

# Journal of Social and Economic Development

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Vol. 15

January-June 2013

No. 1

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## **Informal Trade between India and Nepal through West Bengal-Nepal Borderline: A Case Study**

**Dilip Kumar Chanda**

### **Abstract**

As India and Nepal are close neighbouring countries, large-scale informal and formal trade takes place between the two. This calls for a study on the reasons why such informal trade takes place on a large scale. In this regard, a survey was conducted in the areas close to the West Bengal-Nepal borderline of 90 km. The survey found that an efficient mechanism for the enforcement of contract, flow of information, sharing of risk, mitigation of risk etc. have been developed for the smooth flow of informal trade. It also found that some non-economic and institutional factors like better payment mechanism, better distribution network, bribes etc. influence the informal trade in the study area. It revealed that transaction costs in informal trade are lower than in formal trade.

## **Comparative Analysis of Operation and Functioning of State Finance Commissions and Union Finance Commissions in the Indian Federal Polity**

**Polly Datta and Manish Gupta**

### **Abstract**

In recent times, major discussions have aptly focused on the unsatisfactory performance of State Finance Commissions (SFCs) in all the States. In striking contrast, quite often, Union Finance Commissions (UFCs) are being highlighted as role models for SFCs. This paper attempts to focus on basic structural constraints faced by not only SFCs but also UFCs in the Indian federation that eventually resulted in operational limitations of these two Finance Commissions. Along with this, comparisons between UFCs and SFCs are also drawn with the objective of analysing the extent to which the efficiency of both the commissions gets affected due to such constraints.

## **An Insight into the Financial Inclusion of the States in India**

**Maniklal Adhikary, Supravat Bagli and Papita Dutta**

### **Abstract**

Financial inclusion is now a buzzword in Financial Economics. Recently, several initiatives for effecting financial inclusion have been taken in India. Self-Help Group (SHG)-centric microfinance programme is one such important step. Based on the methodology used for computation of Human Development Index in this study, we have computed the Financial Inclusion Index (FII) for each state in India. Six indicators of financial services have been considered as the components of this financial index. We have examined the impact of human development and SHG-centric microfinance programmes on financial inclusion. Using the data published by the Reserve Bank of India (RBI) and the Government of India, this study has reported the low mean and high variance of the level of financial inclusion among the states of India. Human development has been empirically found to exert favourable effects on financial inclusion and SHG-centric microfinance programmes have been boosting financial inclusion.

# **$\beta$ -Convergence and World Classification with Artificial Neural Networks Approach**

**Majid Sameti, Shekoofeh Farahmand and Kayhan Koleyni**

## **Abstract**

Economic convergence is one of the much-debated topics of new macroeconomics. It refers to the tendency of per capita income of countries (regions) to grow towards a steady-state value. The hypothesis proposes two kinds of convergence: Conditional and Absolute Convergence. This paper studies income convergence among 176 countries during 1980-2003 by using the neo-classical growth model of Barro and Salla-i-Martin (1992) for both kinds of convergence. Non-linearity of the underlying relationships, restrictiveness of assumptions of functional forms and econometric problems in the estimation and application of theoretical models call for the use of Artificial Neural Networks (ANN) algorithms. We show that by changing the quantitative tools of analysis and using ANN, the results can become more precise. These results show that absolute convergence exists and conditional convergence is significant but the speed of convergence is low. The main innovation of the paper consists in clustering 209 world countries according to cross-country structural heterogeneity by using Self-Organizing neural networks and then examining the effect of initial conditions in each cluster.

## **Impact of Socio-Cultural Norms on Science Academia: A Study of Elite Academic Science Institutes in India**

**Namrata Gupta**

## **Abstract**

This study examines the complex relation between socio-cultural norms and organizations in India with focus on academic science institutes. The findings indicate that while academic organizations manifest isomorphism with structures exhibiting structural uniformity, the traditional hierarchical norms in Indian society are reproduced in organizations through interactions, informal norms and procedures. The reproduction of local norms varies across organizations but there is little variation in performance, which leads to a hypothesis that local social norms might not be significant in determining outcomes of the organizations that are strongly integrated into professional norms. This might have policy implications.

# **Are Composite Indicators Really Multidimensional Assessment Tools of Development?**

**Sandrina Berthault Moreira and Nuno Crespo**

## **Abstract**

Development is a complex and multidimensional phenomenon. Therefore, the measurement of development should involve the quantification of its constituent dimensions. Composite indicators have been the favored approach to measuring development. Based on a sample of 54 composite indicators of development, we have analyzed whether these indicators reflect the multidimensionality underlying the phenomenon they seek to measure. We conclude that, in general, the indices of development include only a restricted number of development dimensions. We have also found that education and health are among the dimensions most frequently present in composite indicators of development.