ownership structures and affiliation of companies with business groups is a common feature of Asian economies (Claessens and Fan, 2002). Influential legal scholars like Adolf Berle (1931), Merrick Dodd (1932), Lynn Stout (2002, 2012), Lucian Bebchuk (2005, 2006), Stephen Bainbridge (2002, 2005) and Leo Strine, Jr. (2006), have been debating the pros and cons of higher shareholder engagement in corporate and business decision making but as of now the absentee shareholders in many jurisdictions need to be satisfied largely using their (theoretical) right of having a say in the election of the directors to the board and thereafter expecting their interests would be reasonably protected. Shareholder primacy is influenced by the ownership structures of the organization. Within the confines of the modern corporation, both accountability and responsibility are heavily influenced by ownership structure. Ownership structure can also settle/interviene firm strategy and behavior (Wright, et al, 1996) and can influence boardroom dynamics and stakeholder management

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(Goodstein and Boecker, 1991), executive compensation (David, Kochhar and Levitas, 1998; Balasubramanian, et al, 2013), and R&D investment (Baysinger, Kosnik and Turk, 1991). Knowledge of ownership patterns and trends can thus lead us to more nuanced knowledge of organizational behavior and its own predictability.

a) Ownership Trends around the World

Research on firm ownership has often been controlled by studies centered on the United States and the United Kingdom both with dispersed and concentrated ownership structures. Earlier studies by La Porta, et al (1999) of other economies and recently by Aguilera et al (2011) of companies in emerging marketplaces have found concentrated ownership as a general pattern in most other world economies. The La Porta research which included companies from 27 developed countries found that only 30% of the companies showed dispersed ownership. Japan, in effect qualified as concentrated ownership geography because of predominant inter-corporate holdings even after they returned dispersed ownership because of direct ownership not being higher than 20% which was made the study cut-off criterion. Significant ownership concentration, either in the form of holdings by corporate bodies, individuals or the state in their study of corporations in South America was found by Aguilera et al (2011).

b) Classification of Shareholders

Data in this study is analysed under two major categories of shareholders namely (i) Promoters, (ii) Non Promoters Holding sub divided into two other categories namely (iii) Non Promoters Institutional Holding, (iii) Non Promoters Non- Institutional Holding.

i. *Promoters Holding*

Holdings into various categories provide insight into control in the company. Promoters are the entities that floated the company and to a large extent have seats on Board of Directors or the Management. Relatives of the Promoters who hold shares also fall under this class and are termed the Promoter Group. Promoter Holdings show the extent of control Promoters have over running of the business.

ii. *Non Promoters*

Shareholders other than promoters are known as public shareholders. Public shareholding pattern consists of institutional and non-institutional investors.

iii. *Non Promoters' Institutional Holding*

Institutional investors include the pension funds, money managers, mutual funds, insurance companies, investment banks and commercial trusts. They buy large quantities of shares leaving high impact on the stock market's movements. They are considered knowledgeable and experienced. Hence, their footprints are generally followed by small investors.

iv. *Non Promoters' Non Institutional Holding*

Non institutional investors are those who carry their investments through a broker, bank, and real estate agent and so on. They are generally common people or organizations managing money on their own.

III. Methodology

A time series analysis of ownership structures in corporate India for the period 2000-2014 is presented in this section. The research design of the study is descriptive. In the research study the secondary data of different variables related to ownership structure in the Index BSE-100 in Indian stock marketwas extracted from the Prowess databases from CMIE related to the years ended 31 March 2000 to 2014. The descriptive analysis of the variables is done and represented. In descriptive analysis of the variables, the measure of central tendency (mean, median), distribution, minimum and maximum values are estimated. While the focus of this paper is the publicly traded companies, it would be helpful also to recognise the phenomenal growth in the overall corporate sector in the last 15 years to show the trend of ownership structure in India.

a) Results

In the research study, the long term trend is analyzed of the selected variables related Ownership structure. The descriptive analysis of the variables is done and represented. In descriptive analysis of the variables, the measure of central tendency (mean), distribution, minimum and maximum values are estimated for each variable and are represented in the tables below.

i. *Promoters Holding*

Table 1.1 : Average promoters holding of the firms in BSE 100 Index for the period 2000-2014

Company	Mean	min	max
Mangalore Refinery & Petrochemicals Ltd.	85.1514	68.22	88.58
Steel Authority Of India Ltd.	84.9886	80.00	85.82
Godrej Industries Ltd.	80.2914	68.22	88.61
Bharat Electronics Ltd.	75.8000	75.02	75.86
Oil & Natural Gas Corpn. Ltd.	75.2043	68.94	84.11

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Dabur India Ltd.	73.1943	68.64	78.53
Torrent Pharmaceuticals Ltd.	72.9486	71.51	74.09
Tata Communications Ltd.	71.4429	51.12	76.24
Pidilite Industries Ltd.	71.1429	70.06	71.87
Hindustan Zinc Ltd.	68.6221	64.92	94.75
Procter & Gamble Hygiene & Health Care Ltd.	68.6121	65.00	70.64
Bharat Heavy Electricals Ltd.	67.3871	63.06	67.72
Bosch Ltd.	65.4650	56.99	71.18
Bhushan Steel Ltd.	64.8738	43.16	71.22
Shree Cement Ltd.	63.4992	56.45	65.56
Bajaj Electricals Ltd.	63.3407	48.27	74.56
Thermax Ltd.	62.0907	61.98	63.53
Bharat Petroleum Corpn. Ltd.	61.7593	54.93	66.20
Nestle India Ltd.	60.5650	51.23	62.76
Sanofi India Ltd.	60.3914	60.38	60.40
I D B I Bank Ltd.	59.9793	52.67	76.50
State Bank Of India	59.9418	58.60	62.31
Siemens Ltd.	58.9793	51.00	75.00
Oriental Bank Of Commerce	58.6414	51.09	66.48
A B B India Ltd.	58.5700	50.99	75.00
B E M L Ltd.	57.6300	54.03	61.23
Titan Company Ltd.	53.4664	52.65	55.07
S K F India Ltd.	53.4629	50.80	53.96
Cummins India Ltd.	53.2357	51.00	58.02
Lupin Ltd.	53.2157	46.75	67.22
Hindustan Unilever Ltd.	52.9793	51.42	67.25
Kotak Mahindra Bank Ltd.	52.7721	43.58	63.60
Hero Motocorp Ltd.	52.6607	39.92	54.96
SesaSterlite Ltd.	52.6293	51.00	57.03
Reliance Capital Ltd.	52.3750	48.16	62.87
Amara Raja Batteries Ltd.	52.0300	52.00	52.06
Glaxosmithkline Pharmaceuticals Ltd.	51.9286	48.83	75.00
Piramal Enterprises Ltd.	51.3836	49.24	54.41
Bata India Ltd.	51.3671	51.01	52.96
Bajaj Finance Ltd.	51.0893	41.51	62.07
Hindustan Petroleum Corpn. Ltd.	51.0600	51.01	51.11
Colgate-Palmolive (India) Ltd.	51.0000	51.00	51.00
Exide Industries Ltd.	49.8593	45.99	56.07
Britannia Industries Ltd.	49.5629	43.71	50.96
Kajaria Ceramics Ltd.	49.1900	44.04	53.51
J S W Steel Ltd.	49.1307	37.71	65.88
Hindustan Construction Co. Ltd.	48.5029	39.86	60.12
Asian Paints Ltd.	47.9064	42.45	52.79
Rallis India Ltd.	47.8000	45.20	51.07
Crisil Ltd.	47.7771	32.49	67.70
Reliance Industries Ltd.	46.5079	43.24	51.37
Ranbaxy Laboratories Ltd. [Merged]	46.4321	32.04	63.92
Glaxosmithkline Consumer Healthcare Ltd.	46.2171	40.00	72.46
Reliance Infrastructure Ltd.	46.1550	34.45	58.22
C E S C Ltd.	45.8829	34.19	52.49
Ashok Leyland Ltd.	44.0157	38.61	50.93
J K Lakshmi Cement Ltd.	43.1314	39.55	45.96
E I D-Parry (India) Ltd.	43.1207	38.73	47.59
Crompton Greaves Ltd.	42.7771	38.36	52.44
L I C Housing Finance Ltd.	42.5857	34.69	65.07
Century Textiles &Inds. Ltd.	42.1836	40.08	45.36
Max India Ltd.	41.6636	33.78	51.63
Tata Elxsi Ltd.	41.4136	38.15	45.11

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Ramco Cements Ltd.	41.3186	34.31	42.62
Atul Ltd.	40.3643	33.19	50.62
Bharat Forge Ltd.	39.9729	34.32	46.74
Aditya Birla Nuvo Ltd.	39.0157	26.68	57.23
Arvind Ltd.	38.9657	15.41	51.22
BalrampurChini Mills Ltd.	38.9407	31.82	47.07
Cipla Ltd.	38.8529	36.80	40.96
Gujarat State Fertilizers & Chemicals Ltd.	37.8414	37.84	37.85
I F C I Ltd.	37.0200	0.00	55.53
Raymond Ltd.	36.2750	28.42	41.45
Jain Irrigation Systems Ltd.	34.7636	27.46	72.27
Tata Motors Ltd.	33.8129	25.35	41.73
Escorts Ltd.	33.1471	26.78	41.98
Finolex Cables Ltd.	33.0562	28.01	35.86
Bajaj Holdings &Invst. Ltd.	32.7257	28.57	40.17
Tata Global Beverages Ltd.	32.4821	28.60	35.36
Tata Power Co. Ltd.	32.3629	31.22	33.41
Essar Oil Ltd.	31.2250	15.96	62.09
Tata Chemicals Ltd.	29.9679	27.06	31.60
Tata Steel Ltd.	29.5043	26.22	33.95
Trent Ltd.	29.4286	25.18	32.61
A C C Ltd.	29.0614	0.00	50.30
Hindalco Industries Ltd.	28.9679	21.38	37.00
N C C Ltd.	28.7714	19.56	48.22
Lakshmi Machine Works Ltd.	27.5379	21.44	30.62
Voltas Ltd.	27.5286	20.04	30.61
Great Eastern Shipping Co. Ltd.	27.1893	19.14	30.50
M R F Ltd.	26.3621	25.19	27.33
Dr. Reddy'S Laboratories Ltd.	26.2800	25.14	31.48
Satyam Computer Services Ltd. [Merged]	25.3133	8.74	42.67
Mahindra & Mahindra Ltd.	24.8671	22.09	29.20
Grasim Industries Ltd.	23.8071	20.39	25.55
H D F C Bank Ltd.	23.2457	19.38	28.27
Infosys Ltd.	20.2664	15.94	29.15
Federal Bank Ltd.	0.0000	0.00	0.00
Housing Development Finance Corpn. Ltd.	0.0000	0.00	0.00
Larsen & Toubro Ltd.	0.0000	0.00	0.00

In the research study, the trends of *promoter's holding* in the 100 companies selected for the study in BSE-100 Index is analyzed and it is found that, Mangalore Refinery & Petrochemicals Ltd. is having the highest average promoters holding of (85.15 percent) in last 15 years followed by Steel Authority Of India Ltd. (84.98 percent), and Godrej Industries Ltd. (80.29 percent). The companies having no promoters holding are Larsen & Toubro Ltd., Housing Development Finance Corpn. Ltd. and Federal Bank Ltd. The companies with lowest percentage of promoters holding are Infosys Ltd. (20.26 percent), H D F C Bank Ltd. (23.24 percent).and Grasim Industries Ltd. (23.80 percent). The frequency distribution is shown below in Table 1.2.

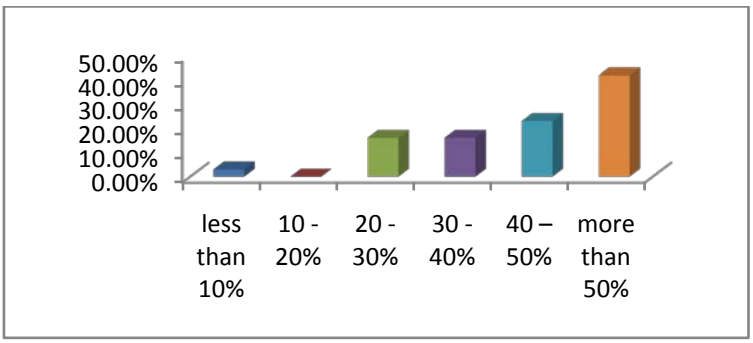
Table 1.2 : Frequency distribution of firm's w.r.t average promoters holding for the period 2000-2014

Average Promoters Holding	Frequency	Percent
less than 10%	3	3.00%
10 - 20%	0	0.00%
20 - 30%	16	16.00%
30 - 40%	16	16.00%
40 – 50%	23	23.00%
more than 50%	42	42.00%
Total	100	100.00%

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In the research study, it is also found that among the 100 companies selected for the study in BSE 100 index, 42percent of firms in BSE 100 index are having average promoters holding of more than 50 percent, 23 percent of the firms are having average promoters holding in the range of 40 - 50 percent of holding, 16percent of the firms are found to have average promoters holding of 30 - 40 percent of holding, 16 percent of firms are found to have average promoters holding in the range of 20 - 30 percent of holding, 0percent of the firms are found to have average promoters holding of 10 - 20 percent of holding and 3 percent of the firms are having the average promoters holding less than less than 10 percent of holding.

The Frequency Distribution is also shown with the help of Graph shown in Figure 1.



ii. *Non Promoters Holding*

Table 1.3 : Average non promoters holding of the firms in BSE 100 Index for the period 2000-2014

Company	Mean	min	max
Housing Development Finance Corpn. Ltd.	100.0000	100.00	100.00
Larsen & Toubro Ltd.	98.2050	95.87	100.00
Federal Bank Ltd.	97.0386	84.69	100.00
I F C I Ltd.	92.0671	44.47	100.00
M R F Ltd.	73.6350	72.67	74.80
Great Eastern Shipping Co. Ltd.	72.7000	69.30	80.85
Voltas Ltd.	72.4700	69.39	79.96
Lakshmi Machine Works Ltd.	72.4621	69.38	78.56
Mahindra & Mahindra Ltd.	71.6621	64.15	77.91
Satyam Computer Services Ltd. [Merged]	71.0400	46.20	86.96
N C C Ltd.	70.9300	51.78	80.41
A C C Ltd.	70.8507	49.70	100.00
Trent Ltd.	70.5700	67.39	74.82
Infosys Ltd.	70.0500	64.31	80.50
Tata Chemicals Ltd.	70.0293	68.40	72.93
Tata Steel Ltd.	69.7736	65.67	73.77
Grasim Industries Ltd.	69.3929	60.05	79.61
Tata Global Beverages Ltd.	67.3079	63.24	71.39
Bajaj Holdings &Invst. Ltd.	66.8607	59.56	71.42
Escorts Ltd.	66.8493	58.02	73.22
Tata Power Co. Ltd.	66.6050	64.31	67.95
H D F C Bank Ltd.	66.3186	55.13	78.00
Hindalco Industries Ltd.	65.7486	53.74	78.61
Jain Irrigation Systems Ltd.	65.0507	27.73	72.32
Finolex Cables Ltd.	64.4823	60.16	71.99
Dr. Reddy'S Laboratories Ltd.	64.1429	55.61	74.24
Raymond Ltd.	62.8921	57.18	71.58
Gujarat State Fertilizers & Chemicals Ltd.	62.1557	62.15	62.16
BalrampurChini Mills Ltd.	61.0550	52.92	68.18
Arvind Ltd.	60.8800	48.78	84.59
Cipla Ltd.	60.6993	59.03	63.11

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Bharat Forge Ltd.	60.0207	53.25	65.68
Reliance Infrastructure Ltd.	59.8079	41.78	100.00
Atul Ltd.	59.6336	49.38	66.80
Aditya Birla Nuvo Ltd.	59.2379	40.33	73.32
Ramco Cements Ltd.	58.6779	57.38	65.68
Tata Elxsi Ltd.	58.5821	54.89	61.85
Max India Ltd.	58.3329	48.36	66.22
Century Textiles &Inds. Ltd.	57.5621	54.63	59.45
L I C Housing Finance Ltd.	57.3129	34.92	65.30
Tata Motors Ltd.	57.2657	44.41	74.65
Crompton Greaves Ltd.	57.0479	47.56	61.64
J K Lakshmi Cement Ltd.	56.4579	53.42	60.44
E I D-Parry (India) Ltd.	56.4550	51.45	61.26
C E S C Ltd.	54.0764	47.43	65.80
Glaxosmithkline Consumer Healthcare Ltd.	53.7821	27.54	60.00
Ranbaxy Laboratories Ltd. [Merged]	52.3143	34.29	67.96
Crisil Ltd.	52.2207	32.30	67.51
Rallis India Ltd.	52.1979	48.93	54.80
Asian Paints Ltd.	52.0907	47.21	57.54
Reliance Industries Ltd.	51.4493	44.92	56.76
Hindustan Construction Co. Ltd.	51.3286	39.88	60.12
Kajaria Ceramics Ltd.	50.8071	46.49	55.95
J S W Steel Ltd.	50.6850	34.11	61.95
State Bank Of India	50.5921	32.40	100.00
Britannia Industries Ltd.	50.4364	49.04	56.28
Exide Industries Ltd.	50.1379	43.93	54.01
Colgate-Palmolive (India) Ltd.	49.0000	49.00	49.00
Hindustan Petroleum Corpn. Ltd.	48.9400	48.89	48.99
Bajaj Finance Ltd.	48.9071	37.93	58.49
Bata India Ltd.	48.6329	47.04	48.99
Piramal Enterprises Ltd.	48.6129	45.58	50.76
Ashok Leyland Ltd.	48.3150	45.24	50.41
Glaxosmithkline Pharmaceuticals Ltd.	48.0714	25.00	51.17
Amara Raja Batteries Ltd.	47.9700	47.94	48.00
Hero Motocorp Ltd.	47.3386	45.04	60.08
Reliance Capital Ltd.	47.3236	37.12	51.84
Kotak Mahindra Bank Ltd.	47.0621	36.39	56.26
Hindustan Unilever Ltd.	47.0164	32.75	48.58
Lupin Ltd.	46.7829	32.78	53.25
SesaSterlite Ltd.	46.7707	36.64	49.00
Cummins India Ltd.	46.7607	41.97	49.00
S K F India Ltd.	46.5350	46.04	49.19
Titan Company Ltd.	46.5321	44.93	47.34
B E M L Ltd.	42.3657	38.76	45.97
A B B India Ltd.	41.4293	25.00	49.00
Oriental Bank Of Commerce	41.3586	33.52	48.91
Siemens Ltd.	41.0186	25.00	48.99
I D B I Bank Ltd.	40.0179	23.50	47.33
Sanofi India Ltd.	39.6086	39.60	39.62
Nestle India Ltd.	39.4350	37.24	48.77
Bharat Petroleum Corpn. Ltd.	38.2364	33.79	45.07
Thermax Ltd.	37.9071	36.47	38.02
Bajaj Electricals Ltd.	36.6571	25.44	51.72
Shree Cement Ltd.	36.5000	34.44	43.54

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Bhushan Steel Ltd.	35.1262	28.78	56.84
Bosch Ltd.	34.5329	28.82	43.00
Bharat Heavy Electricals Ltd.	32.6086	32.27	36.94
Procter & Gamble Hygiene & Health Care Ltd.	31.3850	29.36	35.00
Hindustan Zinc Ltd.	31.3736	5.24	35.08
Pidilite Industries Ltd.	28.8543	28.12	29.94
Essar Oil Ltd.	28.2664	9.46	79.88
Torrent Pharmaceuticals Ltd.	27.0493	25.90	28.49
Dabur India Ltd.	26.8036	21.47	31.36
Tata Communications Ltd.	25.2593	15.09	48.87
Oil & Natural Gas Corpn. Ltd.	24.7950	15.89	31.06
Bharat Electronics Ltd.	24.1957	24.13	24.98
Godrej Industries Ltd.	19.7071	11.39	31.78
Steel Authority Of India Ltd.	15.0014	14.14	19.99
Mangalore Refinery & Petrochemicals Ltd.	14.8486	11.42	31.78

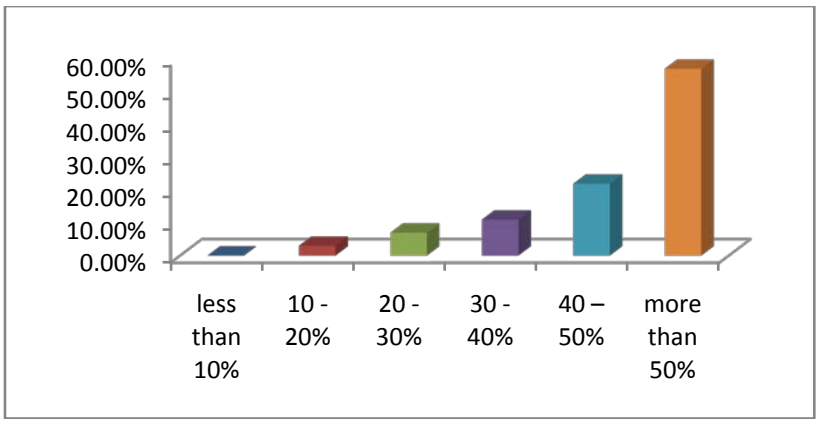
In the research study, the trends of *non-promoter's holding* in the 100 companies selected for the study in BSE 100 index is analyzed and it is found that Housing Development Finance Corpn. Ltd. is having the highest non promoters holding of (100 percent) in last 15 years followed by Larsen & Toubro Ltd. (98.20 percent), and Federal Bank Ltd. (97.04 percent). The companies with lowest percentage of non-promoters holding are Mangalore Refinery & Petrochemicals Ltd. (14.85 percent), Steel Authority Of India Ltd. (15.0014 percent). and Godrej Industries Ltd. (19.7 percent).The frequency distribution is shown below in Table 1.4.

Table 1.4 : Frequency distribution of firm's w.r.t average non- promoters holding for the period 2000-2014

Average Non Promoters Holding	Frequency	Percent
less than 10%	0	0.00%
10 - 20%	3	3.00%
20 - 30%	7	7.00%
30 - 40%	11	11.00%
40 – 50%	22	22.00%
more than 50%	57	57.00%
Total	100	100.00%

In the research study, it is also found that among the 100 companies selected for the study in BSE 100 index, 57percent of firms in BSE 100 index are having average non-promoters holding of more than 50 percent of holding, 22 percent of the firms are having average non-promoters holding in the range of 40 - 50 percent of holding, 11 percent of the firms are found to have average non-promoters holding of 30 - 40 percent of holding, 7percent of the firms are found to have average non-promoters holding of 20-30 percent of holding, 3percent of firms are found to have average non-promoters holding in the range of 10 - 20 percent of holding and there is no holding of average non-promoters holding less than 10percent of holding.

The Frequency Distribution is also shown with the help of Graph shown in Figure 2.



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iii. *Non Promoters Institutional Holding*

Table 1.5 : Average non promoters institutional holding of the firms in BSE 100 Index for the period 2000-2014

Company	Mean	Min	max
I D B I Bank Ltd.	77.0971	54.62	87.67
Mahindra & Mahindra Ltd.	49.6821	43.79	56.42
Federal Bank Ltd.	49.3014	26.86	67.83
Infosys Ltd.	47.7257	17.14	67.34
J K Lakshmi Cement Ltd.	47.0729	38.80	58.03
Satyam Computer Services Ltd. [Merged]	45.0854	12.63	66.96
Tata Power Co. Ltd.	43.3400	33.95	48.51
Grasim Industries Ltd.	42.5964	38.23	48.82
Voltas Ltd.	40.8293	24.34	48.41
Tata Steel Ltd.	39.4893	32.81	44.73
Reliance Infrastructure Ltd.	39.2436	28.13	49.13
State Bank Of India	39.0521	23.09	90.88
Tata Global Beverages Ltd.	38.8293	28.50	45.11
Dr. Reddy'S Laboratories Ltd.	38.6786	29.33	45.30
A C C Ltd.	38.5514	28.97	56.22
Hindustan Construction Co. Ltd.	38.4514	28.16	44.60
Hindustan Unilever Ltd.	38.0564	32.76	41.75
Lakshmi Machine Works Ltd.	37.0043	.69	51.20
H D F C Bank Ltd.	36.9329	21.97	44.00
Hero Motocorp Ltd.	36.9329	21.97	44.00
Tata Chemicals Ltd.	36.0850	25.98	44.92
Kajaria Ceramics Ltd.	35.7429	2.77	57.59
Tata Motors Ltd.	35.3579	25.30	40.63
Crompton Greaves Ltd.	35.0779	20.66	42.47
Hindalco Industries Ltd.	34.9364	28.29	39.03
Gujarat State Fertilizers & Chemicals Ltd.	33.3936	27.28	39.17
Raymond Ltd.	33.2050	24.60	40.05
C E S C Ltd.	32.9843	21.74	42.13
BalrampurChini Mills Ltd.	32.8929	16.44	43.40
N C C Ltd.	32.7100	.42	57.77
Aditya Birla Nuvo Ltd.	32.5379	25.45	41.08
Cummins India Ltd.	31.9521	27.00	35.65
Escorts Ltd.	31.8621	9.06	46.99
Great Eastern Shipping Co. Ltd.	31.4300	18.52	40.52
Oriental Bank Of Commerce	31.1100	13.85	41.20
Ashok Leyland Ltd.	31.0464	26.02	35.63
Exide Industries Ltd.	30.2650	26.27	34.43
Asian Paints Ltd.	30.1886	26.00	36.54
Cipla Ltd.	29.5186	21.15	34.75
Glaxosmithkline Consumer Healthcare Ltd.	29.3114	11.88	34.35
Ranbaxy Laboratories Ltd. [Merged]	29.2686	14.77	41.28
Ramco Cements Ltd.	29.2650	22.88	36.88
Bharat Petroleum Corpn. Ltd.	29.1443	27.55	31.09
Britannia Industries Ltd.	29.0200	26.80	32.65
Reliance Industries Ltd.	28.9557	25.22	32.32
Bharat Forge Ltd.	28.7921	23.89	32.51
Glaxosmithkline Pharmaceuticals Ltd.	28.6386	11.46	34.17
E I D-Parry (India) Ltd.	28.5550	25.57	31.90
Bharat Heavy Electricals Ltd.	28.3143	25.62	32.61
Max India Ltd.	28.0550	1.73	52.78
A B B India Ltd.	27.5914	15.47	34.46
Hindustan Zinc Ltd.	27.5621	18.22	30.35
Sanofi India Ltd.	27.5271	26.39	28.83
Lupin Ltd.	27.3164	2.65	44.05
Larsen & Toubro Ltd.	27.1964	20.21	40.35

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B E M L Ltd.	25.9936	13.11	36.73
Trent Ltd.	25.6921	1.98	37.76
Arvind Ltd.	25.4743	6.73	40.92
Bajaj Holdings &Invst. Ltd.	25.0743	19.68	30.00
Crisil Ltd.	25.0471	18.52	30.18
J S W Steel Ltd.	25.0050	17.52	38.35
SesaSterlite Ltd.	24.8857	14.24	31.47
L I C Housing Finance Ltd.	24.4057	.99	34.33
S K F India Ltd.	23.9329	11.76	32.49
Piramal Enterprises Ltd.	23.8736	14.18	34.82
Bosch Ltd.	23.3136	18.53	30.70
Century Textiles &Inds. Ltd.	23.0421	17.47	26.80
Jain Irrigation Systems Ltd.	22.7586	2.86	37.63
Rallis India Ltd.	22.1593	11.66	32.02
I F C I Ltd.	22.1107	14.07	28.55
Bata India Ltd.	22.0929	11.80	31.14
Siemens Ltd.	21.8007	11.60	27.09
Hindustan Petroleum Corpn. Ltd.	20.7771	2.96	41.38
Colgate-Palmolive (India) Ltd.	19.7500	9.69	26.95
Thermax Ltd.	19.6443	7.67	24.15
Reliance Capital Ltd.	19.4736	1.89	32.90
Nestle India Ltd.	19.3943	16.73	23.51
Housing Development Finance Corpn. Ltd.	19.3386	1.48	33.35
Finolex Cables Ltd.	19.2600	12.23	27.46
Dabur India Ltd.	18.7236	11.43	24.88
Atul Ltd.	17.3650	5.99	30.77
Bharat Electronics Ltd.	17.3286	8.15	20.61
Titan Company Ltd.	16.2014	8.05	24.10
Pidilite Industries Ltd.	16.1379	11.89	19.25
Kotak Mahindra Bank Ltd.	16.0021	1.64	30.46
Bajaj Electricals Ltd.	15.9736	7.12	20.94
M R F Ltd.	15.5786	12.81	28.38
Torrent Pharmaceuticals Ltd.	15.4493	8.81	19.58
Tata Communications Ltd.	14.1379	9.36	19.14
Amara Raja Batteries Ltd.	13.7471	1.70	26.60
Bajaj Finance Ltd.	12.8093	.17	25.70
Shree Cement Ltd.	12.2815	4.48	14.91
Tata Elxsi Ltd.	11.3921	.07	24.84
Steel Authority Of India Ltd.	11.3407	8.06	16.79
Oil & Natural Gas Corpn. Ltd.	10.9071	2.48	17.52
Procter & Gamble Hygiene & Health Care Ltd.	10.2814	6.48	14.59
Bhushan Steel Ltd.	6.1454	2.51	24.64
Godrej Industries Ltd.	6.1179	.87	14.80
Essar Oil Ltd.	5.9979	2.18	14.08
Mangalore Refinery & Petrochemicals Ltd.	3.4500	.29	20.99

In the research study, the trends of *non-promoter's institutional holding* in the 100 companies selected for the study in BSE 100 index is analyzed and it is found that I D B I Bank Ltd. is having the highest average Non Promoters Institutional Holding of (77.097 percent) in last 15 years followed by Mahindra& Mahindra Ltd. (49.68 percent), and Federal Bank Ltd. (49.30 percent). The companies with lowest percentage of non-promoters institutional holding are Mangalore Refinery & Petrochemicals Ltd. (3.45 percent), Essar Oil Ltd. (5.997 percent) and Godrej Industries Ltd. (6.11 percent). The frequency distribution is shown below in Table 1.6.

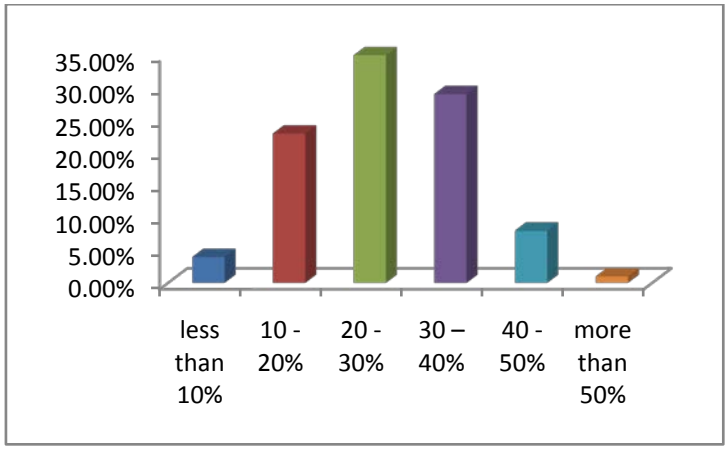
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Table 1.6 : Frequency distribution of firm's w.r.t average promoters holding for the period 2000-2014

Average Non Promoters Institutional Holding	Frequency	Percent
less than 10%	4	4.00%
10 - 20%	23	23.00%
20 - 30%	35	35.00%
30 - 40%	29	29.00%
40 – 50%	8	8.00%
more than 50%	1	1.00%
Total	100	100.00%

In the research study, it is also found that among the 100 companies selected for the study in BSE 100 index, only 1percent of firms in BSE 100 index are having average non-promoters institutional holding of more than 50 percent of holding, 8 percent of the firms are having average non-promoters institutional holding in the range of 40 - 50 percent of holding, 29 percent of the firms are found to have average non-promoters institutional holding of 30 - 40 percent of holding, 35 percent of firms are found to have average non-promoters institutional holding in the range of 20 - 30 percent of holding, 23 percent of firms are found to have average non-promoters institutional holding in the range of 10 - 20 percent of holding and 4 percent of the firms are having the average non promoters institutional holding less than 10 percent of holding.

The Frequency Distribution is also shown with the help of Graph shown in Figure 3.



iv. *Non Promoters Non Institutional Holding*

Table 1.7 : Average non promoters non Institutional holding of the firms in BSE 100 Index for the period 2000-2014

Company	Mean	min	max
M R F Ltd.	58.0586	46.28	60.75
Federal Bank Ltd.	47.7364	29.22	73.14
Tata Elxsi Ltd.	47.1929	34.17	61.78
Larsen & Toubro Ltd.	46.0314	41.56	55.91
Lakshmi Machine Works Ltd.	45.2679	37.64	53.98
Finolex Cables Ltd.	45.2238	39.04	48.75
Trent Ltd.	44.8800	30.93	72.84
I F C I Ltd.	44.3407	26.33	57.60
Atul Ltd.	42.2721	32.49	52.10
Bajaj Holdings &Invst. Ltd.	41.7907	33.44	51.75
Great Eastern Shipping Co. Ltd.	41.2700	29.40	58.59
N C C Ltd.	38.2221	20.23	61.48
Bajaj Finance Ltd.	36.1014	19.11	53.68
Arvind Ltd.	35.4086	19.03	62.48
Escorts Ltd.	34.9929	25.63	48.97
Kajaria Ceramics Ltd.	34.8071	18.44	48.87

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Century Textiles &Inds. Ltd.	34.5229	30.31	38.31
Amara Raja Batteries Ltd.	34.2221	21.34	46.30
Tata Chemicals Ltd.	33.9479	24.02	44.37
A C C Ltd.	32.3007	16.84	71.03
Voltas Ltd.	31.6436	21.53	51.43
J K Lakshmi Cement Ltd.	31.4550	21.52	39.98
Bharat Forge Ltd.	31.2321	22.78	38.33
Cipla Ltd.	31.1814	27.35	39.72
Hindustan Construction Co. Ltd.	30.5529	18.72	42.57
Titan Company Ltd.	30.3300	22.84	37.08
Tata Steel Ltd.	30.2879	23.34	40.97
Max India Ltd.	30.2821	8.37	47.47
Rallis India Ltd.	30.0393	22.78	42.60
Raymond Ltd.	29.6879	23.17	40.73
Ramco Cements Ltd.	29.4143	20.80	35.11
H D F C Bank Ltd.	29.3871	16.40	49.76
Jain Irrigation Systems Ltd.	29.3121	11.37	62.29
Colgate-Palmolive (India) Ltd.	29.2500	22.05	39.31
Bhushan Steel Ltd.	28.9777	23.03	32.87
Gujarat State Fertilizers & Chemicals Ltd.	28.7621	22.99	34.87
Tata Global Beverages Ltd.	28.4807	20.86	41.94
BalrampurChini Mills Ltd.	28.1643	20.10	36.69
J S W Steel Ltd.	27.9286	17.37	38.27
E I D-Parry (India) Ltd.	27.9021	21.41	35.13
Reliance Capital Ltd.	27.8529	14.43	49.94
Hindalco Industries Ltd.	27.3021	13.82	37.48
Crisil Ltd.	27.1771	13.78	43.56
Grasim Industries Ltd.	26.7986	20.04	41.36
Aditya Birla Nuvo Ltd.	26.7021	12.89	47.69
Bata India Ltd.	26.5429	16.85	37.20
Satyam Computer Services Ltd. [Merged]	25.9562	10.58	65.64
Dr. Reddy'S Laboratories Ltd.	25.4650	14.38	44.37
Piramal Enterprises Ltd.	24.7393	15.94	34.50
Glaxosmithkline Consumer Healthcare Ltd.	24.4707	15.05	27.49
Shree Cement Ltd.	24.2200	20.30	33.47
Tata Power Co. Ltd.	23.2671	16.01	33.51
Ranbaxy Laboratories Ltd. [Merged]	23.0486	13.80	33.58
Infosys Ltd.	22.9814	12.20	36.14
Housing Development Finance Corpn. Ltd.	22.9029	12.33	45.38
Kotak Mahindra Bank Ltd.	22.6564	15.51	53.21
S K F India Ltd.	22.6036	13.93	34.28
Reliance Industries Ltd.	22.4964	17.71	25.72
Essar Oil Ltd.	22.2707	4.85	74.62
Mahindra & Mahindra Ltd.	21.9821	14.55	34.06
Crompton Greaves Ltd.	21.9707	14.64	35.46
Tata Motors Ltd.	21.9100	7.53	44.10
Asian Paints Ltd.	21.9043	19.88	24.70
SesaSterlite Ltd.	21.8857	11.22	34.74
Britannia Industries Ltd.	21.4193	18.94	24.63
Procter & Gamble Hygiene & Health Care Ltd.	21.1064	14.77	25.81
C E S C Ltd.	21.0957	8.33	43.80
Bajaj Electricals Ltd.	20.6879	14.18	30.79
Reliance Infrastructure Ltd.	20.5650	9.07	59.56
L I C Housing Finance Ltd.	20.3100	12.25	34.24
Nestle India Ltd.	20.0421	18.23	25.26
Exide Industries Ltd.	19.8736	12.82	22.84
Lupin Ltd.	19.4700	9.02	31.47
Hindustan Unilever Ltd.	19.4571	14.53	23.58
Glaxosmithkline Pharmaceuticals Ltd.	19.4336	13.54	25.07
Siemens Ltd.	19.2221	12.01	27.55

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Thermax Ltd.	18.2650	13.87	30.35
I D B I Bank Ltd.	17.9079	9.43	23.33
Ashok Leyland Ltd.	17.2714	13.44	19.52
B E M L Ltd.	16.3757	9.24	25.66
Cummins India Ltd.	14.8121	13.35	16.56
Oil & Natural Gas Corpn. Ltd.	13.8886	12.58	17.16
A B B India Ltd.	13.8393	8.40	20.19
Godrej Industries Ltd.	13.5900	9.92	26.83
Pidilite Industries Ltd.	12.7200	10.69	16.33
Hero Motocorp Ltd.	12.4021	8.34	21.25
Sanofi India Ltd.	12.0850	10.80	13.23
Hindustan Zinc Ltd.	12.0371	1.73	33.45
Torrent Pharmaceuticals Ltd.	11.6021	7.78	19.68
State Bank Of India	11.5407	8.30	17.60
Mangalore Refinery & Petrochemicals Ltd.	11.3993	7.86	23.88
Bosch Ltd.	11.2200	8.68	14.09
Tata Communications Ltd.	11.1243	2.40	33.30
Hindustan Petroleum Corpn. Ltd.	10.8843	7.24	16.13
Oriental Bank Of Commerce	10.2479	6.09	19.67
Bharat Petroleum Corpn. Ltd.	9.0957	2.71	17.52
Dabur India Ltd.	8.0814	6.44	10.46
Bharat Electronics Ltd.	6.8693	3.95	15.99
Bharat Heavy Electricals Ltd.	4.2979	1.80	6.66
Steel Authority Of India Ltd.	3.6614	2.22	6.12

In the research study, the trends of *non-promoter's non institutional holding* in the 100 companies selected for the study in BSE 100 index is analyzed and it is found that M R F Ltd. (58.06 percent), is having the highest average non promoters non institutional holding of (58.06 percent) in last 15 years followed by Federal Bank Ltd. (47.73 percent), and Tata Elxsi Ltd. (47.19 percent). The companies with lowest percentage of non-promoters non institutional holding are Bharat Heavy Electricals Ltd. (4.297 percent), Bharat Electronics Ltd. (6.87 percent) and Dabur India Ltd. (8.08 percent). The frequency distribution is shown below in Table 1.8.

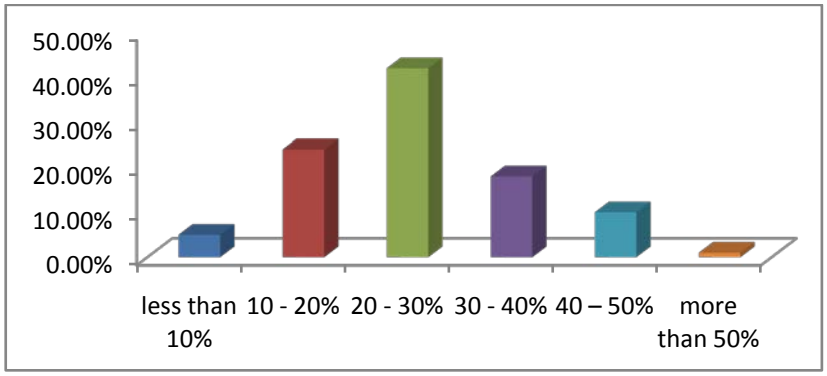
Table 1.8 : Frequency distribution of firm's w.r.t average non promoter non institutional holding for the period 2000-2014

Average Non Promoters Non Institutional Holding	Frequency	Percent
less than 10%	5	5.00%
10 - 20%	24	24.00%
20 - 30%	42	42.00%
30 - 40%	18	18.00%
40 – 50%	10	10.00%
more than 50%	1	1.00%
Total	100	100.00%

In the research study, it is also found that among the 100 companies selected for the study in BSE 100 index, only 1 percent of firms in BSE 100 Index are having average non-promoters non institutional holding of more than 50 percent of holding, 10 percent of the firms are having average non-promoters non institutional holding in the range of 40 - 50 percent of holding, 18 percent of the firms are found to have average non-promoters non institutional holding of 30 - 40 percent of holding, 42 percent of firms are found to have average non-promoters non institutional holding in the range of 20 - 30 percent of holding, 24 percent of firms are found to have average non-promoters non institutional holding in the range of 10 - 20 percent of holding and 5 percent of the firms are having the average non promoters non institutional holding less than 10 percent of holding.

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The Frequency Distribution is also shown with the help of graph shown in figure 4.



IV. Conclusion

In this study, there is empirical confirmation of the predominance of concentrated ownership and control in corporate India. Out of the BSE 100-Index companies the number of dominant ownership entities (promoters), nearly 42percent of firms are having more than 50 percent of shareholding which indicates that there is concentration of ownership in the hands of promoters. Such entrenchment and control offers immense potential to the owners/controllers for tunneling and personal enrichment at the expense of absentee shareholders.

However, only 1 percent of firms are having more than 50 percent of average non promoters institutional holding as well as average non promoters non institutional holding. 35 percent of firms are found to have average non promoters institutional holding in the range of 20 – 30 percent of shareholding. In case of average non promoters non institutional holding it is found that 42 percent of firms are having 20-30% of shareholding. It indicates that institutional as well as retail shareholders don't have the majority powers. In line with the trends in other developed markets, non-institutional retail shareholdings are on the declining mode in the country. In the BSE 100-Index companies, much of these holdings were picked up by the promoters to boost their entrenchment and as a defense against hostile takeovers.

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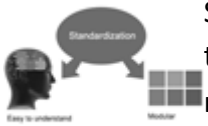


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25. Take proper rest and food: No matter how many hours you spend for your research activity, if you are not taking care of your health then all your efforts will be in vain. For a quality research, study is must, and this can be done by taking proper rest and food.

26. Go for seminars: Attend seminars if the topic is relevant to your research area. Utilize all your resources.



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27. Refresh your mind after intervals: Try to give rest to your mind by listening to soft music or by sleeping in intervals. This will also improve your memory.

28. Make colleagues: Always try to make colleagues. No matter how sharper or intelligent you are, if you make colleagues you can have several ideas, which will be helpful for your research.

29. Think technically: Always think technically. If anything happens, then search its reasons, its benefits, and demerits.

30. Think and then print: When you will go to print your paper, notice that tables are not be split, headings are not detached from their descriptions, and page sequence is maintained.

31. Adding unnecessary information: Do not add unnecessary information, like, I have used MS Excel to draw graph. Do not add irrelevant and inappropriate material. These all will create superfluous. Foreign terminology and phrases are not apropos. One should NEVER take a broad view. Analogy in script is like feathers on a snake. Not at all use a large word when a very small one would be sufficient. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Amplification is a billion times of inferior quality than sarcasm.

32. Never oversimplify everything: To add material in your research paper, never go for oversimplification. This will definitely irritate the evaluator. Be more or less specific. Also too, by no means, ever use rhythmic redundancies. Contractions aren't essential and shouldn't be there used. Comparisons are as terrible as clichés. Give up ampersands and abbreviations, and so on. Remove commas, that are, not necessary. Parenthetical words however should be together with this in commas. Understatement is all the time the complete best way to put onward earth-shaking thoughts. Give a detailed literary review.

33. Report concluded results: Use concluded results. From raw data, filter the results and then conclude your studies based on measurements and observations taken. Significant figures and appropriate number of decimal places should be used. Parenthetical remarks are prohibitive. Proofread carefully at final stage. In the end give outline to your arguments. Spot out perspectives of further study of this subject. Justify your conclusion by at the bottom of them with sufficient justifications and examples.

34. After conclusion: Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium though which your research is going to be in print to the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects in your research.

Informal Guidelines of Research Paper Writing

Key points to remember:

- Submit all work in its final form.
- Write your paper in the form, which is presented in the guidelines using the template.
- Please note the criterion for grading the final paper by peer-reviewers.

Final Points:

A purpose of organizing a research paper is to let people to interpret your effort selectively. The journal requires the following sections, submitted in the order listed, each section to start on a new page.

The introduction will be compiled from reference matter and will reflect the design processes or outline of basis that direct you to make study. As you will carry out the process of study, the method and process section will be constructed as like that. The result segment will show related statistics in nearly sequential order and will direct the reviewers next to the similar intellectual paths throughout the data that you took to carry out your study. The discussion section will provide understanding of the data and projections as to the implication of the results. The use of good quality references all through the paper will give the effort trustworthiness by representing an alertness of prior workings.

Writing a research paper is not an easy job no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record keeping are the only means to make straightforward the progression.

General style:

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

To make a paper clear

· Adhere to recommended page limits

Mistakes to evade

- Insertion a title at the foot of a page with the subsequent text on the next page
- Separating a table/chart or figure - impound each figure/table to a single page
- Submitting a manuscript with pages out of sequence

In every sections of your document

· Use standard writing style including articles ("a", "the," etc.)

· Keep on paying attention on the research topic of the paper

· Use paragraphs to split each significant point (excluding for the abstract)

· Align the primary line of each section

· Present your points in sound order

· Use present tense to report well accepted

· Use past tense to describe specific results

· Shun familiar wording, don't address the reviewer directly, and don't use slang, slang language, or superlatives

· Shun use of extra pictures - include only those figures essential to presenting results

Title Page:

Choose a revealing title. It should be short. It should not have non-standard acronyms or abbreviations. It should not exceed two printed lines. It should include the name(s) and address (es) of all authors.



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Abstract:

The summary should be two hundred words or less. It should briefly and clearly explain the key findings reported in the manuscript--must have precise statistics. It should not have abnormal acronyms or abbreviations. It should be logical in itself. Shun citing references at this point.

An abstract is a brief distinct paragraph summary of finished work or work in development. In a minute or less a reviewer can be taught the foundation behind the study, common approach to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Yet, use comprehensive sentences and do not let go readability for briefness. You can maintain it succinct by phrasing sentences so that they provide more than lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study, with the subsequent elements in any summary. Try to maintain the initial two items to no more than one ruling each.

- Reason of the study - theory, overall issue, purpose
- Fundamental goal
- To the point depiction of the research
- Consequences, including definite statistics - if the consequences are quantitative in nature, account quantitative data; results of any numerical analysis should be reported
- Significant conclusions or questions that track from the research(es)

Approach:

- Single section, and succinct
- As a outline of job done, it is always written in past tense
- A conceptual should situate on its own, and not submit to any other part of the paper such as a form or table
- Center on shortening results - bound background information to a verdict or two, if completely necessary
- What you account in an conceptual must be regular with what you reported in the manuscript
- Exact spelling, clearness of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else

Introduction:

The **Introduction** should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable to comprehend and calculate the purpose of your study without having to submit to other works. The basis for the study should be offered. Give most important references but shun difficult to make a comprehensive appraisal of the topic. In the introduction, describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will have no attention in your result. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here. Following approach can create a valuable beginning:

- Explain the value (significance) of the study
- Shield the model - why did you employ this particular system or method? What is its compensation? You strength remark on its appropriateness from a abstract point of vision as well as point out sensible reasons for using it.
- Present a justification. Status your particular theory (es) or aim(s), and describe the logic that led you to choose them.
- Very for a short time explain the tentative propose and how it skilled the declared objectives.

Approach:

- Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done.
- Sort out your thoughts; manufacture one key point with every section. If you make the four points listed above, you will need a least of four paragraphs.

- Present surroundings information only as desirable in order hold up a situation. The reviewer does not desire to read the whole thing you know about a topic.
- Shape the theory/purpose specifically - do not take a broad view.
- As always, give awareness to spelling, simplicity and correctness of sentences and phrases.

Procedures (Methods and Materials):

This part is supposed to be the easiest to carve if you have good skills. A sound written Procedures segment allows a capable scientist to replacement your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt for the least amount of information that would permit another capable scientist to spare your outcome but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section. When a technique is used that has been well described in another object, mention the specific item describing a way but draw the basic principle while stating the situation. The purpose is to text all particular resources and broad procedures, so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step by step report of the whole thing you did, nor is a methods section a set of orders.

Materials:

- Explain materials individually only if the study is so complex that it saves liberty this way.
- Embrace particular materials, and any tools or provisions that are not frequently found in laboratories.
- Do not take in frequently found.
- If use of a definite type of tools.
- Materials may be reported in a part section or else they may be recognized along with your measures.

Methods:

- Report the method (not particulars of each process that engaged the same methodology)
- Describe the method entirely
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures
- Simplify - details how procedures were completed not how they were exclusively performed on a particular day.
- If well known procedures were used, account the procedure by name, possibly with reference, and that's all.

Approach:

- It is embarrassed or not possible to use vigorous voice when documenting methods with no using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result when script up the methods most authors use third person passive voice.
- Use standard style in this and in every other part of the paper - avoid familiar lists, and use full sentences.

What to keep away from

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings - save it for the argument.
- Leave out information that is immaterial to a third party.

Results:

The principle of a results segment is to present and demonstrate your conclusion. Create this part a entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Carry on to be to the point, by means of statistics and tables, if suitable, to present consequences most efficiently.You must obviously differentiate material that would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matter should not be submitted at all except requested by the instructor.



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Content

- Sum up your conclusion in text and demonstrate them, if suitable, with figures and tables.
- In manuscript, explain each of your consequences, point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation an exacting study.
- Explain results of control experiments and comprise remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or in manuscript form.

What to stay away from

- Do not discuss or infer your outcome, report surroundings information, or try to explain anything.
- Not at all, take in raw data or intermediate calculations in a research manuscript.
- Do not present the similar data more than once.
- Manuscript should complement any figures or tables, not duplicate the identical information.
- Never confuse figures with tables - there is a difference.

Approach

- As forever, use past tense when you submit to your results, and put the whole thing in a reasonable order.
- Put figures and tables, appropriately numbered, in order at the end of the report
- If you desire, you may place your figures and tables properly within the text of your results part.

Figures and tables

- If you put figures and tables at the end of the details, make certain that they are visibly distinguished from any attach appendix materials, such as raw facts
- Despite of position, each figure must be numbered one after the other and complete with subtitle
- In spite of position, each table must be titled, numbered one after the other and complete with heading
- All figure and table must be adequately complete that it could situate on its own, divide from text

Discussion:

The Discussion is expected the trickiest segment to write and describe. A lot of papers submitted for journal are discarded based on problems with the Discussion. There is no head of state for how long a argument should be. Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implication of the study. The purpose here is to offer an understanding of your results and hold up for all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of result should be visibly described. Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved with prospect, and let it drop at that.

- Make a decision if each premise is supported, discarded, or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."
- Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work
- You may propose future guidelines, such as how the experiment might be personalized to accomplish a new idea.
- Give details all of your remarks as much as possible, focus on mechanisms.
- Make a decision if the tentative design sufficiently addressed the theory, and whether or not it was correctly restricted.
- Try to present substitute explanations if sensible alternatives be present.
- One research will not counter an overall question, so maintain the large picture in mind, where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.

Approach:

- When you refer to information, differentiate data generated by your own studies from available information
- Submit to work done by specific persons (including you) in past tense.
- Submit to generally acknowledged facts and main beliefs in present tense.

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- Do not give permission to anyone else to "PROOFREAD" your manuscript.

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Topics	Grades		
	A-B	**C-D**	**E-F**
Abstract	Clear and concise with appropriate content, Correct format. 200 words or below	Unclear summary and no specific data, Incorrect form Above 200 words	No specific data with ambiguous information Above 250 words
Introduction	Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited	Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter	Out of place depth and content, hazy format
Methods and Procedures	Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads	Difficult to comprehend with embarrassed text, too much explanation but completed	Incorrect and unorganized structure with hazy meaning
Result	Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake	Complete and embarrassed text, difficult to comprehend	Irregular format with wrong facts and figures
Discussion	Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited	Wordy, unclear conclusion, spurious	Conclusion is not cited, unorganized, difficult to comprehend
References	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring

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