

ISSN 0972-1185

ARTHA BEEKSHAN

JOURNAL OF BANGIYA ARTHANITI PARISHAD

(Bengal Economic Association)

ASSOCIATE MEMBER OF THE INTERNATIONAL ECONOMIC ASSOCIATION

Vol. 28, No. 4



March 2020

ABSTRACTS OF CONTRIBUTED PAPERS

Of

40TH Annual Conference

Of

BANGIYA ARTHANITI PARISHAD

(BENGAL ECONOMIC ASSOCIATION)

Supplement to Artha Beekshan, vol 28, No.4
[Special Issue on 40th Annual National Conference]

Bethune College, Kolkata
February 29 & March 1, 2020

Sponsored by :



ICSSR

ARTHA BEEKSHAN

(Journal of the Bengal Economic Association)
Reg. No. 53099/92

Artha Beekshan is a quarterly referred journal in economics and allied subjects published by the Secretary, Bangiya Arthaniti Parishad. Contributed articles relating to research in economics and allied subjects are considered for publication by the Editorial Board. The reviews of books and monographs are also often published in this journal. From 2013 onwards, the journal has been selected by ICSSR as belonging to the set of top 210 social science journals in India, and indexed regularly by ISID. Authors should follow the guidelines, appended in the volume, before submission of their papers. The publisher shall not assume any responsibility to share the views of the authors contained in their articles. All rights are reserved. Reproduction of any matter from this journal or storing in a retrieval system or transmitted in any form or by any means is not permitted without the permission of the publisher of *Artha Beekshan*.

Editor in Chief : Professor Biswajit Chatterjee (Jadavpur University)

Editorial Advisors : Sir Partha Dasgupta (Cambridge University),
D.M.Nachane(IGIDR),Dipankar Coondo(ISI, Kolkata),
Asis Kumar Banerjee(Calcutta University),Sugata Marjit(CSSSC)

Editorial Board : Abhirup Sarkar(ISI,Kolkata),Soumyen Sikdar(IIM, Kolkata),
Rajat Acharya(Jadavpur University),
Debesh Mukherjee(St.Paul College), V.K.Malhotra(ICSSR)

Managing Editors : Arpita Ghose(Jadavpur University) and
Ranjanendra N. Nag (St Xaviers' College)

Associate Editors: Purba Roy Choudhury(Bhawanipur Education Society College),
Purba Chattopadhyay(Calcutta University),
Sujatra Bhattacharya(Srish Chandra College).

Ex-Officio Members : Secretary, Bangiya Arthaniti Parishad.
Treasurer, Bangiya Arthaniti Parishad.

Invitee : Dr.Mou Roy, Jt. Secretary, Research and Publications.

Online submission of papers for the journal may be made to : arthabeekshan.bea@gmail.com .
Each submitted paper is peer-reviewed double-blind by a panel of distinguished Referees. For subscription, Contribution of Articles, Book Reviews, Advertisements, Collection of Copies and for any other communication contact, Office of Bangiya Arthaniti Parishad, 87/277,Raja S.C.Mallick Road, Kolkata-700047.

ABSTRACT

Session I : Agriculture and Rural Development

1. Munish Y. Alagh
2. Dr. Rivu Sanyal & Dr. Susmita Banerjee
3. Priyonkon Chatterjee & Prof. Sudakshina Gupta
4. Dr. Uttam Haldar, Dr. Dipika Basu, Dr. Arun Kumar Nandi
5. Lekharani Gohain
6. Dr.Sutapa Ray
7. Nazneen Ara Hoque and Jahidul Haque
8. Dr. Rupam Mukherjee
9. Yojna Kharga
10. Dr. Budhen Kumar Saikia

Session II :Industry, Trade, Labour and Emerging Markets

1. Satabdi Dey
2. Debjani Nandy & Prof Jyotish P.Basu
3. Dr. Chandrima Chakraborty & Susobhan Maiti
4. Dr. Chandrima Chakraborty & Soma Pal
5. Aakash Dandapat & Pinaki Das
6. Shantanu Rajguru
7. Biswajit Mandal & Sujata Ghosh
8. Kalyan Das
9. Darshana Bora
10. Kalpita Ray & Prof. Byasdeb Dasgupta
11. Prasun Chatterjee & Gautam Mitra
12. Dr. Maniklal Adhikary & Parimal Ghosh
13. Neeloy Gupta
14. Tushar Das
15. Chandra Kanta Saha

Session III : Inequality and Justice

1. Sudip Jana
2. Rhyme Mondal & Dr.Simontini Das
3. Priya Brata Dutta and Nirjhar Ghosh
4. Jagabandhu Mandal, Debashis Mondal & Dr. Pinaki Das
5. Somasree Poddar (Roychowdhury)
6. Mrs. Sudeshna Gupta
7. Shama Firdaush and Pinaki Das

8. Dr. Ujjaini Mukhopadhyay
9. Shantanu Ghosh & Tarak Nath Sahu
10. Arundhati Bhattacharya
11. Joysri Acharyya

Section IV :Social Sector

1. Shashi Bhusan Mishra & Arijita Dutta
2. Basudha Mukhopadhyay
3. Biswajit Mandal & Deboleena Das
4. Satyanarayan Kumbhakar
5. Jayanta Sen & Piya Ghosh
6. Granthana Sen Gupta
7. Dr. Debesh Bhowmik

Section V: Banking and Finance

1. Pranay Roy Barman:NGOs and Financial Inclusion in West Bengal
2. Srabani Dey & Gautam Mitra
3. Bitobi Lahiri Lahiri
4. Dr. Anusri Mallik & CMA (Dr.) Sudarshan Maity
5. Subhajyoti Majumdar & Prabal Dasgupta
6. Dr.Subrata Kumar Ray & Dr.Gopal Chandra Mandal
7. Sarbajit Paul and Goutam Mitra
8. Dr. Sanjoy De, Dr. Niladri De, Dr. Debottam Chakraborty and Sreyasi Banerjee
9. Pallavi Julasaria & Akanshita Chatterjee
10. Pallavi Julasaria & Debadrita Chakraborty
11. Prasun Chatterjee & Gautam Mitra
12. Sudarshan Maity, Taraknath Sahu & Srimoyee Datta
13. Razdaan Alam and Debolina Saha
14. Asim K. Karmakar & Sebak K. Jana
15. Sakhi Roy and Subrata Kumar Roy

Session I :Agriculture and Rural Development

Institutional Economics Perspectives on Agricultural Development in Gujarat

Munish Alagh

Associate Professor, SPIESR, Ahmedabad. munish.alagh@gmail.com

In this paper, Economics of Institutions relevant to Gujarat Agricultural development are discussed. The meaning of the term “institutions” as used in this note is regarding the rules of society that provide a framework of incentives which shape economic, political and social organisations and behaviour. The following points are discussed in this paper:

- Characteristics and details regarding individual rural stakeholders in Gujarat in different regions and institutional requirements for generating marketed surpluses need to be considered.
- Technology, Irrigation and other input availability has helped the Gujarat farmer but he is still uncertain of his future.
- In areas where soil, water or rainfall conditions are poor, extension is not to be seen.
- Active administration everywhere needed!!
- India has a large Corporate Class with a strong urge to profit from the India Story. Human Development and Social Capital are not terms unheard to them, but for them they are terms which are concomitant and concurrent to economic development.
- If individual initiatives are encouraged by both private and public mentors, across the board, development will be fast.
- More synergy and enabling of farmers in Gujarat is required, if horticulture or contract farming is to succeed.

The theory related to institutional economics which differs from the economics orthodoxy in its way of explaining policies, is used to do the same for showing new ways for rural transformation in Gujarat.

MGNREGS and its Economic Viability**Dr.Rivu Sanyal &Dr.Susmita Banerjee****Assistant Professor,Dept.of Economics,Charuchandra College,Kolkata
&Associate Professor,Dept.of Economics,Charuchandra College,Kolkata**

MGNREGS was one of the largest public policy initiative taken anywhere in the world. The purpose of the scheme is to provide employment opportunities to all those who are otherwise unemployed for atleast 100 days and also to create sustainable public assets. It was implemented across the country since 2008-09. The scheme is gender sensitive and socially inclusive in its design. It provides employment opportunities to women in a significantly higher number. Despite multiple successes there are criticisms also about MGNREGS. The criticism are mainly due to the high cost involve in implementing the scheme. There was a criticism regarding the coincidence of the increase in net fiscal deficit in the post 2008-09 phase with that to the cost incurred in implementing MGNREGS. The figure demonstrates an increase in net fiscal deficit in the post 2008-09. But the main question is whether it is due to the expenditure incurred in MGNREGS or not. The purpose of the paper is to find out the answer of this question and simultaneously to analyze the economic viability of he scheme. In order to do so, we consider the different major components of government expenditure ,along with MGNREGS expenditure and collect the data of all of them .Simultaneously, we consider net fiscal deficit as an important variable and collect the data of that variable. The data are collected from different official sources and they are secondary in nature. The entire study is done graphically by comparing the different components of government expenditure along with MGNREGS expenditure. Simultaneously, a graphical study is done by comparing all the major components of government expenditure along with MGNREGS expenditure as percentage of net fiscal deficit. But the graphical study may not be sufficient enough to reach a conclusion. Thus we require a statistical analysis. The purpose of the analysis is to find out the impact of MGNREGS expenditure on fiscal deficit by eliminating the dominant role played by the others variables. The statistical analysis is conducted by calculating the partial correlation coefficient and conducting a t-test over the value of partial correlation coefficient.

MGNREGP: A Key to Development
A block level case study of Hooghly District

Priyonkon Chatterjee*

Prof.Sudakshina Gupta**

***Faculty of Economics, PGT, Mahesh Sri Ramkrishna Ashram Vidyalaya**

**** Professor, Dept of Economics, University of Calcutta**

The National Rural Employment Guarantee Act, 2005 (NREGA) guarantees 100 days of wage employment in a financial year to any rural household whose adult members are willing to participate in unskilled manual work. Serampore-Uttarpara block of Hooghly District in West Bengal was chosen for study purpose. The study tries to review the current status of implementation of NREGA in the survey area and has observed the awareness level of the beneficiaries as well as some institutional gaps in the implementation of the scheme. Forty two households have been chosen from six gram sangsads on random sampling basis. The respondents were asked through close ended questionnaire on several aspects of MGNREGA. The beneficiaries believe that if effectively implemented, NREGA will be a more effective instrument for reducing poverty and employment generation in rural economy of West Bengal.

Role of CPRs in Sustaining Agricultural Practices in Bankura district, West Bengal

Dr. Uttam Haldar*, Dr. Dipika Basu & Dr. Arun Kumar Nandi*****

*Assistant Professor of Economics and HOD, Department of Economics, Serampore Girls' College, University of Calcutta, Mob: 9830856725, Email: haldaru@ymail.com;

** Professor of Economics, West Bengal State University, Mob: 7980388020, Email: dipikawbsu@rediffmail.com; *** Associate Professor of Economics, Chakdah College, Kalyani University, Mob: 9433332475, Email: anu_dipa@yahoo.com

In the context of agrarian distress the present paper is concentrated for an intensive study about the role of Common Pool Resources (CPRs) as complementary assets for the sustainability of cultivation to rural poor people who are engaged in subsistence paddy cultivation with their marginal and tiny land holdings in drought prone Bankura District, West Bengal, India. The study uses primary data collected from 424 households on the basis of stratified random sampling across four development blocks namely Chhatna, Saltora, Ranibandh and Raipur of Bankura District in West Bengal, eastern state of India during September 2014 to Aug 2015. The study uses Sustainable Livelihoods Approach (SLA) following DFID (1999) to assess the effectiveness of CPR towards the sustainable agriculture practices. There are two stage classifications of sample households: 1st on the basis of principal source of earnings and in the second stage by size of operational holdings. Both methods are

follows according to NSS 68th round. Variation in cost of cultivation of paddy is analyzed following the guide lines of the scheme of cost of cultivation (cost A1, A2, B1, B2, C1, C2), Government of India. Determinants of productivity are identified by Dummy variable multiple regression model. The present study focuses on those components of CPRs, the accessibility of which reduces or saves the paid-out cost of cultivation directly or indirectly resulting to increase in gross farm income to rural households. Income from common pool resources (CPRs) is calculated as value-added, which is the gross benefit net intermediate inputs not including labour

From the analysis it is found that average land holding size in sample households is 0.6710 hectare. 21.7 per cent households possess no cultivable land. 72 per cent household possess either marginal or small land holding size. Only large farmers (6.13% of sample households) got positive return over total cost (C2) and net farm income (which is value of output over total cost) of rest households is negative. It means marginal and small land holdings in Bankura district are not economically viable. Return over cost B2 is positive (8-46%) after excluding the imputed value of wage of family labour. Excluding the imputed rental value of own land and wage of family labour from cost, then return over paid out cost is substantial (141-218%). This implies that paddy cultivation gives the rural people an opportunity to use their land and labour in productive activity to earn income from agriculture.

Productivity of Paddy among sample households varies from 24.92 per cent to 49.84 per cent. Result of dummy variable multiple regression model found the factors that are facilitate to raises the productivity of paddy are as follows: larger land holding size, larger size of plot, lower location of plot, accessibility of common pool water resources (CPWRs), households with cultivation as principal activity, larger household size, cultivation with own bullock, mechanical farming, ownership irrigation device, accessibility of HYV seeds, applying of pesticides, applying of Manure.

As per CPRs concerns accessibility of grazing land saves cost of ploughing and applying manure. Accessibility of these CPWRs reduces the cost of irrigation substantially; stabilizes the production, productivity and farmer's income. Accessibility and availability of CPRs (village forest and woods) saves these costs of making and repairing plough, cart and fencing. All these components of CPRs collectively saves paid out cost (A1) on average 45% and maximum 85%. About 82% of paddy cultivating sample households get benefitted from CPRs. Cost saving reduces the needs of liquid money for payment of paid-out cost of production and hence the dependency and exploitation by money lenders may reduce with proper utilisation and management of CPRs in rural areas. In all the way burden of cost of the farmer get reduced. Hence, CPRs can be treated as shock absorber.

Along with cost reducing, CPRs also enhance productivity by supplying grass for healthy bullock which tills land well and assures more manure and by supplying water for irrigation. As the household utilizes their land, and labour, household's gross income will increase substantially in the view of low employment opportunity and high cost of agricultural operation. Thus cultivation will be remunerative.

The analysis finds that those households have more private property resources (more family member, ownership of bullock, own pump set and more operational holdings) they extract much benefits from CPRs by utilizing different component of CPRs.

Determinants of India's Agricultural Trade: An Analysis using Panel ARDL Approach

Lekharani Gohain

(Research scholar), Department of Economics and Politics

Visva-Bharati, Santiniketan; E-mail: lekha_go@hotmail.com;

Contact Number: +91-9365277074

Being the foremost sector of Indian economy since independence, agriculture has extensive flair for production. Recent data on agriculture shows that, growth in agricultural production is surpassing the domestic demand and witnessing accelerated growth in volume of surplus production. This surplus amount offers India the opportunity to enter and compete with the global markets to earn foreign exchanges. India's role in global export of agricultural products is steadily moving towards an upward direction. As per WTO trade data (2016), India ranked tenth among the major global exporters. Its share in total exports in 2016-17 is 12.07 per cent and in global exports is 2.2 per cent (DGCI&S). Growth rate of overall exports of agricultural products in 2016-17 is 2.64 per cent as compared to the previous year. Despite of all the prospects, the scenario of the sector is quite upsetting when its share to national GDP is accounted. Share of agriculture to national GDP has declined from 50 per cent in 1950 to 17.32 per cent in 2016-17 (Economic Survey of India 2017-18). The post-WTO period witnessed adverse outcome of production in all sub-sectors, except for forestry. Perishables like fresh fruits and vegetables, fisheries experienced losses due to poor post-harvest management, inadequate cold chain and processing facilities etc. Therefore it remains a salient area for the researchers and policy makers to study the key determinants of agricultural exports to evaluate their potential impacts on tradability of Indian agriculture.

The purpose of the present study is to examine the effect of selected trade indicators on agricultural trade of India. Annual data from 1990-2016 is used for the study. The variables taken under the study are— value of agricultural exports and imports for ten major exportable

and ten major importable agriculture products, nominal exchange rate measured in terms of US dollar, applied tariff rates for primary products, GDP per capita measured in current US dollar and productivity per hectare of each crop.

Depending on different orders of integration of the variables, panel ARDL model is employed to estimate the long run and short run relationship among variables. Pedroni residual co-integration test statistics suggest that the variables are co-integrated. The PMG estimates for agricultural exports of the model show that all the regressors (i.e, nominal exchange rate, partner country average tariff rates, relative price of home country and the world, world GDP per capita and productivity per hectare) have long run relationship with agricultural exports as the probability values are significant at 1 per cent level (partner country average tariff at 10 per cent level). All the regressors are significant and have their usual and expected signs, except for exchange rate. The negative and significant (at 1 per cent level) short run co-integrating equation or error correction term (ECT) indicates that even if the exports of agricultural commodities deviate from its equilibrium, they converge towards the equilibrium level in the long run with 43 per cent speed of adjustment. Likewise, the PMG estimates for agricultural imports of the model indicates that home country GDP per capita has positive and significant impact on agri-imports, while relative price is insignificant. Irrespective of changes in exchange rate and home country tariff rates, agri-imports are going on increasing depicting that the commodities have inelastic demand in India. The deviation from long run equilibrium is corrected at 57 per cent speed through error correction mechanism. One interesting result is that, in both the cases of agri-exports and agri-imports, the basic notion of the effect of exchange rate variability on trade is failed to explain agricultural trade in India.

From the findings of the study, the conclusions as well as the suggestions are as follows,

- i. It is observed that the relative prices of agricultural products influence agri-exports. Therefore prices for exportable agri-products should be set lower than the world price for the enhancement of agri-exports of India.
- ii. Policies should be taken to inflate the level of productivity focusing mainly on the exportable agri-products, as productivity significantly determines India's agri-exports.
- iii. For agri-imports, GDP per capita is crucial among all other indicators. However, imports of current period are determined by the tariff rate of the previous period which is found significant at the level of 10 per cent.

Interestingly, although exchange rates are significant in explaining both agri-exports and agri-imports of India, it contradicts the basic conception about the relationship between exchange rate and international trade which is still a vexed matter as found in various earlier literatures.

Tribes in West Bengal: A Blinkered Vision of Development**Dr. Sutapa Ray****Associate Professor, Department of Philosophy
Prabhu Jagatbandhu College, Andul-Mouri, Howrah**

Tribes are the ethnic groups having their own customs, cultures, lifestyles that are different from the non – tribal people, and form their own social organization according to their own needs and requirements. They are the original settlers and inhabitants, of the country. Tribals are the most marginalized, deprived and depressed class of people since inception. They have been exploited like anything, despite the number of laws enacted for their development in the Country. There are a large number of Constitutional Provisions and laws, particularly for protecting and safeguarding the welfare, interests and rights of the tribals, but it is seen that they are prevalent in pen and paper rather than in practice. In practice, most of the tribal people are unaware of their rights. They seem to be entirely oblivious about their rights. Some don't even know that any law exists for them. Most of them do not have the capability to read and right, so they remain unaware of the legal provisions and their implementations. It is very much ironical that inspite of the laws for the sake of the tribals, they are still in the process of marginalization and exploitation. The basic reason for this is the lack of implementation of procedures of the Constitutional Provisions and the enacted laws.

Presently, as per the Provisional Census of 2011, India's Population includes nearly about 104 millions "Scheduled Tribes", but nearly every day the rights of the tribal are being exploited, resulting in total injustice despite the plethora of legislations specifically made for them. Tribal are the most disadvantaged and marginalised section of the society who live in terrible poverty with high rates of illiteracy, disease, early mortality etc. They are the most deprived communities of the earth with respect to the lands which mainly leads to poverty which in turn again leads to exploitation and injustice. So they need special care and protection, but unfortunately this is not done. In fact, on the contrary, exploitation is maximum. They have been forced to come down to the most lower rung of the local power hierarchies by the influx of the non-tribal in the areas where once they were the majority. This paper has tried to focus on the tribal of West Bengal highlighting the causes of their poor and wretched condition.

West Bengal is a glaring example of racial and cultural variations and blending. A study of the Tribal in West Bengal reveals that the ancient Dravidian communities have been economically and culturally exploited since years and is continuing today also. The clear example of that exploitation was the Santal Rebellion of 1855-56. The other communities also were a part to the revolt. Today in this 21st century the pattern of exploitation to these

communities changes and is taking place in the form of global capitalism, evidenced by the revolt in Nandigram in Midnapore District, where the ruling party of West Bengal brutally crushed Dalit villagers fighting to retain their lands, which the State Government had handed over to Megacorporations such as Tata grps. & Salim groups of Indonesia, by designating these lands, as SEZs or Special Economic Zone. Then again recently the activities of the Maoists over some districts of West Bengal like Bankura, Purulia, Midnapore etc. have had a drastic effect on the lives of the tribals.

This study is mainly on the tribal in the state of West Bengal. This study will try to reveal the social condition of the tribal in West Bengal focusing on their problems and finally making some recommendation for their upliftment and betterment.

Profitability of Traditional Farming and Allied Activities: A Case Study of Kamrup Rural District, Assam

Nazneen Ara Hoque¹ and Jahidul Haque²

^{1&2}, Ph.D Research Scholars, Deptt. Of Economics, Gauhati University, Guwahati-781014, Assam, India, E-mails: nazneenara0@gmail.com / jahidulhaque1993@gmail.com

Since agriculture stays to be one of the most crucial sectors of the Indian economy, the need to boost agricultural output and productivity becomes important. Assam is an agrarian based state, where agriculture and allied activities are found to be an important source of livelihood to its people. Agriculture and allied activities supports about 70 Per cent of its population and agriculture alone contributes about 53% to the total workforce. Agriculture and allied activities contributes more than one fourth (26.19%) to the State's Net Domestic Product (NSDP). To the primary sector, the contribution of allied activities was 15.81 per cent in 2015-16. The Choice of crops or a product for farming depends upon the rate of return from those activities. Higher the returns more will be the efficiency of that particular crop in terms of both monetary and non-monetary gains. It has been seen that the traditional farming activities are subsistence in nature so farmer often opt for allied activities or along with the traditional farming. Keeping this view in mind the following objectives have been undertaken-

Objectives: 1. To investigate the profit efficiency between traditional crops and allied activities at farm level; & To analyse the factors affecting profit efficiency of the farming activities.

Research Hypothesis: H_0 : there is no significant relationship between the rate of return of traditional crops and allied activities; H_1 : There is a significant relationship between the rate of return of traditional crops and allied activities.

Results:

The study finds that the rate of return from the allied activities is comparatively more than that of traditional crop production. Factors like education, farm size and HYV seeds etc. are found to be significant in terms of profit efficiency of the farming and allied activities.

Determinants of Non-farm Income as Sustainable Rural Livelihood strategy in West Bengal

Dr. Rupam Mukherjee

Assistant Professor of Economics, Department of Economics

Kabi Sukanta Mahavidyalaya, Burdwan University

Contact No. 9874590440, Email : rup4anu@gmail.com

Motivation : More than two-third of Indian population lives in the rural sector and agrarian economy remains central to rural livelihood. But due to rising cost of cultivation, shrinking farm sizes, stagnant productivity and climate change, farming practices have turned out as losing proposition. This agrarian distress has resulted in significant growth of nonfarm sources of income in the last two decades in the nation as a strategy for sustainable rural livelihood. Almost 43% of rural households are now engaged in nonfarm activity. Non-farm sector has the potential to absorb surplus labour from agricultural sector, reduce rural-urban migration, stabilizes income of farmers and enhance economic viability of rural economy. Due to a continued lag in urban job creation and urban congestion, a priority is to promote rural non-farm employment. Rural Non-farm activities are also important sources of the local economic growth (e.g. tourism, mining, timber processing, handicrafts etc.)(Hazell & Haggblade, 2010).

Objectives : The paper has tried to (a) understand the nature and composition of Rural Non-farm Income (RNI) activity in the area of study; (b) investigate how different socio-economic factors affect the participation of RNI in the area of study; (c) identify and rank the importance of different pull and push factors responsible for participation in RNI activities in terms of the feedback received from respondent farming households.

Major Findings : The study shows that the likelihood of participation in nonfarm activity increases with the level of education and size of households, but it decreases with size of landholdings and access to credit. Except household size, all other determinants are statistically significant in explaining the result. Responses of the sample farmers highlighted that lower risk of RNI activities compared to on-farm activities is the most important factor responsible for choosing non-farm activity, followed by increasing scarcity of arable land & decline in fertility, rising cost of inputs and lack of access to rural credit. So farmers are

choosing non-farm income activities mainly due to distress push factors rather than demand pull factors.

Policy Relevance : The study proposes an important role of government to build the proper infrastructural facility in rural areas for agro-processing units, spread of technical education for skill formation conducive to nonfarm employment and to enhance credit accessibility of farming households in the area of study.

Organic Farming in Sikkim: Policy, Performance and Challenges

**Yojna Kharga, Assistant Professor (Economics)
Kalimpong College**

Organic farming is a form of agricultural practice that promotes environmentally, socially and economically sound production of food. Over the last one decade organic farming systems have attracted increasing attention because they are perceived to offer some solutions to the problems currently besetting the agricultural sector. At this juncture when the area under organic cultivation in the country is yet to cross one percent (certified) of the total agricultural land, the small Himalayan state of Sikkim has stolen the show by becoming India's first fully organic state. With the concerted efforts of the government and the enthusiastic participation of the farmers, Sikkim has converted a considerable land under organic certification. The production data reveals the fact that going organic did not decrease the production of crops even if it could not show a marked increase. Organic farming can thus become one of the components to bring stability and sustainability to agriculture in this region. Nevertheless, the farmers have to face several problems in storage, processing, value addition and marketing fronts.

Challenges of Tribal economy for Sustainable Development: A case study of

Tiwa tribe of Assam

Dr. Budhen Kumar Saikia

Faculty of Economics, Morigaon College under Gauhati University, Assam,
Contact: 9957508517, bksaikia123@gmail.com

It is a challenging period of Indian Economy from growth and development fronts. On one hand the economy is designed to attain the growth so that it may reach the goal of 5 trillion economies in this current decade and on the other hand, the economy is going to envelop the transformational strategies for reviving the marginal economic forces like tribal economic units of rural India. Urbanization is also forcibly downsizing the rural economic strengths.

The traditional agricultural practices and knowledge have been showing a distinct mismatch between the needs and achievements of production in practice.

Tribal economy in Assam is generally an agriculture-based economy. The tribal people normally live in rural areas both in hills and plains. The plain tribal groups are seemingly found at a better economic position as compared to hill tribal groups in Assam. Due to long standing structural aspects, the tribal economy needs a rapid transformation, protection and specialized developmental strategies. Of late some policy measures have been taken for rapid development of tribal economy but the effective results are yet to come.

Tiwa is a group of tribal people in Assam living mostly in Morigaon and Nagaon districts of middle Assam. Tiwa or Lalungs belong to an important tribal community of Assam with its ethnic identity. In the light of New Economic policy or the principle of liberalization, privatization and globalization, the tribal economy has been compelled to adopt the commercially competitive livelihood instead of self sufficient primitive agriculture. The tribal development policies of the government helped the Tiwa to develop their economy through self consciousness. Presently the SHGs (Self Help Group) are increasing in a revolutionary trend and expansion of microfinance has given the news dynamism to the rural economy of Tiwas. Recently it is seen that the Tiwas are greatly influenced by the political consciousness regarding autonomy and strategic economic policies for development.

Humble attempts are made to highlight the challenges of tribal economy of Assam in general and case study of Tiwa tribal community in particular concentrating on sustainable development.

Keywords: tribal economy. Tiwa, development, sustainable development

Session II :Industry,Trade , Labour and Emerging Markets

Regional disparity in MSME growth: An analysis from the perspective of financial penetration in West Bengal

Debjani Nandy*, Dr. Jyotish Prakash Basu **

***Research Scholar & **Professor of Economics, West Bengal State University,Barasat, WestBengal,India**

The MSME sector is a very important driving force in bringing about an economy's sustained and balanced growth especially in the context of India where there exists massive regional inequality. But growth of this sector is highly impeded by the availability of finance and especially the MSMEs of the backward regions are highly finance constrained. The objectives of the paper are to investigate the role of financial penetration of WBFC and scheduled commercial banks, being the two most important sources of long term and short term formal finance respectively, causing disparity in the growth of MSMEs across different regions in West Bengal. The study also investigates whether the service of scheduled commercial banks and WBFC differ between regions having more and less gross domestic product. The study tests the following hypotheses :

- a)Number of MSME units are higher in those regions which have higher disbursement of loans from WBFC and higher value of index of financial penetration of scb
- b)WBFC branches disbursement of loan is higher in those regions which have higher gross domestic product
- c)Scheduled commercial banks penetration is higher in those regions which have higher domestic product

Secondary data has been used for the study and index of financial penetration of scheduled commercial banks across different regions of West Bengal has been constructed. Those regions have been selected which have branch offices of WBFC. Pearsonian Correlation coefficient with linear trend line has been used for the analysis. The study finds that regional financial penetration of scheduled commercial banks and WBFC play significant role in regional growth disparity of MSME and regions with higher gross domestic product have significantly better financial penetration of the formal institutions

Role of Firm Level Variables in Assessing Sound Capital Structure and Leverage- A Comparative Study between M & M and Tata Motors

Satabdi Dey

Research Scholar, Vidyasagar University

A proper capital structure decision is a crucial part of decision making in any organization. It determines firm's ability to be successful in the long run. As well as the capital structure decision effects the performance variables of the firm. On the other hand, the firm level variables help in assessing a significant leverage ratio. Here the study has been conducted in automobile industry at firm level considering two automotive player Mahindra & Mahindra and Tata Motors. It is found that total liability to total asset ratio is a better predictor of solvency in case of Mahindra & Mahindra whereas the debt ratio is more significant predictor for Tata Motors. Among the 8 major variables only two variables found to be significant in determining leverage ratio namely fixed asset ratio and return on asset. Again, fixed asset ratio is most significant variable for assessing leverage ratio.

Analysis of Total Factor Productivity Growth of Indian Yarn Sector: A Non-parametric Approach

Dr. Chandrima Chakraborty¹&Susobhan Maiti²

¹Assistant Professor, Department of Economics, Vidyasagar University, [Email.- chandrimaeco@gmail.com](mailto:chandrimaeco@gmail.com)

²ICSSR Doctoral Fellow, Department of Economics, Vidyasagar University
[Email.-susobhaneco@gmail.com](mailto:susobhaneco@gmail.com)

Yarn is a long continuous length of interlocked fibers, suitable for use in the production of textiles, sewing, knitting, weaving, and embroidery. Thread is a type of yarn intended for sewing by hand or machine. Modern manufactured sewing threads may be finished with wax or other lubricants to withstand the stresses involved in sewing.

Spinning is the twisting together of drawn-out strands of fibers to form yarn, and is a major part of the textile industry. The yarn is then used to create textiles, which are then used to make clothing and many other products. There are several industrial processes available to spin yarn, as well as hand-spinning techniques where the fiber is drawn out, twisted, and wound onto a bobbin.

The yarn (Spinning) sector in India is completely (100 per cent) organised and is globally competitive in terms of variety, process and production quantity. India has about 40 million spindles (23 per cent of the world). Independent spinning mills account for about 75 per cent

of total capacity and 92 per cent of the total production (Ministry of Textile, India). These mills are chiefly located in North India. The output is affected by the quality of fiber and the cleaning process of raw materials.

1. Survey of Literature

There are various studies on TFPG in different manufacturing industries in both the international as well as Indian Context.

Studies Relating to Indian yarn sector Context

The literature review reveals that very little efforts have been taken to analyse Indian Yarn sector. In this connection some names can be mentioned like Verma(2000), Bedi(2003), Hashim(2004), Hashim(2005), Devaraja(2011), Tandon and Reddy(2013), Dikshit, Basa and Vagrecha(2015) and Yoganandan and Vetriselvan(2016) among others.

2. Research gaps

The literature suggests that there is a dearth in the study analyzing Total factor productivity growth (TFPG) of Indian Yarn sector. Also little attempt has been taken to analyse the different firms of the Indian yarn sector in terms of total factor productivity considering both Multi-Fiber-Agreement(MFA) period and the post MFA period.

3. Objectives

The present paper adds the literature in this direction and measures total factor productivity growth and its components of Indian yarn sector using firm level data employing Data Envelopment Method (DEA) approach. Side by side the major determinants of TFPG that can promote the TFPG is attempted to be find out. Also this paper wants to find out the effect of MFA on TFPG.

Thus the main objective of the present paper is to find out the Total factor Productivity growth of Indian Yarn sector as well as the factors affecting TFPG over time.

5. Methodology and Data source

This section presents the methodology and the data used in the analysis.

5.1. Methodology

The study is based on two stage methodology-

Stage-I: TFPG is measured for the three subsectors separately using nonparametric DEA approach.

Stage 2- Factors influencing the Total factor productivity growth (TFPG) are determined.

The following factors are considered as possible determinants of TFPG: Firm Size (FS), Firm Age (FA), Net export Intensity (NXI), Research and Development intensity (RDI), Advertising Intensity (ADV), Marketing expense Intensity (MEI), MFA Dummy (D1)

5. 2 Data Source

The data for this study were drawn from the Centre for Monitoring Indian Economy (CMIE) database. We have collected data of firms during 1991 to 2015. For the empirical analysis and estimation, data on sales value, raw material expenditure, salaries and wages, Power and Fuel expenditure, Capital Expenditure and changes in stock value of output at the firm level were collected.

Those firms are selected for which all the data of inputs and outputs and the determinants are available and positive over the twenty five (1991 to 2015) years. On the basis of this fact, 22 firms have been selected for Yarn sector.

6. Results and interpretation of the analysis

Total factor productivity growth varies over the range 0.994 to 1.529. The mean of the annual average TFPG or the grand mean (GRM) is **1.114**; and the coefficient of variation (CV) is **0.117**. Productivity growth embedded itself the extent of technical change, technical efficiency change and scale efficiency change; one may be concerned in knowing about the movement about these three components.

Marginal effect of Firm Size, Firm Age, Net Export Intensity, Research and Development intensity, Advertising Expense Intensity and Marketing Expense Intensity on TFPG is found to be positive. Firm Size is found to affect TFPG positively and significantly. The coefficient of firm age is found to be positive and significant, which means that with increase in firm age, the TFPG has increased. Net export intensity affects TFPG positively and significantly. With rise in net export intensity, TFPG rises may be due to the shift in the frontier because of knowledge spillover from the international contacts and spillovers from technology diffusion. There exists positive inverted-U shaped relationship between Research and Development Intensity and TFPG in Indian Yarn sector. The coefficient of marketing expense intensity is found to be positive and significant, which means that with increase in marketing expense intensity, the TFPG has increased. The result also shows that firms spending more on advertisement, TFPG of that firm is larger. The effect of dismantling of MFA has a positive and significant effect on TFPG. Thus the dismantling of MFA has a favorable effect on TFPG and promotes TFPG of Indian Yarn Sector. It is found that there exists a simultaneous kind

of relationship between TFPG and Firm Size. Research and Development affects Firm Size positively. The coefficient of firm age is found to be positive and significant, which means that with increase in firm age, the Firm Size has increased. But after some threshold limit there is increase in Firm age decreases the Firm Size. There exists an inverted U-shaped relationship between Firm Size and Capital Intensity in Indian Yarn sector. The result also shows that firms spending more on advertisement, Firm Size of that firm is larger. The coefficient of marketing expense intensity is found to be positive and significant, which means that with increase in marketing expense intensity, Firm Size has increased. Marginal effect of TFPG, Firm Age and capital Intensity, on Firm Size is found to be positive. It is also found that there exists a simultaneous kind of relationship between TFPG and Research and Development Intensity. It is already found that RDI affects TFPG. There exists positive relationship between Firm Size and Research and Development Intensity in Indian Yarn sector. Net export intensity affects RDI positively and significantly. With rise in net export intensity, RDI rises. There exists a positive relationship between RDI and Capital Intensity in Indian Yarn sector. Marginal effect of TFPG, Firm Size, Net Export Intensity and Capital Intensity on Research and Development Intensity is positive.

Determinants of Employment in Food and Beverage Industry in India: A Study using State Level Data

Dr. Chandrima Chakraborty

Assistant Professor, Department of Economics with Rural Development,
Vidyasagar University

&

Soma pal

ICSSR Doctoral Fellow, Department of Economics with Rural Development,
Vidyasagar University

Introduction

The Food and Beverage Industry (FBI) in India is a sunrise sector in terms of its large potential growth. During the last 5 years ending 2017-18, FBI has been growing at an average annual growth rate of around 8.41 per cent as compared to around 3.45 per cent in agriculture at 2011-12 Prices. FBI has also emerged as an important segment of the Indian economy in terms of its contribution to gross domestic products and employment, it constituted as much as 8.83 per cent and 10.66 per cent of gross value added in manufacturing and agriculture sector respectively in 2017-18 at 2011-12 prices (Annual report of MOFPI, 2018).

FBI is one of the major employment intensive segments constituting 12.43% employment generated in all Registered Factory sector in 2016-17 (Annual report of MOFPI, 2018). As per the 2016-2017 Annual Survey of Industries, there are 37,175 registered food processing units in the country that employ approximately 1.7 million people in food and beverage manufacturing (Sengottaiyan & Nandhini, 2016).

The review of the literature on Indian FBI suggests that not much attempt has been made on the issue of growth of employment. Also state level study on employment in FBI is practically lacking in the literature. Thus an attempt has been taken in the present study to fill the gap in the existing literature.

Objectives

The major objectives of the present study are to find out the employment growth of FBI in different major states of India, Whether the series of employment for each states converges to a path having trend preserving properties and to check for the presence of structural break in the employment series. Side by side it will be interesting to identify the determinants of workers, workers other than employee and employee other than worker growth.

Methodology

In this paper, the first three objectives namely whether the series of Employment for each sample states converges to a path having trend preserving properties, to check for the presence of structural break in the employment series and to find out the employment growth, Sen (2003) approach of one-time endogenous structural break have been used. For identifying the reasons behind the variation in growth of employment, a panel regression approach has been employed. To find out the possible determinants of growth of employment, the variables like Output, firm size, degree of mechanization, wage rate are considered and panel regression approach has been used.

Data

The paper made use of the secondary time series data for the fifteen major selected states namely Assam (AS), Bihar (BH), Orissa (OR), West Bengal (WB), Karnataka (KA), Haryana (HA), Andhra Pradesh (AP), Gujarat (GU), Madhya Pradesh (MP), Maharashtra (MH), Punjab (PU), Rajasthan (RA), Uttar Pradesh (UP), Kerala (KE), Himachal Pradesh (HP), Jammu & Kashmir (JK) and Tamil Nadu (TN) taken from the various issues of Annual Survey of Industry published by the Central statistical Office (CSO), Ministry of Statistics and Program Implementation, Government of India over the period 1980-81 to 2013-14.

Results of analysis

The major findings of the present study are as follows:

- Among the 17 major states, 15 states like AP, AS, BI, GU, HA, KA, KE, MH, MP, OR, PU, RA, TN, UP and WB follows trend stationary (TS) process implying convergence towards stationary process and variability of the series remain constant overtime. Only the two states HP and JK are difference stationary (DS) that means no conclusion can be made about the growth of employment of those states.
- For the states PU the break point found in the year 1990-91. Whereas for the states GU and KA the break point found in the year 1992-93. TN and RA, have the break point in the year 1993. For the state BH and WB the break point found in the year 1995-96. For the state MH, MP, and RA the break point found in the year 1996-97. For AS and AP the break points found in the year 1999-00 and 2006-07 respectively.
- Among the 15 TS states 12 states like, AP, BI, HA, KE, UP, OR, WB, KA, MP, PU, TN and RA have significant growth found before and after the break point.
- For determinant analysis of employment, we separate total employment data in to three categories, like employee other than worker, workers other than employee and workers as a whole to get a complete idea about the scenario of employment in food beverage industry. The regression equation is found to be non-linear for all three types of employment. It is found that firm size & Wage negatively effect on workers other than employee but positively effect on growth of employees and overall employment. Outputs are positively associated for all three types of employment. Whereas capital intensity found to be inversely related with growth of worker other than employee but positively associated with growth of employee other than worker and overall employment.

Employability and Productivity of Unorganised Manufacturing Enterprises in West Bengal

Akash Dandapat¹ and Dr. Pinaki Das²

1. Ph.D. Scholar, Department of Economics, Vidyasagar University, *email:*
akashdandapatn5@gmail.com

². Associate Professor of Department of Economics, Vidyasagar University, *email:*
pdasvu@mail.vidyasagar.ac.in

The small scale manufacturing enterprises that fall under the unorganised manufacturing sector have played an important role in West Bengal. These small enterprises have huge

employment opportunity than the organised or big enterprises. The paper explores the employability and productivity of Unorganised Manufacturing Enterprises (UMEs) of West Bengal by using NSSO Unit Level Data of 67th and 73rd Rounds. It reveals that the employment of UMEs increased significantly in West Bengal during 2010-11 to 2015-16. Productivity is found to be positively and significantly influenced by male ownership, own account enterprises, expanding status of growth, government assistance and capital intensity.

**International price making of Gold and its availability that impacts
Indian jewellery sector**

Shantanu Rajguru

**Industry Consultant, Speaker, Author & former Director, Gem & Jewellery Export
Council, Mob: 9830811321 Email: rajgurushantanu1@gmail.com**

The Gem and Jewellery sector is home to an exalted age-old heritage for its rich craftsmanship and plays an important role in the Indian economy. India's love for gold is not only emotional as it is rooted in social customs, weddings, celebrations, festivals, anniversaries and religious rituals, but also as investible asset, a component of personal gold standard to social security, because gold is still considered a form of money, an alternative means of storing value, wealth preserving asset, as a hedge against inflation, as collateral in lending, and ensures credit access to rural households. The demand for gold is almost inelastic in the domestic market. Gold supply in India is largely through imports because less than 1 percent is mined locally, about 10 percent is recycled, and the rest 89 percent is imported in refined form which is 79 percent and other 10 percent gold in doré form. But what influences gold's availability and why Reserve Bank of India still holds gold as reserves are some of the aspects that require studies that might have influence over gold availability and the sector's overall export performance, which has not been studied so far. The jewellery sector is a net foreign exchange earner for the country and is positioned as one of the top three principal exports from India. The sector contributes to 15 percent of India's total merchandise exports, 7 percent of nation's Gross Domestic Product, and employ more than 6.1 million skilled and semi-skilled work-force in the labour intensive, unorganized jewellery industry. The lack of data on consumption of all manufactured goods using gold as input prevents a detailed analysis on the estimates of gross value addition or employment in this sector. A look at the gems and jewellery industry and exports would however give some indications on the importance of gold in the economy. The component of jewellery include gold, silver, platinum, diamond, precious and semiprecious stones mounted on to jewellery. The majority of the fragmented industry operators and units across the country, constituting 90-95 percent, fall under the category of Micro Small Medium Enterprise. The potential for growth of this

sector relies on low cost labour in manufacturing and the advantage of skilled, pooled, and mobile labour force, transitioning into new age techniques to scale up. Provisionally, the net overall exports from India during 2008-09 was USD 24.89 billion, and that of gold jewellery is USD 8.85 billion, and exhibits continued growth that peaked at USD 43.21 billion in 2012-13 while that of gold jewellery is USD 13.26 billion. The export appears to decline over the years as it registered during 2017-18 a net export of USD 32.76 billion with gold jewellery at USD 9.67 billion. As against export, the import of gold was at 647 tonnes in 2008-09 at a price \$ 872/ ounce, 906 tonnes in 2011-12 at \$1669 per ounce, which peaked at 1005 tonnes in 2012-13 at \$ 1411 per ounce costing USD 53.8 billion, and successively fell to 524 tonnes costing USD 27.5 billion in 2016-17 at a price of \$ 1251 per ounce. The objective is to explore and review how various factors that sets the international price of gold, denominated in US dollar, have impact over the export performance of the jewellery sector in India. Some of the extraneous factors that can influence international price of gold are mined supply, market making dynamics, geopolitical overhang, central bank reserve holding's, central banks purchase and sale, international monetary system, and sovereign government policy that intervenes in the availability of gold. The study seeks to identify some of those possible factors, that played out post 2008 financial crisis, that dominated availability of gold in presence of various interventions, causing export volatility relative to import price of gold. The methodology used is explorative and based primarily on secondary research. The general methodology is to examine the qualitative factors responsible for international price discovery of gold, and to reason India's export performance post 2008 crisis. This includes reference to some of India's pivotal domestic policies and regulations on gold, administered by the world multilateral financial institutions tasked to deal with inflation – deflation scenario worldwide, and its relevance into the future of jewellery industry in terms of competitiveness, undisrupted physical gold supply for inclusive sustainable development of the labour intensive industry and minimizing opportunity loss. It may be seen that price of gold gradually increased in international market following the financial crisis of 2008 and after, as the US economy entered recession, characterized by bank defaults and rise in unemployment. In such uncertain scenario all the financial actors hedge in gold. There is a general rise in dollar price of gold, which reflects in the export performance of jewellery in years of high volatility. To stem the contagion effect, USA responded with bailout of banks, and the G20 including IMF, huddled favouring debt based quantitative easing and lower bound interest rate policy to get back inflation, which remains elusive even today. Countries divested from US treasury bill exposures and China, Russia, Turkey and others started buying gold. Iran traded oil for gold. The scramble for gold by sovereign nations and at varied times, reduced availability of physical gold in international market. The rise in geopolitical tensions, sanctions, and rise in energy prices together with current account deficits motivated Indian government conduct restrictive trade practices with subsequent

increase in tariffs for less import consumption. This had a definitive and abrupt impact on export performance of the jewellery industry in terms of growth, employment and sustainability at a time when the sector was fast marching towards modernization and overall growth, facilitated by skill development, embracement of hallmark system. The future of this sector and its growth may lie in capturing the signals in advance of the emerging macroeconomics and geopolitical situations of the world, and build in a system of continuous unhindered supply of raw materials to make the sector sustainable for being one of the largest employment generation sectors of India that envisions further employment opportunities.

Communication Cost, Skilled-Unskilled Wage, and Informality

Biswajit Mandal & Sujata Ghosh ,

Department of Economics & Politics Visva-Bharati University, Santiniketan, India;

Email: sujataghosh.eco@gmail.com Biswajit Mandal is thankful to Nori Nakanishi for his comments on an earlier draft of the paper. We also gratefully acknowledge the constructive suggestions from reviewers. The usual disclaimer applies.

In this paper we have tried to establish an interesting link between informality and time zone differences in a small open economy. Time Zone difference induced trade and services are relatively new concerns in trade literature. Fragmentation of production of a service across different time zones enables the production to be done more efficiently and to be marketed timely. Trading countries are located in different time zones of the world with both overlapping and non-overlapping working hours. Trade in services is a sort of business services which do not require physical shipments of products and it is defined as consulting business, engineering service sector, business process outsourcing, software development etc. In this backdrop, we have formulated a two-country model where two countries are assumed to be located in different time zones and there is no overlap in daily working hours. When two countries are located in different time zones, this virtual trade would be possible through a well-functioning communication network. The communication network is a media transmission network which is utilized to interchange information or data among various clients within a nation or between two nations in a short timeframe. In such a set up, we have built a general equilibrium trade model capturing the issue of time zone differences and informality. In this connection, we have shown that due to a reduction in communication cost, both skilled and unskilled workers are benefitted, skilled labour using service sector and formal unskilled sector expand. Interestingly, wage inequality between skilled and unskilled workers is widened under reasonable conditions. Another phenomenon that must draw our attention is the contraction of informality due to such changes. Then we have extended the basic model to include capital mobility across all sectors and unionized wage in the formal sector. We have

found that the reduction in communication cost leads to finite change in the structure of production and one of the four sectors of the system vanishes. Subsequently, informal sector contracts while wage disparity is widened.

INDIA'S MACROECONOMIC GROWTH & ITS DETERMINANTS, 1950-2016: AN EMPIRICAL INVESTIGATION

Kalyan Das

Savings and investment play an important role in macroeconomic growth process. The shift in the inter-sectoral shares to be engine of growth causes substantial changes on the production and demand linkages. It is important to understand the channels of significant transformations of the growth and stages of development process. Macroeconomic policies are assumed to be major determinant of the real growth of an economy as it tends to change the intensity and efficiency of use of resources within which they are used. Since more than two and half decades, the pace of economic reforms quickened in terms of financial deepening and capital flow liberalization. Both savings and investment have risen sharply in the post-reforms period but there remain some concerns about the trends. The declining trend of household savings rate since recent years may be the consequence of new economic reforms. The additive factors on this count may be the presence of an unanticipated shock in income or increase in consumption encouraged. The sectoral composition in terms of the shares of agriculture, industry and service sector in the gross domestic product (GDP) of the Indian economy has undergone a considerable structural shift over the years. The policy focus seems to have made a concern for the macroeconomic environment as considerations of welfare neglected and thereby for growth fragility. The growing consensus in literature is that some argue economic growth is the key for the reduction of poverty, while others consider that it leads to greater income inequality and poverty. The effects of growth 'trickles down' are generally evaluated in the short-run and long-run at an aggregated level examining policy impacts whether poverty reduction achieved. The main objective of this paper is to examine whether the growth trajectories, inflationary spirals and variations in sectoral savings-investment gaps over the years have been benefitted enormously from macro policies in terms of reduction in income inequality and poverty and structural change resulted in India. To this end, it examines empirically these dynamic economic relationships using together with unit root, Autoregressive Distributed Lag (ARDL) model co-integration and causality framework evaluating the short-run and long-run linkages and transmission mechanisms in determining the overall growth of the economy covering the period from 1950-51 to 2015-16. It examines the policy variables like interest rate and exchange rate in the conduct of macroeconomic policies to validate the financial deepening economic growth hypothesis. The data series used in this paper are obtained

from standard official sources. Having confirmed the same order of integration of the variables of interest from the unit root test incorporating endogenously determined structural breaks, structural co-integration test has been carried out followed by VECM, impulse response functions and variance decomposition analysis. It hypothesizes that real GDP growth (inflation) decreases (increases) income disparity. India's development needs to be on a sustainable, equitable and job creating growth path in order to reduce economic disparity and thereby to eradicate poverty.

SIGNIFICANCE OF THE TOURISM INDUSTRY ON INDIAN ECONOMIC GROWTH:AN ANALYSIS WITH SPECIAL REFERENCE TO ASSAM TOURISM

Darshana Bora

M.A. (ECONOMICS), GAUHATI UNIVERSITY,PHONE: 8638805854,Email:
darshnabora03@gmail.com

Tourism in today's context is one of the largest and fastest growing industries that contributes to the economic development of a country.It has major economic significance for both developed and developing nations.It is a great source of income,especially foreign exchanges. The earnings from this industry add to national income of a country.It generates employment opportunities to skilled, semi-skilled and unskilled labour along with local people.Moreover, tourism may bring infrastructural improvements which can gear up the regional economic development.Assam,an North-Eastern state of India,has so much potentials to become an attractive tourism destination with its rich natural landscape ,cultural prospects and historical background. But there are some drawbacks that prevent this industry from achieving the expected growth rate in some areas.Keeping this view in mind this paper empirically works on Assam tourism in general and some areas in particular with an objective to find the ways that will help the tourism industry to gear up in such areas efficiently and accelerating the nations growth process.

Firm Level Cost Efficiency Of The Indian Computer Industry In The Retro Of Tariff Rationalization

Kalpita Ray¹&Prof. Byasdeb Dasgupta²

1.Part time Faculty,Sister Nivedita University and 2.Kalyani University

The Indian computer sector was completely liberalized in 2005 by reducing the tariff rate to zero as per the Information Technology Agreement (ITA). To promote the widespread use of Information technology, WTO has given utmost importance towards the trade liberalization

by manifesting the ITA to distribute the gains from trade of Information technology product and penetrate the competition of the industry throughout the world. Due to production hindrance the LDCs depend on the developed countries which denies both in increasing its employment income and exporting the earning opportunity to them. Thus, investment and trade liberalization predicted by ITA is sophisticated. Although the sector is not self-reliant, yet it also depends on import for advanced technology. Reduction in cost of imported high tech inputs due to tariff rationalisation is basically on positive externalities for the computer industry. This is because it reduces the marginal cost of the firm. By adoption of advanced technology and accessing skilled labour the Indian computer firms internalize the external economies. When the firm faces internalized economies, then the marginal cost of the firm reduces. On the other hand, firms fail to produce output at the minimum cost within the national industry because of the presence of either technical inefficiency or x-inefficiency and comparative disadvantage. According to the principle agent problem, the firm is controlled by the managers (agent) than shareholders or owners (principal). Shareholders desire to maximize profit by employing input in an efficient manner but have no control over the activities of manager. The manager always tries to maximize its utility by diverting company's fund without considering the efficient allocation of resources at the present state of art. Thus output is produced with higher level of resources than required at a given technology. Until and unless the principal is aware of the technological environment and the agent's behavior, firm fetches 'X-inefficiency' or technical inefficiency. On the contrary, the comparative disadvantage appears due to the national factor endowment and the input price for which the firm cannot produce at least cost. Perhaps, the tariff protected domestic industry experiences fragmented domestic market from the international market with shortage of required input. Hence, the lack of required input with high acquiring cost due to tariff raises the input cost behind the tariff wall. This cost disadvantage generates suboptimal production unit which cannot exclude the inefficient scale of producer within the tariff protected market. Consequently, the overall industry becomes inefficient. Hence, a decrease in effective rate of protection and a rent seeking activity by the domestic firm increase in the scale efficiencies as well as export. According to Carlsson (1972), tariff protection depresses technical efficiency of the domestic firm. Thus, reduction in tariff or liberalization policy affects positively on firm level efficiency. The objective of this paper is to study whether the ITA implemented conditions in terms of tariff on the Indian computer industry, (i.e. complete elimination of tariff on computer related product) is cost efficient or not. This implies that when firm produces output at a cost efficient manner, then the degree of cost function scale economies is equivalent to technical economies of scale. The cost efficient output suggests that the firm produces output at a cost minimization manner given the present state of art. As per ITA, the abolition of tariff on computer related input indicates that the imported input price of computer industry

should be reduced. Under this circumstance, whether the Indian computer firm produces output at cost efficient manner or not, is the primary focused objective of this paper.

The revolution of computer industry in 1970s and 1980s was one of the biggest reasons to collapse the communist bloc, yet at the same time human capabilities in this area, mainly the software sector, denoted an important resources which seemed lucrative for a labour abundant country like India. For this reason, special attention was given to the software sector during the notable Indian economy reform period in 1991. Thus, a paradoxical issue was raised about the Computer Industry, since on one hand, this particular industry was one of the top reasons for the collapse of the Soviet Union and on the other hand, it framed as a human capital intensive tool. This paradox is more artificial than real. This was because the Soviet or communist type self-help that although, had tried its best to produce hardware as supreme as possible with their existing commands and resources, yet it resulted in an old fashioned computer hardware sector. This was due to the lack of attention given to the chips and personnel computer under planning system which was inflexibly concerned with quantitative plan fulfillment in spite of successive attempts at reforms. Thus, the development of software sector by cultivating old technique hindered it from developing comparative advantage in the Soviet Union block. The capital requirement of the labour intensive software sector is modest and flexible. This is because it provides the required services to the customers by standards packages. By the virtue of these facts, it certainly developed under dynamic business environment. On the contrary, computer hardware for example semi-conductors (chips) and integrated circuit are required with both fixed capital and human capital. In this context, scale economies have critical importance. Again, based on these computer hardware components another subsector has emerged i.e. computer assembly. In this segment the requirement of capital is significant but not critical which implies considerable scope for economies of scale rather than colossal, although it generates employment of semiskilled labour with screwdriver technology. For this cause thispaper has considered both the hardware and software sector separately while studying the efficiency of the Indian Computer Industry. We have applied Indian computer firms level data (both hardware and software) from 2000-01 to 2016-17. This paper has concluded that the Indian computer sector is cost efficient on the basis of the fact that the hardware sector generates less value due to its dependency on import. On the other hand, the software workers return less than their contribution to value. This implies that workers of software sector are exploited.

Key Risk Indicators for Contributory Pension Benefit in India

Prasun Chatterjee* &GautamMitra**

**Research student, Department of Business Administration, Burdwan University, Phone Number: +917980348534; Email: prasunchatterjee73@gmail.com*

***Professor, Department of Business Administration Burdwan University
Email: gautammitra6@gmail.com*

Objectives of this paper are to investigate (i) the key risk indicators for defined contribution (DC) pension benefit for India's organized working population and (ii) to measure/adjust the standard of living by multiplier effect on consumption saving ratio to model superannuation benefits & risk indicators of pensioners from organized sector in India. We assess the average return from pension fund management options (i.e., debt-equity mix) in contributory pension schemes exercised by contributors with respect to various risk profiles of a senior Indian citizen. Further, we go for empirical analysis on the hypothetical data and products in Indian market. Finally, we seek to find out the types of risks and key indicators for pension benefits in India.

Growth and Volatility amongst GDP, Consumption, Investment and Export in India

Dr. Maniklal Adhikary,

Professor of Economics, Burdwan University, email: drmaniklaladhikary@gmail.com

Parimal Ghosh,

Research Scholar in Economics, Burdwan University, Golapbag, Burdwan, W.B. –
713104; email: ghoshparimal5@gmail.com

There is no straight forward relationship between growth and its volatility. Various theoretical as well as empirical studies have found positive or negative or no relationship between growth and volatility. Friedman (1968) in his business cycle model found no relationship between growth and volatility. According to Solow (1956) technology shocks can account for both variation of output as well as changes in the long run growth rate that is according to Solow growth and volatility are related. Black (1985) argues in favour of positive relationship between growth and volatility. According to Black there is a positive risk return trade-off in the choice of aggregate technologies. Kormendi and meguire (1985) and Grier and Tullock (1989) have also found positive relationship between growth and volatility. Negative relationship between growth and volatility can be found as far back as Keynes (1936) where volatility increases the risk of investment which hampers entrepreneurial expectation. According to Bernanke (1983) and Pindyck (1991) the relationship between growth and volatility is negative due to investment irreversibility. Ramey and Ramey (1995)

also found negative relationship between growth and volatility. The ambiguity in the relationship between growth and volatility suggests that there may be some country specific factor affecting the relationship. According to Aghion-Angletos-Banerjee-Manova (AABM, 2004) model the relationship between growth and volatility appears to be negative as credit constraint tightens.

Objectives

This paper is designed to explore the relationship between growth and its volatility for India. The relationship between growth and volatility will be examined not only for GDP but also for the components of GDP – consumption, investment, government expenditure and export and they work as the transmission variable in the relationship between growth and volatility. Second, how growth volatility of GDP affects consumption, investment, government expenditure and export is also our objective.

Methodology

Since we have used time series, we need to examine the stationarity of data and once this is done, we have tried to fit ARMA model for each of the variables. We simply regress on a constant where ARMA model cannot be constructed. Then it has been checked whether there is ARCH effect in the residual. If ARCH effect is spotted, then we proceed to estimate ARCH-M, GARCH-M, and EGARCH-M model where the mean equation is ARMA model to examine the relationship between growth and volatility. We have included conditional variance series from GDP growth model in the ARMA model of the other variables and re-estimated to examine how volatility of GDP growth affects consumption, investment, government expenditure and export.

Results

We have found negative relationship between growth and volatility for GDP and for one transmission variable consumption. ARCH effect is found to be absent from the government expenditure. Relationship between growth and volatility is noticed to be positive for investment. Coefficient of conditional variance in mean equation is not significant for export. Volatility of GDP growth negatively affects growth rate of consumption. Relationship of volatility of GDP growth with investment, government expenditure and export is found to be insignificant.

Discussion

Being a moderate financially developed country, the negative relationship between growth and volatility in India is quite expected and this supports the basic postulate of Aghion-Angletos-Banerjee-Manova (AABM, 2004) model that the relationship between growth and volatility appears to be negative as credit constraint increases. Our surprising result is that

volatility of investment growth increases investment growth. Consumption appears to be a transmission channel such that volatility of GDP growth negatively affects consumption and thereby negatively affects GDP growth itself.

Migrant Construction Workers in Kolkata: A Study through Day Labour Markets using Field Survey Technique

Neeloy Gupta

Research Scholar, University of Kalyani, Asst. Professor T.H.K. Jain College, Guest Lecturer, City College of Commerce & Business Administration and Guest Lecturer, Dept. of Economics, Rabindra Bharati University) Email id:- gupta.neeloy@gamil.com

The informal sector has become a permanent feature of the economy today. The urban informal labour market is largely constituted of commuting and migrant labour, apart from a number of locals. A large part of their contribution to the formal sector of the urban economy is in the construction sector which is labour-intensive even today. In India, employment elasticity of this sector was 0.88 between 1999-00 and 2004-05, and reached to 1.63 between 2004-05 and 2009-10, whereas in the same period, employment elasticity of manufacturing sector was -0.27%². So this sector has been a strong absorber of local, commuting and migrant laborers. In Kolkata, these types of informal labour markets have been identified and can be termed as 'Informal Day Labour Markets'.

In India, low employment elasticity of agriculture³ failed to create jobs in rural economy. So migrants from the rural and underdeveloped areas moved to the towns and cities and engage in the '*employment spinning*'⁴ construction industry. High influx of labour from different districts has deepened the problem of urban unemployment which forces large number of semi-skilled and unskilled labourers to assemble at different crossings, railway platforms of the city to get involved in the construction work and constitute the 'Day Labour Markets'.

The day labour market has become a significant feature of the city of Kolkata for hiring casual labour by both contractors of large construction companies and individual for own repairs and construction requirements.

The high influxes of the migrants from the rural countryside to the city become a crucial factor for creation of fewer workdays for the day workers in Kolkata. But for a particular time, they reversely migrate to their agriculture works.

The aim of this paper is to focus on the following objectives: (i) To trace out the magnitude & sources of migrant labourers of different labour clusters of Kolkata and (ii), to check the

relationship between wage rates & other activities of migrant labour (assuming other factors as constant) using equilibrium condition of labour market in short run.

The objectives of our study could not be met from the analysis of secondary data available from either the Census or the NSS or other official sources for lack of data. It was therefore necessary to collect primary information directly through field survey. The study is based on discussions and interviews of migrant labourers at different construction site, along with an open-ended but structured questionnaire.

This study covers 11 specific labour clusters in the city. From the northern part of Kolkata, Baranagar, Tobin Road and Ultandanga were selected. From the southern part of the city, Dhakuria and Garia Day Labour Markets were selected. From the western zone that runs along the river Ganga, the Khidirpore market cluster in south-western part and Cossipore market in the north-western part were chosen. From the Central zone of Kolkata, Rajabazar, M.G.Road and Dharmatala clusters were selected. We have used Stratified random sampling technique. In the latter part of the study, mathematically a derivation was deduced to show the relationship between wage rate of migrants & their other activities. To do that, we have first developed local labourers' demand which depends on the wage rate of the local labourers (w_1), wage rate of the migrants (w_2) and the demand function of local labourers (L_D). $L_D = L_D(w_1, w_2)$ then, we have assumed that the demand of migrant labourers' depends on wage rate of migrants (w_2), wage rate of local or commuters (w_1) and the other activities (\hat{a}) they have. So, Demand function of Migrant labour has been deduced as $(M_D) = M_D(w_1, w_2, \hat{a})$. Labour supply is also crucial factor which is supposed to depend on wage rate of locals, commuters and migrants & other activities of migrants (\hat{a}). Labour Supply has been assumed to be constant in short run.

Structural Transformation of Indian Economy under Liberalisation : Impact on Domestic Income and Employment

Dr. Tushar Das

Visiting Faculty, SG Euserve Pvt. Ltd. Mumbai, and Associated with Rabindrabharati
University

(Online Cell for PG Programme), Rabindra Bhavan. Saltlake, Kolkata.

Economic liberalization in India in 1991 had its major component reflected in the liberalized import policies of government of India. The obvious objective was to promote freer trade by allowing the substitution of imported inputs for domestic ones when it is needed for achieving more competitive exports via more efficient production and thereby gaining greater share of Indian export products in the world market. However, we notice

stimulating debates in the empirical literature questioning the possibility of success of the above in the Indian context . Nambiar and others(1994,1999) have tried to establish the view that instead of promoting income and employment through accelerated export growth via more efficient production through eased use of imported inputs, trade has shrunk income and employment growth. This paper using slightly improved methodological framework and data base (substituting domestic input-output matrix for total matrix (domestic + import) for projection of income and employment, we arrive at the conclusion that liberalized trade has promoted income and employment rather than squeezed it. Further alternative scenarios assuming zero trade balance have been examined to separate out the impact of negative trade balance on income and employment in the liberalized trade situation in India.

**Development induced displacement and its implication on sustainable development
in the light of Singur and Rajarhat in West Bengal**

Chandra Kanta Saha

Department of Economics, Sister Nibedita Government General Degree College for Girls,
20B Judges Court Road, Alipore, Kolkata-700027, West Bengal

This paper explores different issues of development induced displacement and sustainable development in Indian context, particularly in West Bengal. An attempt has been made to analyze the causes and effects of development- induced displacement and the practical problems related to land grabbing. This paper presents the issues of sustainable development approach for displacement, land acquisition and the related laws, resettlement and rehabilitation, international human rights law and role of civil society in the context of development induced displacement. Finally it is supplemented by the analysis of displacement in Singur and Rajarhat in West Bengal and consequent trauma and resentment in two places and its implication in sustainable development. The problems encountered in comprehensive compensation of resources in the context of displacement are also discussed. Negative consequences of displacement could be mitigated by using the principle of sustainable development but it is very difficult to implement this principle in practice and adequate compensation does not always solve the problem of economic sustainability as it is very difficult to judge the benchmark of adequacy.

Session III :Inequality and Justice

Mass Poverty, Social Injustice and India's New Political Economy

Dr.Sudip Jana

Jt. Secretary, Bengal Economic Association,, &Executive Member,
Indian Economic Association

Countries that are poor rarely succeed in building a democratic form of government, and even more rarely, in sustaining that form of democracy. The blend of extreme poverty, high rate of unemployment, inequality, social injustice and other growth –retarding parameters like ethnic diversity, for example, is extremely dangerous for the survival of democratic institutions. However, India has changed steadily from a colonial, agrarian economy into a capitalist, globalized economy but the country's democratic institutions have not changed in a prudent manner. They have generated the political momentum that reinforces reform without upsetting the democratic and judicial due processes. Many had maintained that radical changes in India's economy and welfare would be unlikely as long as both are constrained by the liberal democratic constitution and the capitalist mode of production. India has defied the norm. This paper on India's economic development analyses how the country is in the midst of challenges of the dilemma of economic growth versus social justice, eventually leading to jeopardizing the present situation.

Spatial Gender Pay-gap Disparity and Its Determinants: A Subnational level Study in India

Rhyme Mondal¹ & Dr. Simontini Das²

1. M.Phil Research Scholar, Jadavpur University, Kolkata,
E-mail-id: rhymemondal@gmail.com,
2. Dr. Simontini Das, Jadavpur University, Kolkata

The paper investigates the existing gender pay gap across Indian states over the time period 2005-06 to 2013-14. Secondary data exploration shows that gender pay gap varies widely across the states. Existing literature explores that net state domestic product, crime against women, sex-ratio, gap in literacy rates and gender parity Index are important factors in explaining the gender pay gap at sub-national level in India. Some of the background literature provides comprehensive study on the various measures of Gender Pay Gap, despite the socio-economic and political reforms, change in policy framework still the continuing issue of the widening inequality prevails in the Indian economy which creates disempowerment

situation for the Indian women who are involved in the workforce. Hence according to the recent trends of the Indian economy which shows apart from the political representation, Indian women still lacking behind with respect to economic participation, health and educational attainment and this needs to be promoted to attain sustainable growth parity in the economy. Panel data analysis delineates that crime against woman, NSDP and gender parity index have significant impact on the gender pay gap.

Impact of Social Protection on Inequality in Backward Region of West Bengal

**Jagabandhu Mandal, Research Scholar, Department of Economics,
Vidyasagar University,**

E-mail: jmbandhu9@gmail.com

**Prof. Debasish Mondal, Professor, Dept. of Economics, Vidyasagar University, E-
mail: dmondal_eco@yahoo.co.in**

**Dr. Pinaki Das, Associate Professor, Department of Economics, Vidyasagar
University, E-mail: pdignou@yahoo.com**

The present paper attempts to examine the impact of social protection programmes on inequality in the backward region of West Bengal. The benefits coming from social protection programmes have also reduced the income inequality in both absolute and relative sense. In addition, the income of relatively more-poor households has increased at a greater extent than income of relatively less-poor households. The absolute inequality in the presence of social protection is larger than absolute inequality in the absence of social protection. The study suggests that the social protection programmes can be used as an important tool for reducing inequality (at least relative inequality) in the backward region of West Bengal.

Role of CSR in Amelioration of Economic Inequality

Mrs. Sudeshna Gupta, Faculty NITMAS (Kolkata)

ABSTRACT

Social inequality occurs when resources in a certain society are allocated randomly among preferred categories of individuals. Social inequality is often linked with economic inequality which is described on the basis of the inegalitarian distribution of income or wealth. For the amelioration of the socio economic inequality more resources will have to be transferred to poor. Initially resources transferred will be more effective- if there is direct transfer of resources. Taxing the rich and redistributing the resources is a complicated time consuming process. Corporate Social responsibility (CSR) can ensure such transfer. Swami Vivekananda sowed

the seed of CSR in John D. Rockefeller in 1893-94. John D Rockefeller Sr who formally founded The Rockefeller Foundation in 1913 in US (much before modern management thinkers thought of CSR in its present form) and exactly 101 years later CSR has come to India as a legal provision. CSR became law in India on the 151st Birth Anniversary year of Swamiji. Corporate Social Responsibility (CSR) is a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental. Now a days in all parts of the world leading corporates are practicing CSR which are helping tremendously in reducing inequality. The present paper illustrates the role of CSR in reducing the social inequality.

Financial Inclusion - An Evidence Of Inequality Across The Regions Of India

Shantanu Ghosh,

Research Scholar (UGC - JRF), Department of Commerce
Vidyasagar University, Midnapore-721 102, West Bengal, India
E-mail: shantanughosh060@gmail.com, Contact No: + 91- 9046483480

&

Dr. Tarak Nath Sahu

Assistant Professor, Department of Commerce , Vidyasagar University, Midnapore-721 102
West Bengal, India, E-mail: taraknathsahu1982@gmail.com,
Contact No: + 91-9474971927

Finance has been among the essentials required to nourish the well being of mankind especially for the vulnerable. Under-provisioning or disproportionate allocation of resources gives rise to private money lenders which often tend to be exploitative. To explore the extent of provisioning in terms of extending finance for the different states and union territories of India for 2002-18, the study makes an endeavour to construct an index using the methodology as insisted upon by CRISIL and finds the union territory of Chandigarh to be placed at the top. Considering the inequality among the geographical regions, the study reveals a significant difference in mean Index of Financial Inclusion scores where the southern part appears to be at the top throughout the study period. However, in terms of stability of achievement the southern part is found to be placed after the northern region. Presence of disparity in terms of mean IFI scores among the regions suggests that even within the country where achievement is expected to turn uniform certain economic and other macro factors stands dominant having significant influence on the achievement values which is expected to be addressed in the coming future leading to a better inclusive India.

Are the women of India Empowered? A State Level Analysis**Shama Firdaush¹ and Pinaki Das²****1.Ph.D. Research Scholar, Dept. of Economics, Vidyasagar University,
e-mail: shama.firdaush@gmail.com.****2.Associate Professor, Department of Economics, Vidyasagar University, e-mail:
pdasvu@mail.vidyasagar.ac.in**

Half of the India's population is comprised of women. Enjoyment of such a large share of population must be accompanied by the economic, familial, political, social and legal right. But the reality is not that exhilarating. They are subject of exploitation, humiliation and are suppressed in every walks of life. Through this paper an attempt has been taken to analyse the status of empowerment of Muslim women across states in India using the NFHS-III and NFHSIV rounds data. Some indicators were selected to judge their status. The reality which was unearthed comprises of the fact that the women are being empowered overtime. The states like Tamil Nadu, Kerala, Odisha and Karnataka are moving ahead in this regard whereas Haryana is lagging far behind. Keywords: Women, Empowerment, India, Indicator.

Skilled-Unskilled Wage Inequality, Unemployment and Input Trade: A Theoretical Analysis**Priya Brata Dutta and Nirjhar Ghosh**

Economics and Politics Department, Visva-Bharati University,
Shantiniketan, Bhubaneswar-731235, West Bengal, India. Communicating author, email
address: priyabratadutta@gmail.com (P. B. Dutta)

The paper develops a static three sector, five factors competitive general equilibrium model of a small open economy. Sector 1 is the rural agricultural sector produce products using informal or unorganised unskilled labour and land as inputs; Sector 2 is the urban manufacturing final good producing sector produce with the help of unskilled labour, who are getting unionised wages, and capital; whereas sector 3 is the service sector using skilled labour, capital and hi-technology-intensive imported intermediate input produced abroad as inputs. All factor endowments are exogenously given. Capital is mobile between sector 2 and sector 3; and unskilled labour is mobile between sectors 1 and 2. However, land and skilled labour are specific to sector 1 and sector 3 respectively. Factor prices in each of the three sectors are perfectly flexible except imported intermediate. We show that an exogenous increase in capital stock or an increase in tariff of imported intermediate good improves skilled-unskilled wage inequality and lowers unemployment.

**Foreign Direct Investment and Gender Inequality in the Indian Labor
Market: Empirical Analysis**

**Somasree Poddar (Roychowdhury),
Associate Professor in Economics**

Department of Economics, Lady Brabourne College, Kolkata, India

A major objective of the India's economic reforms of 1991 was to alleviate the quality of life of its citizens. Women, constitute 48.53 % of the population of India and are a significant stakeholder of the country's economic policies. The economic reforms of 1991 gave special emphasis for promotion of inward foreign investments. This paper uses NSSO data to empirically measure and analyze the impact of inward Foreign Direct Investment on economic emancipation of women. Economic emancipation has been measured by two variables, viz. women labour participation and gender wage inequality.

Available literature on gender wage inequality and women labour participation do not appear to, conclusively, establish the relationship between Foreign Direct Investment, and women employment and / or gender wage inequality.

Through empirical analysis, the study compares, separately, on a point-to-point basis (1987-88 vs 2011-12), the rate of change in [in %] (a) gender-wise participation rate [in %] and (b) gender wage gap [in %] for each selected major beneficiary industry of FDI, vis-a-vis their respective sector (primary / secondary / tertiary).

Based on the aforementioned comparison, the conclusion on the impact of FDI has been arrived at for each industry, separately, for (a) gender-wise participation and (b) gender wage gap.

The selected industries have then been grouped as per their respective sectors (primary / secondary / tertiary) and the impact of FDI (Higher / Lower / No Impact), have been plotted, separately, for (a) gender-wise participation rate and (b) gender wage gap. To arrive at a more macro conclusion on the impact of FDI, each sector has then been analyzed to determine whether any consistent pattern of the impact of FDI is discernable for the industries in the group.

The study uses NSSO survey data for the analysis of female work participation and gender wage gap. While conducting the study, the last available NSSO survey report on employment and unemployment situation in India, was the 68th Round (survey period 2011-12). Hence, FDI flows have also been considered upto 2011-12 for this study. Further, as inward FDI was nominal upto 1999-2000, for arriving at the list of the top FDI recipient industries for this study, the inflows prior to 2000-01 have been ignored.

FDI data for the period 2000-01 to 2011-12 has been obtained from the database of Department of Industrial Policy and Promotion (DIPP), Government of India. Industry grouping of the FDI data has been done using the codification of the National Industry Classification (NIC) of the Ministry of Statistics & Programme Implementation, Government of India.

Data for employment and wages have been obtained from survey reports of “Employment and Unemployment Situation in India” prepared by the National Sample Survey Of Office (NSSO). For variable estimations for the pre-reform period and post-reform period, data of the 43rd Round Report (survey period 1987-88) and 68th Round Report (survey period 2011-12) have been used, respectively.

The data of inward FDI has been compiled from the periodic issues of ‘Fact Sheet on Foreign Direct Investment’ published by the Department of Industrial Policy and Promotion (DIPP), Government of India.

It is observed that though FDI reforms were initiated in 1991-92, the response by the international investor community was tepid up to 1999-2000. From 2000-01 FDI inflow took off in a significant manner. It is also observed that the Primary Sector industries / activities did not feature among the top 12 FDI recipients, who accounted for, approximately, 75% of the total amount received from 2000-01 to 2011-12. Agriculture (part of Primary Sector), the biggest employer of the Indian economy, remained, largely, untouched by the liberal FDI Policy initiated in 1991

In order to facilitate the compilation of the gender wage gap and the female labour participation rate (using the NSSO survey database) for the top FDI recipient industry groups (which were identified using the DIPP database) it was essential to establish a common key between the two disparate databases. Since the study was at the industry level, the Industry NIC codes were identified as the key. While the NSSO data was available on the basis of Industry NIC codes, the DIPP data was not. Therefore, based on scrutiny of the available literature on inward FDI in India, coupled with intuitive logic, the 12 industry groups were manually mapped to NIC codes for 1970 (used by NSSO Employment / Unemployment survey for the 43rd Round in 1987-88 – pre-reform period) and 2008 (used by NSSO for the Employment / Unemployment survey for the 68th Round in 2011-12 – post-reform period), separately

The general methodology employed in this study has been to plot the rates of change of female employment participation % and gender wage gap % for industries in which FDI flow has been high, before and after reforms, and comparing them with the aggregate sectoral values in order to identify a pattern. For instance, in case most such industries indicate reduction in gender wage gap % more than compared to their respected aggregate sectoral values, it has been concluded that FDI has had a favourable impact on reduction of gender wage gap.

The results of the study suggests that FDI had a favourable impact on women labour participation on Tertiary and Secondary sectors of the Indian economy – evidence being stronger for the former. With respect to gender wage gap, the results are mixed. While Tertiary Sector appears to have benefited, no definite conclusion can be drawn for the Secondary Sector.

The above results of the study are contingent on certain constraints of the analysis arising, primarily, due the quality and granularity of the available database and sources of information.

In order to counter the above data related constraints of the analysis, the emphasis of the interpretation of the results have been at the Sector-level (rather than industry-level). At the Sector-level there is likelihood that inaccuracies, if any, for the selected constituent industries will get averaged out and, therefore, be more representative for the Sector, as a whole.

Gender Inequality in Earning: Impact of Public Expenditure on Education

UJJAINI MUKHOPADHYAY Associate Professor, Behala College, Kolkata, India

Address for communication: Dr. Ujjaini Mukhopadhyay, Behala College, Department of Economics, Parnashree Pally, Behala, Kolkata – 700060, West Bengal, India. Tel:

09836838095 E-mail: mukherjee_uj@yahoo.co.in

The paper develops a three-sector full-employment model to examine the effects of governmental policies regarding public provision of education on gender earning inequality. It is assumed that the human capital endowment is different for men and of women and that the female labour force participation depends on relative female wage rate. Comparative static exercises indicate that although increase in overall public expenditure on education might raise the human capital level of the labour force, it is ineffective in yielding positive effects on gender earning inequality and female labour force participation. However, gender specific policies like higher budgetary allocation specifically for education of women are likely to reduce the inequality between male and female earnings. This calls for gender oriented policies in order to reduce the prevalent gender inequality in labour markets of developing countries.

Analysis Of Subjective Well-Being In The Context Of Human Development Approach

Arundhati Bhattacharya*

Department of Economics, Sister Nibedita Government General Degree College for Girls,
Hastings House, Alipore, Kolkata – 700027, Email: aru.bhatta@gmail.com

Conventionally, GDP or GNP is considered as a measure of well-being of a country. In spite of their simplicity and objectivity, voices are raised against these income-based measures on the ground that human well-being is primarily subjective in nature. According to human development approach, the perception of well-being covers different dimensions of well-being, viz., quality of education, healthcare quality, the standard of living and labor market, personal safety, overall satisfaction with freedom of choice and life and perceptions about community and government. This paper presents a brief overview of the concept of well-being in the context of human development approach and analyses the role of well-being indicators in determining the perception of overall human well-being for different countries, regions and at the global level on the basis of HDR 2016 published by UNDP.

Women Empowerment in India : Is it a Myth ?

Joysri Acharyya

Associate Professor of Economics, Lady Brabourne College, Kolkata

Email id – joysri2010@gmail.com ;(M) - +91 9163023864

In today's world empowerment of women has become a matter of great concern to all. As women empowerment is of utmost importance for the proper development of a country. Empowerment of women is essentially a process of upliftment of women in all spheres of life and also to take decisions regarding important aspects of their life. This paper attempts to analyse their status of women in the context of different determinants of their empowerment. Unfortunately, the study reveals that women in India, even today, enjoy lower status than men and hold much less power than men, in spite of all efforts by Government of India and also many NGOs. However, this paper concludes that access to education, awareness for rights, support at the work place and strict implementation of acts and policies can enable the women to have empowerment.

Section IV :Social Sector

Adolescent School Drop Out in India: What Does the NSS 71st Round Data Reveal?

Shashi Bhusan Mishra*

*Assistant Professor, Department of Economics, Aliah University

Arijita Dutta#

Professor, Department of Economics, Calcutta University

One of the prioritized social goals for the policy makers is to reduce the adolescent school dropouts as this leads to wastages not just at the individual level(in terms of economic

loss, health and psychological impact) but has a social loss as it doesn't not provide productivereturn to the nation for the resources which are invested on the students. However, adolescentdrop out is not an event in isolation but a cumulative process. There are various factors at schoollevel and household level involved. Given the school level factors for all students, the paper aimsto address the demand side factor determining drop out in India. The paper analyses the cause ofdropout across different socio-economic groups and settings in India. Education data of the NSSO71st Round is used to empirically identify the demand side determinant of Adolescent school dropout across different SES settings. Demand side factors include household and individual level,parental and socio-economic characteristics that influence the level of educational attainmentwhereas supply side aspects consider school related factors like access to nearest school, schoolinfrastructure, availability of teachers, quality of teaching etc. the paper by uses multi-levellogistic regression. Poverty, education of household head, Gender of the student, Householdoccupation, Religion of the household etc. turned out to be significant factors affecting adolescentdropout.

Minimum Acceptable Diet and Child undernutrition in India

Basudha Mukhopadhyay*

* Research Scholar, Jadavpur University & Assistant Professor, Department of Commerce, J D Birla Institute, West Bengal (rc.basudha@gmail.com)

Background: For the purpose of child's optimal growth and development, adequate nutrition of the child is of utmost important. But the economic condition of a greater number of our populace is quite poor and as a result is unable to afford even the least expensive balanced diet. Minimum acceptable diet is anticipated to contribute to good child health of a child. Due to varied levels of availability and individual preferences for food, diversity in minimum acceptable diet varies across household. The present paper is an attempt to examine the

association between Minimum Acceptable Diet and other socio demographic factors on child undernutrition in India.

Methods: This study used a nationally representative dataset from National Family Health Survey- 3 and 4. It uses multi-level logistic regression to examine the relationship between Minimum Acceptable Diet and child undernutrition parameters controlling for other covariates.

Main Findings: The result shows that Minimum Acceptable Diet, agro-climatic regions, regular income of the household, place of delivery of the child, mother suffering from anaemia and other child-level variables are important predictors of child undernutrition.

Conclusion: There is still a need for following the WHO guidelines regarding Minimum Acceptable Diet. Provision of antenatal care and improved sanitation and proper drinking water is likely to bring down the percentage of undernourished children in our country.

Environmental Tax And Child Health

Biswajit Mandal & Deboleena Das

Department of Economics and Politics, Visva-bharati University,
Shantiniketan, West Bengal, India, 731235

Email: deboleena.92@gmail.com; Phone: (+91)974-847-2372;

Email: biswajiteco@gmail.com; Phone: (+91)987-438-9555

Pollution free ecosystem like clean air is one of the most important requirements to sustain healthy lives and hence in return the human wellbeing. Different studies reveal that in the recent decades' people face a serious problem of environmental pollution and for this economists have long favoured the use of taxes as instruments of environmental protection. So one of the most important tasks that economists face in environmental policymaking is to regulate pollution. In many developing countries, environmentally motivated taxes are either have been introduced or are being seriously discussed as potential elements of future policy initiative. Studies like Bruvoll et al. (2004), using an applied general equilibrium model, analyse the effect of carbon taxes on emissions change in Norway. They found that carbon taxes had a modest effect on the reduction of CO₂, contributing to a 2% decrease. To study the effect of energy and carbon taxes on the energy system in Japan, Nakata (2001) support the idea that these taxes are a suitable instrument for reducing CO₂. Sterner (2007) also shows the positive long-run effect of fossil fuel taxes in Europe in terms of reducing fuel demand and reducing carbon emissions.

In this context different studies show that environmental **health**¹ is the branch of public health that is concerned with all aspects of the natural and in built environment that

may affect the quality of health of any human being. According to Williams III (2000, 2003) environmental quality affects our health in a variety of ways. Usually good qualities of environment ensure good health and vice-versa. In that sense if pollution degrades the environmental quality, it may affect both child health and adult health. Besides, when pollution influences human health, this also affects human earnings. In an interesting paper on economic growth, Aloi et al. (2011) finds that environmental tax has positive effect on growth and welfare through productivity gains and reallocation of resources toward R&D. Nevertheless, the empirical literature focuses on some specific types of pollution and find that negative effect of pollution on productivity is quantitatively significant. Hausman et al. (1984), established that one unit increase in particulate matter pollution increases lost work days by 0.7%. Hanna and Oliva (2011) finds that one percent increase in sulphur dioxide results in a 0.61 percent decrease in the hours worked in Mexico city. Graff et al. (2012) finds that a 10 ppb (parts per billion) decrease in Ozone concentrations increases workers' productivity by 4.2%.

Different strand of studies shows that investing in children's health is a sound economic decision to take. According to Paolo et al. (2005) greater investment in children's health results in better educated and more productive adults, sets in motion favourable demographic changes, and it also shows that safeguarding health during childhood is more important than at any other age because poor health during children's early years is likely to be permanently impair them over the course of their life.

In the existing literature we also find some interesting effects of mother autonomy on children's health. The women with greater control in deciding how household resources are used are more capable of maintaining and improving the nutrition and health of themselves and their children than are women with lower levels of autonomy (See Emily et al. (2009)). In line with the arguments we stated before existing literature also focuses on the way how child health depends on parents' income. For example poor mother's tends to use a higher percentage of their income for meeting the basic needs of children (See Blumberg (1998); Dwyer & Bruce (1998); Engle (1990) etc.). In a recent paper Mandal et al. (2018) shows the link between mothers' autonomy and household consumption behaviour i.e. how autonomy or empowerment of the mother in household decision-making translates to decision regarding demand for diets, medical care and other health inputs for the child. These are important requirements to improve or maintain the health stock of the child, increase life expectancy, decrease mortality rate etc. Further, independent of working status of the mother, higher autonomy always reallocates family budget to induce more consumption of child health inputs.

In the backdrop of existing literature this paper aims to theoretically study the interdependence among environmental quality, pollution tax, parents income, mother autonomy and their impacts on child health.

This paper is along the lines of health capital models of Grossman (1972,1999) and Wagstaff (1986a,b). Following this, we establish that an individual or family gets utility from child health and consumable goods and services. Here child health itself is a produced input, whereas other elements in the individual utility function can be directly purchased from the market. We assume that the purchased good is polluting good and for this either producer or the consumer has to pay some tax. In this context, we attempt to look into the effects of pollution tax on the environmental quality and child health. First, we consider a basic setup where income is exogenous and hence doesn't depend on environmental quality. Second, we consider the case where income depends on environmental quality.

The basic results that we derive are: increase in pollution tax should increase child health and also improves environmental quality; incremental change in child health due to an increase in environmental tax is higher when mother's income depends on environmental quality.

Status of Child Health & ICDS in West Bengal

Satyanarayan Kumbhakar

M Phil Scholar, Vidyasagar University

Central and State governments of India have taken numerous steps towards mitigating of malnourished and undernourished children and ICDS is a vital step towards it. Through this paper, an attempt has been made to analyze the performance of ICDS and its impact on the status of child health across the districts of West Bengal using NFHS 3rd and 4th round data. The study revealed that Children's nutritional status in West Bengal has improved from 2005-06 to 2015-16. Moreover, it is concluded that if the districts have a higher percentage of literate women and AWC's then we can say that the percentage of underweight, stunted and wasting children will decrease.

Consumer Expenditure on Healthcare Services: An Economic Analysis in India at the State Level

Piya Ghosh¹ and Dr. Jayanta Sen²

1. Research Scholar, West Bengal State University, Barasat, Kolkata, West Bengal

2. Associate Professor, West Bengal State University, Barasat, Kolkata, West Bengal

Spending on healthcare services is one of the important components of aggregate consumer expenditure, proper distribution of which supports healthy life of an individual, raises productive capacity and enhances the levels of welfare. During the period of economic reforms,

Indian economy has experienced an enormous growth which entails per capita income and hence per-capita consumer expenditure to rise. But benefits of such growth have been polarized to the richer sections of the economy. Moreover, public spending on social sector has been curtailed during the reform process which has no doubt a significant impact on the pattern of consumer's healthcare spending. This paper attempts to examine the pattern of consumer expenditure on healthcare in India and its major constituent states. Temporal changes relative to both the overall consumption expenditure and the total non-food expenditures are analyzed. Attempt has also been made to analyze the changing nature of both the institutional and non-institutional healthcare expenditures separately. Institutional medical expenditure is associated with hospitalization and critical illness where as expenditure for outpatient services come under non-institutional expenditure. Both the institutional and non-institutional healthcare expenses are judged from the point of catastrophic effect across major states of India. NSSO data on levels and patterns of household consumer expenditure in India (50th, 61st and 66th Rounds) are used in the analysis. The study has covered both rural and urban areas of 15 major states of India.

Health of Women of Sundarbans: Scenario and Recent Developments

Granthana Sen Gupta

**Assistant Professor, Department of Economics,
Sundarban Hazi Desarat College,
Pathankhali, South 24 Parganas**

The concept of Women empowerment have come to the forefront since it was introduced at the International Women Conference in 1985 in Nairobi, which defined it as redistribution of social power and control of resources in favour of women. Empowerment provides independent space from where one can get accomplishment and an environment which was previously denied or limited for various reasons. Empowerment of women makes them aware of their health conditions. They can take necessary steps to improve those conditions. The gap between men and women throughout the world in different aspects of life is quite alarming even in this highly advanced global world. Many countries are suffering from gender gap which is measured in terms of four pillars namely, economic opportunities, political empowerment, educational attainment, health and survival. Worldwide average Human Development Index for women is six times lower than for men due to women's lower income and educational attainment in many countries. 189 countries of the world are ranked according to Human Development Index. HDI is based on three indices of a) life expectancy at birth, b) mean years of education among adult population and access to learning and knowledge measured by expected years of schooling for children of school-entry age and c) standard of living measured by country's per capita Gross National Income (GNI) where GNI is the

aggregate income of an economy generated by its production and its ownership of factors of production less the income paid for the use of factors of production owned by rest of the world, converted to international dollars using PPP (Purchasing Power Parity) rates divided by midyear population. Gender Development Index (GDI) measures gender equality. GDI and Gender Empowerment Measure (GEM) are introduced to add gender-sensitive dimension to HDI. GDI is the ratio of the HDIs calculated separately for females and males. It is a direct measure of gender gap showing the female HDI as a percentage of the male HDI. GDI addresses gender gap in life expectancy, educational attainment and income. $GDI = (GHI + GEI + GII) / 3$. GENDER GAP ranks countries according to calculated gender gap between women and men in 4 key areas : health (outcome on life expectancy and sex ratio), education (outcomes on access to basic & higher level education), economy (outcomes on salaries, participation levels and access to high-skilled employment) and politics (outcomes on representation in decision making structures). It measures women's disadvantage compared to men. India's latest GDI is 0.841 and HDI is 0.575 for women and 0.683 for men. India ranks 149th out of 164 countries in 2017 in GDI. India's HDI rank is 130th. It ranks third lowest in the world on health and survival India ranks 108th in World Economic Forum gender gap index. West Bengal , being the fourth most populous state of India, has sex ratio of 950 according to Census 2011 as against 934 in 2001. Given this background, we will look into the health scenario of the women of Sundarbans and the emerging facilities in this field in this paper. Some Government Health Schemes are operating to help these poor women. Many organisations are working to provide health facilities to these poor women. Sundarbans is a delta formed at the confluence of the river Ganges and Brahmaputra with the Bay of Bengal in India and Bangladesh. It is the world's largest mangrove forest area. The vast areas of Sundarbans have low literacy level communities. Mostly poor, backward, underprivileged women of Sundarbans suffer from various socio-economic stigmas. Health problem is a major impediment to the path of their development. They lack proper access to educational, health, communicational facilities. Along with social stigmas, behavioural factors like orthodox mentality, conservatism stand in the way of health hazards of women. In this area of West Bengal, raising serious public health concerns, a new survey has found that around 64 per cent of the women living in the climate change-hit islands of Sundarbans suffer from anaemia. Gender wise, women experience a higher burden of visual impairments given their longer life expectancy and poor access to health care services. The burden is higher among women of 50 years and above (WHO 2010). A huge proportion of women are in fishing profession. They spend many hours a day in water which also add to their health hazards. Institutional delivery has come to the focus to prevent women from defecation. Apart from socio-economic factors, gender dynamics play a crucial role in health care seeking. Education of these women folk can bring health awareness. Education can enlighten them. The healthcare scenario is changing gradually with some government health policies and

some organizations are coming up to work in this field. The paper will try to look into these facilities and whether they are actually helping the actual beneficiaries.

Hospital Loyalty And Its Determinants: A Primary Survey In Kolkata City, India

Dr. Mahua Patra¹&Dr. Satarupa Bandyopadhyay²

1.Assistant Professor in Sociology, Maulana Azad College.

2. Associate Professor in Economics, Bethune College

Hospital loyalty indicates a situation when a user seeks treatment in the same hospital for different illness episodes. This paper tries to analyse the hospital loyalty of a user factors and its determinants among slum as well as non-slum population in some randomly selected wards in Kolkata. A bi-probit model is used. It is found that overall impression of the hospital increases with lesser waiting time, cure of disease and cleanliness of the hospital. However, although better impression increases hospital loyalty, easy to reach hospitals with test facility receives more loyal patients. Slum-dwelling population of Kolkata also show more hospital loyalty.

Social Sector Expenditure And Per Capita SDP In Indian States:Patterns,Nexus, Panel Cointegration And Vector Error Correction Analysis

Dr. Debesh Bhowmik

(Retired Principal and Associated with Indian Economic Association and The Indian Econometric Society, Life member, Bengal Economic Association, Economic Association of Bihar)

The paper seeks to relate social sector expenditure with net per capita state domestic product at factor cost in current prices of 24 Indian states during 1980-81-2017-18 through panel cointegration and vector error correction model. The paper also explored the growth rates, structural breaks and minimized cycles of the social sector expenditure of the states. The paper concludes that the social sector expenditure of Indian states showed high growth rate ranging from 11.37% to 14.05% per year significantly during 1980-2017 showing three to five upward structural breaks with many peaks and troughs. The social sector expenditure of 24 states did not follow Beta and Sigma convergence hypothesis. Fixed effect model panel regression states that one per cent increase in social sector expenditure in states per year led to 0.93 per cent rise in SDP per capita per year during 1980-2017. Panel fully modified regression model states that one per cent hike in social sector expenditure in states per year implies 0.97 per cent increase in SDP per capita per year during 1980-2017 in 24 Indian

states. Panel cointegration suggests that social sector expenditure and net SDP per capita are cointegrated and there is long run causality between them since the cointegrating equation has been converging towards equilibrium showing the speed of adjustment of 1.49% per year. Short run causality to social sector expenditure was observed from net SDP per capita. The VECM is stable but non-stationary. The response of SDP per capita to states social sector expenditure reached and crossed equilibrium and the response of states social sector expenditure to SDP per capita moves towards equilibrium.

Section V: Banking and Finance -A

Banking in the Turbulent Era: A Non-parametric Efficiency Analysis

Dr. Sanjoy Deⁱ, Dr. Niladri Deⁱⁱ, Dr. Debottam Chakrabortyⁱⁱⁱ and Sreyasi Banerjee^{iv}

¹ Dr. Sanjoy De is Assistant Professor in Economics, Department of Economics, Shyampur Siddheswari Mahavidyalaya, Howrah.

²Dr. Niladri De is Assistant Professor in Economics, Department of Economics, Narasinha Dutt College, Howrah

³ Dr. Debottam Chakraborty is Assistant Professor in Economics, Department of Economics, Sundarban Hazi Desarat College, South 24 Paraganas.

⁴ Sreyasi Banerjee is Assistant Professor in Commerce, Department of Commerce, Behala College, Kolkata.

Since the era of nationalization, banking in India has witnessed several changes. The underlying rationale for nationalization of banks was that the organized banking system was not playing proper role in the development of the country. These banks were controlled by a few rich magnets. Nationalization was an attempt to broaden the base of these banks. The government thought that the banks should expand rapidly to become accessible to people. Also, the emphasis was on priority sector and development-oriented banking.

In July 1969, the Government nationalized all 14 banks whose national wise deposits were greater than Rs. 500 million, resulting in the nationalization of 54% more of branches in India and bringing the total number of branches under Government control to 84%. A second round of nationalization of 6 more commercial banks took place in 1980. The stated aim of this follow-up nationalization endeavor was to give the government increased control over credit delivery. With this, the government's control of the banking business rose to 91%.

The Narasimhan Committee (1998) acknowledged certain spectacular achievements of banks since nationalization. It has been pointed out that the commercial banks have significant success in many facets. Expansion of branch, penetration in the rural area, prioritizing the bank lending, increasing deposit and involvement of the relatively unbanked states were some of the striking success of bank nationalization.

However, banks failed in maintaining high profitability and raising working efficiency. The reasons were many. Chief among them are the directed credit, political and administrative interference, subsidization of credit and mounting expenditure of banks. Also there were some problems relating to NPAs, competition, competency, overstaffing, inefficiency etc. for the nationalized bank.

The year 1991 marked a crucial changing point in India's economic policy since independence in 1947. Due to the severe balance of payment crisis, structural reform measures were initiated that brought about fundamental changes in the prevailing economic condition. After long-period of deepened government influence in the business world, known as 'the mixed Economy' approach, the private sector began to play a more important role (Acharya, 2002).

Like the real sector, the reform measures impacted the banking sector as well. Prior to 1991, there were considerable amount of state control over the allocation of credit and the determination of the rate of interest. The blueprint for banking sector reforms in India was laid in the report of Narasimham committee in 1991. The committee recommended complementarity between banking sector reforms and changes in fiscal, trade and monetary policies, developing financial health and development of financial markets.

Three ways the government interfered in the banking sector were statutory pre-emptions, regulated interest rates and directed credit programmes (Denizer et al, 1998). The economic and financial sector reforms aimed at to transform the operating environment of banks and financial institutions in the country and to strengthen the Indian economy. The recommendations of the Narasimham Committee (1991, 1998) provided the blueprint for the reforms of the financial system in India. Important developments in the financial system over the first decade of reforms (1991-2000) include more liberal entry of foreign banks, more freedom to the banks in choosing deposit and lending rates, lowering of the statutory pre-emptions, etc (Bhide et al, 2002).

The second decade of reforms (2001-2010) saw widespread usage of technology and electronic banking in banking operations. Use of automated teller machines (ATMs), smart cards, remote banking services, mobile banking Internet banking etc has transformed the banking business.

All these reform measures made an attempt to boost up bank efficiency. However, presently, at the time of 50 years of nationalization, the banking sector in India is now at the cross-roads given the huge and unabated non-performing assets and the spate of consolidation. In fact, there has been a volte-face from the nationalization era, in some of the areas of banking operations. Emphasis is now being given on lowering down the bank branches, consolidation of several banks - belonging to all categories – so as to reduce the number of banks.

Given this tumultuous turn that the Indian banking system is passing through, it is pertinent to study the performance of the banking sector, covering the period 2010-2018. We employ non-parametric DEA method and use operating approach for selecting inputs and outputs. We also aim at to unearth the reasons behind the efficiency or inefficiency of

banks operating in the new era. This actually helps us assessing the efficacy of the recent policies and its impact on the organized financial sector in a better way.

NGOs and Financial Inclusion in West Bengal

Prof. (Dr). Pranay Kumar Roy Barman

(Professor and Academic Advisor , Seacom Skills University , Bolpur , Santiniketan

The probability of financial inclusion, rather we can say inclusive economy, is by and large becoming a positive proposition with the implementation of various programmes launched by our government. Government alone cannot implement the programmes of financial inclusion, it requires the assistance of civil society, voluntary organization and the non-government organization(NGO). It is a fact that the NGOs being the close door neighbours of the rural population can reach the remotest part of the villages and intimately propagate the concept of how to reap the benefit of schemes of socio economic development. The human development programme of government can only be successful if the people for which it is meant, can understand, participate and harvest the outcome. The paper discusses the general scenario of human development of West Bengal in relation to human development indices (HDI). The effect of intervention of NGOs especially in the areas of per capita income, per capita consumption and poverty dimension on the basis of findings of "Field Study" has been presented where from it is evident that NGOs can play a supplementary role in improving rural economy. The NGOs either have directly intervened in the socio economic activities or intervened through Self Help Groups (SHGs). The SHGs through government efforts and persuasions have become more effective and result oriented by dint of which have been able to contribute in more meaningful way particularly in respect of income generation resulting in standard of living.

Impact of mergers on Indian Banking Sector

Bitobi Lahiri Lahiri

email : bitobi.lahiri@gmail.com

Abstract

This paper examines the impact of mergers on performance of selected commercial banks in India. The impact of mergers on performance of the banks has been evaluated from three prospective i) Physical Performance of merged banks, ii) Financial Performance of Merged Banks and iii) Share price performance. For this purpose 6 Indian commercial banks merged during the period 2004 to 2008 were selected out of which, three are merger of public sector

banks with private sector banks and three are merger of private banks with private banks and data have been collected from CMIE data base at IIM Calcutta and Bank's annual reports. Finally, the study concludes that, Merger is a useful strategy, through this Banks can expand their operations, serve larger customer base, increases profitability, liquidity and efficiency but the overall growth and financial illness of the bank can't be solved from mergers. Keywords: Mergers, Commercial Banks, Performance, CMIE.

50 YEARS OF BANK NATIONALISATION-WAY FORWARD

Subhajyoti Majumdar

Rtd. Dy.Gen. Manager, Dena Bank

Visiting Faculty Member of Indian Institute of Bank Management, Guwahati

Visiting Faculty Member of Indian Institute of Banking and Finance

Former Expert Member of Credit Committee of SIDBI.

Email: smajumdar97@gmail.com

Prabal Dasgupta

Associate Professor, Economics

A.G.C Bose College, (Formerly Bangabasi College Of Commerce) Kolkata

Email : dasguptaprabal@yahoo.co.in

IN 1947, at the time of Independence, the health of Indian Banking sector was very weak. The ownership of the banking system was with the private sector. Banking sector, with the ownership of private sector, used to render service only a handful of rich and middle class urban households. Failure of banks was very common event. Lending activities failed to stimulate growth in the economy. Banks used to neglect to deploy the credit facilities towards agriculture, small scale industries, exports etc.

Govt. of India realised several drawbacks of the commercial banking system. It introduced the policy of social control over banks in December, 2017 to ensure better alignment of the banking system with the needs of economic policy. In February 1968, the National Credit Council was formed to assist the RBI and Govt. to distribute credit according to plan priorities. In order to ensure equitable distribution in the banking system, as per recommendation of NCC, the Banking Laws (Amendment) Act was passed in the parliament in December 1967 and was effective from 01.02.1969.

In July 19, 1969 Govt. of India issued an ordinance for nationalisation of the 14 major scheduled commercial banks, whose total deposits were above Rs. 50 crore. Six more scheduled commercial banks were nationalised in 1980 w.e.f 15.04.1980 having total deposit base of Rs.200.00 crore and above.

The main objective of nationalisation of 14 commercial banks in 1969 and six more banks in 1980 was to spread the banking activities to provide service mainly to the weaker section of the country and also to ensure flow of credit to priority sector. Nationalisation of major banks also helped in integrating credit planning with economic plan. After nationalisation of major commercial banks, there was remarkable improvement in expansion of branches to the various parts of the country and flow of credit to priority sector.

Introduction of Lead Bank Scheme by RBI in 1969 played an important role to flow of credit to priority sector and also to mobilise deposits on a massive scale throughout the country. It also accelerated the expansion of branches in unbanked areas. The scheme strengthened the coordination between various activities of banks and other developmental activities.

In 1977, RBI introduced new license policy for opening new branches. As per new license policy, banks had to open four branches in unbanked location to open a new branch at the place where there are existing branches. This 1:4 license rule of RBI accelerated the growth of branches in unbanked area. Between 1977 and 1990, more than three-fourths of newly opened branches were in unbanked area. This policy was remained in force till 1990.

There was remarkable improvement in population coverage per branch office due to increase in number of branches from 8262 in 1969 to 60220 in 1991. The population coverage per branch office reduced from 65000 in 1969 to 14000 at the end of December 1990. The share of rural branches increased from 22% in 1969 to 58% in 1990. The share of rural deposits in total deposits increased from 3% in 1969 to 16% in 1990. The share of credit exposure to the rural sector in total bank credit increased from 3.3% in 1969 to 14.2% in 1990.

Introduction of Lead Bank Schemes and regulatory prescription of priority sector lending positively influenced the flow of credit towards agriculture sector. The share of agriculture advance in total advance of the bank sharply increased from 2.2% in 1967 to 9.1% in 1974-75. At the end of June 1989, the share of agriculture advance in total advance increase to 15.8%.

There was also enhancement of credit exposure to SSI (Small Scale Industry) units. The share of SSI units to total bank credit increased from 7% in June 1968 to 15.3% in June 1989. There was striking improvement in enhancement of number of small borrower accounts. There were addition of 21 million bank loan accounts from December 1972 to June 1983, out of which 93% accounts were with credit limit of Rs 10,000/-or less.

In view of the above development, share of priority sector advances in total advance of bank increased from 7% in June 1968 to 15.3% in June 1989.

In this paper, we discuss the major developments in the Indian Banking system after Nationalisation. We discuss Narshimham Committee-I & II, non performing assets of

commercial banks, mission Indradhanush, the 4R's Strategy, RECAPITALISATION BONDS MONETARY TRANSMISSION, MERGERS AND AMALGAMATION OF BANKS, AND THE WAYS AHEAD in our paper.

FINANCIAL INCLUSION IN INDIA: TOWARDS DEVELOPMENT OR DISPARITY?

by

Razdan Alam¹ and Debolina Saha²

³ Research Scholar, Department of Economics, Rabindra Bharati University

⁴ Assistant Professor, Department of Economics, Rabindra Bharati University

Disparity is faced by almost every society. There are several reasons like, economic, social, regional etc which often raise the disparity in a society and that leads to broaden the gap between poor and rich. During the last few decades in India several steps have been taken by the government to promote different financial services for facilitating a large section of people as the name of financial Inclusion to reduce such disparities which are obstacles for development. Financial Inclusion is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as, weaker section and low income groups who are financially excluded, at an affordable cost in a fair and transparent manner by mainstream institutional players (RBI). It was introduced in India formally in 2005 though it was in existence since 1904. In this regard, Swabhiman Movement (2011) is notable. Another step was taken in 2014, the Pradhan Mantri Jan Dhan Yojana (PMJDY) which is a National Mission for Financial inclusion to ensure access to financial services. Financial inclusion is measured usually through the INCLUSIX index where the parameters are branch penetration, deposit penetration and credit penetration. In our study we have shown that in terms of the above parameters, though financial inclusion has taken place during 2010 to 2018 in India but, there is a huge difference between rural areas and urban areas while assessing feasibility of financial inclusion. It has come out from our study that in per capita terms, each and every initiative for financial inclusion is less in rural areas as compared to urban areas and there by disparity continues in India. It is expected that if such disparities or inequalities are minimised or abolished then this may help in economic and in turn social or regional development in India.

Reflections on the Performance and Efficiency Score of Selected Micro Finance Institutions in India: An Empirical Analysis

Dr. Anusri Mallik* & Cma (Dr.) Sudarshan Maity**

*Assistant Professor, Narula Institute of Technology (Under JIS Group), E-mail:
anusri.mallik@gmail.com; Contact No: +91- 9163564515

**Deputy Director, The Institute of Cost Accountants of India, 12, Sudder Street, Kolkata-
700016, West Bengal, India, E-mail: sudarshan.maity@gmail.com
Contact No: + 91-9830239165

Access to credit for the poor from conventional banking is often constrained by lack of collaterals, information asymmetry and high transaction costs associated with small borrower accounts. Micro finance has emerged as a viable alternative to reach the hitherto unreached for their social and economic empowerment through social and financial intermediation. It involves provision of thrift, credit and other financial products and services of very small amounts to the poor for enabling them to raise their income levels and thereby improve their living standards. In operational terms, micro credit involves small loans, up to Rs. 25,000, extended to the poor without any collateral for undertaking self-employment projects. Such loans are provided through micro finance institutions (MFIs). They face many risks which can adversely affect their long term operational and financial sustainability. Some of the most serious risks pertain to the external environment in which these institutions operate and include natural disasters, economic crisis and war. The behavior in managing the risk is largely determined by the location in the chain of risks and pressures confronting each other. The MFIs respond to the risks with the end in view of protecting performance from sliding away from the goal of sustainability while the clients respond against being plunged to a more vulnerable condition. This paper investigates the performance and efficiency scores of selected MFIs using Data Envelopment Analysis (DEA). Twelve MFIs have been selected from Tier-I at random from different states on the basis of client outreach more than 2.5 lakh. Such analysis can provide a combined input-output oriented outcome to measure overall performance of MFIs. Secondary Data are used for study during the period 2018-19. The three inputs viz. number of personnel, physical assets of selected micro finance institutes, operating costs and the two outputs viz., financial revenues and disbursement of loans are considered to evaluate the relative efficiency of micro finance institutes of the sample set. It is concluded that seven MFIs out of twelve selected MFIs are considered as efficient units and may be referred to as example to other institutes to improve their performance and efficiency.

**THE BANKING SECTOR OF THE BRICS ECONOMIES:
MAIN FACTS AND CHALLENGES WAY FORWARD**

Dr. Asim K. Karmakar

Assistant Professor in Economics, School of Professional Studies
Netaji Subhas Open University, Kalyani. NADIA - 741 235, West Bengal, INDIA.

Email : iasimkkarmakar@gmail.com

&

Dr. Sebak K. Jana

Professor, Department of Economics, Vidyasagar University, Midnapore
West Bengal, India, PIN 721102, Email: sebakjana@yahoo.co.in

BRICS, exhibiting their pattern as “Spaghetti bowl phenomenon” and also their growing significance in the new global order, is now a symbol of the shift in global economic power away from the developed G7 economies towards the emerging market developing world. For several reasons, countries as Brazil, Russia, India, China, and South Africa (BRICS) with their robust macroeconomic fundamentals have come to prominence in building their sound banking systems with its merits and oddities that we are going to discuss here.

Since a sustainable and well-capitalized banking system capable of funding the economic growth is critical for an economy because everyone needs a bank and also since banks play a crucial role in accelerating the process of economic growth and development with the efficient functioning of the banking sector contributing to the national economic growth and higher living standards of the population, this paper, in the above backdrop, focuses on the banking sectors in BRICS economies. Paper analyzes the performance evaluation of banking sectors in the BRICS economies on select parameters such as capital adequacy, non-performing loans, return on assets (ROA) and the return on equity (ROE) for the period 2013 to 2016 particularly in case of Russia and India and in terms of number of branches per unit area, branches per population, automatic teller machines (ATMs) per unit of population, and the depth of banking penetration at the aggregate level using indicators like deposit-to-GDP and loan-to-GDP rates in all the BRICS economies. Paper also details the major challenges that the BRICS banks may face in coming times due to the volatile global financial environment. Data for this paper have been sourced from secondary sources only. A study of the banking systems, deposit insurance framework, performance evaluation of banks on select parameters, and challenges wayforward in the banking sector in the Banking sectors of the BRICS economies is, therefore, both exciting and challenging.

**Are Financial Ratios Good Indicator of Stock Returns? : A Two Step Panel
Regression Analysis**

Sarbajit Paul* and Goutam Mitra**

Abstract

We have used yearly closing price of fifty stocks of nifty spot from the year ranging 2008 to 2017. We have collected data from National Stock Exchange (NSE) historical data base, Capitaline data base, Yahoo finance, Trend Solution (www.stoxtrend.org) and money control.com. First, we examine the relationship among fifty company's spot share prices with five selected financial ratios and estimate the share price by regressing it with these five financial ratios. Then we have attempted for studying the relationship between estimated share price which we have just derived from the first experiment with share returns along with other two variables, daily variability of the share price and the risk component. In both the situations we have applied various panel econometric tools for measuring the degree of association between the variables and the impact. Due to non availability of very few data we have applied unbalanced panel regression for our study. We have used Stata12 for our data analysis.

We have two propositions. First we search for the impact of financial ratios on share price and the second one is to find out whether significant relationship exists or not among estimated share price (which we have derived from the first experiment), variability in share price and risk with share returns.

For analyzing data, the technique of ratio analysis, simple mathematical tools like percentage, average etc. have been used. We have applied natural logarithm transformation for all the variables under study. As log transformation makes some numerical figure undefined, we have taken them as zero. To judge the nature of the data we have applied descriptive statistics and for testing the significance of association among the variables, statistical techniques like Pearson's simple correlation analysis and linear panel regression analysis have been applied.

***Associate Professor, Dept. of Commerce, Chakdaha College, Chakdaha, Nadia, West Bengal**

E mail: paulsarbajit06@gmail.com/7980031331

**** Professor, Dept. of Business Administration, Burdwan University, Burdwan, West Bengal**

E mail: gautammitra6@gmail.com/6289418651/9083155130

Performance Evaluation of Private Commercial Banks – A Non Parametric Approach

Srabani Dey⁵ & Gautam Mitra⁶

Upto 1980s, the private Indian commercial banks played a limited and secondary role in the market because of the government policy. Since 60s' government of India was taking about the social control of private banks and in 1969 and 1980, 20 private sector banks were nationalised. However, since introduction of economic reforms in 1991 and the implementation of the recommendations of the committee on financial sector reforms and the committee on banking sector reforms tried to provide a level playing field for the private sector banks. With the decline of specialized financial institutions and non banking financial institutions (NBFCs) the role of banking sector in financing industrial and service sector growth has also increased many folds. In this context, the evaluation of private sector bank performance demands increased attention from the researchers, academicians and market regulators. The present study seeks to add more value on the existing literature on private sector commercial banks.

The present study essentially is a two-stage exercise. In the first stage we have considered a performance benchmarking model to make efficiency evaluation of the Indian private sector commercial banks. For this we have considered a non- parametric framework and applied Data Envelopment Analysis. In the first stage we need to specify the technology set at the outset for the application of any (parametric or non- parametric) frontier technique. However, in this context a particular advantage that we get while applying the non -parametric method is that we need not assume one or several parametric relationship between outputs and inputs and then search for the best possible model. Secondly, in the non- parametric framework we can handle multiple outputs which are not possible in the parametric method unless we utilize price data to estimate cost, revenue or profit efficiency.

In the present case, we have constructed a performance frontier of the private commercial banks on the basis of data collected for the period from 2004-05 to 2017-18. In the second stage we have tried to explain the efficiency performance of the observed private sector banks in terms of several important environmental variables like, Capital adequacy ratio, Return on assets, Return on equity etc Net NPA ratio. For the purpose of estimation of the relationship between the dependent and independent variables we have used Tobit Censored Regression. Our findings in brief conclude that the efficiency score of Private Commercial bank is highly influenced by its Capital Adequacy ratio compare to its Net NPA to Net Advances ratio, Return on Asset and Return on Equity.

Bank Nationalisation and Priority Sector Lending in Indian States**Dr. Subrata Kumar Ray*****Dr. Gopal Chandra Mandal****

* Principal, Prabhu Jagatbandhu College, Andul-Mouri, Howrah, West Bengal

** Associate Professor in Economics, Prabhu Jagatbandhu College, Andul-Mouri, Howrah, West Bengal

The priority sectors, i.e., agriculture, micro and small enterprises, education, etc. are the key sectors for propelling economic growth and for ensuring overall economic development along with social justice through development of large rural sector. In development paradigm, this sector always remains least attended. Prior to nationalisation of 14 major commercial banks by the Government of India, the banks mainly provided credit to large and medium scale industrial units in India. The priority sector was deprived of credit from such banks. Private funds are not attracted in this sector because the source and the rate of return are not attractive and well-defined in some cases. However, these sectors require huge financial resources for proper development.

After independence, the government failed to initiate measures for social control over banks in 1967-1968 so as to secure a better adaptation of the banking system to the needs of economic planning. The sector first catches more attraction in the Reserve Bank's credit policy for the year 1967-1968. Nationalisation of commercial banks was done by passing an ordinance in 1969 for channelising the flow of credit to the priority sector. Undoubtedly the banking sector has played an effective role as a hand maiden of government policy through the tools of directed lending after the massive drive of bank nationalisation, although as years passed by the status of priority sector has degraded and their contributions to provide credit to priority sector has declined to a greater extent in India. However, Indian states are not homogeneous units. The level of economic development of Indian states is different. The amount of credit follow to key sectors under priority sector from nationalised commercial banks diverges across the Indian states and the discrepancy between the actual credit flow and the target set by Reserve Bank of India under priority sector lending varies over these states. This may lead to regional disbalanced economic development.

Under this back drop, on the occasion of 50 year of nationalisation of commercial banks in India, the paper attempts to revisit the issue of the trend and progress of priority sector lending of the nationalised commercial banks in Indian states over the period 1972 to 2018.

Objectives: The primary objective of this study is to assess and compare the priority sector lending by public sector commercial banks in the Indian states. Another objective of this paper is to analyse the trend of the priority sector lending by public sector commercial banks in the Indian states over 50 years.

Research Hypothesis: The public sector commercial banks have provided same percentage of their total credit to the priority sector in the Indian states irrespective of their level of economic development.

Impact of Public Policies on Financial Distress and Firm Performance of Corporate Sector in India

Pallavi Julasaria* & Akanshita Chatterjee**

*Assistant Professor, Department of Economics, St. Xavier's University, Kolkata &

**Student of MA Economics, Final semester, St. Xavier's University, Kolkata

According to Plat and Plat (2002), financial distress refers to the company's declining financial condition which can lead to a loss of trust by stakeholders and even bankruptcy. This is generally due to high fixed costs, illiquid assets, or revenues sensitive to economic downturns. Studies have found out that the rate of bankruptcy or financial distress is higher in developing countries than its developed counterparts due to differences in accounting practices, social, political and economic environment. If financial distress remains uncontrolled, the company will experience further constraints, both financial and non-financial (Fahmi, 2013). Further, Ramadhani and Lukviarman (2009) state that one of the tasks of management is to supervise the financial condition of the company, through ratio and cash flow analysis. Traditionally, the financial economics literature has portrayed financial distress as a costly event whose possibility is important in determining firms' optimal capital structures. Financial distress is seen as costly because it creates a tendency for firms to do things that are harmful to debtholders and nonfinancial stakeholders (i.e., customers, suppliers, and employees), impairing access to credit and raising costs of stakeholder relationships. These tendencies arise because of conflicts of interest between borrowers and lenders (Jensen and Meckling (1976), Myers (1977), and Stulz (1990)), between firms and their nonfinancial stakeholders (Baxter (1967), Titman (1984), and Maksimovic and Titman (1990)), and between shareholders and managers (Gilson and Vetsuypens (1993) and Novaes and Zingales (1993)).

Financial distress is not a very sudden event among the firms, rather it is a complete life-cycle of the corporate firms and grows in phases. Before the firms enters the most acute stage of financial distress, the firms gives out signals in each stage such as deteriorated financial ratios, declining value of the stocks of the company, deferrals in payment, exceeding credit limits of the firm .

Corporate Sector response to Public policy changes: Corporate sector is strongly influenced by public policy changes. After 1991 reforms, there has been huge changes in public policies

in every sector, so how the corporate firms has responded to public policies in each sector and what impact the policies has created on the financial distress probabilities of sectors and the constituent firms is also an important area to investigate.

Research Objectives:

- To find out how Financial distress of the corporates responded to the public policy changes, for example impact of reduction in corporate tax rates, impact of recent tax reform-GST, impact of ‘Digital India’ in ‘Make in India’ program for IT sector, etc.

Plan of Work:

The study is intended to be carried out on non-governmentnon -financial listed companies. The **sectors chosen for study:** Under Manufacturing sector: a) Food & Agro based Products; b) Textiles; c) Chemical & Chemical products; d) Consumer goods; e) Metal & Metal Products; f) Transport equipment; Under Service Sector: a) Transport; b) Telecom; c) IT & d) Health; Others: Construction & Real State

For our objective, Important public policy changes in each sector will be identified along with timeline of those policies and the firm performances after the implementation of those policies will be studied to study the impact of those policies on firm performances (using suitable other methodology), for example how the financial distress and corporate performances of specific sectors have responded to a policy of MAKE IN INDIA policy which came 2014 is intended to be studied.

GST has been popularly acclaimed as one the major tax reforms after independence. From its advent during 1999 to its implementation at midnight, 1st July, 2017 the tax regime has come across a myriad re-structuring, and its aftermath vary across a huge spectrum (from the process being called “hasty implementation” by Dr.Manmohan Singh to being called “consumer, assessee friendly” by ArunJaitley). Being one of the major tax reforms it has had substantial effects on the corporate firm performances across the major sectors.

This paper looks into the aftermath of GST implementation on the firms that accrue to the various sectors across the country, using various indicators like turnovers, sales, Z-scores etc, and also to categorise whether GST has been a boon or burden to the firms in terms of financial distress, profitability index and credit-worthiness. Sample data of various firms have been taken and econometric analysis has been done in order to draw insightful conclusions on the afore-mentioned research question.

An Analysis of Determinants of Financial Distress & Firm Performance of Corporate Sector in India

Pallavi Julasaria* & Debadrita Chakraborty**

*Assistant Professor, Department of Economics, St. Xavier's University, Kolkata
& **Student of MA Economics, Final semester, St. Xavier's University, Kolkata

In today's world bankruptcy is a global phenomenon occurring in both developing and developed countries. It is an issue which goes hand in hand with doing business. Ross et al. (1999) defines financial distress as a condition where a company experiences financial difficulties and is unable to meet its financial obligations. Traditionally, the financial economics literature has portrayed financial distress as a costly because of conflicts of interest between borrowers and lenders (Jensen and Meckling (1976), Myers (1977), and Stulz (1990)), between firms and their nonfinancial stakeholders (Baxter (1967), Titman (1984), and Maksimovic and Titman (1990)), and between shareholders and managers (Gilson and Vetsuypens (1993) and Novaes and Zingales (1993)).

According to a report prepared by Peter Linder (Dec 2014), in IMF regarding the financial status of the Indian corporate firms, he stated that Indian firms are facing severe problems in repayment of loans due to decline in the profitability and high level of leverage, thus posing an increasing risk to the asset quality of the Indian commercial banks. Failure of firms has a number of direct and indirect costs associated with it. These includes job losses of the employees, loss of capital for the creditors etc. Thus it has become extremely important to predict the financial health of the firms at a very early stage, when it starts to show the first signs of financial distress.

Plan of Work: The study is intended to be carried out on non government non financial listed companies. **Sectors chosen for study:** Under Manufacturing sector: a) Food & Agro based Products; b) Textiles; c) Chemical & Chemical products; d) Consumer goods; e) Metal & Metal Products; f) Transport equipment; Under Service Sector: a) Transport; b) Telecom; c) IT & d) Health; Others: Construction & Real State

For the first objective, modelling of sectorwise corporate financial distress will be done using Logit regression model in order to find out what factors significantly affects the Financial distress of the sectors and how it varies across the sectors. Based on various literatures, a firm in a particular sector would be considered a distressed firm if

- (i) *It has insufficient cash flows to meet its debt*
- (ii) *If the accumulated loss is greater than 50% of its net worth.*

- (iii) *If it has negative net income for at least 3 or 5 consecutive years. & an industry is called financially distressed* (iv) *If median sales growth is negative/ if median stock returns is below 30%. We have used Logit & Panel Regression methods.*

Economic Reforms and its Impact on Banking Sector Development in India since 1991.

Sakhi Roy¹ and Dr. Subrata Kumar Ray²

¹Assistant Professor, Amity University, Kolkata, West Bengal.

²Principal, Prabhu Jagat Bandhu College, Howrah, West Bengal.

Introduction : The banking system is central to a nation's economy. Banking system is at the centre of economic activity and its health affects the entire economy. The banking system is one of the few institutions that impinge on the economy and affect its performance for better or worse. They act as the development agency and are the source of hope and aspiration of the masses (Soden, Minakshi, 1992). To achieve some social and economic goals, it is necessary to have a clean, diversified, viable, efficient and low cost banking system fully committed to growth with justice. Inefficient credit, money and capital markets may crowd out the investment by making credit or capital more expensive. According to World Development Report (1989), the countries with well developed financial system grow faster than the countries with weak financial system. Hence, given the interdependence between the two, economic reforms have an impact on the Banking Sector Development.

Objective: The Major objective of this study is to access the impact of major Economic Reforms undertaken since 1991 on the Banking Sector Development in India.

Hypothesis: Given the crucial role that Banking Sector plays in an economy, we hypothesize that Economic Reforms will have a positive impact on the Banking Sector.

Research Methodology: Using secondary data from RBI Database on Indian Economy, we would conduct an impact analysis of major economic reforms undertaken on Banking Sector Development. We intend to understand the impact of these policies on Credit-Deposit Ratio, Network Expansion (number of offices) and Outstanding credit to the different sectors of the economy.

Results and Discussion: Banking Sector Development depends on dynamism and efficiency of the Economic Reforms and financial development reciprocally influence each other in a mutually reinforcing manner.

**Measuring Efficiencies of Pension Fund Managers in New Pension Scheme in India:
An Application of Data Envelopment Analysis**

Prasun Chatterjee & Goutam Mitra

In this study, our endeavour is to measure the financial efficiencies of Pension Fund managers in New Pension Scheme in India by using standard Data Envelopment Analysis (DEA) for the period 2017-18. We have used the DEA solver in MS-Excel with Charnes-Cooper-Rhodes (CCR) model based on the constant return to scale (CRS) model.

All the eight Pension Fund Regulatory Development Authority (PFRDA) regulated pension fund managers' i.e. HDFC Pension Management Co. Limited, ICICI Prudential Pension Fund management Company Limited, Kotak Mahindra Pension Fund Limited, LIC Pension Fund Limited, Reliance Capital Pension Fund Limited, SBI Pension Funds Private Limited, UTI Retirement Solutions Limited and Birla Sun Life Pension Management Limited under New Pension Schemes (NPS) for both the Tier (I & II) in E, C & G schemes. It is covering 100% of the Indian Pension companies or Fund Managers in NPS. The input – output efficiencies measured under CRS and those who scored 100% in standard DEA model termed as efficient Fund manager.

We have considered 3 inputs and 5 outputs scenario where inputs represents cost/expense ratios, Portfolio turnover ratios and Asset Under Management (AUM) and outputs are absolute 1 year returns, 3 & 5 years returns, returns since inceptions and Net Asset Value (NAV) as on 31st March 2018. The result was quite interesting to notice as efficiencies varying with scheme or portfolio of pension Funds. As well, Fund managers with the large AUM not established always as most efficient Fund managers in all the schemes in NPS in India.

**PROLIFERATION OF BANKING FACILITIES IN NORTH EASTERN STATES –
AN INVESTIGATION OF FINANCIAL INCLUSION**

CMA (Dr.) Sudarshan Maity*, Dr. Tarak Nath Sahu &**

Dr. Srimoyee Datta***

*Deputy Director ,The Institute of Cost Accountants of India,12, Sudder Street, Kolkata-700016, West Bengal, India,E-mail: sudarshan.maity@gmail.com

Contact No: + 91-9830239165

**Assistant Professor,Department of Commerce , Vidyasagar University, Midnapore-721 102 West Bengal, India,E-mail: taraknathsahu1982@gmail.com,

Contact No: + 91-9474971927

***Assistant Professor,Department of Management Science,Bengal Institute of Science & Technology,Purulia-723102,Contact no.-09046522049,E-mail: sinha.datta@gmail.com

The main driving force of an economy is country's banking and non-banking financial institutions. The stronger and widespread banking systems help to strengthen economy of a country. Although the financial sector has made commendable progress in recent years, there are concerns that the banks have not been able to include vast segment of population specially underprivileged sections into the field of basic banking services. Despite rapid economic development and modernization of world economy, gaps in financial access remain severe. The present study investigates proliferation of banking facilities of bank branches and access of financial services across all eight states in north-eastern region in India. The period of study is ten years from 2008-09 to 2017-18. The data are analysed by using descriptive statistics and compound annual growth rate is calculated for understanding the pattern of growth and disparity in banking services at the state level. In order to judge the disparity between states researchers have used ANOVA test with different parameters considered in the study. According to the result of ANOVA, the study has found that there is a disparity on banking coverage across the states in north-eastern region. Further, due to existence of disparity of banking coverage, disparity of financial inclusion exists between these states. Financial inclusion is required to uplift the poor and disadvantaged people by providing them the customized financial products and services. Proliferation of banking coverage is essential for achieving financial inclusion. A financially inclusive society is important to help people mobilize more resources to support economic growth and to create better opportunities for poverty reduction.

74th Constitutional Amendment Act and its application in West Bengal**Mahananda Kanjilal**

Jogesh Chandra Chowdhury College, Kolkata

According to the recommendations of the Rural-Urban Relationship Committee, the 74th Constitutional Amendment Act (CAA74) 1992 seeks to provide more decentralized power and authority to ULBs by giving them constitutional status. The amendment has caused a revolutionary change in the administration of the country giving power to the ULBs to do their own planning and seek financial assistance from the higher level governments. The Act also prescribes a uniform local governance structure for the country as a whole. For the effective functioning of ULBs the CAA74 mandates compulsory reconstitution of municipal bodies within a specified time frame. The Twelfth Schedule of the Act suggests specific functions and responsibilities to ULBs.

Objective of this paper is to focus on the basic features of this 74th Constitutional Amendment Act (CAA74) 1992 and its application in West Bengal.

The 74th Constitution Amendment Act aims to decentralize power and strengthen democracy at the local level. It not only accords constitutional status to ULBs but also provides a framework for effective functioning to ensure provision of urban services and infrastructure. It brings certain fundamental changes in local self government and provides for devolution of financial powers from the state government for strengthening of municipal finance.

In spite of the attempts made by passing CAA74, proper application of this law is far from satisfactory in most of the cases. Implementation of the Act rests in the hands of the state government. Initiative and motivation from the part of the state government can make it fruitful at the local level. Some states such as Karnataka, Kerala, Madhya Pradesh and some ULBs (Ahmedabad, Patna, Bangalore etc.) recorded great progress implementing several provisions of the Act. But even after 17 years of the passing of the Act the overall benefits of the Act are yet to be achieved in all states of the country. West Bengal has practiced many facets of the CAA74 before it was born. West Bengal is one of the few states which have successfully implemented the amendment within the deadline. The West Bengal Municipal Act, 1993 includes most of the provisions of CAA74.

Sponsored by :



INDIAN COUNCIL OF SOCIAL SCIENCE RESEARCH

Published by Secretary, Bangiya Arthaniti Parishad, 87/277, Raja S. C. Mallick Road,
Ganguly Bagan, Kolkata - 700 047.

Printed by Tamojit Bhattacharya, Kolkata Mudran, 12, Biplabi Pulin Das Street,
Kolkata -700009, Phone: 9123018766, e-mail : tamojit.kolkatamudran@gmail.com