

CHAPTER IV

RESULTS AND DISCUSSIONS

4. Introduction

One of the important contribution of the NRIs towards Puducherry economy is the generation of employment in primary, secondary and tertiary sectors. Primary data collected from the respondents reveal that employment generation increases with the increase in the educational levels of the NRIs. It implies that productive investment is to a great extent influenced by the educational levels of the NRIs. Detailed analyses of employment generation by NRIs have been carried out in the analysis chapter.

4.1 Demographic Variables of NRI

From the Union territory of Pondicherry representing the four regions (Puducherry, Karaikal, Mahe, Yanam), 465 respondents were selected and the necessary information was collected. In order to assess all the aspects of the investment decisions of the NRIs of Puducherry, we need to understand the demographic particulars and the socio-economic aspects of the NRIs of Puducherry. For this purpose, the following aspects relating to the respondents are taken into consideration: age, religion, sex, marital status, education, place of employment, duration of stay, place of origin, and the nature of occupation.

Chart 6: Gender wise Classification of Respondents

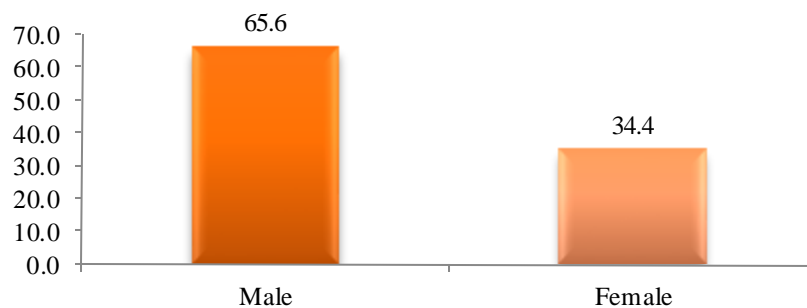


Chart 7: Age of the Respondents

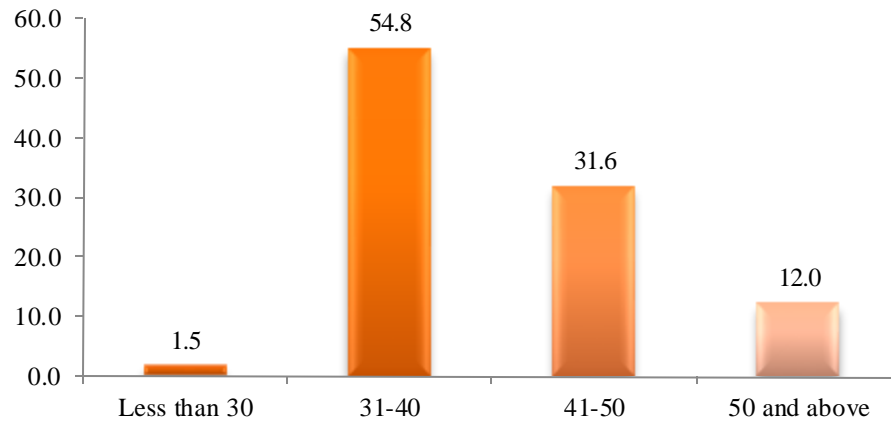


Chart 8: Educational Qualification of NRI

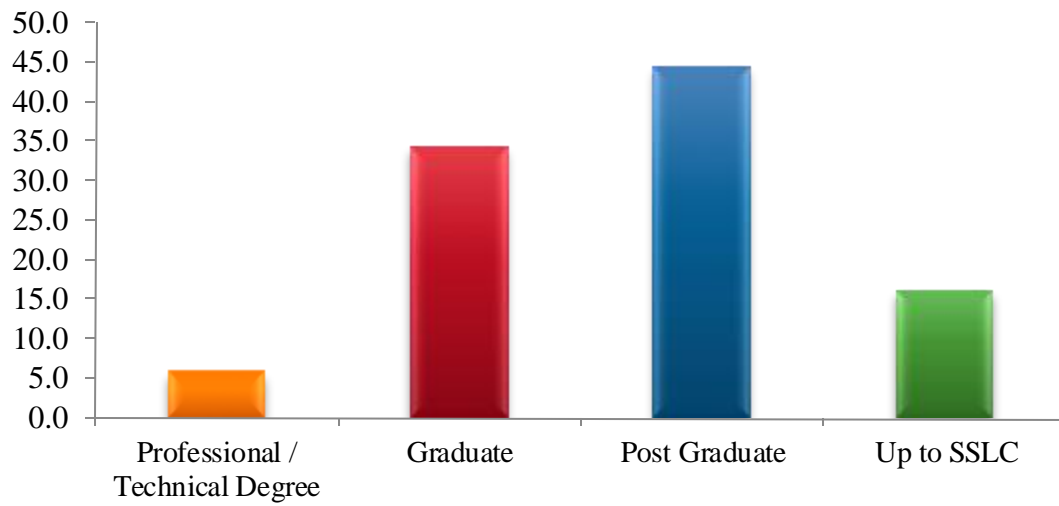


Chart 9: Religion wise Classification

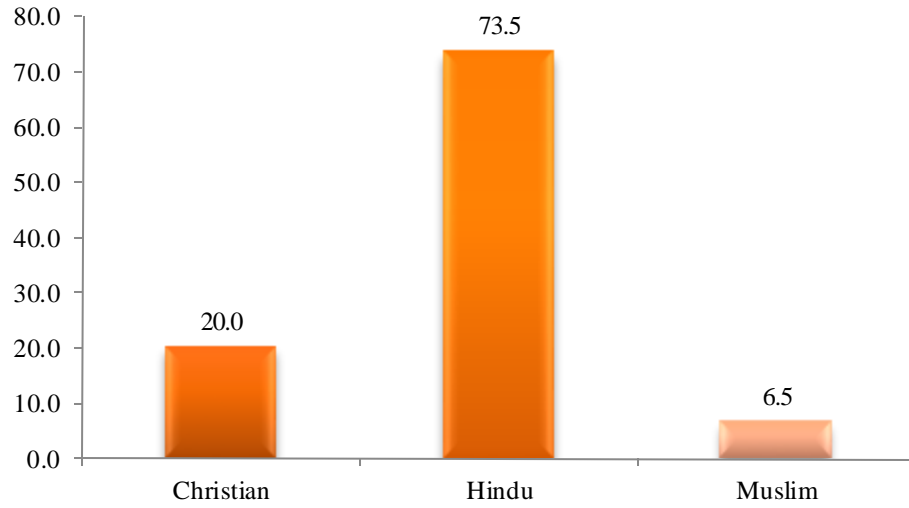


Chart 10: Native District of Respondents

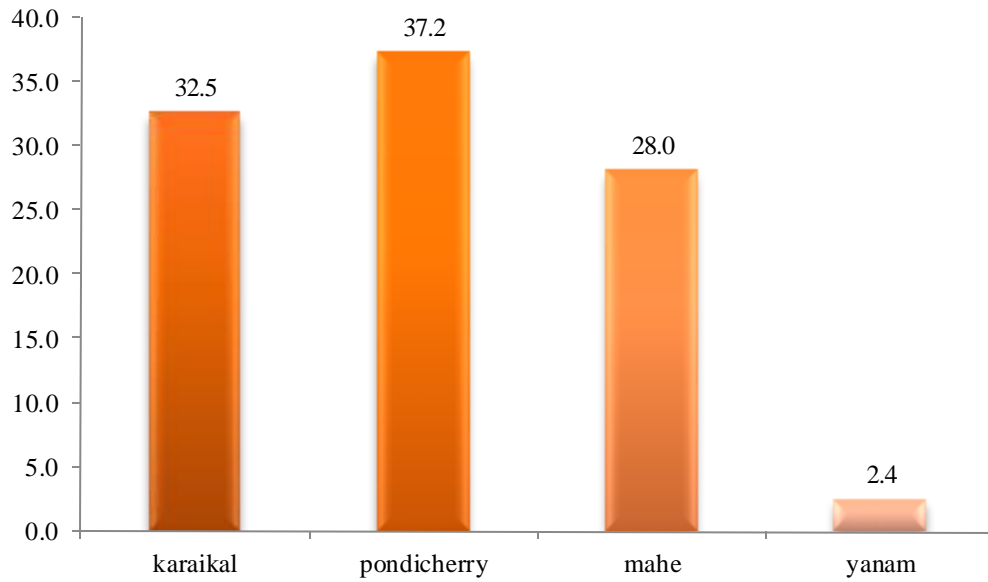


Chart 11: During of Stay -NRI

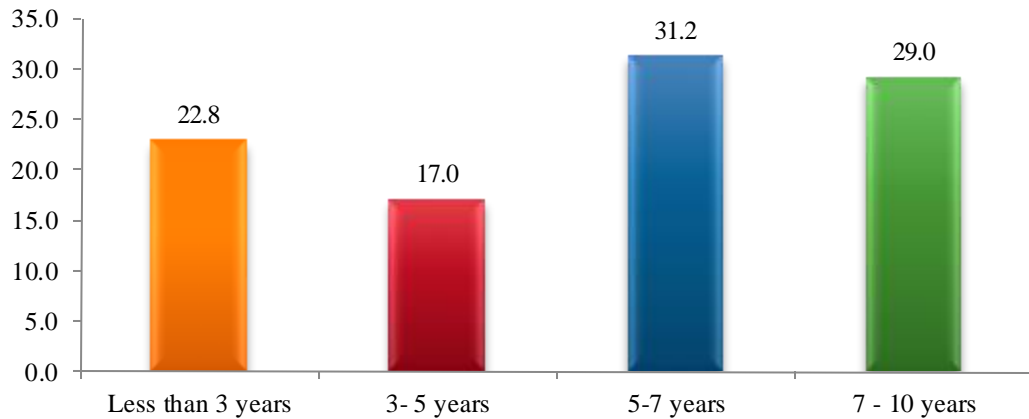


Chart 12: Nature of Job



The basic demographic variable of French NRI's were summarized in the below table. Among that 65 per cent of them were male there are belonging to the age of 31-40 years old and 44 per cent of them were post graduated. Around 70 per cent of NRI's were married and 74 per cent of them follows Hinduism religion. About 37 per cent of NRI's were belonging to Puducherry followed by Karaikal 33 per cent, Mahe 28 per cent and Yanam 2 per cent respectively. Around 31 per cent of NRI's had more than 5-7 years experienced and 31 per cent of them were Professionals.

Table 6: Analysis of NRI's Demographic Variables

Demographic variables	Category	Percent of respondent
Gender	Male	65
	Female	35
Age of the respondents	Less than 30	2
	31-40	55
	41-50	31
	50 and above	12
Educational qualification	Professional/ Technical degree	6
	Graduate	34
	Post Graduate	44
	Upto SSLC	16
Marital status of respondents	Married	70
	Single	30
Religion Wise Classification	Christian	20
	Hindu	74
	Muslim	6
Native district of respondents	Puducherry	37
	Karaikal	33
	Yaham	2
	Mahe	28
Country of employment	France	66
	Others	34
NRI	Less than 3 years	23
	3-5 years	17
	5-7 years	31
	7-10 years	29
Nature of Job	Professionals	31
	Skilled Workers	30

	Semi - Skilled Workers	18
	Office/ Field staff	21

The objectives were framed based on the existing literature review which focuses on the investment pattern particularly the French Non-Resident of Indians. The analysis patterns were initiated with demographic variable of NRI's followed by their saving schemes in Puducherry. Finally it investigates the investment problems encountered by NRI's.

Objective: 2

To analyze the influence of demographic variable on investment decision of French NRIs

Based on the second objective, chi-square test and ANOVA was performed. Chi-square was performed between the categorical variables. Those variables are investment pattern of the NRIs, effectiveness of saving schemes, impact of education on investment preferences, impact of the place of employment on investment pattern, impact of investment on the standard of living, impact of investment on employment generation and major investment problems with demographic age, gender, marital status, religion, educational qualification, nativity of district, country of employment, period of NRI, income and nature of job.

H₀₁: There is no association between demographic variable and investment decision of NRIs.

H_{01a}: There is no association between (age, gender, marital status, religion & educational qualification) variable and investment decision of NRIs.

Table 7: Chi Square Test – Demographic Variables

Age

Variables	Chi Square	P Value	Cramer's V
Sectorial of Employment generated	31.22	0.000	0.259
Invested in Building	111.63	0.000	0.49
Uses of internet for invest. Info	43.12	0.000	0.215

Gender

Variables	Chi Square	P Value	Cramer's V
Sectorial of Employment generated	15.27	0.000	0.181
Invested in Building	5.574	0.000	0.109
Uses of internet for invest. Info	16.94	0.000	0.191

Marital Status

Variables	Chi Square	P Value	Cramer's V
Sectorial of Employment generated	0.468	0.543	0.032
Invested in Building	450.95	0.000	0.985
Uses of internet for invest. Info	0.918	0.632	0.044

Religion

Variables	Chi Square	P Value	Cramer's V
Sectorial of Employment generated	12.852	0.002	0.166
Invested in Building	27.665	0.000	0.244
Uses of internet for invest. Info	14.354	0.006	0.124

Educational Qualification

Variables	Chi Square	P Value	Cramer's V
Sectorial of Employment generated	16.121	0.001	0.186
Invested in Building	90.171	0.000	0.44
Uses of internet for invest. Info	16.493	0.011	0.133

Nativity

Variables	Chi Square	P Value	Cramer's V
Sectorial of Employment generated	14.109	0.003	0.174
Invested in Building	169.17	0.000	0.603
Uses of internet for invest. Info	16.94	0.010	0.135

Country of Employment

Variables	Chi Square	P Value	Cramer's V
Sectorial of Employment generated	16.175	0.000	0.187
Invested in Building	5.902	0.019	0.113
Uses of internet for invest. Info	16.293	0.000	0.187

Period of NRI

Variables	Chi Square	P Value	Cramer's V
Sectorial of Employment generated	1.196	0.755	0.051
Invested in Building	2.951	0.399	0.08
Uses of internet for invest. Info	6.671	0.352	0.085

Income

Variables	Chi Square	P Value	Cramer's V
Sectorial of Employment generated	1.868	0.760	0.064
Invested in Building	87.92	0.000	0.436
Uses of internet for invest. Info	4.879	0.770	0.073

Nature of Job

Variables	Chi Square	P Value	Cramer's V
Sectorial of Employment generated	6.173	0.103	0.115
Invested in Building	2.241	0.524	0.069
Uses of internet for invest. Info	7.265	0.297	0.088

From the above table is shows that only age, gender, religion, education, native district and employment were found to be statistically significant with the employment generated, investment in building and modern technology. Further it is pointed out that, NRI stays and natures of jobs were not determining their investment pattern.

H_{01b}: There is no association between (age, religion, educational qualification, income, native district, nature of job) variable and investment decision of NRIs.

4.2 ANOVA – Demographic Variables and Study Variables

Table 8: Impact of NRI Investment in their Standard of living	
(P value)	
Age	0.000
Religion	0.000
Educational qualification	0.000
Income	0.000
Native District	0.000
Nature of job	0.451

Table 9 : Effectiveness of Saving Schemes	
(P value)	
Age	0.602
Religion	0.121
Educational qualification	0.941
Income	0.203
Native District	0.183
Nature of job	0.650

Table 10: Available of Infrastructure Facilities	
(P value)	
Age	0.006
Religion	0.093
Educational qualification	0.544
Income	0.000
Native District	0.000
Nature of job	0.001

Table 11: Service of Puducherry Government Offices	
(P value)	
Age	0.005
Religion	0.001
Educational qualification	0.000
Income	0.278
Native District	0.001
Nature of job	0.012

Table 12: Influence of Trade union	
(P value)	
Age	0.726
Religion	0.090
Educational qualification	0.735
Income	0.021
Native District	0.001
Nature of job	0.072

Table 13: Government Agencies and Institutions for Promoting NRI Investment	
(P value)	
Age	0.127
Religion	0.456
Educational qualification	0.080
Income	0.225
Native District	0.001
Nature of job	0.020

Table 14: NRIs Association for increasing NRI Investment (P value)	
Age	0.049
Religion	0.006
Educational qualification	0.002
Income	0.002
Native District	0.001
Nature of job	0.004

ANOVA was also performed for the objective 2 with respect to demographic variable, age, religion, education, income, native district and nature of job toward investment decision of French NRI's. It was found that NRI's associations strongly decide their investment opportunities in the Union Territory of Puducherry, followed by the government service of Union Territory of Puducherry. Those impacts enhance NRI's standard of living among economic condition. NRI's also determine their investment decision based on the native district.

Objective: 3

To examine the preferences of NRIs towards major saving schemes.
H₀₂: There is no significant difference between demographic variable and effectiveness of saving schemes.

The effectiveness saving scheme were tested with the demographic variables by using independent sample T-Test and one way ANOVA. Again two groups (gender, marital status and place) of demographic variables were tested with the T-Test as stated in the below table.

Table 15: Independent Sample T-Test for Effectiveness Saving Schemes

Effectiveness Saving Schemes	F- Value	T-Value	P-Value	Null Hypothesis
Marital Status	1.127	1.659	0.098	Null Accepted
Gender	0.307	-0.189	0.850	Null Accepted
Place	0.303	-0.249	0.804	Null Accepted

As the same effectiveness saving scheme were tested with the demographic variables. The below selected variables are more than three groups (age, religion, educational qualification, native district, nature of job, income level).

Table 16: One Way ANOVA for Effectiveness Saving Schemes

Effectiveness Saving Schemes	F- Value	P-Value	Null Hypothesis
Age	0.620	0.602	Null Accepted
Religion	2.120	0.121	Null Accepted
Educational Qualification	0.132	0.941	Null Accepted
Native District	1.620	0.183	Null Accepted
Nature of Job	0.548	0.650	Null Accepted
Income	1.490	0.203	Null Accepted

The above tables explain that T-test and ANOVA (T-value, F-value and P-value) were performed. The saving schemes are found to be insignificant with all the demographic variables. None of variables achieved 0.05 significant level.

Objective 3:

4.3 Correlation Analysis for Effectiveness Saving Schemes

Both the dependent and independent variables are metric in nature. Both correlation and regression were performed to find out their relationship and its impact to saving scheme. With respect to objective 3, hypothesis framed.

H₀₃: There is no relationship between bank deposit and effectiveness of saving schemes

H₀₄: There is no relationship between LIC savings and effectiveness of saving schemes

H₀₅: There is no relationship between mutual fund and effectiveness of saving schemes

H₀₆: There is no relationship between post office savings and effectiveness of saving schemes

Correlation analysis was performed to find the relationship between effective saving schemes and its investment pattern. The dependent variable is saving scheme and independent variables are bank deposit, LIC, mutual fund and post office savings schemes. Since the variables are normally distributed, Pearson correlation was performed to analyse the relationship between variables.

Table 17: Correlation Test among Effectiveness Saving Schemes

Effectiveness of Saving Schemes	
Bank deposit	.432**
LIC	.395**
Mutual Funds	.189**
Post office savings	.154**

** . Correlation is significant at the 0.01 level (2-tailed).
* . Correlation is significant at the 0.05 level (2-tailed).

The above table of correlation result shows that all the independent variables were statistically related with saving scheme of French NRI's at 0.01 per cent level. Among that bank deposit had .43 positively related with the saving scheme followed by the LIC, mutual funds and post office saving schemes.

Objective 3

4.4 Regression analyze for Effectiveness Saving Schemes

The above correlation result shows that independent variables were highly statistically significant with dependent variable, saving schemes. Therefore the regression analysis was performed for the saving scheme hold by the French NRI's. Here the dependent variable is saving scheme is selected and independent variables are bank deposit, LIC, mutual fund and post office savings schemes. Separate hypothesis were formulated tested below.

H₀₇ : There is no significant impact of bank deposit on Effectiveness of saving schemes

H₀₈: There is no significant impact of LIC on Effectiveness of saving schemes

H₀₉: There is no significant impact of Mutual funds on Effectiveness of saving schemes

H₀₁₀: There is no significant impact of Post office saving schemes on Effectiveness of saving schemes

Table 18: Regression analysis for Effectiveness of Saving Schemes

Effectiveness of Saving Schemes	Std. Co-efficient β	T	Sig.
Bank deposit	.239	27.451	0.000
LIC	.183	24.974	0.000
Mutual Funds	.172	33.434	0.000
Post office savings	.165	26.341	0.000

Effectiveness of Saving Schemes = .239 (Bank deposit) + .183 (LIC) + .172 Mutual Funds) + .165 (Post office saving schemes)

The regression result shows that predictor variables were highly statistically significant with Adjusted R Square value 0.814. All the independent variables explain 81 per cent of saving scheme. Among that bank deposit influences 23 per cent followed by LIC 18 per cent, mutual funds 17 per cent and Post office savings 16 per cent.

Objective: 4

To analyse the influence of the Demographic variable on investment problems encountered by the NRIs.

The major investment problems were tested with demographic variables of French NRI's (age, religion, education, income and nativity).

H₀₁₁: There is no significant difference between demographic variable investment problems encountered by the NRIs

Table 19: One way ANOVA for Study Factor and Demographic Variables

ANOVA	Age (P value)	Religion	Educational qualification	Income	Nativity of District
Impact of NRI Investment and their Standard of Living	.006	.093	.544	.000	.000
Effectiveness of Saving Schemes	.005	.001	.000	.203	.001
Infrastructure Facilities	.726	.090	.735	.000	.001
Service of Puducherry Government Offices	.127	.456	.080	.278	.001
Influence of Trade union and work culture	.049	.006	.002	.021	.001

Based on the objective 4, Anova was performed. It is found that nativity of district was highly statistically significant with 0.01 per cent level with all the factors. Followed by the trade union and work culture were also influenced. Further it is found that there is need to attract the French NRI's by providing proper services and guidelines.

4.5 Henry Garrett Ranking Techniques

Henry Garret ranking technique was used to identify the investment problem faced by the French NRI's. Bahl (2012) used Garrett ranking technique to identify the investment problem. From the previous studies the list of investment problems were taken into consideration for the Garrett ranking.

The below table shows the list of problems ranked by the French NRI's. It is identified that they do not have sufficient fund and regular income to continue their investment, infrastructure is another important consideration. Future return and employment for family members were ranked least.

The ranking scores for the investment problems included in this study are listed in the below table in detail.

Table 20: Invested Foreign Remittance

	Total Score	Average	Rank
Sufficient Funds	22097	55.2425	1
Regular Income	21886	54.715	2
Infrastructure	21574	53.935	3
Entrepreneurship Skills	20242	50.605	4
Affinity Home	19579	49.0701	5
Uncertainty Foreign	18634	46.585	6
Return to Future	18510	46.275	7
Employment for Family members	17431	43.5775	8

From the below table investment avenue shows that family, friends and relative were given high priorities by French NRI's whereas government agencies, brokers and investment companies were given less priorities by French NRI's.

Table 21: Investment Avenue for NRI

	Total Score	Average	Rank
From family members	23126	57.81	1
From friends & relative	21787	54.46	2
Investment Magazine	21120	52.80	3
Govt. publications and Propaganda	20510	51.40	4
Brokers	18972	47.43	6
Investment companies	18038	45.09	5
Government agencies	16943	42.35	7

From the below table shows that investment decision is based on uncertainties future and also inflation, whereas less importance were given to the regular returns.

Table 22: NRI Ranked their Investment Decision

	Total Score	Average	Rank
Uncertainties future	20869	52.69	1
Inflation	20597	51.81	2
Liquidity	20325	51.19	3
Safety	19575	49.43	4
Capital appreciation	19195	48.24	5
Regular returns	18462	46.50	6

The French NRI's strongly suggested that there is need to improvise the local infrastructure facilities they least considered strike and trade union influences. It will create the opportunities to invest. It ultimately flow of the foreign currency and improves local economic development and standard of living.

Table 23: NRI Ranked their other Suggested Factors

Concrete suggestion	Total Score	Average	Rank
Infrastructure	21052	52.63	1
Investment Atmosphere	20413	51.03	2
Change attitude political party	18993	47.48	5
Avoid strike	19953	49.88	3
Control trade union	19189	47.97	4

Based on the objective 4 Henry Garrett ranking technique was performed. It is found that if infrastructure is improved then there may be huge opportunities in India for its investment among the NRI's followed by the improvement in investment atmosphere and change in the attitude of Indian political parties.

Table 24: Major Discouraging Factors for NRIs Investing Decision

Discouraging investment in U.T. of Puducherry	Total Score	Average	Rank
Lack of information regarding business opportunities	22097	55.24	1
Infrastructure facility	21886	54.71	2
Practical difficulty in managing the projects	21574	53.93	3
Attitude of political parties	20242	50.60	4
Attitude of Government employees	19579	49.07	5
Depreciation of Indian currency	18634	46.58	6
Excessive trade unionism	18510	46.27	7
Low returns	17431	43.577	8

The major discouraging factors to invest in Puducherry are lack of information, infrastructure, practical difficulty in managing the projects, political party's influences, and mischief by the government employees were topped five among the major problems faced by Investors.