

Impact of FDI in Retailing: An Empirical Analysis on Perception of Unemployed Youth on Employment Opportunities in India

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Abstract

Purpose: In recent years, numerous researches have been conducted on Foreign Direct Investment (FDI) from various perspectives. From a survey on FDI literatures of infrastructure, construction, and service sectors perspective, there are some studies based on the FDI in retailing in single and multi brand made by scholars. However, the perception of unemployed youth on impact of FDI in retailing about employment opportunities in India is yet to be explored. This article is therefore timely and fills the gap in FDI in retailing literature. In a nutshell, the existing organized retailers show a turnover in the range of \$15 billion to \$18 billion, leading to the creation of about one million direct and indirect jobs. This implies that Foreign Direct Investment (FDI) retailers need to generate \$60 billion of turnover in India; it contributes about 14% to India's gross domestic product (GDP) and is growing at the rate of 15%. The retail sector would guess that in three years it would be a Herculean achievement if FDI leads to the creation of even 0.3 to 0.4 million net additional jobs. In India the pay scales for organized retail shopping mall employees are getting nearly a monthly salary of Rs.5,750 to Rs.6,250 compared to others unorganized retail shopping mall employees, they get a monthly salary of Rs.4,000 to Rs.4,500. It is very interesting to note that the multi-brand retail FDI policy in other countries like China approved 100% limit that reflects employment opportunities rose from 28 million to 54 million from 1992 to 2001. Based on the above backdrop, an attempt has been made in this paper to study the impact of FDI in retailing with the perception of unemployed youth on employment opportunities in India.

Design/Methodology/Approach: Primary data using convenient sampling through questionnaire and interview method as well as secondary data from wide range of literature and various journal publications had been utilized. Frequency distribution, percentage analysis and one way ANOVA were used to test the objectives of the study. In order to test the reliability of the scale, the researcher applied Cronbach's Alpha (CFA) to measure the internal consistency of the variables.

Findings: The findings of the study on impact of FDI in retailing emphasized that the educated youth will get more good and decent employment opportunities in India.

Originality/Value: Impact of FDI in retailing: An empirical analysis on perception of unemployed youth on employment opportunities in India is the original work of the authors.

Keywords: foreign direct investment, retailing, employment opportunities

1. Foreign Direct Investment: An Overview

Liberalization of economy has opened a new outlook for the development of FDI in the Indian perspective. The introduction of foreign capital by the investors has been successful in bridging over the gap between requirement of retailers and retail sector. The merit is that customers of almost all branded categories appear satisfied with the quality of services made available to them. A paramount priority to the changing expectations of customers and an equivalent tailoring of financing inputs in tune with the changing business environment have awfully been helpful in increasing the market share of the investors. A transcendental priority to creativity while developing the financial resources has considerably helped them in sensitizing the impulse of prospects. According to A. T. Kearney (2011), the well known International Management Consultancy, recently ranked India as globally, the 'second most attractive retail destination' from among thirty emergent markets. It reported that the Indian retail

sector accounts for 22% of the country's Gross Domestic Product (GDP) and contributes to 8% of the total employment. Thus, the retail industry in India is currently growing in a fast pace and is expected to go up to US \$833 billion in 2013. It is further expected to reach US \$1.3 trillion by the year 2018 at a compounded annual growth rate (CAGR) of 10%. Odisha emerged as the top destination for FDI in 2011–2012, accounting for 27% of the value of all investments in India. The total value of the investments amounted to nearly Rs.50,000 crore. Andhra Pradesh was ranked second, with FDI proposals of about Rs.34,000 crore. The state accounted for about 19% of the value of all investment proposals. Gujarat, Chhattisgarh and Maharashtra were ranked third, fourth and fifth respectively. The Associated Chambers of Commerce and Industry ranked Karnataka the fifth among Indian states in terms of attracting FDI proposals in 2011–2012. The total value of the 48 FDI proposals in the state amounted to Rs.14,000 crore, which was 8% of the value of all the proposals for FDI in India in 2011–2012. It was also reported that the retail sector will create 50,000 jobs in the next few years (Business Standard, August 28, 2012). Given these developments the FDI is poised for significant growth in the country. Keeping the above backdrop, present study seeks to identify the perception of the unemployed youth about employment opportunities on FDI in retailing in India.

1.1 Foreign Direct Investment: The Concept and Importance

FDI refers to an investment in a foreign country, where the investor retains control over the investment (Sodersten, 1979). It also defines as a transfer of package of resources across the countries and that includes capital, technology, management and marketing expertise (Odozo, 1995). FDI is the investment in a foreign country through the acquisition of a local company or the establishment there of an operation on a new (Greenfield) site. To put in simple words, FDI refers to capital inflows from abroad that is invested in or to enhance the production capacity of the economy. According to the International Monetary Fund (IMF), FDI refers to an investment made to acquire lasting or long-term interest in enterprises operating outside of the economy of the investor. The important issue of economic prosperity is always linked to massive inflows of FDI into a nation. It provides impetus for accelerating economic development for a country (Yusop & Keong, 2002). Its contribution to economic growth is both direct and indirect (Zebregs, 2002). In the developing countries, it has an important role in export promotion (Cheng & Zhao, 1995). FDI critically depends upon its motive. If the motive is to tap export markets by taking advantage of the country's comparative advantage then it certainly contributes export growth (Lardy, 1994).

1.2 FDI in Indian Retailing

The policy of the Central Government till 1997 had been very cautious about FDI in retail. FDI in retail was virtually kept at bay. Though the government has felt the need for more investment in retailing it is still cautious. According to Dr. Ajay K. Dua, Secretary, Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India, "The Centre's decision on allowing FDI in the retail sector – if and when such a decision is taken would be cautious, gradual and calibrated". FDI in the retail sector kick-started and Government cleared the first proposal for up to 51% in retail trade in February, 2006. This proposal was of setting up a single brand retail store with FDI by Haryana-based Company – Moja Shoes Private Ltd. This proposal was among the total of 12 FDI proposals approved by the Finance Minister, involving FDI worth Rs.371.84 crore in various sectors (Ganesan, 2007).

1.3 Retail Industry and Employment Generation

The retail sector can generate huge employment opportunities. It can also lead to job-led economic growth. In most major economies, 'services' form the largest sector for creating employment. US alone have over 12% of its employable workforce engaged in the retail sector. The Planning Commission of India has identified retail is prospective employment generator, which employs nearly 21 million people, accounting for roughly 6.7% of the total employment. However, employment in organized retailing is still very low, because of the small share of organized retail business in the total Indian retail trade. The share of organized retailing in India is 4%. A modern retail/retail services sector has the potential of creating over 2 million new (direct) jobs within the next 6 years in the country (assuming only 8-10% share of organized retailing) as observed by (Arvind, 2006). Retail can also provide many new jobs in the BPO/IT sector in India (Maruthamuthu, 2007).

1.4 Pay Bonanza in Organized Retail

It is inferred from table 1 that the Pay scales for organized retail shopping mall employees are getting a monthly salary of nearly Rs.5,750 to Rs.6250 compared to other unorganized retail shopping mall employees, who get a monthly salary of Rs.4,000 to Rs.4,500. This shows that the organized retail shops are giving more salary compared to other unorganized kirana shops in India as shown in Table 1.

Table 1. Pay scales

Nature of job	Salary per month (in Rs.)
BPO/back office	7,000 to 7,500
Driver	6,500 to 7,000
Organized manufacturing	6,000 to 6,500
Organized retail	5,750 to 6,250
Unorganized retail	4,000 to 4,500
Shop floor at unorganized factory	4,000 to 4,500
Peon / delivery boy	3,100 to 3,400
Security	2,800 to 3,000
Community services	2,600 to 2,800

Source: Apama Kalra, Business Standard, 3rd December, 2011.

1.5 Share of Organized Retail in India

The Indian retail sector is highly fragmented with 94.5 percent of its business being run by the unorganized retailers. The organized retail however is at a very budding stage. The sector is the largest source of employment after agriculture, and has deep penetration into rural India generating more than 14 percent of India's GDP. The following figure 1 clearly shows the distribution of retail trade in organized sector and unorganized sector in India and Southeast Asian countries.

Country	Total Retail Sales (US\$ bn)	Share of organized retail (%)
USA	2,983	85
UK	475	80
France	436	80
Germany	421	80
Japan	1,182	66
Malaysia	34	55
Thailand	68	40
Argentina	53	40
Brazil	284	36
Philippines	51	35
Russia	276	33
Indonesia	150	30
Czech Republic	34	30
Hungary	24	30
Vietnam	26	22
China	785	20
Poland	120	20
South Korea	201	15
India	322	4
Pakistan	67	1

Figure 1. Where India stands: share of organized retail in India compare to other countries

Source: Apama Kalra, Business Standard, 3rd December 2011.

From the above figure 1, it is revealed that organized retail in India is infancy stage and it is very low even in comparison with other Asian developing economies like China, Thailand, South Korea and Philippines all of whom have figures hovering around the 20–25 percent mark.

1.6 FDI Policy at Global Level

It is very interesting to note that the multi-brand retail FDI policy in other countries like China approved 100% limit which denotes that the employment opportunities rose from 28 million to 54 million from 1992 to 2001. However, in Thailand 100% FDI in multi-brand had adverse effect on the local retailers are given in table 2.

Table 2. FDI policy at global level

Country	FDI limit (in %)	Benefits
China	100	<ol style="list-style-type: none"> 1. First permitted in 1952 and foreign ownership limited to 49%, now no restrictions 2. 600 plus hypermarkets between 1996 and 2001 3. Number of small outlets (equivalent to kiranas) increased from 1.9million to over 2.5 million. 4. Employment in retail and wholesale sectors rose from 28 million to 54 million from 1992 to 2001
Thailand	100	<ol style="list-style-type: none"> 1. Referred to as country where FDI had adverse effect on the local retailers 2. Has limited capital need for retail and wholesale outlets. Growth in agro processing industry
Russia	100	<ol style="list-style-type: none"> 1. Supermarket revolution took place in 2000s. 2. Heavy growth registered
Indonesia	100	<ol style="list-style-type: none"> 1. Modern retail took off in 1990s 2. No limit on number of outlets

Brazil, Argentina, Singapore, Chile allow 100% FDI in retail sector while Malaysia permits FDI to a certain limit.

Source: Joanna Rebello Fernandes, Sunday Times of India, 4th December, 2011.

1.7 FDI in Retail–Foreign Chains

Wal-Mart Stores Inc. It has a cash and carry operation with Indian partner Bharti Enterprises, the parent of leading mobile provider Bharti Airtel, operates 14 stores.

Tesco. Britain's largest retailer has a tie-up with Trent's Star Bazaar hypermarket chain. Tesco is also looking forward to enter the wholesale market through the tie up.

Metro AG. Germany's Metro AG operates eight wholesale stores.

Carrefour. It has two cash-and-carry stores, one in Delhi, one in Jaipur. The world's No.2 retailer seeking a local partner to enter the hyper or supermarket (Apama, 2011).

2. Review of Literature

FDI in retailing refers to a retail store with a foreign investment that can sell goods/brands under one roof. The review of literature made for this study shows that the major impact of FDI in retailing will be felt by the educated unemployed youth in India, and it will also have an impact on the creation of employment opportunities and in the area of use of technology. To justify the need of present study, following literature has been reviewed.

Bhagwati (1978) analyzed the impact of FDI on international trade. He concluded that countries that actively pursue export led growth strategy can reap enormous benefits from FDI. De Mello (1999) stated that many of the East Asian tigers such as China, South Korea, Malaysia and Singapore benefitted from investment abroad. Gorg and Greenaway (2004) in his study of economic theory suggested that FDI is an engine of economic growth in developing countries. Jitendra (2005) pointed that the Indian retail market is not only promising, but in terms of potential, India was poised to be the next China. Opening up of the sector to FDI in a 'measured' way will lead to new economic opportunities and more employment generation. Botric and Skuflic (2006) identified the reason as the FDI inflows stimulate capital accumulation by adding to domestic savings and raising the recipient economy's efficiency, for instance, through improving resource allocation, job creation, increasing industrialization, instilling competition, scale economies, imitation, technology spillovers, improving human capital, deepening domestic financial markets and reducing local capital costs. Rudra (2006) analyzed the FDI along with portfolio investment helped the host countries in supplementing its domestic capital resources, catering modern technology, improving worker and managerial skills, boasting experts and thus, achieving the international competitiveness of the country. Editor (2007) identified that India has 100 million people in the age group of 20-24, young workers with employable skills will remain in short supply. There is a real need of professional education and training to the upcoming youth. Ganesan (2007) identified the factors like government policy, infrastructure development, GDP growth and employment generation and job creation in several new sunrise industries resulting in greater purchasing power. FDI facilitates manpower and skill development through retail training. This also opens up a scope for greater managerial talent inflow from other countries. People Democracy (2007) in his study have identified that the retail is the largest sector in India after agriculture, accounting for over 10% of the country's GDP and employs over 4 crore people. Within this, retail is

certainly going to create employment opportunities for the youth. Setting up of retail outlets by big retailers from all over the world in different parts of the country will help in removing regional inequalities by providing avenues for the employment. Valsamma (2007) argued that our Small Scale Industry (SSI) sector could be trained and appraised of quality techniques and standards and thus their products would find entry into the international markets. With proper policy measures to develop and promote this priority sector, these units would get a boost with the advent of international retailers, resulting in employment, exports and overall economic development. Tamana (2008) discussed that India will benefit a great deal if the government can encourage organized retailing through proactive policy measures, including opening up of FDI for multi-brand retailing in a phased manner. The author argues that though the growth of organized retailing may lead to some unemployment and displacement in the short term, the long term benefits will far outweigh the possible negative consequences. Khandelwal (2010) studied that large investment in infrastructure would lead to a rise in farm productivity, manufacturing and food processing as well as cold storage facilities. This would cut down wastages and spur growth in employment, exports and GDP. According to the Department of Industrial Policy and Promotion (DIPP, 2010) discussion paper on FDI in multi brand, more than 2/3rd of the total employment, in the broad category of trade, hotels and restaurants, is in the retail sector. There will be huge job opportunities in the country (in crores) as there will be opening of malls and store houses. Supriya Biswas (2012) analyzed the impact of the FDI is that it would generate a decent amount of employment as more and more entrepreneurs would be coming forward to invest and taste the new generation in retail marketing. Dilip James (2011) reviewed that it would be a herculean achievement if FDI leads to the creation of even 0.3 to 0.4 million net additional jobs. At the same time, contrary to the view of those opposing FDI, it is also unlikely that there will be large-scale extinction of the kiranas or small stores. Sainath (2011) stated that here is the wonderful thing about the FDI in retail debate; never have struggling Indian farmers found so many champions. They have been crawling out of the woodwork. Faizur (2011) pointed out that the FDI is an instrument of corporatocracy through which it seeks to enslave us. Chandrasekhar (2011) expressed that with deep pockets and international sourcing capabilities, global retail chains will out compete domestic players, displace jobs, and undermine livelihoods. Rawat (2011) said that, "It will send a very negative message to foreign investors". FDI in multi-brand retail could have created over 10 million jobs in three years, curbed wastage of farm products and benefited farmers. Limba (2011) investigated that FDI generates considerable benefits. These include employment generation, the acquisition of new technology and knowledge, human capital development, contribution to international trade integration, creation of a more competitive business environment and enhanced local enterprise development. Bisaria (2012) stated that the entry of modern retailers will expand the market, creating large amount of additional jobs in retail. The job opportunities will vary from ordinary workers to specialized officers. Jayadev et al. (2012) in their study they argued that the multinationals settings up shop in retail would help creates jobs and modernizes agriculture and marketing in the country and it is estimated that in the organized sector there will be an employment opportunity of 10 million jobs. Popli and Manish (2012) viewed that the retail sector of India is a robust pillar of the economy which employs 6% of the national's workforce and contributes 13% to GDP. As a result of FDI in retail one million (1 crore) employment will be created in three years. Goel and Ritu (2013) expressed that FDI is a profiler for the economic development of any country like India. FDI helps transfer and upgrade technology; improves skills and managerial capabilities; provides competitive edge to country's exports improves efficiency and quality of services and goods; and helps create additional jobs. The above literature shows the important contribution of FDI in retailing. It is also evident from the above literature that FDI in retailing create more employment opportunities for unemployed youth in India. In light of above literature, the present study attempts to identify the perception of educated unemployed youth on FDI in retailing about the employment opportunities in India.

2.1 Statement of the Problems

Retailing is a kind of business activity, which offers products or services in small quantities to ultimate consumers, at a place where consumers prefer to buy. Especially, in countries like India, till date, the unorganized retailers play a predominant role in offering products or services of different products or service mix at the convenient location, i.e., Kirana stores or Apana Bazar, with effective selling and buyer's retention strategies. There is widespread skepticism about the entry of foreign players include Wal-Mart, Home Depot, Kroger, Costco and Target from US, Carrefour and Tesco from France, Metro, Schwarz Group and Aldi Einkauf from Germany in our retail market. It is feared that the unorganized sector will be thrown out of business if the country opens up FDI for multi brand stores or allows 100 percent FDI in retail business. The following are the main aspects of the fright on the earlier studies.

Employment generation, which is expected from FDI in multi brand retail, shall be nullified as many retailers

will lose their business owing to tough competition. India has 35 towns, each with a population of over one million. If Wal-Mart were to open a store in each of these cities, and they reach the average Wal-Mart performance per store, we are looking at a turnover of over Rs.80,330 mn with only 10,195 employees. Extrapolating this with the average trend in India, it would mean displacing about 4,32,000 persons if large FDI driven retailers were to take 20 percent of the retail trade, as the now somewhat hard-pressed Hindustan Lever Limited anxiously anticipates, this would mean a turnover of Rs.800 billion. This would mean an employment of just 43,540 people, displacing nearly a million people employed in the unorganized sector (Guruswamy et al., 2005). The indigenous units manufacturing and processing variety of products with local resources would suffer, as they may not have widespread market for their wares. This condition would affect the volume of employment in the unorganized sector (Ganesan, 2007). It is true that some jobs are being created for the English-speaking graduates in these retail outlets. But the jobs being created are much less than the number of people displaced from their retail business. Wal-Mart had a turnover of \$345 billion in its fiscal year ending January 31, 2007, employing only 1.3 million people in the US. Considering the fact that in the fiscal year ending 2006, 80% of its sales came from the US, it can be assumed that approximately \$280 billion is generated from 4000 stores across the US, employing 1.3 million. While almost the same amount for sales revenue is generated by 13 million stores employing roughly 80 million populations. So, the contention that the process of organized retail creates jobs is not true (Krishna, 2007). Retailing as an industry in India has still a long way to go. To become a truly flourishing industry, retailing needs to cross the various hurdles like lack of trained work force and low skill level for retaining management (Maruthamuthu, 2007). Indian retailers have yet to consolidate their position. The existing retailing scenario is characterized by the presence of a large number of fragmented family owned businesses, who would not be able to survive the competition from global players. The examples of South East Asian countries show that after allowing FDI, the domestic retailers were marginalized and this led to unemployment. The opening up of the retail sector would affect the sales in the unorganized sector. As a result the employment it provides would be affected. Also, by reducing the number of intermediaries, organized retailing will lead to some job displacement. It is said that FDI would provide employment opportunities. But, the fact is that they cannot provide employment opportunities to semi-illiterate people. Though they can provide employment opportunities like drivers, watchman etc. but this argument gets more attention because in India semi-illiterate people in quite large number (Mamta, 2012). More than 20% of Indians in the 15-24 age groups were jobless and seeking work. In absolute terms, this army of unemployed youth is staggeringly huge – around 4.7 crore, of which 2.6 crore were men and 2.1 crore women (Subodh, 2014). Nearly 160 million women in India, 88% of whom are of working age, that is between 15 to 59 years, just remain at home doing “household duties” (Subodh, 2014). From the various problems discussed so far it is obvious that there is some fear psychosis among kiranas because they would not find a place to sell their products in local market and there by the workers who work in Kiranas will lose their jobs and also the above research studies individually focus on FDI in retailing on prospects, challenges, opportunities and threats in single and multi brand in India in general and no serious attempts seem to have been made to combine all these aspects that too on the employment opportunities for unemployed youth in India. No study seems to concentrate on the perception of unemployed youth on Impact of FDI in retailing. Besides, no reference seems to have been made as far as the Impact of FDI in retailing. Hence, the authors have undertaken the present study entitled “Impact of FDI in Retailing: An Empirical Analysis on Perception of Unemployed Youth on Employment Opportunities in India”.

2.2 Research Question

In this study, the researchers are seeking to answer the following question:

Will FDI in retailing create more employment opportunities for educated unemployed youth in India or not?

2.3 Objectives of the Study

- 1). To study the demographic profile of the respondents
- 2). To identify the perception and impact of FDI in retailing to create more employment opportunities for unemployed youth in India.

2.4 Research Hypotheses

In order to conduct this investigation and to answer the proposed question and considering the results achieved by the previous studies, the following hypotheses are formulated:

Ho: (Null hypotheses) There is no significant relationship between education and impact of FDI in retailing will create more employment opportunities for unemployed youth in India.

H1: (Alternative hypotheses) There is significant relationship between education and impact of FDI in retailing

will create more employment opportunities for unemployed youth in India.

3. Methodology of the Study

The research attempt is empirical in nature. The present study is based on primary as well as secondary data. The sources of primary data were collected through a well framed and structured questionnaire. The secondary data were collected from published sources like journals, magazines, internet, news papers, books, annual reports of FDI in retailing and earlier studies. The sample for this study consisted of respondents from five states from South India namely Chittor city from Andhra State, Bangalore city from Karnataka State, Kollam city from Kerala State, Pondicherry city form Pondicherry State and Vellore city from Tamil Nadu State. All the respondents were unemployed youth. Convenience sampling was used to collect the samples. A total of 625 samples were issued and only 586 samples were collected out of which only 542 samples were taken for analysis and remaining 44 samples were not taken into account due to incompleteness of the questionnaire. Before conducting field survey, the questionnaire was pre-tested and a few modifications were made. A final version of structured questionnaire with two sections was developed to find out viz., 1. Demographic profile and 2. The impact of FDI in retailing about the perception of unemployed youth on employment opportunities in India. The questionnaire of the study consisted of multiple choices and Likert's five point scale from 1-Strongly Disagree to 5-Strongly Agree (Appendix A). The SPSS package 20 was used for analysis. Statistical tools like percentage analysis, frequency distribution and one way ANOVA were applied.

3.1 Test of Reliability

The current study has used Cronbach's alpha, which is the most widely used measure for testing the reliability. It requires only a single test administration and is easy to compute when using a correlation matrix. Cronbach's alpha is expressed as $\alpha = Np/[1 + p(N-1)]$ (Carmines & Zeller, 1979), where N is the number of statements and p is the mean inter-item correlation. The dataset used for the study had a Cronbach's alpha of **0.990**. As per Hair et al. (1998), the generally agreed upon lower limit is 0.70, while (Carmines & Zeller, 1979) believe that the alpha should not be below 0.80 for widely used scales. Considering these guidelines, it would be appropriate to conclude that the data used for one way ANOVA exhibit a very good reliability.

3.2 Limitations of the Study

The major limitation of this study is that the findings may not be universally acceptable as it is research paper. The perceptions of the same respondents may differ at different points of time. In case, if more number of sample respondents had been collected for the study, the results might have differed. Another limitation of this study is that the researcher does not consider the opinion of the foreign direct investors, producers, retailers and consumers, who are the major stakeholders in single or multi brand retailing. The study area is restricted only in South India and it does not cover the whole India. The study period is limited to six months only i.e, from 1st January, 2014 to 31st May, 2014.

4. Analysis and Findings

4.1 Percentage Analysis

The data pertaining to demographic profile of the respondents were given in table 3.

Table 3. Demographic profile

Variable	Category	Frequency	Percentage
Gender	Male	289	53
	Female	253	47
	Total	542	100
Nativity	Rural	233	43
	Urban	309	57
	Total	542	100
State	Andhra	120	22
	Karnataka	94	17
	Kerala	105	20
	Pondicherry	99	18
	Tamil Nadu	124	23
	Total	542	100
Education	B.Com	105	19

BBA	39	07
B.Sc	42	08
BCA	56	10
M.Com	92	17
MBA	93	18
MS (SE)	67	12
MCA	48	09
Total	542	100

Source: Primary data.

4.2 Inference

From table 3 it is inferred that, majority (53%) of the respondents belong to male category and 47% respondents belong to female category. With regard to native, 309 out of 542 respondents belong to urban area and 233 respondents out of 542 belong to rural area. South India consists of 5 states namely, Andhra, Karnataka, Kerala, Pondicherry and Tamil Nadu. Out of these states 124 (majority) respondents were from Tamil Nadu and 120 respondents were from Andhra. Educational qualification is the base for any decision making and it is also very interesting to hear from this study that 105 (maximum) respondents were educated B.Com and 93 respondents were educated MBA. Therefore, it is very clear to say that all the respondents having either arts or science degree.

4.3 One Way ANOVA - Testing of Hypotheses

The data pertaining to education and impact of FDI in retailing the perception of unemployed youth respondents with respect to employment opportunities in India were given in table 4.

Table 4. One way ANOVA

Variables		Sum of squares	Df	Mean square	F	Sig.
Impact of FDI in retailing create more employment opportunities in services, manufacturing and agricultural sector for the youth	Between Groups	1103.872	7	157.696	1652.359	.000*
	Within Groups	50.963	534	.095		
	Total	1154.836	541			
Improvement in the quality of employment	Between Groups	1030.187	7	147.170	1290.801	.000*
	Within Groups	60.884	534	.114		
	Total	1091.070	541			
Removing regional inequalities by providing avenues for the employment	Between Groups	1127.244	7	161.035	1602.168	.000*
	Within Groups	53.673	534	.101		
	Total	1180.917	541			
Manpower and skill development helps to introduce more skilled labours	Between Groups	1120.568	7	160.081	1163.508	.000*
	Within Groups	73.470	534	.138		
	Total	1194.039	541			
Retail training increase the inflow of talented managers from other countries	Between Groups	684.441	7	97.777	834.470	.000*
	Within Groups	62.570	534	.117		
	Total	747.011	541			
Increase number of courses in retailing	Between Groups	995.654	7		1338.865	.000*
	Within Groups	56.730	534	142.236		
	Total	1052.384	541	.106		
More institution offer business / commerce education	Between Groups	885.921	7	126.560	1040.309	.000*
	Within Groups	64.964	534	.122		
	Total	950.886	541			

Source: Primary data; * Significance at 5% level.

5. Findings

1). Table 4 reveals that there is a statistical significant relationship in the perception of unemployed men and women respondents with respect to their opinion on the impact of FDI in retailing to create more employment

opportunities for unemployed youth in India, because the calculated value of one way ANOVA is 0.000, which is less than the hypothetical value ($\alpha = 0.05$) at 5% level of significance. Hence, the null hypothesis (H_0) not accepted.

2). It is also very interesting to see from the above table that all remaining variables like improvement in the quality of employment, removing regional inequalities by providing avenues for the employment, manpower and skill development helps to introduce more skilled labours, retail training increase the inflow of talented managers from other countries, increase number of courses in retailing and more institution offer business / commerce education also significant relationship with the impact of FDI in retailing in India.

6. Conclusion

The retailers in organized and unorganized sector are adopting new strategies to enhance their market share. The present study was conducted with the purpose of identifying the impact of FDI in retailing with the perception of unemployed youth on employment opportunities in India. To conclude, FDI in retail will help integrate the Indian economy with the global economy. It will also help increase the experience in organized retailing sector and the availability of quality human resources at low costs. FDI in retail would reduce the intermediate costs and the costs of production and impose setting up of integrated supply chains that would minimize wastage, give producers a better price and will be beneficial to producers/manufactures and consumers. However, it can be said that the advantages of allowing FDI in the retail sector evidently outweigh the constraints attached to it and the same can be deduced from the examples of successful experiments in countries like Thailand and China, where the issue of allowing FDI in retail sector was first met with incessant protests, but later turned out to be one of the most promising political and economical decisions of their governments and led not only to the commendable rise in the level of employment but also led the enormous development of their country's GDP. Hence, from the above research study it is evident that FDI in retail will certainly create more job opportunities for unemployed for those youth who are skilled and trained. However, there is a lot workforce in India, who is unskilled. Skilled and trained persons have never been the problem for our policy makers. Therefore, FDI in retailing is need of the hour for creation of more jobs for unemployed youth in India, expansion of existing manufacturing industries, development of the new one and it would also help India in becoming 'developed country'.

7. Suggestion

FDI in retail is a very crucial step that is been undertaken to ensure further growth in the Retail Sector of India. This will transform the retail environment of the country in a significant way. As per Standard Chartered Research, 'The world has entered in its third super cycle characterized by Industrialization, Urbanization and International trade'. FDI in Indian Retail not only prove fruitful for the economy as a whole but it will also integrate this sector with the global retail market. The results of FDI in China are a case for example here. In Chinese market development of 100% FDI was done in 2004, today its retail sector is the second largest in value in the world. Further FDI in retail in India may also help bring in technical knowhow to set up efficient supply chains which could act as models of development. In a true potential scenario, opening up of FDI can increase organized retail market size to \$260 billion by 2020. Therefore, FDI in retail is not only necessary for creation of more jobs and thereby providing more employment opportunities to unemployed youth in India, expansion of existing manufacturing industries, development of the new one but it will also definitely give a boost to the organized retail sector of India, which positively impacts several stakeholders, including producers, workers, employees, farmers, consumers, the Government, the overall economy in real sense. Finally, creating employment opportunities for rural youth is the main concern of our government since independence. FDI in retail can provide employment opportunities to these rural youth. It is upon the government agencies and various organizations to frame certain policies with the help of which these rural youth can be encouraged and trained as per the requirement of these big retailers.

8. Managerial Implications

Impact of FDI in retailing in India will bring a new set of challenges with reference to managing diversified groups of people at work. In addition, a number of job opportunities will be created due to the adoption of modern technology in the areas of processing, grading, handling, packaging, bar coding, transportation of goods etc. So, recruitment policies and strategies need to be revised. Customer satisfaction would have to be given utmost care since the local brands will be competing with the international brands. Thus, all these would require proper planning and management by the organizations in the future to face international competition in India.

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Appendix A.

Impact of FDI in Retailing: An Empirical Analysis on Perception of Unemployed Youth on Employment Opportunities in India Questionnaire

I. Personal Information

1. Name (optional) :
2. Age : 18 to 20 () 21 to 23 () 24 to 26 ()
3. Education : B.Com () BBA () B.Sc () BCA () M.Com () MBA () M S(SE) () MCA ()
4. Gender : Male () Female ()
5. Native : Rural () Urban ()
6. State: Tamil Nadu () Andhra () Karnataka () Kerala () Pondicherry ()

Please read each statement carefully and decide to what extent it applies to you. Tick the appropriate number as per the table given below.

5. Strongly agree 4. Agree 3. Neither agree nor disagree 2. Disagree 1. Strongly disagree

Variables

5 4 3 2 1

II. Employment opportunities for youth

1. Impact of FDI in retailing create more employment opportunities in service, manufacturing and agriculture sector for the youth () () () () ()
2. Improvement in the quality of employment () () () () ()
3. Removing regional inequalities by providing avenues for the employment () () () () ()

- 4. Manpower and skill development helps to introduce more skilled labours () () () () ()
 - 5. Retail training increase the inflow of talented managers from other countries () () () () ()
 - 6. Increase number of courses in retailing () () () () ()
 - 7. More institution offer business / commerce education () () () () ()
-

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