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**ARE SOUTH AFRICAN TRADE UNIONS FUNCTIONING EFFECTIVELY
UNDER THE ONSLAUGHT OF GLOBALISATION?
- AN EMPIRICAL AND EXPLORATORY STUDY.**

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ABSTRACT

Trade unions all over the world experience problems that emanate from globalisation. The fact that industrialised countries promote free trade is impacting on trade union survival. Owing to tough competition, job security can no longer be assured. The trade union has, therefore, to overcome traditional ideas in order to be relevant in the modern work arena. This demands that trade unions have audits, address shortcomings, be proactive and do the right things. These behaviours are already common to the sophisticated and adaptive trade union, which, inevitably, has a better chance of survival.

Globalisation, and specifically trade liberalisation, has not in all ways turned out to be an advantageous phenomenon to all players in the economy. Industrialised nations, which earlier vigorously preached the virtues of free trade, now worry about its vices. Many developing countries feel marginalised in the emerging world economy and wonder whether their fear of free trade has not been justified. Economists are engaged in debates on the “rights” and “wrongs” of trade liberalisation and popular opposition to it has grown so much that a crisis of legitimacy looms.

This paper will examine the need for the SA trade union movement to align itself with the demands of both its local situation and the global arena.

An empirical study was done among trade union members from all sectors in the SA economy. The aim was to determine whether the SA trade union movement in general is focusing on the pertinent issues that will ensure long-term survival. The results show that the majority (approximately two-thirds) of trade unions in South Africa focus on relevant issues. These include providing job security, being proactive, ensuring that members are equipped with relevant knowledge and skills, delivering efficient and effective services, effectively managing collective bargaining, and managing member views in order to build solidarity.

However, a large percentage (one third) of respondents report that their trade unions are not functioning correctly. The focus of these trade unions is off target and they therefore run the risk of losing popularity and finally collapsing.

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**IRRIGATION MANAGEMENT TRANSFERS TO FARMERS:
PROBLEMS AND PANACEA**

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ABSTRACT

The necessity of devolution of certain management responsibility of irrigation system to the farmers' organisation is now widely accepted as an effective tool for sustainable irrigation service and a prudent step towards sustainable agriculture. The level of transfer of management responsibility precisely varies for different types of irrigation system. In India

during 1990s systematic institutional and organizational changes have been undertaken to increase farmers' participation in irrigation management through formation of Water Users' Association (WUA) or Pani Panchayats under different externally assisted economic restructuring and irrigation infrastructure development programmes of World Bank, European Community, Japan Bank for International Cooperation etc. or through Union or State government initiative. Today, Participatory Irrigation Management (PIM) or Irrigation Management Transfer (IMT) at various levels is being implemented in different types of irrigation systems. For this programme, appropriate institutional arrangements and mechanism to bring about efficient utilization, equitable distribution and sustainable irrigation service are framed by different states of India. Further steps are being taken continuously for improvement in the strategies to achieve the goals of PIM. This paper highlights experiences of irrigation management transfer along with problem that are coming in the way of programme implementation and remedial measures in Orissa, a provincial state in the dominion of republic of India

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DIVERSIFICATION OF AGRICULTURE IN RAJASTHAN-AN EXPLORATORY ANALYSIS

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ABSTRACT

The present study analyzed the pattern and determinants of crop and livestock sector diversification as well as its impact on resource utilization in Rajasthan. The area under the cereal crops is gradually diversifying to pulses and oilseeds. The literacy rate, holding size as well as tractor density positively influence the crop diversification process where as the population density and road density negatively influence it. In the case of livestock, the buffaloes are replacing the cattle as the major milch animals. The diversification is associated with increase in number and marginalization of land holdings. Moreover, it failed to wean away the agriculture dependent workers to non-farm sector. The ground water level in the state is shapely declining and it may turn out to be the major limiting factor of agricultural sector diversification in future.

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MOBILIZING RESOURCES AT SUB-NATIONAL LEVEL

A CASE STUDY OF UTTARAKHAND

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ABSTRACT

Uttarakhand, a 'special category state', came into existence on 9th November 2000. While its GSDP is showing an upward trend, the growth rate of GSDP is low in comparison to other special category states. Also, a major part of GSDP is drawn from primary and tertiary sectors.

Total expenditure of the State has increased considerably with major share drawn from capital expenditure. Consequently, the State is showing an increasing fiscal deficit. With a view to manage the fiscal deficit within the ambit of FRBM Act, mobilizing resources through tax as well

as non-tax sources is of utmost importance. While Uttarakhand has made reasonably good tax effort to mobilize resources, further structural and administrative reforms in VAT as well as in other taxes are the need of the hour. A review of recovery rate of select services in Uttarakhand and in 15 Major states indicates that user charges need to be rationalized to recoup at least working cost of providing services

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This is an up-dated version of the paper drawn from a broader study titled *Mobilizing Tax and Non-Tax Sources: A Case Study of Uttaranchal (2006)*, conducted for the Second State Finance Commission, Government of Uttaranchal, Dehradun. The author wishes to thank the Second State Finance Commission of Uttaranchal for the support of this study.

FROM IMPORT SUBSTITUTION TO EXPORT PROMOTION: THE CHANGING CONTOURS OF ECONOMIC POLICY

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ABSTRACT

India had, for a very long time, pursued protectionist policies insulating domestic industrial manufacturing sector from foreign competition, which was heralded as a necessity of infant industry in the post-independence era. As this led to low production and poor quality of products, opening up of the industrial sector to foreign players was much sought after in late 1980s, which paved way for liberalisation policy in the 1990s. However, an important element of industrial policy is foreign trade policy – which for a very long time laid emphasis on import substitution policies as foundations of economic growth. In the post-liberalisation scenario also, it existed for a decade. The contours of economic policy took a major shift in 2003 with new industrial policy and EXIM policy, which emphasized on export promotion policies with Special Economic Zones (SEZs) acting as the instruments. SEZs have now come as a main stay of the industrial policy in gearing up the economy towards the products demanded in other countries. While the merits and demerits of SEZs are still hotly debated, they are nothing different from Free Trade Zones (FTZs) but extend beyond that as they offer integrated infrastructure development. This paper highlights the policy shifts that have taken place over time and details out the advantages of SEZ experiment as how it is expected to provide long-term and short-term impetus to the growth of industrial manufacturing sector. The paper also discusses the issues associated with the SEZs and compares/contrasts with alternative policy models.

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SOCIAL SECURITY SCHEMES FOR THE MARGINALIZED GROUPS IN THE INFORMAL SECTOR IN A FEW DEVELOPING COUNTRIES - A COMPARATIVE ANALYSIS

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ABSTRACT

The informal sector of the economy generally characterizing low earnings, poor working conditions and absence of formal social security, is an important sector of the economy and a major provider of urban jobs in many developing countries. Societies

which do not pay enough attention to the security of their weaker members, eventually suffer a destructive backlash. Even the international agencies like the ILO are of the view that it is imperative for the low income developing countries to give priority to schemes for the informal sector workers.

Against this backdrop, this paper attempts to bring forth a comparative analysis of the various schemes available for the marginalized groups in the vast informal sector in some of these countries. It also explores the possibilities that there are definite ways of organizing people under social security which can immensely benefit the marginalized groups in the informal sector.

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GAINFUL EFFECTS OF FOREIGN CAPITAL INFLOW IN THE PRESENCE OF INTERMEDIATE GOODS AND TECHNICAL EFFICIENCY OF LABOUR

ANINDITA BASU (CHOWDHURY)* AND KAUSIK GUPTA**

ABSTRACT

The paper attempts to examine the impact of foreign capital inflow in the presence of an intermediate goods sector which may be traded or non-traded using a general equilibrium trade model for a small open economy. Here it has been shown that the welfare improving effects of foreign capital inflow is valid in an economy with intermediate goods sector irrespective of whether it is traded or non-traded sector. Our results support the challenges of Marjit and Beladi (1997) and Marjit, Broll and Mitra (1997), Chaudhuri (2001) etc, regarding the conventional wisdom in the context of foreign capital inflow, though our framework is quite different from the frameworks of the above mentioned authors.

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¹ The higher rate of return on foreign capital is the major driving force behind foreign direct investment by the multinational corporation. Along with this the protected domestic markets creates an additional incentive for the multinational corporations to invest in these countries. It helps them to jump the tariff walls and to reap a good return by serving the markets of developing countries. See for example, Motta (1992) and Yanagawa (1990) for details.

DROUGHT IN ANANTAPUR DISTRICT: AN OVERVIEW

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AND E.B. UDAY BHASKAR REDDY***

ABSTRACT

Drought is a recurrent phenomenon in India. About 107 million hectares of the country i.e., over 68 per cent of India, spread over several administrative districts in many states, is affected by drought. Anantapur is one such district of Andhra Pradesh (AP) State where drought conditions are prevailing consistently over many years causing severe stress to the local economy, especially the agriculture. The present paper analyzes the adverse impacts of the drought in the year 2002-03 with respect to crop failure, depletion of ground water, indebtedness, migration, suicides etc. It further, evaluates the relief measures as well as the coping strategies adopted by the government and the people during this crisis. The paper brings out clearly about the inefficacy of the short-term measures to mitigate the drought and suggests for a comprehensive development strategy.

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DETERMINANTS OF PROFITABILITY OF THE INDIAN BANKING SECTOR : A PANEL APPROACH

RAJNARAYAN GUPTA

ABSTRACT

Performance of the banking sector is possibly best judged by profitability. The present study attempts to identify the key determinants of profitability of the banking sector in India. The study postulates that profitability of a bank depends predominantly on the four factors, namely, net interest margin, non-performing assets, non-interest income and operating expenses. While the first three govern the revenue aspect of the bank, the last one constitutes cost. The hypothesis is empirically tested with panel data for the period ranging from 1998-1999 to 2006-07. Fixed effect panel regression method is deployed for the purpose. The model is fitted separately for public sector banks, private sector banks and foreign banks. Barring few shortcomings, empirical results support the hypothesis.

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FUTURES EXPIRATION DAY EFFECTS ON SPOT MARKET VOLATILITY : EVIDENCE FROM THE NSE

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ABSTRACT

The present study seeks to investigate the futures contracts expiration day effects on price reversal and volatility in Nifty as well as individual stocks by employing GARCH framework. The results confirm presence of upward pressure in volatility of Nifty at both mean and variance level, at time of futures contracts expiration day. However there is neither a positive nor negative price (and volatility) reversal following the expiration of derivative contracts. In case of individual stocks, volatility has been increased at time of expiration day of futures contracts in most of the cases. The results however could not find price reversal for most of the individual stocks.

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This paper based on the Ph.D thesis titled: Futures Trading and Expiration Day Effects on Spot Market Volatility in India being submitted by the first author to the University of Hyderabad, Hyderabad-500046.

**STATE REVENUES OF ANDHRA PRADESH
AN ANALYSIS OF PATTERN, GROWTH AND DETERMINANTS**

PRASANT KUMAR PANDA* AND P. VISHNU MURTHY**

ABSTRACT

The paper seeks to analyze the pattern, growth and determinants of own revenues and selective state taxes of Andhra Pradesh. Though the state witnessed a growth of own tax revenue and sales tax since late nineties, the down ward trend of own non-tax revenue and state excise duty and other state taxes is of great concern. The determinant analysis suggests that the increase in own revenues and taxes of state seems to have been determined due to the factors like, pressure of financing increasing revenue expenditure and maintaining own revenues of the last year, rather than on the expansion of the real tax base i.e., per capita income. The transfer of resources from centre is significant and adversely affect state's own tax revenue and state excise duty mobilisation. Effective administration of newly implemented state VAT and augmenting resources from non- tax revenue and other state taxes need to be emphasized for growth of own revenues of the state.

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¹ Para 3.36, The twelfth finance commission report
