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# Educational Status of Female Youth in Nepal: A Foundation for Health and Well-being. Where Should Programmes Focus?

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## Abstract

Youth are important change agents for social, political and economic issues. However, research evidence suggests that many youth, especially females, face many challenges in Nepal in reaching their social potential due to serious problems with educational access and attainment. This study examines the influence of educational attainment on achieving the social potential of Nepalese female youth through a secondary analysis of data from the Nepal Demographic and Health Survey 2016. Results from this analysis show that one out of 10 female youth are illiterate and do not receive a formal education. Socio-demographic variables, such as marital status, caste, place of residence and wealth status were found to be major predictors for literacy status and educational attainment of female youth in Nepal. The findings from this study suggest that special attention should be paid to these critical variables for guiding educational and interventional planning by

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concerned authorities including stakeholders for improving the social potential, as well as the health and well-being of female youth in Nepal.

### **Keywords**

Educational status, female youth, health and well-being, literacy status, socio-demographic features

## **Background**

Youth and young people are especially front and centre of all socio-economic and developmental activities (Butler, 2019). The United Nations (UN) estimates that about one-fifth of the total population falls under the age of 15–24 years and are called ‘youth’ (Department of Economic and Social Affairs, n.d.). However, many countries have their own definition about the term ‘youth’ which depends upon their own unique socio-cultural, political, institutional and economic factors (Nepal Law Commission, 2010). The UN claims the existing population of the youth is the largest ever in history. The UN Development Assistant Framework has mentioned the provision of health care, education, safe drinking water, sanitation and nutrition as basic quality services which are considered as basic rights of youth (YUWA & UNICEF, 2012). The Government of Nepal (GoN) has also committed to assure basic quality services for youth since the GoN is a member state of the UN.

Youth are change agents in terms of social, political and economic issues (Nepal Law Commission, 2010). UNFPA states ‘young people can make informed decisions, take positive and productive actions and motivate friends and families to think and act differently to achieve the Sustainable Development Goals’ (SDG), (as cited in *The Himalayan Times*, 2018). Universally, there is a challenge concerning how to best educate youth, especially in developing countries. ‘Leave no one behind’ is a popular slogan but it has yet to be achieved. To achieve this goal, academic institutions, like schools, have to play significant roles in educating youth. Various researchers suggest that comprehensive and high-quality education is not only an effective means to develop good character but also a promising approach to overcome the problems of no-education, no schooling and other contemporary social issues (Battistich, 2005). Secondary and higher-level education programmes are designed to focus on youth in terms of curriculum and educational delivery components. However, many young people do not receive formal education in Nepal, as well as in many developing countries (Ministry of Health, New ERA, & ICF, 2017). With the changing scenario of social, political and economic changes, many countries have identified and introduced some uncertainty, unpredictability as well as risky socio-cultural environmental factors faced by youth, especially by young female (Dwyer & Wyn, 2001). Difficulties faced by youth should be treated wisely and seriously. Education may be the most important means to overcome these difficulties.

There are so many challenges and problems facing Nepalese female youth. Early marriage, child labour, human trafficking and gender-based discrimination

are some of these challenges (Rana, 2012). In addition, no schooling and or no access to education also contribute to these problems (Ministry of Health et al., 2017). But youth possess great social potential. ‘Nepali young people says youth can inspire communities to break limitations and prejudices, raise their voices to spread messages, carry out actions and review the progress of SDGs and hold their government accountable’ (*The Himalayan Times*, 2018). Education for youth is not only a key human right but also a part of socio-economic development, global peace and prosperity as well. The Central Bureau of Statistics (CBS, 2011) shows that nearly 8–8.7 per cent of urban females aged 15–19 years and 20–24 years, respectively, have never attended school. Similarly, this condition is even worse in rural areas. Nearly 15–31.2 per cent of females aged 15–19 years and 20–24 years, respectively, have never attended school from the rural areas of Nepal (Rana, 2012). However, the educational participation data are gradually improving but levels of educational participation are still not satisfactory. The Nepal Demographic and Health Survey (NDHS) 2016 shows that 14.2–7.3 per cent of the total female youth aged 15–19 and 20–24 years, respectively, still did not attend school (Ministry of Health et al., 2017). According to CBS 2011, only 80 per cent of all girls enrolled in primary school. This level of enrolment sharply declined for secondary schooling and reached only 25–9.3 per cent of adolescent girls enrolment respectively in rural and urban areas (Rana, 2012). That means, one-fifth of the girls never attended school.

The National Youth Policy report 2010 described youth as capable, creative and competent, with scientific and positive long-term vision so that they can make meaningful contributions to social, political and economic growth and development (Nepal Law Commission, 2010). But it is almost impossible for youth to attain these goals without proper education. Similarly, global initiatives also focus on the role of female education as a critical process of development. Women in development (WID), women and development (WAD) and gender and development (GAD) also focus on the importance of education (Akrong, 2014). According to the World Bank, even a 10 per cent increase in girls’ enrolment in schools may lead to an increase of 3 per cent in per capita income annually. Similarly, if girls have received secondary or higher-level education, there is a greater likelihood to increase family income, lower domestic violence and improve the well-being of the family (Rana, 2012).

The youth developmental agenda emerged in 1965 and the year 1985 was celebrated as International Youth Year with the theme of ‘participation, development and peace’. About a decade later, the UN adopted the ‘world programme of action for youth to the year 2000 and beyond’ in 1995 (Department of Economic and Social Affairs, n.d.). Early marriage, gender and caste discrimination, child labour, high opportunity cost, cost of schooling, lack of female teachers and distance to education were identified as hindering factors for enabling girls to access education. It is widely accepted that most of the SDGs cannot be achieved without meaningful participation by females. Studies recommend that waiving school fees, providing incentives to girls, and introducing alternative learning opportunity may increase girls’ educational access and enrolment in higher education too (Akrong, 2014; Rana, 2012).

Education is a lifelong process. Literacy is associated with all aspects of development, including the change process (Akrong, 2014). Research data show low enrolment and high dropout rates in school education for girls in Nepal (Shohel & Howes, 2006). Considering these factors, this study analyses the influences of socio-demographic factors on educational access and educational attainment of female youth in Nepal. A main objective of this study is to examine how Nepalese female youth educational status influences their social potential, as well as the health and well-being of their families.

## Methods

This study is a descriptive secondary analysis of data from the NDHS 2016 obtained from MEASURE DHS+ which was national representative survey. This was the fifth survey of its kind, conducted to collect reliable, accurate and up-to-date information from the Nepalese people. The survey protocol was reviewed and approved by Nepal Health Research Council, Nepal and ICF Institutional Review Board, Maryland, USA. Consent was taken prior to interview during data collection. And the survey was financially and technically supported by United States Agency for International Development (USAID).

The sample frame was based upon the census 2011 conducted by CBS and created a primary sampling unit by generating enumeration areas in each ward. The survey consisted of 14 sampling strata covering rural, urban and other geographical contexts. The survey instrument was a questionnaire with six sections. The questionnaire was prepared in English and later translated into Nepali, Maithili and Bhojpuri as per need. Data were collected by deploying computer-assisted personal interviewing (CAPI) using a tablet computer. Data from 4,849 female youth were extracted from data available from NDHS which was imported into SPSS software for statistical analysis.

The dependent variable in the survey is literacy status which is manipulated/categorised in dichotomous character as 'literate' and 'illiterate'. The major independent variables are individual and family characteristics such as age group (15–19 years and 20–24 years), marital status, caste, religion, province, residence setting, employment, sex of household head and wealth status. Univariate, bivariate (chi-square test) and multivariate analyses (binary logistic regression) are performed by using the software SPSS version 24. We have excluded the variable 'religion' in the multivariate analysis since the Muslim caste appeared as correlated with the Muslim religion.

## Results

### *Socio-demographic Characteristics of Female Youth*

This study included 4,849 female youth aged 15–24 years throughout the country. Of the total number of respondents, more than half (53.6%) were from the age group

of 15–19 years. Just over half (50.2%) were never married and nearly half (49.3%) were currently married (see Table 1). Hill Brahmin/Chhetri and Hill Janajatis castes were represented by more than a quarter (27.8% and 26.3%) of the total respondents, respectively. Nearly 85 per cent of the respondents were Hindu, and more than one-fifth (20.5%) of the respondents were selected from Province 2. Nearly 62 per cent of the total number of respondents were from urban areas. Most of the household heads (71.5%) were male and more than half (55%) were unemployed. More than one-third (38%) of the respondents belonged to poor, while 41–21 per cent were from the rich and middle level of income, respectively (see Table 1).

**Table 1.** Background Characteristics of Female Youths

Variables	Category	N	%
Age in 5-year groups	15–19	2,598	53.6
	20–24	2,251	46.4
Marital status	Never married	2,433	50.2
	Currently married	2,389	49.3
	Separated/divorced/widowed	27	0.6
Caste/ethnicity	Hill Brahmin/Chhetri	1,350	27.8
	Terai Brahmin/Chhetri	70	1.4
	Other Terai caste	737	15.2
	Hill Dalit	415	8.6
	Terai Dalit	225	4.6
	Hill Janajatis	1,273	26.3
	Terai Janajatis	497	10.3
	Muslim	281	5.8
Religion	Hindu	4,113	84.8
	Buddhist	254	5.2
	Muslim	281	5.8
	Kirat/Christian	201	4.1
Provinces	Province 1	817	16.8
	Province 2	996	20.5
	Province 3	952	19.6
	Province 4	460	9.5
	Province 5	892	18.4
	Province 6	293	6
	Province 7	440	9.1
Place of residence	Urban	2,991	61.7
	Rural	1,858	38.3
Currently working	No	2,664	54.9
	Yes	2,185	45.1

(Table 1 Continued)

(Table 1 Continued)

Variables	Category	N	%
Sex of household head	Male	3,465	71.5
	Female	1,384	28.5
Wealth index	Poor	1,841	38
	Middle	1,015	20.9
	Rich	1,993	41.1
<b>Total</b>		<b>4,849</b>	<b>100</b>

Source: NDHS (2016)

### *Bivariate Analysis of Socio-demographic Features of Female Youth and Literacy Status*

Data show that there were significant differences between socio-demographic characteristics and literacy status of female youth. Females aged 20–24 years were more (18.2%) illiterate compared to the females aged 15–19 years (12.6%,  $p < 0.001$ ) (see Table 2). In other words, it was observed that the higher the age of female youth, the higher the illiteracy rate was. It was further noticed that single females due to separation, being divorced and being widowed were more illiterate (35.5%) compared to currently married (23.4%) and never married (7%,  $p < 0.001$ ). There was a significant difference among and within caste groups. Female youths belonged to Terai Dalit caste seemed to be more vulnerable and more illiterate than other female youth. More than half (57.7%) of the Terai Dalit were illiterate. Similarly, nearly half (46.3%) of the Muslim female youth were illiterate compared to other Terai caste (36.3%), Terai Janajatis (11.5%,  $p < 0.001$ ) (see Table 2).

**Table 2.** Background Characteristics of Female Youths by Literacy Status

Variables	Categories	Literacy Status		Total	
		Literate	Illiterate	%	N
Age groups***	15–19	87.4	12.6	100	2,598
	20–24	81.8	18.2	100	2,251
Marital status ***	Never married	93	7	100	2,433
	Currently married	76.6	23.4	100	2,389
	Separated/divorced/widowed	64.5	35.5	100	27
Caste/ethnicity ***	Hill Brahmin/Chhetri	95.9	4.1	1000	1,350
	Terai Brahmin/Chhetri	94.8	5.2	100	70
	Other Terai caste	63.7	36.3	100	737
	Hill Dalit	91.7	8.3	100	415
	Terai Dalit	42.3	57.7	100	225
	Hill Janajatis	95.2	4.8	100	1,273
	Terai Janajatis	88.5	11.5	100	497
Muslim	53.7	46.3	100	281	

(Table 2 Continued)

(Table 2 Continued)

Variables	Categories	Literacy Status		Total	
		Literate	Illiterate	%	N
Religion ***	Hindu	86	14	100	4,113
	Buddhist	93.5	6.5	100	254
	Muslim	53.2	46.8	100	281
	Kirat/Christian	92.4	7.6	100	201
Provinces***	Province 1	91.1	8.9	100	817
	Province 2	57.3	42.7	100	996
	Province 3	94.6	5.4	100	952
	Province 4	96.8	3.2	100	460
	Province 5	87.2	12.8	100	892
	Province 6	91.9	8.1	100	293
	Province 7	91.6	8.4	100	440
Place of residence ***	Urban	88.5	11.5	100	2,991
	Rural	78.8	21.2	100	1,858
Currently working ***	No	81.7	18.3	100	2,664
	Yes	88.5	11.5	100	2,185
Sex of house head **	Male	83.9	16.1	100	3,466
	Female	86.9	13.1	100	1,384
Wealth index***	Poor	84.4	15.6	100	1,841
	Middle	75.9	24.1	100	1,015
	Rich	89.6	10.4	100	1,993
<b>Total</b>		<b>84.8</b>	<b>15.2</b>	<b>100</b>	<b>4,849</b>

Source: NDHS (2016)

Note: \*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ .

The data show that Brahmin and Chhetri from Hill and Terai, and Hill Janajatis were comparatively more literate which accounts for nearly 96 per cent. With reference to religion, a significantly higher percentage of Muslim female youth were more illiterate (46.8%) compared to Hindu (14%), Kirat/Christian (7.6%) and Buddhist (6.5%,  $p < 0.001$ ). Nepal has recently practised a federal residential structure where female youths from Province 2 were more vulnerable to being illiterate, 42.7 per cent compared to Province 5 (12.8%), Province 1 (8.9%), Province 3 (5.4%) and Province 4 (3.2%,  $p < 0.001$ ). According to the data, female youth from Province 4 were more literate (96.8%) than in other provinces. More than one-fifth (21.2%) of the female youth from rural areas were illiterate compared to urban youth (11.5%,  $p < 0.001$ ). It was observed that there were associations between job opportunity and literacy status ( $p < 0.001$ ). Nearly one-fifth (18.3%) of female youth who were not currently working at the time of data collection were illiterate compared to the females who were working (11.5%). Female youth who belonged to male-headed households were more illiterate (16.1%) compared to those who belonged to female-headed households (13.1%,  $p < 0.01$ ). Interestingly, female youth from middle-class families seemed more illiterate (24.1%) compared to the poor (15.6%) and rich female youth (10.4%,  $p < 0.001$ ) (see Table 2).



### Multivariate Analysis of Socio-demographic Features of Female Youths and Literacy

We used binary logistic regression ( $Y = a + b_1X_1 + b_2X_2 + b_3X_3 \dots + b_nX_n$ ) to estimate the probability of being illiterate among different socio-demographic characteristics of female youth. Female youth aged 20–24 years of age were more likely to be illiterate (adjusted odds ratio [aOR] = 1.336,  $p < 0.01$ ) than never-married females. Data showed that ever married but currently single due to various reason seemed to be illiterate. Separated, divorced or widowed female youth showed a greater likelihood of being illiterate (aOR = 4.445,  $p < 0.01$ ) and currently married (aOR = 2.9,  $p < 0.001$ ) compared to never-married females. Female youth from Muslim backgrounds were more vulnerable to being illiterate compared to female youth from Hill Brahmin and Chhetri castes. The odds of Muslim female youth being illiterate was very high (aOR = 26.478,  $p < 0.001$ ). Female youth from Terai Dalit, other Terai castes and Terai Janajatis castes tended to be illiterate (aOR = 23.065, aOR = 11.49, aOR = 3.229,  $p < 0.001$ ) (see Table 3).

In terms of residence setting, female youth from Provinces 2, 3 and 7 seemed more likely to be illiterate (aOR = 2.492,  $p < 0.001$ ; aOR = 1.788,  $p < 0.01$ ; aOR = 1.672,  $p < 0.05$ ) compared to the female youth from Province 1. However, youth from Province 4 seemed less likely to be illiterate (aOR = 0.79) compared to Province 1. Rural female youth tended to be illiterate (aOR = 1.384,  $p < 0.01$ ) compared to urban female youth. Surprisingly, female youth who were involved in occupations and youth from female-headed households seemed more likely to be illiterate, although this was not statistically significant. The results were examined with bivariate analysis. Female youth from economically poor and middle-class family tended to be illiterate (aOR = 3.096, aOR = 1.648,  $p < 0.001$ ) respectively compared to youth from economically rich families (see Table 3).

**Table 3.** Adjusted Odds Ratio (aOR) and 95% Confidence Interval (CI) of Reported Illiterate Among Female Youth in Nepal, by Selected Predictors

Variables	Category	aOR	95% CI	
			Lower	Upper
Age in 5-year groups	15–19	1		
	20–24	1.336**	1.074	1.661
Marital status	Never married	1		
	Currently married	2.900***	2.286	3.677
	Separated/divorced/ widowed	4.455**	1.668	11.899
Caste/ethnicity	Hill Brahmin/Chhetri	1		
	Terai Brahmin/Chhetri	1.727	0.546	5.464
	Other Terai caste	11.490***	7.385	17.876
	Hill Dalit	1.885**	1.192	2.982
	Terai Dalit	23.065***	14.281	37.253
	Hill Janajatis	1.140	0.756	1.717
	Terai Janajatis	3.229***	2.098	4.969
	Muslim	26.478***	16.579	42.286

(Table 3 Continued)

(Table 3 Continued)

Variables	Category	aOR	95% CI	
			Lower	Upper
Provinces	Province 1	1		
	Province 2	2.492***	1.756	3.537
	Province 3	1.788**	1.162	2.752
	Province 4	0.790	0.427	1.460
	Province 5	1.207	0.844	1.726
	Province 6	1.455	0.840	2.523
	Province 7	1.672*	1.037	2.696
Place of residence	Urban	1		
	Rural	1.348**	1.111	1.635
Currently working	No	1		
	Yes	1.057	0.856	1.305
Sex of household head	Male	1		
	Female	1.213	0.972	1.513
Wealth index	Poor	3.096***	2.387	4.015
	Middle	1.648***	1.289	2.106
	Rich	1		
Constant		0.006**		
Cox & Snell R-square		0.225		
-2 log likelihood		2,902.557		

Source: NDHS (2016)

Note: \*\*\* =  $p < 0.001$ , \*\* =  $p < 0.01$  and \* =  $p < 0.05$ .

## Discussion

Female literacy is not only an issue of human right or educational attainment but also a component of global prosperity, as well as sustainable development (Rana, 2012). Data show that various socio-demographic factors were associated with youth literacy. Data reveal that the higher the age of female youth, the lower the chance of educational attainment or the achievement of literacy. This suggests that special educational interventions can be applied (Shohel & Howes, 2006) from non-formal and formal system of education to improve educational and literacy outcomes for Nepalese female youth. Education for Nepalese girls is not only a political and constitutional agenda but also a critical factor for achieving human potential related to social growth, development and consensus.

The Beijing + 20 civil society report identifies six critical areas with women: poverty, health, violence, armed conflict, economy, and power and decision-making. Without adequate education, these critical areas cannot be addressed. Unfortunately, low enrolment and high dropout rates of Nepalese girls in the educational mainstream have been alarming and have challenged policymakers to adequately address how different socio-demographic factors influence literacy levels for achieving the goal of 'empowering women, empowering humanity'

(Beyond Beijing Committee & National Network for Beijing-review Nepal, 2014). Higher educational attainment plays a vital role in providing job opportunities, and job opportunities play a vital role in enhancing family income, increasing better decision-making for promoting health, and mobilising the social and personal resources that are vital for physical and mental health (Paudel, Deagon, Ham, & Hillman, 2018).

According to NDHS 2016, 1 out of 10 (10%) of the total female youth (15–24 years) were illiterate (Ministry of Health et al., 2017) despite the constitutional provision of compulsory and free basic education to all (Nepal Law Commission, 2015). The fact that an economically active age group is still not benefiting from the mainstream of education is a serious social challenge. We observed major disparities in the literacy levels of Nepalese female youth, according to key demographic characteristics, with more than one-third of female youth from single women (youths) due to separated/divorced/widowed, more than half of Terai Dalit, one-fifth of rural, nearly half of Muslim and residence of Province 2 and nearly one-fifth of middle-class families being illiterate. Such disparities can be minimised by various means of educational interventions, such as the innovative programmes implemented in Bangladesh (Shohel & Howes, 2006).

Economic surveys show that the net enrolment rate at the entry level of education was 96.9 per cent, but decreased to 59.8 per cent at secondary levels in the academic year 2016 (Ministry of Finance, 2016). Limited education limits the job opportunities for youth that leads to social inequalities and social problems (Benjet et al., 2012). It is accepted that one of the causes of irresponsible, unadjusted social behaviours and misconduct is lack of education (Dyck, 2015). The GoN has planned to implement adult literacy, women literacy, income generation programmes and community learning centres to address the illiteracy issue facing adults and youth (Department of Education, 2011). However, the problem of lack of education remains nearly the same despite the various efforts enacted by the GoN.

Ricketts and Rudd (2000) mentioned five dimensions to teach, train and develop leadership in youth. They are knowledge and information about leadership; desire attitude and will; critical thinking, reasoning and decision-making; communication skills—oral and written; and intra and interpersonal skills. These ideas can be used to help make the youth more responsible, as well as more capable. This can be achieved by improving educational access and educational attainment.

Globally, different models are applied to educate girls. Africa's Advancing Girls Education (AGE) model may be applied in Nepal to address the female youths' problems regarding education (Rana, 2012). The model appeared to be successful in Malawi, South Africa. The aim of the model is to create life-changing opportunities for young females. Equal access to education for girls empowers them to become leaders. The model incorporates three components: comprehensive scholarships, life skills monitoring and career guidance education (Rana, 2012).

## Conclusion

We observed several key variables that were associated with illiteracy for female youth in Nepal. Female youth who were 20–24 years of age; married, separated,

divorced and widowed; Muslim, Terai Dalit and other Terai caste groups; residing in Province 2; living in rural areas; and poor and middle-class families were more susceptible to be illiterate. Therefore, special attention should be paid to these factors when planning educational interventions for them to promote social justice and sustainable development. Strategic planning should be enacted by the concerned authorities to address the hindering factors to bring female youth into the mainstream of education that ultimately supports achieving the sustainable development goals that are expected to be achieved by 2030 for health and well-being, not only for female youth but also for a prosperous Nepal.

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# Predicament of Landlessness: A Critical study of Women's Rights over Land in Assam

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## Abstract

Land rights to women is one of the significant markers of a gender-just society. It is a basic human right that provides welfare, economic and social security, strong bargaining power and various other benefits. Ownership right over land is also critical to the citizens in terms of exercising and availing rights guaranteed by the state. Based on a narrative from the fieldwork done among the Bodos in Assam, this paper explores the significance of land rights in accessing various rights and welfare programmes and how women are affected in this regard due to lack of land rights. It discusses how a woman's lack of rights over land can lead to a status of homelessness and place her in a socially and economically precarious position. The landlessness or homelessness status restricts her from accessing various benefits provided by the state. In this context, the paper also looks into the social construction of gendered norms on land rights of the Bodo community. Construction of societal norms on individual's rights over landed property, inheritance are generally determined by kinship and affinal ideologies of a community. Such norms are often gendered that deny rights to women over this material resource. The most affected are the single, widow and separated women who have no support from the families. Communities having patriarchal ideologies consider women as passive, dependent and secondary subject and accordingly, gendered norms are constructed. Even the state apparatuses, which is often male-dominated, locate woman within the realm of the family and design policies for women as 'beneficiaries' and 'dependents.' The gendered norms on land rights of a community have a broader impact that goes beyond the community level and enmeshed with the affairs of the state.

## Keywords

Bodo, community, citizen, land rights, norms, state, women

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## Introduction

Amar bankot account nai, bhaitur tat joma rakhe, olpo khorsa koribo karnoe nijor tate joma rakhe. Eitia besi hua nai. tiris hazarman lagibo naki matita kinobo. Pabo na? (I do not have a bank account; I deposit the money to my brother to save it, keeping a little at hand for my expenses. Now, saving is not much. Probably, I need to save almost thirty thousand to buy land. Will I get it?)

This is what Jwngma *baideu*<sup>1</sup> told me when I met her. She was not able to open a bank account in her name as she does not have any address proof. In spite of her belongingness to the place by birth as well as marriage, *baideu* does not have a place that she can call a 'home'. The status of homelessness has put her in a precarious situation and led to a crisis of identity. Jwngma Bodo is now desperate to have a piece of land and is working hard to buy a piece of land in a remote forest village of Chirang district. She can afford to acquire land only in those areas where land price is relatively less. In those forest villages, one does not necessarily have to go through paperwork to buy land. People can acquire land based on social and personal connections without transferring it officially. *Baideu* is not aware of the formal processes involved in buying and selling land; she believes that if she pays a sum, she can acquire a piece of land. She does not think of any probable consequences or conflicts that might occur when land is taken without any official proof, as many have been settled in this way. Once settled, she can acquire a certificate of residence from the village head.

This article discusses how the status of landlessness of a woman affects her economically, socially as well as emotionally. The narrative of Jwngma Bodo reveals that the material or landed property is one decisive factor that may lead to a crisis of identity and can be a cause of trauma and distress. Under patrilineal circumstances and patrilocality, the subject becomes all the more critical to single women, widow and separated women who do not have any man to depend on. Lack of land rights makes a woman's economic and social position vulnerable, weakens her bargaining power and causes emotional distress.

It must also be noted that the state introduces several welfare measures for the economically disadvantaged section and, more particularly, women. Nevertheless, not having a landed property or a home on her name limits her in getting various welfare benefits and exercising some rights guaranteed by the state. In this context, the relationship between land rights and the rights of citizens is also discussed here. While land rights itself is one of the critical markers of citizenship, it also helps a citizen in getting benefits provided by the state. The article adds to the land rights discourse that access to rights of citizens and individual land rights are crucially interlinked. Norms on rights over land are constructed culturally, but it has a broader impact going beyond the community level. That is where the state comes in. Societal norms influence the policies of the state, as has been the case of norms on land rights. The narrative of Jwngma Bodo suggests that the gendered cultural norms constructed under patriliney and patriarchy are detrimental to accessing citizen's rights in the sense of accessing welfare benefits. Based on fieldwork done among the Bodo community of Chirang district of Assam, the

article concentrates only on a singular narrative of a woman and analyses the nuances of women's lack of land rights.

## Literature Review

### *Advocacy for Women's Land Rights*

The issue of women's land rights is pertinent to the discourse on gender equality and gender rights that have been taking place across the globe. A whole body of literature (Agarwal, 1994; Choudhury, 2017; Karanja, 1991; Kelkar, 2014; Rao, 2008; Swaminathan, 2019; Velayudhan, 2009) has revealed the existence of gender bias in land rights in patrilineal and patrilocal communities. Land can be of different forms; it can be in the form of a house, agricultural land, community land, forest areas etc. As far as land rights are concerned, multiple meanings are associated with this. These can be ownership right, control or managerial right, access or use right, inheritance, etc. It has been observed that while women have access and use rights, ownership and managerial rights of women are few and far between.

Acknowledging women's significant contribution to the land economy, Swaminathan (2019, p. 26) states that lack of ownership rights deprives women of accessing various government programmes and services since the beneficiaries as farmers are by default men. She also mentions that ownership and effective control of land is critical to the survival of the widows who constitute a large percentage than men (Swaminathan, 2019). Agarwal (1994), discussing how lack of land rights affects women, advocates for women's land rights on four grounds: welfare grounds, efficiency grounds, equality and empowerment, and practical versus strategic needs. She emphasises on effective land rights for women wherein women should have ownership rights both in legal terms and in actual practice, and also control and access to land. Kouamé and Fofana (2015), in the context of lack of land rights of women in Africa in terms of access, operation and management, states that it leaves them in a vulnerable state and restricts them from social and economic autonomy. A woman usually accesses land through her relationship with a male member, and as soon as her relationship with the man ends, she loses the right.

Recognising the sex-based discrimination and violence on women, The Convention on Elimination of All Forms of Discrimination Against Women (CEDAW), 1979, states that such discrimination is rooted in culture, family and interpersonal relations. It calls for protecting women's rights based on the principle of 'substantive equality'.<sup>2</sup> The CEDAW addresses the issue of land or property rights and states in Article 16 that:

The same right for both spouses in respect of the ownership, acquisition, management, administration, enjoyment, and disposition of property, whether free of charge or for a valuable consideration.



A report published by the United Nations (2013) stressed on the women's rights over land on the grounds of human rights and discussed how these two are interlinked. It states that women's access, use and control are significant for the right to life, housing, food and health. It calls for the need to protect and fulfil these rights as a part of gender equality programmes. Ikdahl et al. (2005), Cornheil et al. (2013) also point out that rights-based approaches view women's land rights as the fundamental human rights, which are traditionally denied to them.

The justification for women's land rights is provided not only for gender equality or just society, but studies (Agarwal, 1994; Cornheil et al., 2013; Kouame et al., 2015) have also stressed on this to secure livelihood, reduce poverty reduction, increase productivity, improve child's health, end domestic violence and overall development. An important aspect highlighted by Agarwal (1994) in securing rights over land is to strengthen the bargaining power of women. It is a critical determinant of an individual's bargaining power and stronger fall-back position both within and outside the family.

Kelkar (2014), in an article on women's land rights, notes that feminisation of agriculture has been increased over the years, but less than 10 per cent women have land rights in India. It results in the development of health issues of women and affects their education, economic position, etc. In this context, Kelkar (2014, p. 51) also raises a serious problem—'the missing women', a term borrowed from Amartya Sen. Disfavouring women in land inheritance leads to sex-selective abortion and infanticide; they are known as 'missing women'. It lowers women's social status and increases men's dominance in property and inheritance.

### *Land Rights and Access to Citizen's Rights*

To understand the relationship between land rights and access to the rights of citizens, a brief note on citizenship is significant. The liberal framework of citizenship focuses on individuals rather than groups and stresses on equal rights, status and duties of individuals. However, critiques of this framework point out that it puts a blind eye on differences deriving from gender, ethnicity, class or other aspects (Sandel, 1982; Yuval-Davis, 1992, 1997b). The republican perspective of citizenship focuses on the common good, public spirit and looks at it as status, active involvement and promotion of common good. This perspective is questioned on the grounds of how the community is constructed and who the active participants are.

As per Marshall's (1950) definition, the idea of citizenship is not restricted to the relationship between the state and the individual, but it is a multi-tiered concept and encompasses a broader meaning. Marshall looked at it from the perspective of equality against inequality of social class and as full members of the community. Marshall (1950, p. 14 cited in Yuval-Davis, 1997a, p. 69) defines citizenship as 'a status bestowed on those who are full members of community. All who possess the status are equal with respect to the rights and duties with which the status is endowed.'

His idea of citizenship as ‘full members of community’ suggests multiple layers, explained Yuval-Davis (1997a). It refers to both members of a political community and a group or ethnic community. Taking Marshall’s definition as a reference point, Anthias and Yuval-Davis (1989) elaborate the framework of multi-tiered citizenship and highlight the ideological and material construction of the community. Werbner and Yuval-Davis (1999, p. 2) state that it is located within the realm of the sub-national, ethnic and local communities and can be extended up to the global level. Further, they also point out that within the groups of a nation state, there are first-class and second-class citizens defined by race, class, gender, so on and so forth, and accordingly, rights and duties differ.

Marshall did not take into account the existing differences of a community and looked at all citizens equal to their entitlement to rights and obligations, as has been pointed out by Roy (2013, p. 7). Elsewhere, Yuval-Davis (1997a) criticised the idea of community as a natural unit and its collective nature, where internal differences are either neglected or subsumed.

Referring to Foucault (1972), Rai (2017, p. 26) mentions that the state and non-state documents are critical markers of citizenship. State documents such as a passport define a residential status or nationality of a person, and the ration card recognises a citizen’s economic condition and allows the person to access welfare benefits guaranteed by the state. Non-state documents are also markers of belongingness or identity of a particular group or community such as club membership. Land rights help in acquiring those crucial markers or the status of citizenship, and it can be seen from struggles to claim landed property and thereby belongingness in post-colonial Africa (James, 2013; Lund, 2011b). Nevertheless, there are categories such as women who do not have land ownership, but they are also citizens. There are differences between men and women in experiencing citizenship; women do not get to enjoy everything independently. In terms of getting benefits, women’s access to it is through father, husband or any man on whom they are dependent.

Rai (2017, p. 27) expresses that ‘belongingness’ is a crucial and complex concept for the status of citizenship. She states that struggles for belongingness may lead to the attainment of citizenship, but citizenship does not automatically define belongingness. It is attached to our everyday practices within the immediate community. In this context, Rai (2017, p. 29) discusses the governance of politics and governance of communities. She notes that belongingness is practised in diverse social spaces of everyday life—from the community to a global level. Thus, the governance of politics and communities is not exclusive of each other; instead ‘the two often work together powerfully through the imbricated nature of state and non-state governance mechanisms that shape both formal citizenship and informality of belonging to identity based communities’ (Rai, 2017, p. 29).

Hartnell (2006, pp. 334–337) mentions belongingness as a physical location, territorial claim and discusses its social and psychological dimensions where there is a feeling of oneness based on shared culture or identity. The physical location has a crucial role in claiming citizenship status, as has been shown by James (2013) and Lund (2011a) in African contexts. In this regard, the significance

of land or land rights is critical to claim citizenship. The relationship between land and citizenship has been the subject of several research studies (James, 2013; Lund, 2011a; Wickeri, 2011). Lund (2011a, pp. 11–12) states ‘citizenship and belonging can be avenues to secure property, and property may bolster claims of belonging and citizenship.’

Lund (2011b, p.73), in his work on the relationship of land, property and citizenship, discusses the concept of belongingness that is raised by different groups to claim resources and jurisdiction in Africa and elsewhere. In the context of land rights and citizenship in Africa, Lund (2011a, p. 9) expresses that the relationship among social actors at the level of both individual and collective is defined through land rights with respect to the object of value. He also states that the landed property in Africa is determined through laws and regulations, cultural norms and values, etc. Claim over landed property implies both authority and access to resources.

The relationship between land and citizenship can also be understood from James’ (2013) work on post-apartheid South Africa. Several land reform programmes were introduced in Africa to include people who were earlier landless, removed or did not have ownership and excluded from citizenship status. It changed people’s status from colonial subjects to citizens. Struggle movement for land was a way to confer citizenship to those excluded previously and also to reinstate basic civil liberties. Citing land as a marker for national belonging, James (2013, p. 5) notes ‘Land continues to symbolise citizenship as well as being seen as a material outcome, intended if not yet achieved, of citizens’ exercise of their democratic rights: getting land back was one of the things “we voted for”’.

Lund and Boone (2013), in the context of significance of land and land politics in Africa, point out that the land issue invokes the issue of property and implicate social and political relationship. They analyse how property, citizenship and political institutions influence each other. The article (Lund & Boone, 2013, p. 1) articulates that the claim over land or struggle over property is entangled with the concepts of authority, citizenship and the politics of jurisdiction. Examining different institutions’ and actors’ assertion over land, they argue that land politics has dynamic claims that depend on the balance of powers between different actors, social groups and various institutional authorities. Regarding the tenure and transactions of land, the article (Lund & Boone, 2013, p. 6) discusses how acquisition, tenure and operations depend on institutional recognition and protection, money and labour, and legitimacy and propriety. Institutional recognition, in the case of private land, refers to community recognition. Explaining the link between land ownership and citizenship, Lund and Boone (2013, p. 9) write ‘The question of who can acquire, hold and transact land involves the issues of citizenship, political status and political identity or subjectivity. Categories such as insiders/outsideers, noble/commoner, men/women, citizen/foreigner ... have proved to be important for people’s legitimating of land claim.’

The body of work on the land rights and citizenship has looked at the subject mostly from the perspective of community but hardly focuses on the individual. While land rights itself is a marker of citizenship, it is also critical in accessing

various rights guaranteed by the state. Similar to a community, this relationship is significant to an individual as well. It defines membership (citizenship) of an individual to a particular community. To access the rights, state-authorised documents of a citizen are crucial, and landholding, which is determined by community norms, can make it convenient to get those documents.

### *Locating Women's Position*

In the debate over citizenship, one crucial issue is who cannot or would not become full members of the community. Reading citizenship from a gender perspective helps to understand that despite belonging to a particular community or a nation state, a woman is not able to realise all the rights as citizens. In this context, Yuval-Davis (1997b) discusses the concept of differentiated citizenship<sup>3</sup> and women's exclusion from the status of active citizens. Both Walby (1994, p. 385) and Yuval-Davis (pp. 12–15) point out the false construction of binaries—private versus public and natural versus civilised between women and men. Yuval-Davis contends that these fictional binaries are used to exclude women from freedom and rights.

However, the discourse on the public–private binary fails to acknowledge the fact that within the private, women's position remains subjugated or passive in terms of decision-making or property rights. Women also embody those norms that have been naturalised through continuous reproduction. On the differential treatment of women, Walby (1994, p. 386) writes 'The different experiences and structural position of women are seen to militate against their full access to the rights of citizenship.'

If we locate citizenship status within the realm of community, exclusionary gendered practices in many aspects are quite evident, as has been pointed out by Yuval-Davis and Werbner (1999). The treatment of women as second-class citizens is visible in the field of land rights as well. Citizenship is crucially linked to an individual's position within groups or sub-communities. Thus, she argues that the issue of women's citizenship should be understood not only in contrast to that of men but also their relation to dominant and subordinate groups, ethnicity, rural/urban setting, etc.

Land right or entitlement is one such field where such distinction can be observed, which, in turn, limits women in accessing rights and welfare benefits of the state. In a news article, Bedi (2018) points out that although a significant number of women are engaged in agriculture in India, the census does not recognise them as 'farmers' but 'cultivators' as they do not own the land, whereas men as the owners of the land are 'farmers'. It restricts women from getting trained as farmer and financial schemes meant for the farmers.

Lund (2011a), discussing how land or property rights is crucial for citizenship status and vice versa, expresses that land rights not only depend on national citizenship but also depend on local citizenship. Locating gender within the discourse on citizenship and land rights in Africa, Lund (2011a, p. 11) highlights the gendered discrimination in land rights and reveals the prevalence of formal

discrimination between men and women at both the national level and local citizenship wherein women are considered as 'legal minors'.

The construction of gendered norms reveals how women are relegated to secondary status and have little spaces in the decision-making process. On the cultural demands of communities, Yuval-Davis (1997b, p. 11) highlighted the heterogeneous resources of culture in a given community that are used selectively and contradictory ways to marginalise women. Norms are often biased in favour of men giving them authority, decision-making power, rights and resources, thereby upholding the patriarchal ideologies. It contradicts with the projection of a community as a 'homogeneous collective unit' and reveals internal community divisions.

The state acts as equal partners with the community in upholding such gendered ideologies that affect different citizens differently. Yuval-Davis (1997b, p. 11) states that the state looks at women keeping in mind 'the cultural needs of the community'. As it operates within the realm of society, challenging the patriarchal values is difficult where state apparatuses are themselves male-dominated.

## Research Methodology

This article is primarily based on ethnographic research done in Chirang district—a Bodo Territorial Area District (BTAD) of Assam—and adopts a feminist research framework. I have conducted field research from February to April 2018. Although I have a set of research questions, I did not prepare a structured questionnaire. I observed that when I approached them formally, there were hesitations on their part to answer. As a result, I adopted an informal approach to interacting with my respondents. Like others, it was a casual conversation with Jwngma Bodo as well. I spoke to her in March and April of 2018.

I had a detailed interaction with 50 women and 30 men in the field from different economic sections. Information on landholding size, family size, person's educational qualification, occupation, economic status, religion and marital status were collected to understand the scenario. It was found that of 50 women, only 3 had ownership over the land. Women were denied land ownership on the pretext of culture. Additionally, it was also due to the growing pressure on livelihoods, competition between communities over land and livelihoods, societal pressure on men as head and commoditisation of land. In patriarchy, men try to retain or possess land due to the material and social power associated with it. Apart from them, I also visited the Sidli revenue office and Runikhata forest office to get information on landholding size.

Many women acknowledged the security derived from land and difficulties they are facing, and stated that it would have been better had they got a share. However, they do not want to transgress societal boundaries and also act as agents of patriarchy due to internalisation of societal norms. More than an individual property, they look at land as property of the family. Instances of conflict between men and women over land were also found when a woman claimed a share.

As women do not constitute a homogenous category, their perspectives on land rights differ. For some, it is about the parental property; for others, it is marital property; some refer to them as agricultural land; others look at it as a form of shelter. I also made observations in the field of their daily lifestyle, behaviour, work and culture of the community to locate gender. It helped to develop further questions and a better understanding of the context. With the political power given to the community, an effort to maintain the community identity for political purposes is quite evident in language, dress and various norms. A body of literature is also referred to in this article to have a theoretical perspective on this subject.

The name of the respondent has been altered as per her request to hide her identity. As a feminist researcher, I tried to engage with the feminist standpoint framework while writing this article. Standpoint theory gives privilege to the subjugated knowers or subalterns whose voices are not heard and overpowered by the dominant groups. The proponents of feminist standpoint theorists believe that knowledge is socially situated where a person's life experiences, social condition, or cultural or historical locations are significant for the production of knowledge. It also reflects the social identities of the knowledge producers. Standpoint theory recognises gender and other social identity categories and takes them as the base for questioning the idealised dominance epistemology. Harding (1992, p. 438) articulates that to understand the socially situated knowledge, feminist standpoint theorists have concentrated on the marginalised lives and problematise their everyday lives by bringing out critical questions that otherwise do not arise. Hartsock (1987, p. 159) expresses that the standpoint framework in feminist research helps in understanding the 'patriarchal institutions and ideologies as perverse inversions of more humane social relations', which otherwise is not possible.

Some research questions that I explored in my fieldwork are on the relationship between land and identity of the community; how community membership facilitates or precludes rights over land; how land rights are linked to citizenship that provides various welfare benefits and where gender is located; the forms of bargaining power land rights can offer and how women are affected by lack of rights over land; how single women or widows deal with the situation; and women's perception on land rights, land uses and various strategies adopted by women for survival.

## **Background**

The Bodo is an indigenous community of Assam, categorised as Scheduled Tribe (ST) in the Indian Constitution. Although the community is scattered throughout the state, they are dominant in the northern bank of the Brahmaputra River. Agriculture is the primary livelihood source of the community. Forest-based livelihoods and livestock are also important sources of their livelihoods. Although agriculture still predominates over other occupations, over the years, there has been a gradual shift in terms of livelihoods among them.

It must be noted that the Bodo community in Assam is engaged in a long struggle, demanding a separate state of their own. They have not attained statehood, but they were granted autonomy in 2003. On 10 February 2003, the Bodo Territorial Council (BTC) was formed under the Sixth Schedule. It administers four districts of Assam, namely Kokrajhar, Chirang, Baksa and Udalguri. The council is vested with various legislative powers, including power on land and revenue and culture.

The Bodos, irrespective of their religious faiths, practise patriarchy, patriliney and virilocality. The descent is carried through the male line, and priority is given to the sons as the permanent members of the house. Brahma (1987, pp. 41–42), in his study on the socio-cultural aspects of the Bodos, states that women are respected in the society; nonetheless, the birth of a daughter is not much preferred among them. Women are treated as ‘transient and peripheral members’ (Palriwala, 2005, p. 404) at the paternal home. After marriage, her physical location shifts to the marital family. With the changes in physical location, her social identity also changes. She embraces a new social identity, and the marital residence becomes her home. The official documents or records of the house includes her name as wife or mother. She does not officially own landed property jointly or individually but acquires the membership through her marriage.

The community follows customary norms on land rights. Although these norms are not codified, people follow these norms. About the inheritance of parental property, especially landed property, the son inherits it as per the norm. However, unlike some tribal communities of Northeast India, a Bodo woman owns parental property in the absence of a son. Apart from inheritance rights, gendered norms regulate other forms of land rights as well. At the marital house, a woman gets the conjugal right over property, but it is the husband who is the owner. She acquires use rights or management rights through her husband. If the husband dies, especially in a nuclear family, she, being the wife of the deceased person, gets usufructuary rights; upon maturity of the children, especially the son, the property is transferred to his name. In case of divorce, landed property is not given to the woman, but the husband returns the expenses of the marriage spent by the girl’s family. The norms of patriliney are the justification provided for not giving any landed property to a woman and put women in a disadvantaged position. These norms are constructed keeping in mind the position of women as passive recipients of these rights. In the case of the unmarried, widowed and separated women where there is no man to take care of them, they face major difficulties in terms of insecurity, poverty, health, etc., if they do not have any rights over land. A father of an unmarried girl said ‘In our culture, we do not have norms of giving land to daughters. I have already divided my landed property among my sons. If she does not get married, one of her brothers will take care of her after our death’. The father undermined the probable consequences that his daughter might face or the conflicts that might occur between the daughter and sons, who have been staying separately with their respective families. Nongbri (1998, p. 20), in her work on the position of women in Northeast India, points out the gendered nature of the customary laws of the tribal communities that are always conducive to the interest of the women. She states that customary laws on

property and marriage are highly oppressive towards women. On women's position within a community, Yuval-Davis (1997b, p. 37) writes

Women's membership in their national and ethnic collectivities is of double nature. Women are members of collectivity, but at the same time, there are always specific rules and regulations which relate to women as women.

What happens when a woman walks away from the marriage and does not have the option to go back to her parental home? Or how would be the situation if a woman does not know about the family of the person she married and then the person dies suddenly? How is the land connected to the woman's welfare, and where does the state come in? Through Jwngma *baideu's* narrative, the article attempts to understand the precarious situation of a woman and how it is associated with the issue of rights over land.

Land, as a livelihood source, is central to their culture and a marker of their identity. It was also one of the crucial factors in the Bodo movement and a site of contestation between the state and the community and between communities. A spatial or territorial claim was critical as a part of the identity assertion process. With the settlement of 'outsiders', land became a scarce resource, and competition over land increased. It was seen as a threat by the community on their livelihoods and culture. As a result, it became consequential for the torchbearers of the movement to protect their land and prove a majority in the region based on which statehood can be demanded. The statehood demand is triggered by several factors such as cultural hegemony of 'Assamese', negligence of state towards tribal groups, land alienation, state's failure to protect the land and forest rights of the tribal people, etc. For them, articulation of collective identity based on ethnicity, and kinship has become essential for the demand of a homeland. It became imperative to uphold the tradition, cultural values and norms, and put emphasis on 'collective' or 'community'.

Given the prevalence of patriarchal ideologies among the Bodo, the 'community' is always represented by men. It must be noted that BTC has legislative power on subjects like land and revenue. Notwithstanding, it is questionable how far the men-dominated council would work in favour of women's rights. Moreover, women themselves internalise patriarchal values. In the context of Santal women and how land is significant to both community and individual identity, Rao (2008, pp. 177–178) pointed out how the image of the community is exclusive of men in the public domain where patrilineal kinship ties are strengthened and work against women's interest over land excluding them from public domain such as decision-making bodies. The identity assertion politics of the community has a reverse effect on women in terms of land rights.

Women's social position also determines her relationship with the state. In the context of the Middle East, Joseph (1996, p. 155) discusses how family and state are mutually constitutive of each other and elaborates on the significance of family in making citizens. She discusses the secondary position of women in social relationships, the kin contract and family positions that make her a second-class citizen where primacy is given to the family by the state.



The state strengthens the public and private binary and locates women within the family as an 'ideal wife' as far as welfare approaches are concerned. Policies are designed as a part of gender mainstreaming or gender equality; nevertheless, it hardly changes women's position. Further, many a time, women are not able to access those benefits. In India, it has been observed that policies, introduced for women, locate them within the realm of family and categorically ignore the intra-familial differences or inequalities and do not consider women as an individual entity. Kleinbooi (2009, p. 35), states that in patriarchy and patriliney, women's rights and her identity are recognised through 'dependent relationships' with husbands or parents.

For example, under the housing scheme for the economically disadvantaged section, the house is given in the name of the women and does not look into the ownership of the plot. The state recognises men's default ownership on land and does not emphasise to have co-ownership or individual ownership of women. Further, the status of landless unmarried, separated and widowed women is not thought of in this scheme.

The Hindu Succession Act, 1956, amended in 2005 gives equal inheritance rights over ancestral property irrespective of her marital status, provided that her father should not die before 9 September 2005. However, she has no right over the self-acquired property of the parent. This act gives daughters equal rights to some extent, but it is not meant for all women. The Sixth Schedule communities have been bestowed with the legislative power to protect and preserve their culture and identity. This provision upholds the patriarchal norms and reinforces women's marginalisation.

As has been discussed earlier, the gendered distribution of landed resources has to be read from the perspective of human rights violation that hinders her in availing welfare provisions. Physical location is an important element to exercise rights; the person must have a residential address within that specified territory.

## Jwngma Bodo's Narrative

Jwngma *Bodo* stays at Meenu *baideu's* house, working as a maid at Kashikotra, Chirang. She is a native of this place. Her parental home is in the same locality where she is currently staying; however, she rarely visits her parental home. She got married twice and has three children from the first marriage and one from the second. *Baideu* chose to exit from the first marriage as she was subjected to domestic violence. Her husband was an alcoholic and used to abuse her almost daily. She says

Bura hodai mod khai, Gharat-bahirat, aru sob somoy gali hunibo lage, burata mare. Shanti nidibo muk. Kiman lom aru territorial. Aru amar niyomot to mod bonabo lage. (The old man used to drink regularly, at home as well as outside and used to abuse me every day. He did not let me live in peace. And in our custom, we have to make rice beer.)

The continuous torture made her life vulnerable, and she was trying to find a way to get rid of the violence. She decided to flee with a person she met from the Dhubri district. *Baideu* eloped taking the younger son with her. Elopement is not a taboo among them; many Bodo young girls get married through elopement. However, the elopement of a married woman is highly condemnable. Rao (2014, pp. 424–427), in her works on violence against Dalit women in Tamil Nadu, states that women adopt a host of resistance strategies to resist violence. These strategies are shaped by their economic condition, social situation and personal initiative. Jwngma Bodo neither had the financial independence to live alone nor did she have the choice to go back to the parental house. Her second marriage can be seen as a survival strategy adopted by her. In the context of resistance strategies adopted by women against intimate partner violence, Hayes (2013, p. 4) says that resistance against abuse provides her a sense of autonomy, or accomplishment to change the relationship or even exiting the relationship. Jwngma *baideu* had the ‘fall-back option’ in the form of another man to escape from the marriage.

Instead of taking her home or introducing her to his family, this person took Jwngma *baideu* to Meghalaya. She gave birth to his son. He worked as wage labour in the coal mines, and she found work as a maid and weaver. After spending almost 12–13 years together, she lost him due to illness. *Baideu* decided to leave the place after his demise as it became difficult for her to sustain. As she did not know anyone in her husband’s family, going there was not an option. Moreover, as she was not legally married, she could not introduce herself as his wife. Bodo never insisted on him to get her introduced to his family as he himself did not go there. The past traumatic experience already put her in a vulnerable state of mind, which she did not want in this relationship. She was aware that there was no option but to go back if it did not work out as she was the one to choose this path. This situation made her decide not to ask anything about his family.

*Baideu* did not expect the death of her husband and never imagined that her fate would take such a wild turn. She came back to her native and stayed with her mother for a few days. Nonetheless, staying with her mother, who was poor and living with a physically and mentally challenged unmarried daughter, was not feasible for Jwngma Bodo. Her brothers are married and stay separately with their respective families. As per the norm, they inherited the family property. Maria Mies (Cited in Kosambi, 2007, p. 103), while writing on Indian patriarchy, contends that the essence of the patriarchal and patrilocal system is combined with economic system of patrimony being inherited jointly by all males as coparceners, defining all men as ‘insiders’ and all women as ‘outsiders’.

Her brothers’ economic conditions were better, but she hardly received any help. The family had nowhere to go. Eventually, she went to her previous husband’s place and stayed for a few days. He was still alive and staying alone. Both the children got married; at present, the son’s family stays adjacent to his house. Upon her return, the estranged husband expressed willingness to remarry her. Even the neighbours suggested Jwngma Bodo to marry him again. But she refused. She told me ‘Moi akou ghuri najabo., ekbar ji ahisu,a ru kiyo jabo? Bura tu lom koleu najabo (I am not going back. Once I come out, why would I go back? Even if the old man insists, I won’t go)’.

Rao (2008, p. 221) notes that exit from marriage can offer autonomy to a woman, but at the same time, it means an increase in hardship as she has to sacrifice many things in this process. Various strategies have to be adopted to survive. Jwngma *baideu* had nowhere to go; she does not own any land to build a house. In such a situation, she thought it best to go to her estranged husband's house until she managed to live on her own. She found a job as a maid that now has become a temporary shelter. Through some contact, she sent the elder son to Bengaluru to work as wage labourer in a brick factory. For the younger one, *Badieu* found work at a *dhaba* that has become a temporary shelter. Livelihoods or economic situations are push factors of such arrangements, but it is also the consequence of not having a family home. The *dhaba* where the younger son works is close by, yet she hardly sees him. These temporary arrangements always make her anxious about the future; she wants to buy a piece of land and build a home. The woman did not go to school, which was an additional factor of her precarious situation.

## Status of Landlessness and a Crisis of Identity

It is crucial to understand the linkage between identity and ownership of land and how landlessness can lead to a crisis of identity. Land is a marker of identity and power, making it a powerful resource. It provides material security, social status and political power to an individual.

Lund (2011a, p. 11) states that social identity, status and membership are important criteria to make a legitimate claim over land. However, as far as gender is concerned, these criteria are not applicable. Some identities are devalued, stigmatised and marginalised that may lead to erosion or deprivation of rights (Lund, 2011a, p. 16) as has been the case of women.

Rao (2005, pp. 5–13) noted that land has both material and symbolic value and thus a crucial element for an individual identity. She discusses how an individual's identity is shaped by and located within the material context. Men's right over land gives them authority and social, economic and political power. It also helps them in accessing credit, housing or other facilities provided by the state. Land ownership helps in seizing various opportunities as it recognizes the man as the head, producer and farmer. Individuals often try to retain or acquire land to enhance their status because of these advantages. Women, on the other hand, are deprived of this identity constructed around the material resource in spite of their significant contribution to the land economy.

The trajectory of Jwngma Bodo's life reveals how her social identities have been changed. Although she did not own land previously and had to struggle for a living, she had a husband and a home that gave her security and enjoyed the status of a wife. Wardhaugh (1999), in her work on homeless women, denotes that home is a source of personal and social identity and allows for a sense of connection to people and places, to past and future. *Baideu* has acquired a homeless and landless identity. It has weakened her bargaining power to negotiate with the state and

society. It has also led to insecurity, economic hardship and separation of family members. Had she received a share of parental property, she would not have to face these hurdles. Working as informal labourer outside the state, where the primary concern was daily survival, she did not think of obtaining any official document. With no physical address, her access to the rights and welfare benefits of the state has become minimal. She has no voter ID, no ration card or any other identity proof.

As per the Indian Citizenship Act, 1955, a person by birth, descent, registration and naturalisation can acquire citizenship. The Citizenship Amendment Bill, however, seeks to grant citizenship from minority communities—Hindus, Sikhs, Jains, Parsis and Christians from Afghanistan, Bangladesh and Pakistan after 6 years of residence in India. In Assam, the rule is different from the rest of India. Recognition of citizens in Assam is based on the National Register of Citizen (NRC),<sup>4</sup> 1951, and electoral rolls till midnight on 24 March 1971. The NRC lists 14 documents as proof of citizenship that includes land and tenancy records and permanent residence certificate (PRC). As per the norm, Jwngma Bodo is a citizen, but she does not have any paper. In BTAD, one can acquire an address proof certificate from the office of the Village Council Development Committee (VCDC).<sup>5</sup> This certificate is used for various purposes—to open a bank account, apply for government schemes, take gas connection, to include a name in the NRC, etc. It has become difficult for her to apply for any of these.

In the absence of these documents, she is not able to open a bank account or apply for state-sponsored welfare schemes such as housing or pension. These welfare schemes meant to benefit economically disadvantaged sections and, more particularly, women, have become a fallacy for her. Her economic condition does not permit her to rent a place. The insecurity, that has emerged from the status of homelessness, has pushed her to work hard and save money to buy a piece of land.

Without having a permanent address, one can also acquire state authorised documents with a temporary address. Nevertheless, when the person or the family has neither permanent nor temporary address, what else can a person do, as has been the case of *baideu*? In recent times, these documents as markers of identity are critical, especially when the process of citizenship register is going on. Even a person having a valid proof of birth and address is not included in the NRC. In that case, the prospects of problems her family might face cannot be ignored in the future.

Neither the community nor the state gives attention towards the situation of women like her. In the context of the role of the state in land rights of women in India, Velayudhan (2009, p. 76) pointed out the gendered nature in land reform and distribution programmes adopted by the state. The Hindu Succession Amendment act, 2005, was introduced to give Hindu women equal inheritance rights, but its practical implementation is highly questionable. Moreover, as has been discussed in the previous section, it does not cover women across religions and indigenous communities.

Once a woman's location changes after marriage, her name is also removed from the parental family, and so is the case of Jwngma Bodo. But if a woman walks out of marriage by herself, what options does a woman have in such a

situation? What if she cannot go back to the parental home? The woman, in such a case, faces a hard time in terms of security, shelter and economy.

*Baideu* chose to walk away from the first marriage. She did not call the community people to sort out the issue. Neither did she have the courage nor did she go to the police or court. Although the community condemned the violence perpetrated on her, it failed to understand the precariousness of the situation that forced her to take this extreme step. As she was the one exiting from the marriage, she could not stake a claim on his property.

At present, she is hoping that she would buy a piece of land. As she has no bank account, she decided to save money with her brother. One interesting fact about the policy of settlement in the forest village that I came to know from the field is that no unmarried man or woman can acquire land in their name in those villages. Jwngma *baideu* has the perks in this regard, or else it would have been difficult for her to get land.

The precarious situation of Jwngma Bodo poses a critical question on how the scenario would be if it were a man,—whether he would have the same experience as women do. In a community where patriliney is the norm, the man's position in the house as a son or heir remains intact even if he goes to another place. Instead, his position improves from the son to the head after the death of the father.

## Conclusion

The cultural construction of norms on land rights based on kinship and affinal norms works as a hindrance for women in exercising certain rights, which is ignored by the state as well. The social position of a woman determines to what extent she can have rights at both the community and state level. A woman who has no man to depend on is severely affected if she does not own any landed property. *Baideu's* narrative reveals that it can also make a woman homeless and restrict her from getting welfare benefits, making her situation vulnerable. It also weakens her bargaining power. Apart from economic security, land rights are also about fundamental human rights and emotional security.

While the community norms are stringent in terms of rights over landed property, the state also acts within the patriarchal set-up of the society. It fails to protect and guarantee land rights to women despite having constitutional provisions. A critical reading of the government policies reveals how these are designed, keeping in mind women's dependent status, and locate them within the sphere of the family. For Jwngma *baideu*, welfare policies have no meaning. She cannot exercise any rights or apply for a house under the state welfare scheme. Moreover, with the autonomy and legislative power given to the indigenous communities to protect and preserve their culture, women's interests and various rights can be sidelined on the pretext of tradition and culture.

In the wake of the current political process of inclusion and exclusion of people through the National Registrar of Citizens (NRC), it becomes critical to have a

home and proper documents. Without these, a woman might face hurdles in supporting her citizenship status.

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### **Notes**

1. Sister in Assamese; I used to address her by this term.
2. Convention on Elimination of All Forms of Discrimination Against Women (CEDAW) takes on a three-dimensional view of equality known as substantive equality. It means, not only equality in formal and legal terms and ensuring equality by laws and policies between men and women simply by being gender-neutral, it states that the actual impact and effect should also be considered. It focuses on actual conditions of women to achieve gender equality in the actual sense.
3. Yuval-Davis discusses this concept of differentiated citizenship between men and women citizens and how women resist oppression and struggle that are practised in the name of culture and tradition.
4. National Register of Citizen (NRC) is a register of names and other relevant information essential for identification of valid Indian citizens. It is specifically introduced for Assam as a result of uproar over illegal immigrants. Recently, the government stated that it would be implemented in all the states.
5. While the rest of Assam has village panchayats where candidates are elected democratically, the Bodo Territorial Area District (BTAD) had Village Council Development Committee (VCDC), and there is no election to select the members. As a result, often ,the members are from the ruling party of the BTAD.

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# Exploring Linkages Between Corporate Governance and Business Performance: Does Good Corporate Governance Lead to Enhanced Business Value?

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## Abstract

This study explores the influence of corporate governance practices in corporate boards on firm performance and draws insights on the relative importance for companies for fostering the development of governance mechanisms in business. The study examines 50 firms belonging to the benchmark index of the National Stock Exchange of India (NIFTY 50) and tracks them for over a five-year period. The study uses fixed and random effect econometric models to explore the relationship between corporate governance variables, and firm performance using both accounting returns (EVA, ROA and ROE) and market returns (MVA). The study finds that corporate governance variables significantly improve firm performance or value creation. Especially, multiple directorships, involvement of foreign institutional investors and increase in promoter holdings may significantly affect returns of the firm. The study suggests that it may be useful to foster better corporate governance practices and monitor linkages with firm performance as the effect is influenced by other control variables also.

## Keywords

Corporate governance, firm performance, corporate reporting, value creation

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## Introduction

Many studies find that the economic growth rate of a country depends on the size of its capital markets. Again, the capital markets depend on the principles of accountability, fairness, transparency and responsibility of the business organisations. So, well-defined norms and regulations are required for controlling and overall supervision of the business enterprises to ensure their sustainability. There are usually policies, law and regulations with various statutory bodies to oversee whether the corporate sector is following such prescribed principles or not. It is in this context that the term 'Corporate Governance' has emerged and has become popular as a barometer for business. To be more precise, it is due to the advent of capital markets and the subsequent dilution in the firms' ownership, that the concept of corporate governance has come into existence and prominence. Thus, it may very well be understood that corporate governance plays a crucial role in shaping the structure and function of an organisation and in setting the vision of the firm.

Although existing studies have examined the linkage between corporate governance and the financial performance of firms, most of the studies have focused on developed economies. This study focuses on Indian firms which are distinctively different from an ownership perspective. Indian firms are mostly owned by family business houses and family members occupy key managerial positions and control the firms. Under this concentrated ownership structure, the governance style of Indian firms is structurally different from that of the firms of the developed economies which are characterised by a widespread equity model. In emerging economies like India, weak regulatory norms, lack of shareholders' activism, lack of monitoring of institutional investors and too much control of the family members leave enough scope to promoters to govern them on their own parameters. Thus, it would be interesting to examine whether the governance-performance linkage observed in the developed economies is similar in an emerging market context or not.

## Literature Review

### *Board Composition in Relation to Firm Performance*

Board's Configuration or Boardroom Composition has become a major focus area in most of the literature of corporate governance. Many countries including the United States, the United Kingdom, Australia, Canada along with other European and Asian countries have adopted the unitary board model. Under this framework, the companies are flexible enough to choose the structure, membership and processes of their boards of directors. Derwent and Jones (1996) have shown that typically, a company has a single board that is composed of senior managers and outside directors, not affiliated with the firm.

In fact, directors who hold management positions are usually referred to as insiders or executive directors. The other directors, who are in no way associated with management, are known as nonexecutive or outside directors. The outside directors could further be classified as dependent or independent. Dependent

outside directors or 'gray directors' are usually referred to as 'affiliated outside directors' and include the firm's lawyers and legal counsels, commercial and investment bankers, consultants, officers and directors of the firm's suppliers and customers, and interlocking directors. On the contrary, the concept of 'independent outside directors' varies from one country to another and from one stock exchange to the next. The New York Stock Exchange defines an 'independent director' as having no professional or personal links to the corporations other than their seat on the board for at least 3 years.

Keeping in pace with this wide variety and category of directors, in shaping the organisational structure and vision of the firm, it is important to determine the ideal nature and quality of the directors best suited for a proper boardroom composition. In this connection, Dalton, Daily, Ellstrand, and Johnson (1998) have stressed the fact that the optimum boardroom composition is dependent on the strengths and weaknesses of both the executive and independent non-executive directors. So, it is not quite easy to determine the correct proportion between the two categories of directors, while composing a boardroom.

### *Board Independence in Relation to Firm Performance*

Many empirical studies have put special stress on the impact of independent non-executive directors on the overall success of the firm. The two important studies, one by Fama (1980) and the other by Fama and Jensen (1983), are very much in accordance with this opinion. They have shown that outside directors are considered to be important monitors of management, who play an important role in the effective resolution of Agency problems between managers and shareholders. According to them, the independent non-executive directors hold a more neutral position in comparison to the executive directors, who by taking advantage of their position often make decisions against the shareholders. They have further stated that outside independent directors may act as shareholder's advocates to safeguard their interests.

Baysinger and Butler (1985) and Schellenger, Wood, and Tashakori (1989) have also found evidence of a positive relationship between firm performance and outside directors' representation on the board. Byrd and Hickman (1992) have echoed the same and argued that outside directors are more prone to effective monitoring and they objectively distinguish between good and bad decisions of the management and consequently, they potentially reduce the conflict between the shareholders and the management. Agrawal and Knoeber (1996), while supporting these findings have concluded that the outside directors can effectively monitor, protect and maximise shareholder's interest. Elloumi and Gueyié (2001) have also stated that firms, having a greater proportion of independent directors on board, face lesser frequent financial pressure. In addition, Daily, Dalton, and Cannella (2003) have noticed that when a business environment worsens, firms that have a considerable number of independent directors have had a lower probability of filing for bankruptcy.

According to the aforementioned findings, the credibility of corporate governance gets enhanced both within the organisation and in the marketplace due to the

autonomy of the boardroom. In fact, the latest corporate governance codes of best practices and stock exchange requirements are compelling the boardroom to achieve greater autonomy vis-a-vis management in a cross section of industries.

However, there are other opinions, too. For example, Vance (1978) finds that corporate performance is more influenced by the technical expertise and managerial experiences of the executive directors rather than any other attributes of the board. Again, Klein (1998) and Bhagat and Black (2002) have not found any association between board independence and long-term firm performance.

### *Female Directors in Relation to Firm Performance*

Many empirical studies have tried to find out whether there is a linkage between a board's performance and inclusion of a woman director as a member of the board. In this regard, Dutta and Bose (2006) are of the opinion that the female members, on a board, reflect a diversified attitude of the board. Supporting such views, Smith, Smith, and Verner (2006) have cited three different reasons for evaluating the significance of women on boards. First, female board members generally have better knowledge and understanding of a market in comparison to male directors. As such, this understanding influences the decision-making process of the board in a positive manner. Second, female board members tend to project better images of a firm, in the perception of the community and thus enhance a firm's performance. Third, when female board members are appointed, the male board members feel encouraged to have an in-depth understanding of the business environment. In addition, this study has documented that women directors can positively affect the career development of junior female staff in a business. Due to all these reasons, a firm's performance gets a positive boost, both directly and indirectly, with the presence of female members on a board.

However, more recently Adams and Ferreira (2009), in a study of US firms, have found that on average, gender diversity has a negative effect on firm performance. Therefore, mandating of gender quotas, for directors can reduce firm value for well-governed firms. But, in spite of this, they have shown that women directors significantly impact board inputs and firm outcomes. They also find that, since gender-diverse boards spend more effort in monitoring, so CEO turnovers are more sensitive and vulnerable to stock performance.

### *Board Size in Relation to Firm Performance*

The extent, to which the size of a board may affect the financial performance of a firm, has become a significant issue. In fact, the ideal board size has been a matter of debate over several years.

According to Balasubramanian (1997), the board size of companies sees extreme variations across the countries. He finds that where, on the one hand, the average board size of a British company in 1996 was 7, and on the other hand some Japanese companies were having around 60 directors on their boards. The empirical literature shows mixed evidence of the linkage between board size and corporate performance.

In this regard, Faccio and Lasfer (1999) report that, on average, non-executive directors make up 43 per cent of boards in the United Kingdom. Bhagat and Black (2002) document that most large US public companies have independent directors making up a high proportion of the board. Dwivedi and Jain (2005) explain that since boards are considered as institutions to mitigate the effects of 'agency problems' existing in organisations, their size can affect board effectiveness.

In fact, the various studies on board size have revealed that there have been always two distinct schools of thought with regard to the size of a board and a firm's performance. The first school of thought is very much against a larger board size and they have put forth their valuable findings. In this context, O'Reilly, Caldwell, and Barnett (1989) have warned against large board size as it may create unnecessary frictions and disagreements among the board members. Similarly, Ward (1991) has given stress on the fact that the chance of arriving at a quick decision and preserve harmony is greater if the board size is small. Agrawal and Knoeber (1996) have found a positive relationship between outside directors and the firm's performance. But, still, they have warned against the higher proportion of outside directors on the board of US firms. They have argued that an internal political process within firms may influence the selection of outside directors and as a result, the directors may be less effective or even may negatively affect the firm performance. So, this school of thought asserts that a smaller board size generally contributes more to the success of a firm (Jensen, 1993; Lipton & Lorsch, 1992). The same has been echoed and proposed by various researchers, such as Goodstein, Guatam, and Boeker (1994), Yermack (1996), Eisenberg, Sundgren, and Wells (1998), Van-Ees and Postma (2002), Singh and Davidson (2003). These studies show that if the board size is larger, then the board of directors faces more difficulty in communicating with each other. These findings give enough evidence that there is a negative relation between board size and corporate performance.

However, the second school of thought considers that a large board size will improve a firm's performance (Coles, Daniel, & Naveen, 2008; Klein, 1998; Pfeffer, 1972). These studies indicate that a large board will support and advise firm management more effectively because of a broad business scenario and a cosmopolitan organisational culture (Klein, 1998). Some researchers such as Pearce and Zahra (1992), Dalton et al. (1998) predict a positive association between board size and firm performance. Proponents, of this view, state that the quality of strategic decisions can be well improved when people from diverse backgrounds add their diversified knowledge and intellect to the board. Moreover, Dalton et al. (1999) have concluded that a large board size will gather much more information and thus will eventually increase the firm performance.

Yet another view depicts an inverted U-shaped nonlinear relationship between board size and corporate performance (Goilden & Zajac, 2001; Vafeas, 1999).

### ***Board Structure in Relation to Firm Performance***

The two types of leadership structure in the boardroom configuration, which is at the top hierarchal level of the firm, have become an important topic of consideration in corporate governance. In the first model, the roles of CEO and Chairmanship

to the board are combined and this joint or dual structure is very popular among the firms of the United States. The second model, where there is a separate leadership structure dissociating the roles of the CEO and Chairman, is in great practice among many UK firms.

Though there have been many empirical studies related to firm structure, it is a fact that such studies have failed to provide an agreed view on any contribution and linkage between a board's leadership structure and financial performance of a firm. Adding to the confusion, Berg and Smith (1978) find that there is no correlation between a firm's structure and its financial performance. Even, Rechner and Dalton (1989), Daily and Dalton (1992, 1993) have supported the fact that there is no notable effect of board leadership structure on a firm's performance.

Conversely, a study by Donaldson and Davis (1991) finds that joint structure achieves a higher return on equity compared to a separate structure. According to some supporters, this model provides a single focal point and a clear sense of direction and thus it helps the board to take faster decisions. The consolidation of the two leadership roles gives assurance to the shareholders, employees and other stakeholders of the firm about the strength and stability of the board administration.

However, Fama and Jensen (1983) and Jensen (1993) have shown that duality tends to reduce a board's supervisory power with regard to management-related activities of a company, which in turn may result into an increase of agency cost. Similarly, Rechner and Dalton (1991) have observed that separate leadership structure outperformed those with joint structure, with regard to firm's financial performance. In another study, Chen, Lin and Yi (2008) have documented that in the period between 1999 and 2003, many business houses have converted their existing model of duality to a non-duality structure. Likewise, Dahya, Garcia, and Bommel (2009) have perceived that in the period between 1994 and 2003, 15 advanced nations along with the United Kingdom have followed the recommendation that a chairperson of a board should not be the same with the chief executive officer. Furthermore, Heidrick and Struggles (2009) have shown that 84 per cent of firms in Europe, follow the separate structure of leadership for better performance of the firm. According to another study, by Hewa-Wellalage and Locke (2011), the best code for *corporate governance in Sri Lanka* is to minimise any one individual's influence while taking major decision and to emphasise the balance of power within a firm for ensuring an effective and efficient operation of a board. It is important to note that in Vietnam, Ministry of Finance (2012) has stipulated that a chairperson of a board should not hold the position of the CEO unless the shareholders approve this duality during the annual general meeting of the company.

In recognition of the importance of the separation of responsibility between a chairman and a CEO, these authors consider that in many businesses with a duality structure, there has been an abuse of power at the expense of the company and the shareholders. These rules have provided a recommendation that when there is a duality in a firm, the number of independent directors on a board should be a majority so as to provide and maintain balance.

## Objectives

A large number of studies have been carried out especially in the developed world linking firm performance and corporate governance. While most studies have focussed on specific aspects of corporate governance, the findings have been rather inconclusive with other moderating factors. This study complies all these corporate governance variables used in other studies and tries to link it with firm performance in the context of emerging economies like India. The main objective of the present research is to empirically examine whether good corporate governance variables leads to enhanced business value for listed firms in India. Thus, the objective is to assess the implications of firms' corporate governance practices and initiatives on business value generation through accounting and market-related measures.

## Methodology and Data

For the purpose of the study, we have selected the companies which are part of the CNX NIFTY index and are common for at least 3 years, out of the last 5 years (2010–2014). The sample has been further subjected to other screening criteria, that is, the elimination of banking companies and financial institutions (FIs) as they follow a different accounting process and have a high degree of leverage thus making them outliers. Thus, the final sample contains 41 companies listed on the National Stock Exchange of India Ltd. For the corporate governance variables, we have tabulated the information from the corporate governance reports contained in the annual reports of the sample companies. We have sourced these annual reports from the EMIS database, a Euromoney Institutional Investor Company. In addition to the data on board composition and director characteristics, it has become also necessary to acquire information on equity ownership, stock market details of companies and other financial variables for our analysis. We have obtained these data from the financial statements and the stock price information available in the Prowess database maintained by the Centre for Monitoring Indian Economy. The Prowess database has formed the basis of several published empirical studies on the Indian corporate sector (e.g. Bertrand, Mehta, & Mullainathan, 2002; Khanna & Palepu, 2000; Sarkar & Sarkar, 2000).

The list of variables and their definitions are summarised in Table 1.

**Table 1.** List of Variables and Definitions

Variable Name	Definition
Maj_indep_board	Majority Independent board. Dummy variable. Equals one if the percentage of independent director exceeds 50, 0 otherwise.
Brd_busyness	Board Busyness. Dummy variable. Equals one if the board has at least one independent director with three or more directorships, 0 otherwise.
Brd_diligence	Board diligence. Calculated as the mean of the percentage of board meetings attended by independent directors.

*(Table 1 Continued)*

(Table 1 Continued)

Variable Name	Definition
CEO_duality	CEO duality. Dummy variable. Equals one if the CEO is also the chairman of the board, 0 otherwise.
DII_share	Domestic institutional investors' share. Percentage of equity owned by Indian banks and insurance companies, Indian financial institutions and Indian mutual funds.
FII_share	Foreign institutional investors' share. Percentage of equity owned by institutional investors that are not domestic institutional investors.
Group	Dummy variable. Equals one if the company is affiliated to a business group, 0 otherwise.
Brd_size	Size of the board. The total number of directors on the board at the end of the financial year.
Per_brd_meeting	Percentage of board meetings attended by the board of directors. Calculated as the average number of board meetings attended divided by the maximum number of board meetings.
Avg_num_directorships	The average number of other directorships held by the board of directors. Equals the average number of other directorships held in other companies by all the directors who are on the board till the end of the financial year.
Promoter_shares	Percentage of shares held by the promoters. Equals to the percentage of shares held by the promoters.
Auditor	Dummy variable. Equals to one if the auditor is among the top four audit companies, 0 otherwise.

**Source:** The authors.

**Table 2.** Dependent Variables Used in the Study

Accounting-based Measures	Market-based Measures
Economic value added (EVA)	
Return on assets (ROA)	Market value added (MVA)
Return on equity (ROE)	

**Source:** The authors.

The various financial measures, used in the study to measure firm performance, are grouped into two broad classes as presented in Table 2.

A discussion on accounting-based measures and their implications are detailed beneath:

### *Economic Value Added*

Nowadays, every organization aims at better performance and thus tries to maximise shareholders' wealth. In this context, *Stern Stewart & Co.* has developed the concept of EVA which is a particular method of calculating economic profit.

EVA is defined as any profit earned over and above the cost of capital. It is a measure of economic profit, which is arrived at by considering the charge for the opportunity cost of all capital invested in the company. Thus, EVA represents the estimation of true economic profit, which means the amount of earnings exceeding or falling short of the required minimum rate of return, which the shareholders and lenders could obtain by means of investing their capital in other alternatives, having a similar degree of risk. The amount of EVA is determined by comparing a company's earnings after tax and the cost of capital employed. If the former exceeds the latter, the result is positive economic profit and in the reverse case, negative economic profit will exist. The positive value of EVA is an indication of value creation or surplus generation by the company and the negative EVA signifies that the company is not creating value or generating a surplus. The use of the economic value-added concept is claimed to be the most dynamic and much better approach for measuring value creation or surplus generation by a company since EVA focusses on the clear surplus in contrast to the traditionally used profit available to the shareholders.

EVA is computed by using the following formula:

$$\text{EVA} = (\text{NOPAT})_t - \text{WACC} \times (\text{CE})_t$$

where  $(\text{NOPAT})_t$  denotes net operating profit after tax, WACC (weighted average cost of capital) indicates weighted average cost of capital and  $(\text{CE})_t$  stands for capital employed at the end of period  $t$ .

The computation of EVA involves calculation of three important things:

1. Net operating profit before interest but after tax.
2. Weighted average cost of capital.
3. Amount of capital employed.

The computation of WACC involves the calculation of cost of equity ( $K_e$ ) and cost of debt ( $K_d$ ). According to Stern Stewart's recommendations, cost of equity ( $K_e$ ) should be computed by using capital asset pricing model (CAPM).

According to the CAPM, the expected ROE ( $K_e$ ) is given by the following equation:

$$K_e = R_f + \beta (R_m - R_f)$$

where  $K_e$  represents cost of equity,  $R_f$  stands for risk free rate of return and  $R_m$  indicates the market return.

For computing market return, data of NSE NIFTY are considered. This is so, because at present, the volume of turnover of NSE is significantly higher than that of the BSE. Thus, consideration of NSE data will facilitate better reflection of the pulses of the Indian capital market. Second, in order to eliminate the volatility of annualised daily market return, the present study has used the logarithmic difference of closing NSE NIFTY of two successive periods for the calculation of market return. If  $X_t$  be the closing Sensex on date  $t$  and  $X_{t-1}$  be the same for its previous business day, then the one-day market return is calculated by using the following formula:



$$MR_t = L_n (X_t/X_{t-1}) \times 100$$

where  $L_n$  is the natural logarithm.

Thus, the market return will be computed on the basis of the logarithmic values of the closing Sensex, instead of taking just the closing Sensex data.

Beta ( $\beta$ ) is basically used as the risk indicator in the market model. It is generally defined as the responsiveness of stock return or portfolio return to the market return.

$\beta$  for any asset, may be calculated as:

$$\beta = \frac{\text{Covariance}(\tilde{A}_i, \tilde{A}_m)}{\text{variance}(\tilde{A}_m)}$$

where  $\tilde{A}_i$  = return from a given investment

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$\tilde{A}_m$  = return from the market portfolio

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Covariance ( $\tilde{A}_i, \tilde{A}_m$ ) = [correlation ( $\tilde{A}_i, \tilde{A}_m$ )]  $\times$  [standard deviation of  $\tilde{A}_m$ /standard deviation of  $\tilde{A}_i$ ] and here tilde (-) indicates that the respective measure is specific as a random variable.

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The aforementioned may also be written as:

$$\beta_{im} = \text{Cov}_{jm} / \delta_m^2$$

where  $\text{Cov}_{jm}$  represents covariance of return of individual share  $i$  with index return  $m$  and  $\delta_m^2$  denotes the variance of market return.

Effectively cost of debt is calculated as

$$K_d = I_{(1-t)}$$

where  $K_d$  implies cost of debt,  $I$  stands for rate of interest on debt and  $t$  is rate of tax. Thus, it is the measure of after-tax cost of borrowed capital or debt capital.

As per Stewart, MVA should be calculated as:

MVA = market capitalization – equity

where equity = equity share capital + reserve and surplus – miscellaneous expenses – P&L (dr.) balance.

### Control Variables

Apart from the governance characteristics, the performance of a firm is influenced by other factors as well. Thus, it is customary to control the effect of these external factors and so the variables such as financial leverage, natural log of total assets or size of the firm and firm's age are considered as the control variables in this study.

**Financial leverage** is the ratio of long-term debt to total equity plus retained earnings. The variable captures the effect of corporate tax shield (Sarkar & Sarkar, 2000).

**Natural log of total assets** is defined as the size of the firm. It reflects the effects of unobserved factors, which are related to size.

**Age** is defined as the log difference between end of 2014 and firm's founding year. It controls for the life cycle effect because profits of older and matured firms may be increased on account of good will and learning efforts (Black, Tang, & Kim, 2003).

Thus, the four main models of regression have been estimated as the following:

$$\begin{aligned} \text{EVA} = & \alpha + \beta_1 \text{Maj\_indep\_board} + \beta_2 \text{Brd\_busyness} + \beta_3 \\ & \text{Brd\_diligence} + \beta_4 \text{CEO\_duality} + \beta_5 \text{DII\_share} + \beta_6 \text{FII\_share} + \beta_7 \\ & \text{Group} + \beta_8 \text{Brd\_size} + \beta_9 \text{Per\_brd\_meeting} + \beta_{10} \text{Avg\_num\_directorships} + \\ & \beta_{11} \text{Promoter\_shares} + \beta_{12} \text{Auditor} + \beta_{13} \text{Leverage} + \beta_{14} \text{Log of TA} + \beta_{15} \\ & \text{Age} + \text{error} \end{aligned} \quad (1)$$

$$\begin{aligned} \text{MVA} = & \alpha + \beta_1 \text{Maj\_indep\_board} + \beta_2 \text{Brd\_busyness} + \beta_3 \text{Brd\_diligence} \\ & + \beta_4 \text{CEO\_duality} + \beta_5 \text{DII\_share} + \beta_6 \text{FII\_share} + \beta_7 \text{Group} + \beta_8 \\ & \text{Brd\_size} + \beta_9 \text{Per\_brd\_meeting} + \beta_{10} \text{Avg\_num\_directorships} + \beta_{11} \\ & \text{Promoter\_shares} + \beta_{12} \text{Auditor} + \beta_{13} \text{Leverage} + \beta_{14} \text{Log of TA} + \beta_{15} \text{Age} \\ & + \text{error} \end{aligned} \quad (2)$$

$$\begin{aligned} \text{ROA} = & \alpha + \beta_1 \text{Maj\_indep\_board} + \beta_2 \text{Brd\_busyness} + \beta_3 \text{Brd\_diligence} + \\ & \beta_4 \text{CEO\_duality} + \beta_5 \text{DII\_share} + \beta_6 \text{FII\_share} + \beta_7 \text{Group} + \beta_8 \text{Brd\_size} + \\ & \beta_9 \text{Per\_brd\_meeting} + \beta_{10} \text{Avg\_num\_directorships} + \beta_{11} \text{Promoter\_shares} \\ & + \beta_{12} \text{Auditor} + \beta_{13} \text{Leverage} + \beta_{14} \text{Log of TA} + \beta_{15} \text{Age} + \text{error} \end{aligned} \quad (3)$$

$$\begin{aligned} \text{ROE} = & \alpha + \beta_1 \text{Maj\_indep\_board} + \beta_2 \text{Brd\_busyness} + \beta_3 \text{Brd\_diligence} \\ & + \beta_4 \text{CEO\_duality} + \beta_5 \text{DII\_share} + \beta_6 \text{FII\_share} + \beta_7 \text{Group} + \beta_8 \\ & \text{Brd\_size} + \beta_9 \text{Per\_brd\_meeting} + \beta_{10} \text{Avg\_num\_directorships} + \beta_{11} \\ & \text{Promoter\_shares} + \beta_{12} \text{Auditor} + \beta_{13} \text{Leverage} + \beta_{14} \text{Log of TA} + \beta_{15} \\ & \text{Age} + \text{error} \end{aligned} \quad (4)$$

where  $\alpha$  = the intercept.

The correlation matrix between the variables is provided in Table 3 to understand whether there is a linear relationship among the variables.

## Results and Discussion

For the purpose of the study, four different regression models have been applied by using four different dependent variables. The dependent variables are EVA, MVA, ROA and ROE. EVA and MVA are said to be the modern tools to assess financial performance, whereas ROA and ROE are the traditional measures of financial performance.

**Table 3.** Correlation Matrix

Variables	A	B	C	D	E	F	G	H	I	J	K	L	M
Maj_indep_board (A)	1.00												
Brd_busyness (B)	0.36	1.00											
Brd_diligence (C)	0.29	-0.20	1.00										
CEO_duality (D)	-0.11	0.29	0.20	1.00									
DII_share (E)	0.04**	0.19	0.38	0.33*	1.00								
Flt_share (F)	0.03*	-0.04	0.40	-0.19	0.25	1.00							
Brd_size (G)	0.39	0.09*	-0.06	-0.09	0.17*	0.06	1.00						
Brd_meeting (H)	0.06	-0.42*	0.04	0.17	0.08	0.06	-0.09	1.00					
Avg_num_directorship (I)	0.27*	0.17*	-0.27	-0.25	0.14	0.08	0.02	-0.04	1.00				
Promoter_shares (J)	0.09	-0.15	0.32**	0.47**	0.41**	-0.03*	-0.12	0.18	0.18	1.00			
Leverage (K)	0.29	0.12	0.04	0.18*	-0.21	-0.29	0.15	0.11	0.05	0.38	1.00		
Size (L)	0.34*	0.42*	0.12	0.06	0.32*	0.32*	0.27**	0.29	0.27	-0.27	0.27	1.00	
Age (M)	0.32*	0.27*	0.21	-0.06	0.09	0.03	0.16*	0.30	0.39*	-0.18	0.40**	0.11**	1.00

**Source:** The authors.**Note:** \* and \*\* indicate statistical significance at 1% and 5% level, respectively. VIF range: 1.182–1.492; tolerance range: 0.684–0.812.

### Model 1: EVA as the Dependent Variable

In order to find out which regression model is appropriate, the Hausman test is performed. As per the Hausman test, the hypotheses are:

Ho: Random effect model is appropriate. Ha: Fixed effect model is appropriate.

Table 4 shows the results of Hausman test.

The result of the Hausman test shows that the null hypothesis is accepted. Thus, the random effect model is appropriate. Hence, the regression results of the random effect model are presented in Table 5.

**Table 4.** Hausman Test for Model 1

EVA	Coefficients		$(b - B)$	sqrt(diag( $V_b - V_B$ ))
	(b)	(B)		
	Fixed	Random	Difference	S.E.
Leverage	-99940.54	-61528.68	-38411.86	33094.28
Log of TA	14652.57	-11496.12	26148.69	12237.3
AGE	-4218.967	38.49308	-4257.46	2230.621
Maj_indep_board	5088.993	417.7981	4671.195	2108.337
Brd_busyness	2549.262	-6579.428	9128.69	5995.018
Brd_diligence	-79.73659	-212.1428	132.4062	64.3814
CEO_duality	-1190.964	681.7013	-1872.665	2560.198
DII_share	1528.319	875.6455	652.6739	726.6867
FII_share	2906.094	1667.461	1238.633	705.8106
Brd_size	-2016.708	114.3081	-2131.016	882.4115
fBM	155.9023	317.3866	-161.4843	86.85566
Avg_num_directorships	3747.328	2977.249	770.0792	1639.855
Promoter_shares	1618.945	888.2056	730.7392	756.9411
Audtor	11265.32	-6488.369	17753.69	14733.62

**Source:** The authors.

**Note:** b = Consistent under Ho and Ha; obtained from xtreg.

B = Inconsistent under Ha, efficient under Ho; obtained from xtreg.

$\chi^2(14) = 16.86$

Prob >  $\chi^2 = 0.2635$

**Table 5.** Random Effect Model Results for Model 1

EVA	Coefficient	p-Value
Constant	72188.42	0.360
Leverage	-61528.68**	0.020
Log of TA	-11496.12**	0.016

(Table 5 Continued)

(Table 5 Continued)

EVA	Coefficient	p-Value
Age	38.49308	0.846
Maj_indep_board	417.7981	0.926
Brd_busyness	-6579.428	0.612
Brd_diligence	-212.1428	0.259
CEO_duality	681.7013	0.892
DII_share	875.6455	0.275
FII_share	1667.461*	0.009
Group	-28971.21**	0.018
Brd_size	114.3081	0.914
Per_brd_meeting	317.3866	0.244
Avg_num_directorships	2977.249***	0.100
Promoter_shares	888.2056**	0.043
<b>Auditor</b>	<b>-6488.369</b>	<b>0.509</b>

**Source:** The authors.

**Note:** \*, \*\* and \*\*\* Denotes statistical significance level of 1%, 5% and 10%, respectively.

Number of obs. = 203 Number of groups = 41 Wald  $\chi^2$  (15) = 37.84

Prob >  $\chi^2$  = 0.0010

### Results of Model 1

Table 4 reports the results of random effects regression only. It reveals that amongst the control variables, the two variables, Leverage and Size of the firm are found to be statistically significant at 5 per cent level. Here, the coefficient of leverage (-61528.68) and size of the firm (-11496.12) appears to be negative. This indicates that leverage and size of the firm are likely to have a negative impact on the EVA of the company. If the degree of leverage increases, financial risk is also likely to increase because of which the WACC and the cost of capital employed (CE) are also likely to go up, and may consequently reduce the EVA. Similarly, higher the size of the firm, higher will be the capital employed. Again, if capital employed is more, the cost on capital employed will also be higher and this may reduce the EVA.

Table 4 further reveals that amongst the corporate governance variables, the variable FII share is statistically significant at the 1 per cent level, Group dummy and Promoter shares are found to be statistically significant at the 5 per cent level and Average number of directorships, held by all the directors in other companies, is found to be significant at around the 10 per cent level. We have considered this level of confidence as the variable denotes the average. Thus, the four statistically significant variables, namely FII share (1667.461), Average number of directorships (2977.249) and Promoter shares (888.2056) appear to be positive while the coefficient of Group dummy (-28971.21) appears to be negative.

This indicates that FII share, Promoter shares and the Average number of directorships held by the directors are likely to have a positive impact on the EVA of the sample firms. If foreign institutional investors' holding is more, it is likely to add more value to the companies and as such, it may be viewed by institutionalised investors as a sign of confidence, adding to the good prospects of the firm. Similarly, Promoter shares is likely to have a positive impact on EVA. If the Promoter share is higher, the involvement of the promoters in the proper functioning of the company is also more, which in turn may help in generating additional value for the company. It is also seen that the Average number of directorships, held by the directors, are likely to have a positive impact on the value addition of a firm. The greater number of directorships a director holds, is likely to bring more diverse knowledge and expertise in the board room and positively influence its decision-making process. This may consequently help the company to generate more value.

On the other hand, the companies having Group affiliation are likely to have a negative impact on their economic performance. In such cases, chances of diversion of funds among group companies may increase, or the poor performance of a group company may negatively affect the value of other profitable firms of the group.

Other factors pertaining to corporate governance namely, proportion of independent directors on a board, board busyness, board diligence, DII share, size of a board, percentage of board meetings, audit quality are not found to have any statistically significant impact on the financial performance of the companies, measured in terms of EVA.

### *Model 2: MVA as the Dependent Variable*

Like Model 1, the Hausman test has been performed, at first. As per the Hausman test, the hypotheses are:

Ho: Random effect model is appropriate. Ha: Fixed effect model is appropriate.

Table 6 shows the results of Hausman test.

**Table 6.** Hausman Test for Model 2

MVA	Coefficients		(b - B) Difference	sqrt(diag(V_b-V_B)) S.E.
	(b) Fixed	(B) Random		
Leverage	-1812107	-1860449	48342.7	347975.4
Log of TA	592951.7	145693	447258.7	147264.1
AGE	-115784.5	129.0963	-115913.6	27944.19
Maj_indep_board	99040.54	8193.142	90847.39	13834.11
Brd_busyness	-181220.4	-210594.5	29374.07	25981.39
Brd_diligence	2616.851	-310.401	2927.252	.
CEO_duality	-95594.9	-60973.99	-34620.91	14766.09

(Table 6 Continued)

(Table 6 Continued)

MVA	Coefficients	Coefficients		
DII_share	-26114.11	-31103.93	4989.826	7055.629
FII_share	20064.5	-6403.553	26468.05	7425.347
Brd_size	-15887.03	8786.604	-24673.64	8121.944
fBM	-1786.637	2426.392	-4213.029	.
Avg_num_directorships	6398.468	29564.25	-23165.78	16440.33
Promoter_shares	13549.52	-5565.739	19115.26	8629.1
Audtor	214332.1	93063.69	121268.5	161964.7

**Source:** The authors.

**Note:** b = Consistent under Ho and Ha; obtained from xtreg.

B = Inconsistent under Ha, efficient under Ho; obtained from xtreg.

$\chi^2$  (14) = 2.95.

Prob >  $\chi^2$  = 0.9992.

*The result of the Hausman test shows that the null hypothesis is accepted. Thus, the random effect model is appropriate. Hence, the regression results of the random effect model are presented beneath in Table 7.*

**Table 7.** Random Effect Model Results for Model 2

MVA	Coefficient	p-Value
Constant	-363703.6	0.762
Leverage	-1860449*	0.000
Log of TA	145693***	0.051
Age	129.0963	0.969
Maj_indep_board	8193.142	0.893
Brd_busyness	-210594.5	0.236
Brd_diligence	-310.401	0.902
CEO_duality	-60973.99	0.380
DII_share	-31103.93*	0.007
FII_share	-6403.553	0.494
Group	-276638.2	0.181
Brd_size	8786.604	0.567
Per_brd_meeting	2426.392	0.505
Avg_num_directorships	29564.25	0.255
Promoter_shares	-5565.739	0.414
Auditor	93063.69	0.542

**Source:** The authors.

**Note:** \* and \*\*\* Denotes statistical significance level of 1%, and 10%, respectively.

Number of obs. = 203 Number of groups = 41 Wald  $\chi^2$  (15) = 40.84.

Prob >  $\chi^2$  = 0.0003

### Results of Model 2

Table 4 reveals that the control variables, namely Leverage and Size of the firm are found to be statistically significant at 1 per cent and 5 per cent level, respectively. Here, the coefficient of Leverage (−1860449) appears to be negative, thus indicating an inverse relationship with the MVA to the company. Similar to Model 1, it is found that as the degree of leverage increases, financial risk is also likely to go up which may consequently reduce the MVA. Unlike Model 1, here it is seen that the size of the firm is likely to have a positive impact on MVA, that is, the larger the size of the firm, the higher will be the MVA to the firm. It is usually noticed that the market has a positive sentiment towards the larger firms, which may in turn help in value generation.

Table 4 shows that with regard to corporate governance variables, DII share is found to be statistically significant at 1 per cent level. Among the other corporate governance variables, the coefficient of DII holding (−31103.93) appears to be negative indicating a negative impact on the MVA to the firm. This shows that, the higher is the DII share the lesser is the MVA, thus indicating that the market is not likely to respond positively towards the value addition of the chosen firms.

Other corporate governance variables are not found to have any statistically significant impact on the financial performance of the companies, measured in terms of MVA.

### Model 3: ROA as the Dependent Variable

In order to find out which regression model is appropriate, Hausman test is performed at first. As per the Hausman test, the hypotheses are:

Ho: Random effect model is appropriate. Ha: Fixed effect model is appropriate.

Table 8 shows the results of the Hausman test.

**Table 8.** Hausman Test for Model 3

ROA	Coefficients		$(b - B)$	$\text{sqrt}(\text{diag}(V_b - V_B))$
	(b) Fixed	(B) Random		
Leverage	−41.87659	−37.0873	−4.789295	8.270308
Log of TA	−5.778276	−1.568871	−4.209406	3.000998
Age	0.9263736	0.0055372	0.9208364	0.5432628
Maj_indep_board	−1.650292	−1.092319	−0.5579728	0.4793198
Brd_busyness	1.038453	0.1098556	0.9285978	1.411777
Brd_diligence	−0.0413793	−0.0531145	0.0117352	0.0128124
CEO_duality	0.8840441	1.354918	−0.470874	0.6128262
DII_share	0.3943213	0.0321992	0.3621222	0.1813822

(Table 8 Continued)



(Table 8 Continued)

ROA	Coefficients		Coefficients	
Fill_share	0.2249887	0.199525	0.0254637	0.1753657
Brd_size	-0.3743814	0.2049688	-0.5793501	0.2208587
fBM	-0.0008147	0.0039927	-0.0048075	0.016231
Avg_num_ directorships	1.458426	0.6313633	0.8270625	0.4063557
Promoter_shares	0.2022465	0.0857818	0.1164647	0.1870436
Audtor	-5.887911	-2.53969	-3.348221	3.661681

**Source:** The authors.

**Note:** b = Consistent under Ho and Ha; obtained from xtreg.

B = Inconsistent under Ha, efficient under Ho; obtained from xtreg.

$\chi^2$  (14) = 25.71

Prob >  $\chi^2$  = 0.0282

The result of the Hausman test shows that the null hypothesis is rejected. Thus, the fixed effect model is appropriate. Hence, the regression results of the fixed effect model are presented beneath in Table 9.

**Table 9.** Fixed Effect Model Results

ROA	Coefficient	p-Value
Constant	32.46138	0.299
Leverage	-41.87659*	0.000
Log of TA	-5.778276**	0.073
Age	0.9263736**	0.091
Maj_indep_board	-1.650292	0.173
Brd_busyness	1.038453	0.766
Brd_diligence	-0.0413793	0.394
CEO_duality	0.8840441	0.521
DII_share	0.3943213	0.136
Fill_share	0.2249887	0.333
Group	0	
Brd_size	-0.3743814	0.268
Per_brd_meeting	-0.0008147	0.991
Avg_num_directorships	1.458426**	0.015
Promoter_shares	0.2022465	0.344
Auditor	-5.887911	0.174

**Source:** The authors.

**Note:** \* and \*\* indicate statistical significance at 1% and 5% level, respectively.

Number of obs. = 203 Number of groups = 41  $F$  (14, 148) = 3.65

Prob >  $F$  = 0.0000

### Results of Model 3

While estimating the regressions, we have taken into account both the fixed effects regression as well as the random effects regression. However, as per the Hausman test, we find that the fixed effect model is appropriate. Hence Table 6 reports the results of the fixed effects regressions only.

Table 6 reveals that all the control variables, chosen for the study, are found to be statistically significant where the variable Leverage is found to be statistically significant at 1 per cent level and size and age of the firm are found to be statistically significant at the 5 per cent level. Here, the coefficient of Leverage (-41.87659) and Size of the firm (-5.778276) are found to be negative thus having an inverse relationship with the ROA of the company. On the contrary, the coefficient of Age of the firm (0.9263736) appears to have a positive impact on the ROA of the firms. The older the firm, the longer is the establishment of a firm and they are likely to earn higher ROA. The well-established firms have a command over the market and this long establishment of these firms are likely to fetch more ROA.

With regard to the corporate governance variables, the Average number of directorships held by all the directors in other companies is found to be statistically significant at the 5 per cent level, where the coefficient (1.458426) appears to have a positive impact on the ROA of the company. The multiple directorships held by a board member enable him to gain varied experiences and thus he is able to share more expertise and wisdom in tackling the various business complexities of different firms.

Other factors pertaining to corporate governance are not found to have any statistically significant impact and thus they do not affect the financial performances of the companies, measured in terms of ROA.

### Model 4: ROE as the Dependent Variable

Like the previous models, Hausman test is performed at first. As per the Hausman test, the hypotheses are:

Ho: Random effect model is appropriate.

Ha: Fixed effect model is appropriate.

Table 10 shows the results of Hausman test.

**Table 10.** Hausman Test for Model 4

ROE	Coefficients		(b - B) Difference	sqrt(diag(V <sub>b</sub> -V <sub>B</sub> )) S.E.
	(b) Fixed	(B) Random		
Leverage	-34.17109	-56.69857	22.52748	24.25658
Log of TA	-8.082512	-4.554623	-3.52789	8.752051
Age	0.0785394	0.1194155	-0.0408761	1.582171

(Table 10 Continued)

(Table 10 Continued)

ROE	Coefficients	Coefficients		
Maj_indep_board	-6.76951	-7.058113	0.2886031	1.65132
Brd_busyness	0.4461744	-0.4854496	0.931624	4.775175
Brd_diligence	0.0086207	-0.0394452	0.0480659	0.0534281
CEO_duality	4.644442	4.781595	-0.1371532	2.011092
DII_share	0.3577334	-0.172568	0.5303014	0.5412776
FII_share	0.5230015	0.355535	0.1674665	0.5184865
Brd_size	-0.3430647	0.6443983	-0.9874629	0.6626003
fBM	-0.2348548	-0.1586211	-0.0762331	0.0731654
Avg_num_directorships	2.21944	2.26425	-0.0448098	1.217242
Promoter_shares	0.3479193	0.1365991	0.2113202	0.5466628
Audtor	-8.564546	-5.663613	-2.900933	10.70798

**Source:** The authors.

**Note:** b = Consistent under  $H_0$  and  $H_a$ ; obtained from xtreg.

B = Inconsistent under  $H_a$ , efficient under  $H_0$ ; obtained from xtreg.

$\chi^2(14) = 8.94$

Prob >  $\chi^2 = 0.8351$

The result of the Hausman test shows that the null hypothesis is accepted. Thus, the random effect model is appropriate, and its results are shown in Table 11.

**Table 11.** Random Effect Model Results for Model 4

ROE	Coefficient	p-Value
Constant	72.8836	0.168
Leverage	-56.69857*	0.001
Log of TA	-4.554623	0.154
Age	0.1194155	0.359
Maj_indep_board	-7.058113**	0.023
Brd_busyness	-0.485450	0.957
Brd_diligence	-0.0394452	0.762
CEO_duality	4.781595	0.167
DII_share	-0.172568	0.751
FII_share	0.355535	0.409
Group	1.188869	0.882
Brd_size	0.6443938	0.372

(Table 11 Continued)

*(Table 11 Continued)*

ROE	Coefficient	p-Value
Per_brd_meeting	-0.1586211	0.401
Avg_num_directorships	2.26425***	0.066
Promoter_shares	0.1365991	0.641
Auditor	-5.663613	0.387

**Source:** The authors.

**Note:** \*, \*\* and \*\*\* Denotes statistical significance level of 1%, 5% and 10%, respectively.

Number of obs. = 203 Number of groups = 41 Wald  $\chi^2$  (15) = 34.46 Prob >  $\chi^2$  = 0.0029

### Results of Model 4

From the Table 8, we have found that with regard to the control variables, Leverage is found to be significant at the 1 per cent level. Here, the coefficient of Leverage (-56.69857) appears to be negative, thus having an adverse effect on the ROE of the firms. Thus, it may be said that the higher the Leverage, the lower is the ROE.

Table 8 further reveals that from the variables pertaining to corporate governance, the Boards having a majority of independent directors is found to be statistically significant at 5 per cent level. The coefficient of Majority Independent Board (-7.058113) appears to be negative, thus indicating a negative impact on the ROE. Theoretically, it is argued that the ROE is more influenced by the expertise of the executive directors than the independent directors. This is due to the fact that the executive directors are directly engaged in the day-to-day planning of the company and thus instill proper functioning of the company. Since the independent directors are not always aware of the full functioning of the company so they are unable to directly contribute to the return generation of the company, and more so because the larger boards may slow down decision-making. The Average number of directorships held by the directors in other companies is found to be statistically significant at 10 per cent level. The coefficient for Average number of directorship (2.26425) appears to be positive. This indicates that the firms, which appoint directors holding several number of directorships, are likely to generate more ROE to the equity shareholders. But, the firms with majority independent boards are affected adversely with respect to their ROE shareholders' fund.

Other factors, pertaining to corporate governance, are not found to have any statistically significant results and thus they do not affect the financial performances of the companies, measured in terms of ROE.

## Conclusions

The study analyses the impact of corporate governance on firm value. In this regard, various corporate governance variables and control variables have been selected based on literature. The financial measures used in the study as influencing factors of firm performance include EVA, MVA, ROA and ROE. Our

statistical analysis reveals that Leverage is likely to have a negative impact on both the economic and MVA to the company as well as on the ROE and assets. The size of the firm is also likely to show a negative impact on EVA, ROA and ROE. Thus, it implies that if the capital employed is more, the cost of capital employed will also be higher and this may reduce the EVA, ROA and ROE. On the other hand, the age of the firm appears to have a positive impact on the ROA of the firms. This implies that the older the firm, the longer is the establishment of a firm and they are likely to earn higher ROA.

In this study, the corporate governance variables are of interest compared to the financial and control variables. Amongst the corporate governance variables, it is found that the Average number of directorships held by all the directors are likely to have a positive impact on the EVA of the firm, as well as, on the ROA and ROE. Thus, it shows that the multiple directorships held by a board member help to leverage varied experiences and more expertise and wisdom in tackling the various business complexities of different firms. The Foreign Institutional Investors' share and Promoter holdings are likely to positively influence the economic value addition of the company. If Foreign Institutional Investors' holding is more, it is likely to add more value to the companies and as such, it may be viewed by institutionalised investors as a sign of confidence, adding to the good prospects of the firm. Similarly, Promoter shares is likely to have a positive impact on EVA. If the promoter share is higher, the involvement of the promoters in the proper functioning of the company is also more, which in turn may help in generating additional value for the company. On the other hand, the companies having Group affiliation are likely to have a negative impact on their economic performance. In such cases, chances of diversion of funds among group companies may increase, or the poor performance of a group company may negatively affect the value of other profitable firms of the group. Majority Independent Board appears to be negative thus indicating a negative impact on the ROE. It is argued that the ROE is more influenced by the expertise of the executive directors than the independent directors. This is due to the fact that the executive directors are directly engaged in the day-to-day planning of the company and thus instill the proper functioning of the company. The aforementioned results considered holistically may point to the association of corporate governance characteristics and firm value.

## **Managerial Implications**

The present study examines the role of various corporate governance parameters in generating firm value. Some interesting findings of the study have important managerial implications. The finding that directors with multiple board appointments help in generating higher values for Indian firms. Thus, the argument that busy directors are unable to contribute to the boards due to lack of effective time is possibly not correct in the Indian context. Rather, directors with wide experience of managing multiple boards can bring the best practices of other companies into the board for creating value for a company. Also, FII investment has a positive impact on firms' financial performance, which implies that managers need to

ensure superior financial performance in order to attract more FII investments. Also, firms with higher promoter shareholding generate greater firm values. Thus, managers of the promoter-driven companies are motivated to create greater values for their firms, as those are closely monitored by the promoter(s). Overall, the findings have a significant impact on the managers' understanding of the role of various governance parameters on financial performance as well as value creation by companies.

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# Extent of Social Change in Family Quality of Life Index: Empirical Evidence from Selected States of India

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## Abstract

The present study finds family quality of life index (FQLI) for 14 states of India. The study used 55 family health indicators collected from National Family Health Survey (NFHS) for the period 2005–2006 and 2015–2016. The Wroclaw taxonomic technique is used to find the FQLI. Small improvement has been observed in FQLI (2015–2016) in comparison with FQLI (2005–2006). Out of the 14 states, Goa is ranked first and Bihar is ranked last in the FQLI for the period 2005–2006 and 2015–2016. The study confirmed the existence of interstate disparities in FQLI.

## Keywords

Quality of life, health indicators, social sector programmes, social change, disparity, India

## Introduction

Social development is a multidimensional process that involves social and economic welfare of individuals (Estes, 1996; Jones, 1981; Kumar, 2017; Meinert & Kohn, 1987; Ohlan, 2013; Ray, 1989, 2008a, 2008b). It also involves major changes in social structures, reduction of inequality and eradication of absolute poverty. Development means shifting of society towards socio-economic development and spiritual satisfaction (Todaro, 1997). It is the promotion of a sustainable society that

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is worthy of human dignity by empowering marginalised groups to acquire their rightful place in the society (Bilance, 1997). Midgley (1995) defined social development as 'a process of planned social change designed to promote the well-being of the population as a whole in combination with dynamic process of economic development'. Social development especially targets disparities among the human being, minimise them and maximise human welfare (Awan, Aslam, & Waqas, 2012). It aims to promote productive and healthy life for all the society and nature. The true purpose of development is to improve people's lives (Ul Haq, 1995). Dubey (2000) pointed out that success of development strategy depends upon the fulfilment of minimum social conditions. He argued that India's tragedy is the violation of the social contract embodied in the constitution. Economic growth in India widened the inequalities between those who have benefited from the uneven development process and those who have been left behind and marginalised by this process.

Development means creating economic opportunities through sustainable growth and making the opportunities available to all including the poor (World Bank, 2006a, 2006b). Development is all about freedoms to realise the full potential of every human life (HDR, 2016). Economic growth has to be sustained and transformed into meaningful development. The role of the state must be redefined to improve the living situations of the people. Strategic intervention is enviable to attain broader long-standing ideas of development (Nayyar, 2017). Mere growth in the production of goods and services and continuous increase in per capita income may not necessarily lead to an improvement in human development of a nation. In India, the focus of development planning has been changed from the economic growth to socio-economic inclusive growth (Twelfth Five-Year Plan, 2012–2017). Economic growth has to be accompanied by an improvement in the choices and quality of people life see, e.g., Dasgupta, 1993; Ghosh, 2008, 2013, 2016; Sen, 1985; UNDP, 1990). During the period 1980–2005, India failed to convert economic growth into well-being for its people, and its ongoing journey in development cannot be completed as long as poverty, scarcity and exclusion persist (Nayyar, 2006). In true sense, quality of life in any country can be accessed with the help of human development indicators such as education, health, sex ratio, etc.

Nowadays in India, the government is focusing more on core components of social development through its social sector schemes such as Sarva Shiksha Abhiyan, Janani Suraksha Yojana, etc. The planners in India have recognised the need to make growth 'more inclusive' so that the benefits of growth can reach to all people of the society (Twelfth Five-Year Plan, 2012–2017). Inclusive growth is the most efficient way to pull people out of the poverty. Inclusive growth allows people to benefit from economic growth (Chakrabarty, 2010). Notably, Indian economy witnessed a robust growth averaging around 8.1 per cent during 2005–2010 and at the same time observed worsening of income inequality as the Gini coefficient increased from 0.334 to 0.339 during the same period (Ghosh, 2013). The family quality of life in a region is mainly determined by the accessibility of safe drinking water, drainage facility for waste water, sanitation, availability of the fuel used for cooking purposes and availability of a separate kitchen (Das & Mistri, 2013). Unfortunately, a large section of India's population is still deprived

of these facilities. Ghosh (2016) studied the performance of Indian states over the period of 1971–2011 and found that average value of Quality of Growth Index (QGI) is higher in the post-reform period, suggesting that there has been an overall improvement in the quality of growth over time. But, even though the BIMARU states have raised their QGI, they have still lagged behind their peers due to lack of inclusion and industrialisation.

Importance of the social development is highlighted by the scholars (Kumar, 2017; Ohlan, 2013; Ray, 1989, 2008). Also, various studies showed that wide disparities exist in the level of socio-economic development in India (Cashin & Sahay, 1996; Das, Ghate, & Robertson, 2015; Ghate, 2008; Ghate & Wright, 2012; Kumari, 2014, 2016; Ohlan, 2013; Trivedi, 2003). Furthermore, wide disparities in health and education have been observed by many studies (Kumar, Kumar, & Rani, 2016; Murthy, 2011; Randive, San Sebastian, De Costa, & Lindholm, 2014; Ray, 2014). At present, India is performing on economic indicators like GDP growth rate but lacking in many social parameters such as low Human Development Index (HDI) value, low Social Progress Index (SPI) value, etc. as the gains of rapid growth have not reached all parts of the country in an equitable manner (Kumar, 2017).

### *Vital Social Statistics of India*

Kerala had been the best performing state in human development. Wide variations have been observed in HDI values across India (Ghosh, 2013; IHRD, 2011). In India, overall literacy is 74.04 per cent in which male literacy is 82.14 per cent, whereas female literacy is 65.46 per cent (Census of India, 2011). This means that more than one-fourth of the country's population is still illiterate. Kerala is the only state to have 100 per cent literacy. It is followed by Goa, Tripura, Mizoram, Himachal Pradesh, Maharashtra and Sikkim (Census of India, 2011). The lowest literacy rate is seen in the state of Bihar. In India, sex ratio has improved from 933 in 2001 to 943 in 2011 (Census of India, 2011). Though the sex ratio has gone through commendable signs of improvement in the past 10 years, there are still some states like Haryana having very low sex ratio. Haryana recorded the lowest sex ratio of 877 across India (Census of India, 2011). Sex ratio of the southern states is high when compared to northern states such as for Kerala, it is 1,084 and for Puducherry, it is 1,037 (Census of India, 2011). However, India has improved in many socio-economic indicators such as GDP per capita, literacy rate, sex ratio, HDI value, etc. but still needs to focus more on social development (Kumar, 2017).

**Table 1.** Literacy Report Card of India

Census Year	Total Literacy	Male Literacy	Female Literacy	Gender Gap in Literacy
1991	52.21	64.13	39.29	24.84
2001	64.84	75.26	53.67	21.59
2011	74.04	82.14	65.46	16.68

**Source:** Census Reports, Government of India.

**Table 2.** Health Statistics of India

Year	Crude Birth Rate (per 1,000 population)	Crude Death Rate (per 1,000 population)	Total Fertility Rate	Maternal Mortality Ratio (per 100,000 live births)	Infant Mortality Rate (per 1,000 live births)	Child Mortality Rate (0–4 years) (per 1,000 children)	Couple Protection Rate (%)	Male Life Expectancy at Birth (in years)	Female Life Expectancy at Birth (in years)
1991	29.5	9.8	3.6	398 SRS (1997–1998)	80	26.5	44.1	60.6	61.7 (1991–1996)
2001	25.4	8.4	3.1	301 (2001–2003)	66	19.3	45.6	61.8	63.5 (1999–2003)
Current Level	22.5 (2009)	7.3 (2009)	2.6 (2009)	212 SRS (2007–2009)	44 (2011)	14.1 (2009)	40.4 (2011)	64.6 (2006–2010)	67.7 (2006–2010)

**Source:** 1. Office of Registrar General of India.

2. Division of Ministry of Health and Family Welfare, Government of India.

3. Sample Registration Survey (SRS) Based Abridged Life Tables (2003–2007 to 2006–2010).

**Table 3.** Other Social Indicators in India

Year	Sex Ratio (female per 1,000 male)	Child Sex Ratio (CSR) (female child per 1,000 male child)	HASDW (%)	Family Using Family Planning Method (%)	Births Assisted by a Doctor/Nurse/Auxiliary Nurse/Midwifery (ANM)/Other Health Personnel (%)	Children 12-23 months Fully Immunised (BCG, measles and 3 doses each of polio/DPT) (%)	Children Under 3 years Who Are Underweight (%)	Poverty Ratio (%) Based on Tendulkar Methodology	Gini Coefficients
<b>1991</b>	927	945	62.3	40.7 (NFHS-1)	33 (NFHS-1)	35.5 (NFHS-1)	51.5 (NFHS-1)	45.3 (1993-1994)	30.1 (1993-1994)
<b>2001</b>	933	927	77.9	48.2 (NFHS-2)	42.4 (NFHS-2)	42 (NFHS-2)	42.7 (NFHS-2)	37.2 (2004-2005)	34.6 (2004-2005)
<b>2011</b>	943 (2011)	919 (2011)	85.5 (2011)	56.3 (NFHS-3)	46.6 (NFHS-3)	43.5 (NFHS-3)	40.4 (NFHS-3)	21.9 (2011-2012)	36.2 (2009-2010)
<b>NFHS-4 (2015-2016)</b>	991	919		53.5	81.4	62	35.8*	n.a.	n.a.

**Source:** 1. Planning Commission, Government of India.

2. Consumption Expenditure Survey, NSSO, India.

3. National Family Health Survey (NFHS)-3 and NFHS-4, India.

**Note:** \*Represents children under 5 years, n.a. represents non-availability of data, HASDW represents number of household with safe drinking water.

Table 1 depicts that literacy has significantly improved from 52.21 per cent to 74.04 per cent from 1991 to 2011. Male and female literacy has also made a considerable improvement over the period from 1991 to 2011. There is also a noteworthy improvement in gender gap (approximately 8%) in literacy during 1991–2011. This implies an optimistic and momentous change in education over the period of time. In addition, the health indicators have also shown significant improvements over the period of time in India. Table 2 encapsulates the health statistics of India.

Table 2 illustrates that crude birth rate (CBR) has significantly come down from 29.5 (1991) to 22.5 (2009) indicating a good sign for population control. Crude death rate (CDR) has declined from 9.8 (1991) to 7.3 (2009). Maternal and infant mortality rates have also declined over the period of time. Male and female life expectancy has also increased during the period from 1991 to 2006–2010. General conclusion may be drawn from Table 2 that India has performed in a better way over the period of time in most of the health indicators.

Table 3 shows that sex ratio has improved from 927 in 1991 to 991 in 2015–2016. But child sex ratio has declined from 945 in 1991 to 919 in 2015–2016, posing serious concern for India. Number of household with safe drinking water (HASDW) has increased from 62.3 per cent households in 1991 to 85.5 per cent households in 2011. A significant increase (National Family Health Survey [NFHS]-1 to NFHS-3) can be seen in percentage of family using family planning method in India. But, there is a decline in percentage of family using family planning method from NFHS-3 to NFHS-4 which is in fact not good for controlling the population growth rate. Table 3 also reports that 81.4 per cent births are assisted by doctors/nurse/ANM or other health personnel in 2015–2016 when compared to 33 per cent in 1991. There is also a positive immunisation trends for children (12–23 months). Moreover, Table 3 reveals that poverty ratio has decreased from 45.3 in 1993–1994 to 21.9 in 2011–2012, implying that poverty has reduced in India after economic reforms in absolute terms. Furthermore, the Gini coefficient has increased from 30.1 in 1993–1994 to 36.2 in 2009–2010 which means that income inequality has increased in India after economic reforms (Table 3). It is clear from the above discussion that India has improved in many social indicators, but more needs to be done in other indicators such as child health, health awareness, reduction of income inequality, etc. Besides these, health sector reforms will have to be based on accumulated experience, and there is need to redefine the responsibility of the states towards the general public (Quadeer, 2000). In India, sound and comprehensive education policies for primary, secondary and higher education are required for overall development of the society (Tilak, 2007).

Globally, India achieved an HDI of 0.609 (130th rank) out of 188 countries in 2015, whereas China's rank is at 40th position out of 188 countries (HDR, 2015). India (index score 53.06) is ranked at 101st position out of 133 countries in social progress and placed under low social progress countries. Other developing countries such as China (index score 59.07) ranked 92nd, Sri Lanka (index score 60.10) ranked 88th and Brazil (index score 70.89) ranked 42nd and performed in a better way when compared to India (Social Progress Imperative, 2015). In Gender Inequality Index (2015), India is ranked 130th, while China's rank is at

40th position out of 188 countries. As per Global Hunger Report (2016), India has improved its index value from 38.2 (2000) to 28.5 (2016). Though India has improved its value, it is still in serious zone and ranked at 97th position out of 118 countries. Even Bangladesh and Sri Lanka are in better position and ranked at 90th and 84th place (GHR, 2016). The main reasons behind the poor performance of India are endemic poverty, unemployment, lack of sanitation, lack of safe drinking water and lack of effective healthcare (GHR, 2016).

It is apparent from the above discussion that India is facing a tough time in some of the social indicators as explained above. This implies that an incident of high economic growth in the recent past in India does not necessarily ensure desirable social outcomes. To overcome these problems, the Government of India has started many social sector programmes such as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), National Rural Livelihood Mission (NRLM)/Swarnajayanti Gram Swarozgar Yojana (SGSY), National Rural Health Mission (NRHM), Sarva Shiksha Abhiyan (SSA), Mid-Day Meal (MDM) Scheme, 'Swachh Bharat Abhiyan'. But more needs to be done by the government as the current social situation in India is not welcoming (Kumar, 2017).

## **Rationale and Objectives of the Study**

Measurement of social progress of the society is important to know the root cause of the progress or backwardness in the society. So far, the quality of family life is not measured in true sense in India as most of the studies focused on disparities in socio-economic development in India (Kumar, 2017; Ohlan, 2013). It is important to quantify the quality of life so that proper programmes could be initiated by the government. Keeping in view the above facts, the present study is an attempt to measure the social progress through quality of family life in selected states of India. The present study is unique in the field of social development as it includes 55 family health indicators from NFHS-3 (2005–2006) and NFHS-4 (2015–2016) of India. This study incorporates broader aspect of family health of the society considering indicators related to education, health, social awareness, basic facilities, women empowerment, etc. in India. The present study ranks the states on the basis of selected social indicators and tries to find the social change in selected states of India. The finding of the study could be used by the governments for formulation and implementation of social sector programmes.

## **Methodology**

### *Choices of the Indicators Representing the Quality of Family Life*

Quality of life can be quantified on the basis of social indicators if chosen carefully. Social indicators are simple indexes of social conditions and changes therein over time for various segments of a population. Social conditions are

meant both the external and the internal frameworks of human existence in a given society (Land, 1975). Social conditions vary widely from region to region and from time to time. Therefore, choice of the social indicators representing quality of life is critical task, and it is suggested that indicators should be chosen by considering all ethical, economic and social norms of the society. The economic measures of quality of life reflect a somewhat narrow focus and do not cover whole aspects of quality of life such as levels of crime, the subjective well-being of citizens and human rights (Diener, 1995). In order to measure the quality of life of nation, other indexes such as HDI, physical quality of life index (PQLI), SPI, etc. could be used. But different measures lead to different conclusions about the quality of life of a nation. Each measure has different indicators, and there is no method for deciding on the correct set of indicators. People can disagree about what indicators to include, and there is no procedure for resolving such disagreements (Diener, 1995). Other scholars (e.g. Chakravarty, 1976; Kumari, 2016; Ohlan, 2013; Rao, 1975; Ray, 1989, 2008) used different set of indicators for measuring the social development. As Rao (1975) suggested 64 social indicators for measuring socio-economic development in India, Chakravarty (1976) has suggested relevant indicators of social development such as education, employment, health and nutrition, distribution of income, housing, consumption, etc. Ray (1989, 2008) suggested 13, 5 and 10 social indicators for measuring the social development. Ohlan (2013) suggested 43 social development indicators for measuring the socio-economic development in India. Social Progress Index (2014) measured social progress directly, independent of economic development. The index considered 54 indicators of social and environmental outcomes for measuring social progress of a country. Past studies suggested that the selection of indicators depends on the availability of the data and demography of the country. Measurement of quality of family life is important for formulation of development plans in a country. Keeping in view the above discussion, the present study used 55 social indicators representing family quality of life for finding the family quality of life index (FQLI) for selected states (on the basis of availability of data) of India. All the indicators are taken from NFHS-3 and NFHS-4, India. List of FQLI indicators is as follows:

- X1: Population (female) age 6 years and above who ever attended school (%)
- X2: Sex ratio of the total population (females per 1,000 males)
- X3: Sex ratio at birth for children born in the last 5 years (females per 1,000 males)
- X4: Children under age 5 years whose birth was registered (%)
- X5: Households with electricity (%)
- X6: Households with an improved drinking water source (%)
- X7: Households using improved sanitation facility (%)
- X8: Households using clean fuel for cooking (%)
- X9: Households using iodised salt (%)
- X10: Households with any usual member covered by a health scheme or health insurance (%)
- X11: Women who are literate (%)



- X12: Men who are literate (%)
- X13: Women age 20–24 years married before age 18 years (%)
- X14: Men age 25–29 years married before age 21 years (%)
- X15: Total fertility rate (children per woman)
- X16: Infant mortality rate (IMR)
- X17: Under-five mortality rate (U5MR)
- X18: Any modern method of family planning (%)
- X19: Women using pill for family planning (%)
- X20: Women using condom for family planning (%)
- X21: Mothers who had antenatal check-up in the first trimester (%)
- X22: Mothers who had at least four antenatal care visits (%)
- X23: Mothers whose last birth was protected against neonatal tetanus (%)
- X24: Mothers who consumed iron folic acid for 100 days or more when they were pregnant (%)
- X25: Mothers who had full antenatal care (%)
- X26: Mothers who received financial assistance under Janani Suraksha Yojana (JSY) for births delivered in an institution (%)
- X27: Children born at home who were taken to a health facility for check-up within 24 hours of birth (%)
- X28: Institutional births (%)
- X29: Institutional births in public facility (%)
- X30: Home delivery conducted by skilled health personnel (out of total deliveries) (%)
- X31: Births assisted by doctor/nurse/Lady Health Visitor (LHV)/ANM/other health personnel (%)
- X32: Children age 12–23 months fully immunised (BCG, measles and three doses each of polio and DPT) (%)
- X33: Children under age 6 months exclusively breastfed (%)
- X34: Children under 5 years who are stunted (height-for-age) (%)
- X35: Children under 5 years who are wasted (weight-for-height) (%)
- X36: Children under 5 years who are severely wasted (weight-for-height) (%)
- X37: Children under 5 years who are underweight (weight-for-age) (%)
- X38: Women whose body mass index (BMI) is below normal ( $\text{BMI} < 18.5 \text{ kg/m}^2$ ) 14 (%)
- X39: Men whose BMI is below normal ( $\text{BMI} < 18.5 \text{ kg/m}^2$ ) (%)
- X40: Women who are overweight or obese ( $\text{BMI} \geq 25.0 \text{ kg/m}^2$ ) 14 (%)
- X41: Men who are overweight or obese ( $\text{BMI} \geq 25.0 \text{ kg/m}^2$ ) (%)
- X42: Children age 6–59 months who are anaemic ( $< 11.0 \text{ g/dl}$ ) (%)
- X43: All women age 15–49 years who are anaemic (%)
- X44: Men age 15–49 years who are anaemic ( $< 13.0 \text{ g/dl}$ ) (%)
- X45: Women who have comprehensive knowledge of HIV/AIDS (%)
- X46: Men who have comprehensive knowledge of HIV/AIDS (%)
- X47: Women who know that consistent condom use can reduce the chances of getting HIV/AIDS (%)
- X48: Men who know that consistent condom use can reduce the chances of getting HIV/AIDS (%)

- X49: Currently married women who usually participate in household decisions (%)  
 X50: Ever-married women who have ever experienced spousal violence (%)  
 X51: Women having a bank or savings account that they themselves use (%)  
 X52: Women who use any kind of tobacco (%)  
 X53: Men who use any kind of tobacco (%)  
 X54: Women who consume alcohol (%)  
 X55: Men who consume alcohol (%)

### Method for Family Quality of Life Index

Several methods, such as principal component analysis, aggregation method, multiple factor analysis, ratio index, monetary index and ranking method, are available for construction of composite index. Though these methods are important for construction of composite index, most of these methods are having their own limitations. The present study used the Wroclaw taxonomic technique for construction of FQLI because each indicator in the present study is equally important to quantify the quality of life. This method (Florek et al., 1952) is an important technique to determine the pattern of development and considered very useful in development planning. Gostowski (1970) found this method more valid as it takes into account dispersion among indicators. According to this method:

Let  $[X_{ij}]$  is the data matrix, where  $i$ th represents state, and  $j$ th represents indicator,

where  $i = 1, 2, 3, \dots, n$  (no. of states) and

$j = 1, 2, 3, \dots, k$  (no. of indicators)

$[Z_{ij}]$  is the matrix of standardised indicators and is given as:

$$Z_{ij} = \frac{X_{ij} - \bar{X}_j}{\sigma_j}$$

$$\bar{X}_j = \frac{\sum_{i=1}^N X_{ij}}{N}$$

$$SD = \sigma_j = \left( \sum_{i=1}^N (X_{ij} - \bar{X}_j)^2 \right)^{\frac{1}{2}}$$

$$P_{ij} = (Z_{ij} - Z_{0j})^2$$

where  $Z_{0j}$  is the optimal value of each indicator from  $[Z_{ij}]$ .

The optimal value will be either the maximum value or minimum value of the indicator, depending on the direction of the impact of an indicator on the level of development.

Composite index ( $D_i$ ) is given as:

$$D_i = \frac{C_i}{c}$$

$$C_i = \left[ \sum_{j=1}^K \frac{P_j}{CV_j} \right]^{\frac{1}{2}}$$

where  $C_i$  is the development pattern

$CV_j$  is the coefficient of variation of the  $j$ th indicator in  $X_{ij}$

where  $c = \bar{C} + 3\sigma C_i$

$$\bar{C} = \frac{\sum_{i=1}^n C_i}{n}$$

$$\sigma C_i = \left( \sum_{i=1}^n (C_i - \bar{C})^2 \right)^{\frac{1}{2}}$$

where  $0 < D_i < 1$

The state having value of  $D_i$  nearer to 0 is the most developed state.

### Different Stages of Development

The different stages of development are defined as follows:

Low developed (stage I) = composite index  $\geq$  (mean + SD)

Low middle level developed (stage II) = mean < composite index < (mean + SD)

High middle level (stage III) = mean - SD < composite index < (mean)

Highly developed (stage IV) = composite index  $\leq$  (mean - SD)

## Results and Discussion

Goa (0.379) is ranked first followed by Tripura (0.481) (Table 4). Goa and Manipur are in Stage IV of development. Manipur followed by Sikkim, Maharashtra, West Bengal and Uttarakhand are placed in Stage III of development. Tamil Nadu followed by Karnataka, Assam, Andhra Pradesh, Telangana, Haryana and Meghalaya are placed in Stage II of development. Bihar is ranked last with index value 0.896. Bihar and Madhya Pradesh are placed in Stage I of development. Table 4 illustrates wide disparities in FQLI for different states. Goa and Bihar FQLI difference is 0.517 confirmed the existence of large interstate disparities.

**Table 4.** FQLI based on NFHS-4 for Selected States in India

States	FQLI (D)	Rank	Social Development Stage
Goa	0.379	1	IV
Tripura	0.481	2	IV
Manipur	0.509	3	III
Sikkim	0.541	4	III
Maharashtra	0.544	5	III

(Table 4 Continued)

*(Table 4 Continued)*

States	FQLI (D)	Rank	Social Development Stage
West Bengal	0.555	6	III
Uttarakhand	0.569	7	III
Tamil Nadu	0.626	8	II
Karnataka	0.632	9	II
Assam	0.632	10	II
Andhra Pradesh	0.649	11	II
Telangana	0.716	12	II
Haryana	0.724	13	II
Meghalaya	0.733	14	II
Madhya Pradesh	0.759	15	I
Bihar	0.896	16	I

**Source:** The authors.

### *Critical Analysis of Family Quality Indicators of Goa and Bihar*

Goa is on the top and Bihar is on the bottom in FQLI (NFHS-4). Now, the question arises that why there is huge difference in FQLI (NFHS-4) in these states. Fundamental answer is that Bihar is lacking in many social indicators when compared to Goa as depicted in Table 5.

**Table 5.** Performance of Goa and Bihar in Selected Family Quality Indicators

Family Quality Indicator	Goa	Bihar
Household with electricity (%)	99.8	58.6
House using improved sanitation facility	78.3	25.2
Households using clean fuel for cooking (%)	84.1	17.8
Women literacy (%)	89	49.6
Men literacy (%)	94.7	77.8
Women age 20–24 years married before age 18 years (%)	9.8	39.1
Men age 25–29 years married before age 21 years (%)	10.6	40
Infant mortality rate (IMR)	13	48
Under-five mortality rate (U5MR)	13	58
Mothers who had at least four antenatal care visits (%)	89	14.4
Mothers who consumed iron folic acid for 100 days or more when they were pregnant (%)	67.4	9.7
Mothers who had full antenatal care (%)	63.4	3.3
Births assisted by doctor/nurse/LHV/ANM/other health personnel (%)	97.5	70

*(Table 5 Continued)*

*(Table 5 Continued)*

Family Quality Indicator	Goa	Bihar
Children age 12–23 months fully immunised (BCG, measles and three doses each of polio and DPT) (%)	88.4	61.7
Children under 5 years who are stunted (height-for-age) (%)	20.1	48.3
Children under 5 years who are underweight (weight-for-age) (%)	23.8	43.9
Women whose body mass index (BMI) is below normal (BMI < 18.5 kg/m <sup>2</sup> ) (%)	14.7	30.4
Men whose BMI is below normal (BMI < 18.5 kg/m <sup>2</sup> ) (%)	10.8	25.4
All women age 15–49 years who are anaemic (%)	31.3	60.3
Currently married women who usually participate in household decisions (%)	93.8	75.2
Ever-married women who have ever experienced spousal violence (%)	12.9	43.2

**Source:** National Family Health Survey-4, India.

As per NFHS-4, 99.8 per cent of households are accessible with electricity in Goa, whereas in Bihar it is only 58.6 per cent. In Goa, 78.3 per cent of households are using improved sanitation facility, but in Bihar it is recorded only 25.2 per cent. Only 17.8 per cent of households are using clean fuel for cooking in Bihar, while in Goa it is about 84.1 per cent. In addition, men and women literacy in Goa is 94.7 per cent and 89 per cent, whereas in Bihar it is 77.8 per cent and 49.6 per cent, respectively. In Goa, about 9.8 per cent of women (age 20–24 years) are married before age 18 years, while in Bihar, 39.1 per cent of women (age 20–24 years) are married before age 18 years. About 40 per cent of men (age 25–29 years) are married before age 21 years in Bihar. Moreover, in health indicators, infant mortality rate and under-five mortality rate are very high in Bihar when compared to Goa. Furthermore, only 3.3 per cent of mothers had full antenatal care in Bihar, whereas in case of Goa it is about 63.4 per cent. Child health parameters are also very poor in Bihar as about 48.3 per cent of children (under 5 years) are stunted. Approximately, 43.9 per cent of children (under 5 years) are underweight and around 60 per cent of women (age 15–49 year) are anaemic in Bihar. Bihar is on the bottom side in FQLI (Table 4), and this is because of the poor performance of the state in most of the social indicators as exposed in Table 5. Thus, states like Bihar need special attention by the policymakers to achieve overall social development in the country.

### *Comparative Analysis of FQLI (NFHS-3) and FQLI (NFHS-4) for Selected States in India*

To compare the FQLI (NFHS-3) and FQLI (NFHS-4) for selected states of India, the study also computes the FQLI for NFHS-3 by considering all the above

indicators (55), excluding the one indicator, that is, **X26** (as not applicable for NFHS-3) by applying the same methodology as described above. The results of NFHS-3 (excluding Tamil Nadu and Telangana as they are united at that time) are reported in Table 6.

Table 6 exhibits that Goa is ranked first followed by Sikkim. Bihar is ranked last in FQLI (NFHS-3). Table 6 shows that Sikkim was at second position in FQLI (NFHS-3) but declined by two positions, that is, now at fourth position in FQLI (NFHS-4), showing the poor performance of the state in the indicators under considerations. Tripura has jumped four positions in FQLI (NFHS-4) when compared to FQLI (NFHS-3), showing outstanding performance during the period between NFHS-3 and NFHS-4. Similarly, Haryana is at 11th position in FQLI (NFHS-4), losing one position when compared to FQLI (NFHS-3). Meghalaya, Madhya Pradesh and Bihar are ranked last and showing no deviation in their positions. Table 6 illustrates that coefficient of variation of FQLI (NFHS-3 and NFHS-4) has declined from **23.36** to **21.60** demonstrating a small decrease in interstate variations.

**Table 6.** FQLI (NFHS-3 and NFHS-4) for Selected States of India and Their Corresponding Ranks

FQLI NFHS-3			FQLI NFHS-4		
D	States	Rank	D	States	Rank
0.398	Goa	1	0.379	Goa	1
0.485	Manipur	2	0.481	Tripura	2
0.493	Tamil Nadu	3	0.509	Manipur	3
0.499	Maharashtra	4	0.541	Sikkim	4
0.509	Sikkim	5	0.544	Maharashtra	5
0.571	Uttarakhand	6	0.555	West Bengal	6
0.586	Karnataka	7	0.569	Uttarakhand	7
0.592	Tripura	8	0.626	Tamil Nadu	8
0.602	West Bengal	9	0.632	Karnataka	9
0.673	Haryana	10	0.633	Assam	10
0.694	Assam	11	0.724	Haryana	11
0.788	Meghalaya	12	0.733	Meghalaya	12
0.795	Madhya Pradesh	13	0.759	Madhya Pradesh	13
0.913	Bihar	14	0.896	Bihar	14
<b>Mean</b>	<b>0.614</b>		<b>Mean</b>	<b>0.613</b>	
<b>CV</b>	<b>23.36</b>		<b>CV</b>	<b>21.60</b>	

**Source:** The authors.

### *Social Change in Family Quality of Life Index Based on NFHS-4 and NFHS-3 for Selected States in India*

To assess the social change, we need to find the difference between the mean values of different states of India. As per Table 6, the mean value of NFHS-3 is found to be 0.614, whereas the mean value of NFHS-4 is 0.613. The social change is found to be 0.001 which means that family quality of life has slightly increased in India over a period of 10 years. Eight states out of 14 show a positive sign in social change, meaning thereby they have improved when compared to the previous results of NFHS-3 (see Table 7). These states are Goa, Uttarakhand, Tripura, West Bengal, Assam, Meghalaya, Madhya Pradesh and Bihar in FQLI. Other states under consideration found negative sign of social change. This implies that the performance of these six states, namely Manipur, Tamil Nadu, Maharashtra, Sikkim, Karnataka and Haryana declined when compared to NFHS-3 results.

In NFHS-4, most of the states' index scores, except Goa and Tripura, are more than 0.500 which is a matter of serious concern for policymakers because it indicates low social development. It is matter of serious concern for some of the states, like Haryana, which are performing well in economic indicators like per capita income (Economic Survey of Haryana, 2017–2018) but lacking in social indicators like sex ratio. In addition, Stage II and Stage I states in FQLI (NFHS-4) need to take serious steps regarding social sector programmes at root level.

**Table 7.** Social Change in Family Quality of Life Index

States	Change	Position
Goa	0.02	Favourable
Manipur	-0.025	Unfavourable
Tamil Nadu	-0.133	Unfavourable
Maharashtra	-0.045	Unfavourable
Sikkim	-0.032	Unfavourable
Uttarakhand	0.002	Favourable
Karnataka	-0.046	Unfavourable
Tripura	0.111	Favourable
West Bengal	0.047	Favourable
Haryana	-0.051	Unfavourable
Assam	0.061	Favourable
Meghalaya	0.054	Favourable
Madhya Pradesh	0.035	Favourable
Bihar	0.017	Favourable

**Source:** The authors.

**Note:** Change= FQLI (NFHS-3) - FQLI (NFHS-4).

## **Conclusion and Policy Recommendations**

Quality of life is actually a function of socio-economic development. Merely development in economic indicators is not sufficient for quality of life of the people of a country, both social and economic development need to be taken care by the government. The Indian economy witnessed a robust growth averaging around 8 per cent during 2005–2012. Yet, the Gini coefficient increased from 0.334 to 0.339 during the same period, reflecting a worsening of income inequality. Moreover, in human development, India has a long way to go as it is still in the medium human development category (Economic Survey, 2015). Results of the study confirmed the existence of wide interstate disparities in quality of life in India. Some states, like Goa and Tripura, are in a better position, whereas Bihar, MP and Haryana are in poor position in quality of family life. The study found that Goa has the maximum, and Bihar has the minimum FQLI in both NFHS-3 and NFHS-4. The results of the study also revealed that interstate disparities came down by some point over the period of time. Further, overall social development has slightly improved in the selected states of India. Eight out of fourteen states reported positive social change, namely Goa, Uttarakhand, Tripura, West Bengal, Assam, Meghalaya, Madhya Pradesh and Bihar. Results of the study reported an alarming sign for the some of the states, like Haryana, which are performing well in economic indicators, but on social front, they are lacking in many family quality parameters such as sex ratio, child sex ratio, etc.

Although several schemes have been launched to improve the quality of life in India (schemes such as digital India, e-governance, SSA, MDM Scheme, ‘Swachh Bharat Abhiyan’, Beti Bachao Beti Padhao), still more needs to be done, and more emphasis is required on improving governance and service delivery systems in order to ensure that the targeted groups of people benefit from the schemes implemented by both the central and state governments. The ultimate challenge is the delivery mechanism. In India, the outlays for the different schemes have not often translated fully into outcomes owing to the poor delivery mechanism. This suggests that the government should make serious efforts to ensure inclusive growth in India. More needs to be done for less developed states like Bihar in almost all areas of social development. Further, the study has brought out important implications for policymakers that there is an urgent need to enforce more social sector programmes for the poor states such as Bihar, Madhya Pradesh, etc. which will finally help in improving the overall social status of the country.

## **Limitation of the Study**

More indicators could be incorporated to find FQLI. Also, more states could be included for better generalisation of the results for India.

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## Book Review

South Asian Survey

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**S. Irudaya Rajan and P. Sivakumar (Eds.), *Youth Migration in Emerging India: Trends, Challenges, and Opportunities*. Orient Blackswan, 2018, ₹895.**

Although youth constitutes a large portion of migrants, the phenomenon of youth migration has been a topic largely understudied because of being dominated by marriage—marriage accounts for 91 per cent of female migrations from rural areas and 61 per cent female migrations from urban areas. Although migration has been extensively studied, in literature, there has not been sufficient focus on the role of regional inequalities in education and employment opportunities—that according to Udaya S. Mishra and Pinak Sarkar are the major reasons causing desperation among youths to move out—in triggering and sustaining youth migration, and the volume is an attempt to fill that gap.

The book contains altogether 10 essays attempting to highlight different linkages between disparities in development and youth migration. At present, the demographic trend in India is in favour of youths, and how much India will be able to benefit from this depends largely on the extent up to which it solves the problem of education that is closely related to the employability and employment. The book contains essays which deal with internal as well as international migration and discuss conditions not only at the origin but also at the destination. The regions of origin covered are north-eastern and Empowered Action Group (EAG) states especially Uttar Pradesh and Bihar. The chapter by Nandan Kumar and R. B. Bhagat based on the NSSO 64th round focusing on Eastern Uttar Pradesh and Bihar highlights similarities—risk diversification and regional inequality enforced by historical and cultural process that set the background for the migration from the region—as well as differences—in Uttar Pradesh, male outmigration increases with increasing monthly per capita expenditure whereas in Bihar outmigration first decreases with increasing monthly per capita expenditure up to a level and then it rises afterward.

The chapter by Rajnish Kumar, Mayumi Murayama and Fumiko Oshikawa argues that labour migration is not the cause but symptom of underdevelopment. Because there is a large pool of unskilled labour, so it cannot be termed as brain drain. Authors note that although better-off and poor both migrate but there is a difference in the jobs which they aspire and find at the destination as former go to good jobs and other to the informal urban labour market. The chapter meticulously studies the India-specific social and cultural factors, that is, caste, tradition and family which affect the decision of an individual to migrate. People still

migrate to the East and North-East India because the well-established economic opportunity created by their forefather's act as an important pull factor. In their survey, they find that the intensity of migration is high in case of the cultivating and land-owning castes whose members have either become more educated or have completely lost their traditional occupation—the examples are those hailing from Nonia and Teli castes. In the case of males, outmigration starts at the age of 14 reaches its peak in the 20–24 age group and afterward it decreases to increase again at the later ages. The chapter studies the impacts of various other factors such as the schooling system, tuition culture and power supply at the place of origin which operates as a push factor. Another chapter which focuses on rural areas is of K. K. Bagchi. He makes study of rural to rural migration of poor and underemployed people engaged as agricultural labour in rain-fed, distressed and seasonal agriculture region to areas with perennial and prosperous agriculture to be employed as agricultural labour or as non-agricultural labour because of themselves were not educated enough to be absorbed in urban labour market and wages being higher in prosperous areas. In his survey of two districts, namely Cooch Bihar and Bankura Bagchi, he finds landlessness or meagre land possession as a major factor which is not only making youths to migrate but also making children from 6 to 14 years drop out from school and migrate in search of work. The network effect dominates as the migrants who are already at destination arrange jobs before arrival, and as the people at destination needs migrants, they make arrangements for housing which cannot be said to be satisfactory but in many sense are better than that of origin. The problem with the chapter is that it makes some of the recommendations that do not seem to be appearing from the study undertaken like 'strengthening of self-help groups'.

There are three chapters which focus on the destination. Nibedita Bayen and Ausmita Dey highlight health-related issues of migrants at the destination. In their survey of Kolkata, they find geographical factors, ghettoization, marginalization and neglect of the migrants responsible for making this cheapest workforce prone to mental, sexual and other diseases. Pinak Sarkar's chapter that is based on the NSSO 64th round and census 2001 compares migration originating from north-east states and eight backward states to four destination states that are Delhi, West Bengal, Maharashtra and Karnataka. It makes a durational analysis to find out the certainty of migrants sustaining for longer durations at destination, in case of reason-specific migration, differential in sustainability of migrants at the place of destination between those migrating for education versus those migrating for employment and difference in the pattern of sustainability of migrants from North-East region against those originating from the backward states of what we called as 'mainland'. Rikil Chyrmang and So E Mi Kyndiah blame failure of north-eastern states in developing infrastructure for the youth migration for higher education. They focus on the youth coming to the metropolitan cities to study and then eventually take up jobs.

The last two chapters focus on student migrating from India to abroad. Amba Pande finds demographic changes, the domestic WTO policies and technological evolution as the factors responsible for the increasing numbers of students moving out from India generating significant capital outflow. She remains positive

about the recent initiatives especially the role played by the private institutions which are attracting the foreign students to Indian subcontinent. To develop India as an attractive educational location, Pandey suggests a regular review of education policy especially that of higher education. India can learn a lot from the experience of Singapore, as noted by Anusha Thallam, which has been a preferred destination for Indian students because of the easy and transparent application process for entering into the country, being safer, cheaper in comparison to other destinations and easy admission process.

As India is in the mid of the demographic dividend phase, youth will search for and need to be provided with proper educational and employment opportunities. With the increasing primary and secondary education, the aspirations will increase which initiate new waves of internal as well as international migration. In forming policies whether they are related to education, jobs or even urbanization, the issue of youth migration needs to be kept in consideration. The editors S. Irudaya Rajan and P. Sivakumar must be praised too for this beautiful collection of the essays that bring into the focus the phenomenon of youth migration which has largely been neglected.

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