FDI and Its Impact on Rural Development: Economic and Infrastructure Perspective

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Abstract

FDI stimulated rate of economic growth at every step of development of a nation. Developing countries encounter both capital appreciation and transfer of technology with the help of FDI. Today economical progress is highly reliant on improving not just the arrangement of capital, but also approach to technological capabilities, infrastructure and resource of any nation. This has improving economic liberalization of most of developing countries. The role of MNC as a viable source of both technology and capital is one of the salient features of this new openness. FDI is that investment that is presents the commercial profits of investors of country that is a dissimilar country different from enterprise of home nation. An origin enterprise and its overseas subsidiary are to accesses to FDI **(G. Panneerselvam, 2012).** Objectives of the study are to study the opportunities available in Rural development and to study Impact of FDI on Rural Development specifically on Infrastructure and Economic variable. Sample size is 384. 800 Questionnaires were distributed. 600 questionnaires were received but 510 questionnaires are correctly filled by respondents. Sampling technique is Purposive and Convenience sampling**.** Statistical Tools are Mean, Rank, Percentage, Correlation and Multiple Regressions. There is positive correlation between FDI and Infrastructure Variable in rural area in Haryana State which means the impact of FDI inflow on Rural Development is statistically significant in case of Infrastructure Variable. There is positive correlation between FDI and Economic Variable in rural area in Haryana State. In this case the impact of FDI inflow on Rural Development is statistically significant in case of Economic Variable. The Government of Haryana advised that time to time the FDI Policy should be implemented /modified and New FDI Policy should be formulated according to the business environment so that the foreign investors should be attracted and more and more FDI will be done in rural area of Haryana State.

Keywords: FDI, Rural Development, Economic Growth.

Introduction

Foreign Direct Investment is main segment of financial accounts of a nation. FDI is that investment which includes foreign investment in domestic company, equipments and organization. FDI does not include investment in secondary market i.e. stock market. It is considered to be more beneficial for a nation as compared to investment in equity share of its company as common stock is floating capital that present problems, on the other side FDI is considered long lasting and normally beneficial which is better than to investment in equity share.

Foreign Investment is very significant for any country's economic growth. Foreign Investment classified as FDI and FII. Globalization has experienced increased in economic growth in close competition and enlarge speed of innovation. Thus Foreign Direct Investment inflow has affecting economic growth in advanced nations. Foreign Direct Investment and Foreign Institutional Investment are important tools of global unification and impassion. Some countries such as Singapore, America, china, Korea etc have proved phenomenal increase of Foreign Direct Investment. United State marks much of Foreign Direct Investment inflow and advanced country represent for phenomenal increase in Foreign Direct Investment. Foreign Direct Investment offers access to global investment as well as cheap cost technique, innovation, development facilities and tools of research to host countries.

Rural Development:

We can measure community development with the help of Corporate Social Responsibility in industrial units which are financed by Foreign Direct Investment.

Definition of Rural Development:

"Rural Development is a process of improving the quality of life and economic well being of people living in rural areas".

Dimension of rural development are followings:

(1) Social Dimension:

(i) Health

(ii) Education

(iii) Infrastructure

(2) Economic Dimension:

(i) Employment

(ii) Entrepreneurship:

      (a) General store

      (b) Small Business

      (c) Dairy

      (d) Services

      (e) Transportation

Review of Literature:

R. Vennila (2021) in this paper "Pre and Post Covid-19 Impact of FDI in India" studied that Covid –19 has wreaked havoc on the global economy, triggering a recession worse than the Great Depression of the 1930s. The world's GDP will be around 7.5 percent lower by the end of 2020. Greater than 15% of middle-aged adults who were employed prior to the Corona virus had unemployed globally. Lockdown around the world have impacted the economy of world in form of latest technology, finance, trade etc. During the high level of uncertainty in the transactional market, investors are being more cautious before making any major decisions. In the first half of 2020, global FDI inflows plummeted by more than 49%, even under the most optimistic scenario after the economic downturn. The developing world is impacted much harder since the sectors that draw the most FDI like manufacturing and agricultural are the hardest hit. FDI, such as agriculture and manufacturing, is the hardest hit. According to survey conducted by USB, yearly Foreign Direct Investment inflow in country is likely to reach $75 billion in upcoming five year. India's ambition to become a $5 trillion economy by 2025 would undoubtedly encourage investment in the coming years.

Ali J. Al-Sadiq (2021) in his article "The Role of E-Government in Promoting Foreign Direct Investment Inflows" studied to see propagation of covid time in the digitalization of government service. Due to lockdown enforced by most nation to prevent the spread of corona virus, most government agencies were forced to turn to digital place to carry on delivering

knowledge and service for people. Information distribution and communication technologies, it is widely accepted and has provided better services for people in required time, cheap price and contact to people, companies and government. Every country has the ability to boost a nation's competitiveness and allure more FDI.

Xinxin Wanga, Zeshui Xua, Yong Qina and Marinko Skareb (2021) in their study "Foreign direct investment and economic growth: a dynamic study of measurement approaches and results" examined that the relation between FDI and Economic growth. The first document on Web of Science relating to FDI-EG research paper was printed in 1992 which making experiment very near to thirty year. Author finds to do analysis of FDI-EG research from many perspectives. Around 1075 documents were related to FDI-EG research were collected and bibliometrix software was used to do a thorough bibliometric analysis and review of techniques. They were exposed theoretical composition and topic evolution of the FDI-EG research using bibliometrix software. At that time, literature helped in content, document, co-author, citation and co-citation analysis. This article contributed to a better understanding the progression of Foreign Direct Investment and Economic Growth research from bibliometric and research outlook.

Phuong NamLe (2021) "Literature Review on the Impacts of Foreign Direct Investment in the Emerging Economy: The Case of Vietnam" demonstrated the effect of FDI on the economic development of host countries. FDI helps in technology transfer and effective management to host nation. Apart from this, FDI also created job, increased productivity and higher GDP etc. Many studies have looked into the effects of FDI in a variety of economic sectors, including retail, manufacturing, finance and general services. As a result, this study reviewed all previous studies on the subject, with an emphasis on education. This article has significant policy ramifications for government policymakers. FDI helped host countries gain several benefits job opportunity, Gross Domestic Product and Development improved standard of living, technology transfer and management skill. Further study concentrated on how Foreign Direct Investment helped in transformation of education field.

Osemenshan Anetor, Ebes Esho and Grietjie Verhoef (2020) in their study "**The impact of foreign direct investment, foreign aid and trade on poverty reduction: Evidence from Sub-Saharan African countries"** looked at influence of FDI, foreign grant and business on poverty alleviation in selected African countries from 1990 to 2017. The empirical research used the feasible generalized least square (FGLS) approach and concluded that FDI in Sub Saharan African nations have not outcome in poverty reduction. Foreign aid to SSA has also been proven to have a detrimental influence on poverty alleviation.

In SSA's lower-middle and upper-middle nations, trade had an unfavorable effect on poverty alleviation. According to study's findings, per capita GDP growth has a beneficial influence on poorness alleviation. Growth of Population discovered to have an unfavorable effect on poorness alleviation, implying the population of region expansion has aggravated degree of poverty in the decrease. This article focused from growth effect to their poverty reduction effects.

Muhammad Raza, Talla M. Aldeehani and Ali Saleh Alshebami (2020) in their research **"**The Relationship between Domestic Investment and Quality Economic Growth in Thailand" studied the relation of Domestic investment and economic growth. They founded that there were a long term relationship among economic growth, domestic investment, imports and exports. There was at least one co-integrating equation or co-integrating vector that could be used to estimate economic growth using other co-integrating variables. As a result, this study showed that the variable had a long term link while granger causality that the variables had no effect on economic growth in this study.

Similarly the results of the VECM model show that domestic investment has no influence on economic growth because the effect was negative and negligible at 0.05. Imports on the other hand, have favorable and substantial influenced on development but export has negative impact. As a result, it may be inferred that if Thailand focused on boosting exports while reducing its imports, it may be able to achieve considerable long term economic development. Since increased export boosted economic activity in the country and gave local manufacturer chance to compete with foreign enterprise on the market. Thus it would result in economical beneficial in long term and also improved balance of payment.

Animesh Bhattacharjee and Joy Das in their research (2021) "The Role of Foreign Direct Investment on Stock Market Development: Evidence from India" elaborated that link between Foreign Direct Investment and development of share market in India. Other macroeconomic factors of share market growth included inflation rate and local saving. The time series data was analyzed using econometric methods and covered the years 1991 to 2018. The stationary status of the time series variables was calculated by Dickey test, the long term relation between above variables was examined using Johansen co-integration test and short term causality was checked by using Granger causality test. The output of cointegration showed that the variables were related each other, implying that they have a long time connection. Furthermore, according to the Granger causality test, stock market growth and local saving induce foreign direct investment, implying that stock market development and gross domestic savings were useful in predicting FDI in the near time.

Ronimita Misra and Swapnamoyee Plait (2020) in their article "Role of FDI on Employment Scenario in India" determined the link of Foreign Direct Investment and job creation of India from 1991-2018. This study was a descriptive analysis to study the effect of Foreign Direct Investment on employment opportunities of India using secondary data from several published sources. In India, Foreign Direct Investment has side by side employment link. FDI in service sector of India has risen thrice in second decade as compare to first decade during 2002-2020 periods. Banking & Insurance industry has attracted the most substantial FDI bids followed by the telecommunication sector. Foreign Direct Investment generated employment opportunities in service sector as compare to other sector of India. Author suggested that job creation in India has been fairly consistent in last twenty years, although Foreign Direct Investment inflow may not has much impact on growth rate. Government of India should follow some legal steps to generate employment opportunities in India.

Kong Yusheng, Sampson Agyapong, Geoffrey Bentum Micah and Abigail Konadu (2019) "Impact of FDI inflow on Economic Growth: The case of the Republic Seychelles" aimed to check link between FDI and Economic Development of Republic Seychelles Island. They used

Ordinary least square method and find out that FDI inflow has favorable effect .They concluded that due to limited resources, the effect of Foreign Direct Investment on development is less as comparison to other developing nations. Government expenditure has significant impact on GDP in any country. So every Govt. should pay much attention to their consumption expenditure to attract more FDI.

Jim Huangnans Shen, Weiping li, Jiashan Hang and Chien Chiang Lee (2019) "Inward FDI, Spillover Effect and Financial constraints- Theory and Evidence from China" in this paper, authors used a two stage sequential game mode to study effect of FDI on domestic firm by using data from 2007 to 2016. They found that effect of FDI inflows on State owned firm was less because highest cost of financial constraints. They further explained that if there were two firm faces severe financial constraints, the foreign countries were more affected by positive effect of inward FDI.

Mohmmad M, Shakil M, Akinalso M and Tasnai M (2019) "FDI and Institutional instability: Who derives whom?" explored relation between Institutional instability and FDI in Canada by using Auto regression Distributives Lag Approach. This model was used to test the term relationship between Institutional instability and FDI. They focused on the effect of institutional instability on FDI, Inflation, Gross National Product and Export. They concluded that that was an empirical relation between institutional instability and FDI in Canada. They found that institutional quality of Canada affected FDI inflow in Canada.

T. Vasanthi and S. Vasanthi (2013) author examined role of FDI in infrastructure, automatic sector, financial services, technology, retail, consumer product with the help of this research paper **"Impact of FDI in on Indian economy".** They founded that Foreign Direct Investment in these entire sectors increased in 2011-12 as compared to previous year i.e. 2010-2011. As a result of increased FDI in this sector which helped in enhancing the economic development and growth in India. Apart from this, FDI also increased standard of living, GDP and Foreign exchange reserve.

Sanu SJ (2013) "FDI in Infrastructure- Indian Scenario" examined FDI in infrastructure, deficiency of infrastructure and different step to remove infrastructure gap. Infrastructure included power, telecommunication, railway, air port, sea port, industrial park, supply of water, sanitation, metal mining, extraction, cold room and storage facilities etc. PPP (Public Private Partnership) was attaining importance airport at Hyderabad, Delhi, Mumbai and Bangalore. Political environment, lack of co-operation and integration between different government discouraged FDI. So to encourage FDI, there was need of strong legal and regulatory framework, capacity and skill to regulate, mitigating political and regulatory risk, monitoring and follow up different project.

Objectives:

1. To study the opportunities available in Rural Development.

2. To study impact of FDI on Rural Development specially on Economic and Infrastructure Perspective.

Research Methodology:

HYPOTHESIS:

1H_0: The impact of FDI inflow on Rural Development is statistically insignificant **in case of Infrastructure.**

1H_1: The impact of FDI inflow on Rural Development is statistically significant **in case of Infrastructure.**

2H_0: The impact of FDI inflow on Rural Development is statistically insignificant **in case of Economic Variable.**

2H_1: The impact of FDI inflow on Rural Development is statistically significant **in case of Economic Variable.**

Sample Size: Sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. Sample size is a term used in research for defining the number of subjects includes in sample size. Sample size is selected on the basis of suggestion provided **by Krejcie and Morgan, 1970**. Sample size is 384. 800 Questionnaires

were distributed. 600 questionnaires were received but 510 questionnaires are correctly filled by respondents.

Sampling Technique: Sampling technique is Purposive and Convenience sampling**.**

Table 1. Name of Industry located in different Village/ Nearby Area (Haryana State)

Name of Unit	Location	Blocks Covered
CLP Jharli	Jharli, Jhajjar	Jhajjar, Matenhail
Asian Paints	Kheri, Rohtak	Rohtak, Sampla
Maruti Suzuki	Manesar	Manesar, Sohana
GSK	Khewra, Sonepat	Rai, Kharkhoda, Gannaur
Liberty	Gharaunda, Karnal	Gharaunda, Assandh
SEZ	Gurugram, Faridabad	Gurugram, Faridabad, Farrukh Nagar
IMT	Rewari, Mewat	Bawal, Ferozpur Jhirka, Punhana, Nuh
Deen Bandhu Chotu Ram Thermal Power Plant	Yamunanagar	Jagadhari, Radaur
National Institute for Unani Medicine	Kheri Gujran, Faridabad	Tigaon, Ballabgarh

Statistical Tools: Mean Rank, Percentage, Correlation, Multiple Regressions.

Reliability: The reliability of statistic using Statistical Package for Social Science (SPSS) is used with the help of Cronbach's Alpha. Cronbach's Alpha is used to check reliability of data. A value higher than .7 is considered sufficient (**Nunnally J.C.1978**).

Analysis & Interpretation

FDI Opportunities in different projects in Haryana:

There are different project available for FDI opportunity in Haryana which are followings:

Kundali Manesar Palwal Global Corridor: KMP Expressway is 135.65 KM expressway decongests traffic entering Delhi. This project has to be developed within 1 Km area on either side of expressway and investment potential of close to US$ 10 Bn. This project includes to develop five cities in are of 2.5 lac hectare as part of **'Panchgram'** vision. Key hub for development by KMP project includes Education Hub, Sport Hub, Agri business Cluster in **Kundali**, Bio Science, Medical Hub, Retail Merchandiser Hub, Metro rail cluster in **Sampla**, Entertainment Hub, world Trade Hub, Warehousing Hub, Techno City in **Manesar**, Dry Port city in **Prithla**, Leisure city in **Sohna** etc**. (Source: Department of Industry and Commerce, Government of Haryana).**

Global City at Gurugram: Global City at Gurugram project located in Delhi NCR as part of Manesar Urban Development Corridor of 1000 acres of land in Haryana sub region of Delhi Mumbai Industrial Corridor this project has investment potentials of US$ 15 billion (1,00,000 crore rupees) which is joint venture of HSIIDC and DMIC **(Source: Department of Industry and Commerce, Government of Haryana).**

Integrated Multimodal Logistic Hub: Integrated Multimodal Logistic Hub has to develop as the largest Logistic Hub in North India. Over 1200 acres area at Nangal Chaudhary, Narnaul. This project envisaged investment about 5000 crore rupees and 260 crore fund approved by Union Cabinet. This project is joint venture of HSIIDC and DMIC Trust- DMIC Haryana Multimodal Logistic Hub project Ltd. This site has abutting the Delhi Mumbai Dedicated Freight Corridor passing through Haryana **(Source: Department of Industry and Commerce, Government of Haryana).**

Industrial Model Township: Industrial Model Township project is of joint venture of HSIIDC and Public Private Partnership model. This project has exploring the possibilities partnering with the world's best in the field of development of state of the art-Industrial Infrastructure through international Competitive Bidding, Footwear park Industrial model (IMT) at Kharkhoda district Sonepat **(Source: Department of Industry and Commerce, Government of Haryana).**

Investment Opportunities available in Health sector: Haryana Government identified Pharmaceutical drug sector as a key sector and total worth of Haryana's export valued of INR 69, 485 crore (3 Year average 2014-17). Haryana enjoys a location advantage (DMIC, AKIC Investment Region), SEZ, Investment and Infrastructure projects.There are opportunities to establish Pharma Park at Karnal with excellence road and air connectivity. Haryana Government will provide general cluster lab and effective treatment plant for above port. Haryana State Pollution Control Board provides guideline and design for this purpose **(Source: department of Industry and Commerce, Government of Haryana).**

Investment Opportunities in Agro & Food Processing Sector: Haryana is one of smallest state in India land area of 4.4 million hectare with 1.34 percent of total areas of India and agriculture sector contributes about 15%share of the state GDP. Haryana State ranked 2nd contributor of food grain to Indian and per capita of milk availability and also pioneer to adopt modern technology in irrigation in India. HSIIDC has developed two food parks. First Food Park is at Rai in district Sonepat and second at Saha in district Ambala. A Mega food park project is also being developed at Barhi industrial state in district Sonepat and one is proposed at IMT Rohtak (**Source: Department of Industry and Commerce, Government of Haryana).**

Investment Opportunities in Renewable Energy and Solar Parks: Renewable Energy projects with a total capacity of 251.89 mw commissioned and 240 mw project under execution in Haryana. There is also emphasis on increasing solar and Bio Mass energy sources.Haryana Government commercializes solar power generation projects in Bhiwani, Jhajjar, Karnal and Mahendergarh district. Haryana Government also setting up of solar centre of excellence with pool of technical professional, MW Scale Solar Power Projects in consultation with agriculture sector, development of small, medium hydro power plant and establish of wind power generation project **(Source: Department of Industry and Commerce, Government of Haryana).**

Investment opportunities available in Textiles and Apparels: Haryana is the 4th largest producer of cotton in India and expected around USD 1.3 billion (USD 130 crore) readymade garments. Around 10 lakh people worked in textile sector. Panipat is famous as the city of

weavers.Textile and Apparels sector creates opportunities likes dyeing of yarn and fabrics etc. Integrated Textile Park at panipat spread over around 30 acres which provides opportunities for investment and setting up of apparels and readymade garments parks at SEZ in Gurugram and Barhi **(Source: Department of Industry and Commerce, Government of Haryana).**

Integrated Aviation Hub: Integrated Aviation Hub is being developed over 4200 acres of land, six lane controlled access highway from Delhi to Hisar. This Project includes Rapid Rail Connectivity is under construction (to be extended up to Airport). This Hub has signed MoU with Spice Jet and will be created a lot of opportunities for logistic centers (Source: Department of Industry and Commerce, Government of Haryana).

Relationship between FDI and Infrastructure Variable/ Impact of FDI on Infrastructure Variable

Table 2. Descriptive Statistics of Mean score and Ranks of Infrastructure Variable

Infrastructure Variables	Strong Agree	Agree	Neutral	Strongly disagree	Disagree	Mean	Rank
Facility of Safe and Clean Drinking Water	158	234	60	47	11	3.94	1
	31.0%	45.9%	11.8%	9.2%	2.2%		
Improve Irrigation Facilities	124	258	57	61	10	3.83	2
	24.3%	50.6%	11.2%	12.0%	2.0%		
Electricity Supply	118	167	142	71	12	3.60	7
	23.1%	32.7%	27.8%	13.9%	2.4%		
Improve Transport	105	198	123	75	9	3.62	6

Facilities							
	20.6%	38.8%	24.1%	14.7%	1.8%		
Upgrading School Building	126	196	109	69	10	3.70	3
	24.7%	38.4%	21.4%	13.5%	2.0%		
Rain Water Harvesting System	100	202	124	70	14	3.60	7
	19.6%	39.6%	24.3%	13.7%	2.7%		
Waste Water Treatment Plant	98	203	127	73	9	3.60	7
	19.2%	39.8%	24.9%	14.3%	1.8%		
Improved Access to Infrastructure to School	94	233	106	58	19	3.64	5
	18.4%	45.7%	20.8%	11.4%	3.7%		
Water Conservation Arrangement	93	211	120	64	22	3.57	8
	18.2%	41.4%	23.5%	12.5%	4.3%		
Infrastructure Facilities for Sports like Gym, Playground etc.	91	219	125	64	11	3.62	6
	17.8%	42.9%	24.5%	12.5%	2.2%		
Improve Village Street,	103	228	102	66	11	3.68	4

Roads							
	20.2%	44.7%	20.0%	12.9%	2.2%		

Sources: Primary Data

Table 2 explains respondents response to various statements related to infrastructure variable. 76.9% of the respondents agree to facility of clean and safe drinking water in their rural areas. Mean score of response of facility of clean and safe drinking water is 3.98 and get Ist rank. 74.9% of the respondents agree to improve irrigation facility in village. Mean score of response this statement is 3.83 and get IInd rank. 63.1% of the respondents agree to upgrade school building. Mean score of response of upgrading school building is 3.70 and get IIIrd rank. 64.9% of the respondents agree to improve village streets and roads. Mean score of response of improve village streets and road is 3.68and get IVth rank. 64.1% of the respondents agree to improved access to infrastructure to school. Mean score of response of improved access to infrastructure to school is 3.64and get Vth rank. 59.6% of the respondents agree to water conservation arrangement. Mean score of response of water conservation arrangement is 3.57 and get VIIIth rank i.e. last rank.

Table 3. Model summary impact of FDI on Infrastructure Variable

Model	R	R square	Adjusted R square	Standard error	Durban Watson
1	.464[a]	.215	.204	.63076	1.398

a. Predictors: (Constant), anyother, GSK, SEZ, Liberty, Maruti, IMT, clp

b. Dependent Variable: Infrastructure

Table 3 exhibits that value of R is 0.464 which represent that there is favorable relationship between FDI and Education Variable in rural area in Haryana State. Value of R square is .215which means that 21 % explained by this model and remaining explained by unknown factors. If Value of Durbin Watson is between 1 and 3, then must use regression. Value of Durbin Watson is 1.398 which means that regression must be applied.

Table 4, ANOVA table of Impact of FDI on Infrastructure

Model	Sum of square	D.F	Mean	F value	significant
Regression	54.811	7	7.830	19.681	0.00*
Residual	199.723	502	.398		
Total	254.534	509			

a. Predictors: (Constant), anyother, GSK, SEZ, Liberty, Maruti, IMT,

clp

b. Dependent Variable: Infrastructure

   ***Significant at 0.05 Level**

Table 4 indicated that p value is 0.00 which is smaller than 0.05 at 5 percent significance level, which is significant statistically. So null hypothesis is rejected (effect of FDI on rural development is insignificant in case of Infrastructure and alternative hypothesis i.e. effect of FDI on rural Development is statistically significant in case of Infrastructure, is accepted.

Table5. Coefficient impact of FDI on Infrastructure Variable

Model	Unstandardized Coefficient		Standardized Coefficient	T	Significant	Co linearity Statistics	
	B	Standard error	B			Tolerance	VIF Value
Constant	3.111	.069		44.929	.000*		
CLP	1.096	.099	.567	11.124	.000*	.602	1.662
Maruti	.754	.103	.363	7.312	.000*	.634	1.577
GSK	.392	.114	.164	3.451	.001*	.696	1.438
Liberty	.439	.105	.206	4.185	.000*	.646	1.549

SEZ	.541	.111	.234	4.880	.000*	.681	1.468
IMT	.648	.103	.314	6.309	.000*	.631	1.584
Any other	.604	.119	.238	5.096	.000*	.719	1.390

a. Predictors: (Constant), anyother, GSK, SEZ, Liberty, Maruti, IMT, clp

b. Dependent Variable: Infrastructure

*Significant at 0.05 Level

The estimated regression equation as obtained in table 4.18 may be written as:

Infrastructure=3.111+1.096(clp)+.754(Maruti)+.392(GSK)+.439(Liberty)+.541(SEZ)+.648(IMT)+.604(Any other)

Relation between FDI and Economic Variable/ Impact of FDI on Economic Variable:

Table 6. Descriptive statistic of Mean score and Ranks of Economic Variable

Economic Variables	Strong Agree	Agree	Neutral	Strong Disagree	Disagree	Mean	Rank
Increase in Employment Opportunities	122	266	71	43	8	3.88	1
	23.9	52.2	13.9	8.4	1.6		
Increase in Disposal Income	151	210	77	60	12	3.84	2
	29.6	43.2	15.1	11.8	2.4		
Improvement in Standard of	90	196	144	67	13	3.55	5

Living							
	17.6	38.4	28.2	13.1	2.5		
Improvement in Agricultural Productivity	107	176	127	84	16	3.54	6
	21.0	34.5	24.9	16.5	3.1		
Increase in Family Expenditure	85	201	123	88	13	3.50	8
	16.7	39.4	24.1	17.3	2.5		
Knowledge about New Farming Technique	88	192	121	91	18	3.47	9
	17.3	37.6	23.7	17.8	3.5		
Livelihood Enhancement Program	107	204	103	83	13	3.61	3
	21.0	40.0	20.2	16.3	2.5		
Monetary Contribution to Academic Institution	90	221	103	84	12	3.57	4
	17.6	43.3	20.2	16.5	2.4		
Vocational Training Program for Employment	95	193	124	83	15	3.53	7
	18.6	37.8	24.3	16.3	2.9		
Awareness about Startup	83	22	107	85	13	3.54	6

Program							
	16.3	43.5	21.0	16.7	2.5		

Sources: Primary Data

Table 6 explains respondents response to various statements related to economic variable. 76.1% of the respondents agree to increase in employment opportunity in their rural areas. Mean score of response of increase in employment opportunity is 3.88 and get Ist rank. 72.8% of the respondents agree to increase in disposal income in village. Mean score of response of increase in disposal income is 3.84 and get IInd rank. 61% of the respondents agree to livelihood enhancement program. Mean score of response of livelihood enhancement program is 3.61 and get IIIrd rank. 60.9% of the respondents agree to monetary contribution to academic institutions. Mean score of response of monetary contribution to academic institutions is 3.57 and get IVth rank. 56% of the respondents agree to improvement in disposal income. Mean score of response of improvement in disposal income is 3.55 and get Vth rank. 54.9% of the respondents agree to knowledge about new farming technique. Mean score of response of knowledge about new farming technique is 3.47 and get IXth rank i.e. last rank.

Table 7. Model summary impact of FDI on Economic Variable

Model	R	R square	Adjusted r square	Standard error	Durban watson
1	.512	.262	.252	.60946	1.485

a. Predictor:(Constant), any other, GSK, Liberty, Maruti, IMT , clp

b. Dependent Variable: Economic

Table 7 exhibits the relation of FDI and Economic variable in Haryana. Value of correlation is .512 which means that there is favorable relation between FDI and Economic variable. This

relation is significant at 5 percent significance level. Value of R is 0.262 which present that 26% explained by this model and remaining explained by unknown factors. If Value of Durbin Watson is between 1 and 3, then must use regression. Value of Durbin Watson is 1.485 which means that there is no autocorrelation among independent variables.

Table 8. ANOVA table impact of FDI on Economic Variable

Model	Sum of square	Degree of Freedom	Mean square	F value	Significant
Regression	66.298	7	9.471	25.499	.000*
Residual	186.461	502	.371		
Total	252.760	509			

a. Predictor:(Constant), any other, GSK, Liberty, Maruti, IMT , clp
b. Dependent Variable: Economic

   *Significant at 0.05 Level

Table 8 showed that p value is 0.000 which is smaller than 0.05 at 5 percent significance level, which leads to significant statistically, that deny the null hypothesis, which means that the effect of FDI on Rural Development is statistically insignificant in form of Economic variable. Alternative hypothesis is accepted in this case, which means the effect of Foreign Direct Investment inflow on Rural Development is statistically significant in case of Economic.

Table 9. Coefficients table impact of Economic Variable

Model	Unstandarized Coefficient		Standardized Coefficient	T	Significant	Collinearly Statistics	
	B	Standard error	B			Tolerance	VIF

							value
Constant	3.022	.067		45.170	.000*		
Clp	1.209	.095	.628	12.703	.000*	.602	1.662
Maruti	.693	.100	.335	6.952	.000*	.634	1.577
GSK	.395	.110	.165	3.594	.000*	.696	1.438
Liberty	.383	.101	.180	3.778	.000*	.646	1.549
SEZ	.599	.107	.260	5.590	.000*	.681	1.468
IMT	.702	.099	.341	7.065	.000*	.631	1.584
Any other	.655	.115	.259	5.720	.000*	.719	1.390

a. Predictor:(Constant), any other, GSK, Liberty, Maruti, IMT , clp
b. Dependent Variable: Economic

* Significant at 0.05 Level

Table 9 The estimated regression equation as obtained in table 4.21 may be written as:

Economic=3.022+1.209(clp)+.693(Maruti)+.395(GSK)+.383(Liberty)+.599(SEZ)+.702(IMT)+.655(Any other)

As per survey conducted in rural area, effect of FDI is followings:

(iii)Impact of FDI on Infrastructure:

(i) Facility of Safe and Clean Drinking Water, Improve Irrigation Facilities, Electricity Supply, Improve Transport Facilities, Upgrading School Building, treatment facility of waste water, rainwater gathering system, Improved Access to Infrastructure to School, Water Conservation Arrangement, Improved Access to Infrastructure to School, Water Conservation Arrangement, Infrastructure Facilities for Sports like Gym, Playground etc, Improve Village Street, Roads,

(ii)Impact of FDI on Economic Variable:

Increase in Employment Opportunities, Increase in Disposal Income, Improvement in Standard of Living, Improvement in Agricultural Productivity, Increase in Family Expenditure, Knowledge about New Farming Technique, Livelihood Enhancement Program, Monetary Contribution to Academic Institution, Vocational Training Program for Employment, Awareness about Startup Program etc.

Conclusion

- There is positive correlation between FDI and Infrastructure Variable in rural area in Haryana State which means the impact of FDI inflow on Rural Development is statistically significant in case of Infrastructure Variable.

- There is positive correlation between FDI and Economic Variable in rural area in Haryana State. In this case the impact of FDI inflow on Rural Development is statistically significant in case of Economic Variable.

- The Government of Haryana advised that time to time the FDI Policy should be implemented /modified and New FDI Policy should be formulated according to the business environment so that the foreign investors should be attracted and more and more FDI will be done in rural area of Haryana State.

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