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SECTION I: Convergence in Economic Indicators

Chapter 1: Convergence Analysis of Households’ Consumption Expenditure-A cross country study
Ramesh Chandra Das, Katwa College, India
Amaresh Das, Southern University at New Orleans, USA
Frank Martin, Southern University at New Orleans, USA

Households’ consumption expenditure becomes an important determinant of GDP of a country, particularly when the economy is struck by depression with low levels of private and public investments. So maintaining growth of this head of expenditure over time becomes the crucial agenda of the policy makers all over the world. The present chapter tries to analyze whether the developing countries’ levels of households’ consumption expenditure are converging to the ones in the developed countries during 1980-2013 in the sample of 40 countries. The study reveals that there is no significant absolute β and σ convergence among either in the cross section or in pooling of the data during the given period. But population growth factor is making the countries to significantly converge in conditional sense. By separating the entire data we observe that, for the entire period, the developed countries are significantly converging in absolute sense but the developing countries are not, although there are mixed results in σ convergence.

Chapter 2: The Problems of Development Gap between Developed and Developing Nations: Is there any Sign of Convergence?
Debashis Mazumdar, Bangabasi College, India

The persistently large income gap between the developed countries (DCs) of the North and relatively less developed and developing countries (LDDCs) of the South is one of the most notable features of the international community over the last few decades. Such large disparities in income are paralleled by huge gaps in other non-monetary indicators of well being. Different research works in this field have indicated that the average annual growth rate of per capita income in LDDCs has been faster compared to that in DCs particularly since early 1990s indicating a sign of convergence in the growth process. However, the absolute gap between the DCs and LDDCs in terms of per capita GNP has widened over years. In this paper, an attempt
has been made to indicate the pattern of β-convergence and σ-convergence in income growth between DCs and LDDCs during 1960-2012. Growth convergence could not stop some divergences in the process of economic development between the DCs and LDDCs over the last few decades.

**Chapter 3: Convergence Aspect of Capital Formation- A Study on Major Countries**

*Kamal Ray, Katwa College, India*

*Ramesh Chandra Das, Katwa College, India*

*Utpal Das, Katwa College, India*

Empirical evidences on convergence or divergence of a group of economies or regions in most instances are based upon per capita income as the only determinant for discussion. As time goes on, there has been a lot of studies on the convergence or divergence of certain variables which are proxy to the income variable. The present chapter attempts to examine whether there is convergence or divergence in per capita gross capital formation across 37 countries for the period 1980-2013. The study observes that there is significant absolute β and σ convergence for the cross section of all the economies for the entire period. By segregating the entire data into the categories of developed and developing country, the study further observes significant σ convergence in both the cases with no absolute β convergence in either of the country categories.

**Chapter 4: Optimum Currency Area Theory and Business Cycle Convergence in EMU: Considering the Sovereign Debt Crisis**

*Emin Ertürk, Uludag University, Turkey*

*Derya Yılmaz, Uludag university, Turkey*

*Işın Çetin, Uludag University, Turkey*

Which countries should be in Economic and Monetary Union (EMU)? This question has been debated frequently in the aftermath of the Sovereign Debt Crisis. But this has been asked in every stages of European integration. This discussion has rooted in the optimum currency area (OCA) theory. The theory simply reveals that; if the countries have similar business cycles, one size fits all monetary policy would able to address the problems of member countries. Otherwise, single monetary policy could not be able to satisfy all members. In this respect, we test the business cycle convergence in EMU12 countries over time and we have also analyzed the effects of crisis on this convergence. We have found that business cycles converged over time in these countries. This convergence rises in the times of as they slump together after the shock, but falls sharply in the aftermath of the crisis. This reflects the divergent recovery paths of the countries and put a pressure on single monetary policy especially after crisis.

**Chapter 5: Productivity Convergence and Asian Trade Blocks**

*Chiranjib Neogi, Indian Statistical Institute, Kolkata, India*
The present chapter tries to examine the trend of productivity growth and the process of convergence of productivity among the countries within three blocks viz., ASEAN, APEC and SAARC, using the data compiled by R. Summers and A. Heston in Penn World Table -Mark 5.6 and 7.1. Applying Galton model of the growth process it indicates that the countries within ASEAN and SAARC block do not show any convergence of productivity during the period 1960 to 2010. However, the countries within APEC show the sign of convergence of productivity. Standard tests for convergence show that only the APEC group of countries satisfies the test of absolute convergence that is significant whereas ASEAN and SAARC fail to satisfy the test of absolute convergence. The application of the test of conditional convergence on the ASEAN group of countries does not satisfy the criteria of convergence with respect to investment volume but it shows strong tendency of conditional convergence of productivity among the countries of SAARC trade block.

Chapter 6: Issues of Convergence: Some Evidences of SAARC Countries

Maniklal Adhikary, The University of Burdwan, India

Melisha Khatun, The University of Burdwan, India

There is no point to disagree that inequality in recent time has come up as a growing social predicament in the world. This paper endeavors to look into the issue of convergence in terms of per capita gross domestic product, infant mortality rate, life expectancy at birth and Human Development Index among eight member countries of South Asian Association of Regional Co-operation (SAARC) during the time frame 1990-2013. There has been an evidence of strong absolute beta divergence in terms of per capita gross domestic product and infant mortality rate. But the beta convergence in terms of life expectancy at birth and HDI has also been empirically evidenced. Strong evidence of conditional beta divergence conditioning on infant mortality rate exists in terms of PCGDP only for the time period 1990-1995. Sigma divergence implying dispersion among the countries in terms of PCGDP and IMR has risen over time. But sigma convergence has been found to exist for LEB and HDI.

Chapter 7: Role of SAARC in Convergence of South Asian Economies

Sudhakar Patra, Ravenshaw University, India

The objective of the chapter is to analyze the role of SAARC in regional integration, trade convergence in south Asia. It also highlights the pattern and direction of export and import, share in world trade, preferential trading in South Asian countries. With strong and improving macroeconomic fundamentals, the South Asian region is well established on a high growth path. Based on secondary data on South Asian trade collected from South Asian Economic reports and other statistical volumes, the study observes a decreasing trend of export during the period 1990-2011. Consequently, the overall intra-regional trade intensity index decreased to 1.5 in the year 2010 from 4.2 in the year 2005. SAARC and SAFTA have not contributed in integration and convergence of South Asian Countries rather lead to trade divergence.

Chapter 8: Convergence and Equality of Road Infrastructure- A cross country analysis
The development works as one of the most important inputs of production and overall economic activities all around the global economics. The developed countries of the west hold the larger road lengths in both gross and per capita terms compared to the less developed and emerging countries. But it is also undeniable that the less developed emerging countries have been growing fast in this respect or rushing to catch with the developed countries. The present chapter, hence, tries to study the modes of growth and convergence of GDP per kilometer of road length across the 30 selected countries for the period of 1990-2011 by means of γ convergence and also try to estimate the cross country inequalities by means of Gini Coefficients. It observes a sign of γ convergence and the inequality are going down over time, although there are some signs of divergences in some of the short time spans.

Chapter 9: Sustainability Reporting in Transitional Economies

Marwa Hassaan, Mansoura University, Egypt

This chapter provides insights on some issues associated with the development of sustainability reporting in Egypt as a transitional economy that recently developed the S&P/EGX ESG index. In a dynamic world, and faced with a scientific proof that relates dangerous climatic changes to corporate activity, corporate financial reporting needs to be placed in perspective. Hence, as a social science, accounting should play a vital role in integrating corporate financial and non-financial measures. Semi-structured interviews were employed to investigate the extent to which sustainability reporting is appreciated in the Egyptian market by both business enterprises and the investors. Results indicate that sustainability information is of limited interest to markets except when it is identified as relevant in terms of risk or governance. On the investors’ side, returns were seen as the main driver of portfolio selection. However, sustainability issues would be seriously considered when comparing among alternatives with similar returns.

SECTION II: Convergence in Political, Social and Environmental Indicators

Chapter 10: Can Codes of Ethical Conduct Work? Evaluating the Effectiveness of Privatised Corporate Governance in a World of Political and Economic Convergence

Shefali Virkar, University of Oxford, United Kingdom

Most recently, the world has witnessed a spectacular increase in the size and number of Transnational Corporations (TNCs); an explosion that has resulted in the overseas practices of such companies coming under intense scrutiny, and in the realization that governments often lack the resources necessary to ensure TNC compliance to international standards in key areas such as
labour rights, environmental pollution, and social justice. Against the backdrop of significant failure in national- and international-level attempts to administer Transnational Corporations, this research chapter will examine the effectiveness of codes of ethical corporate conduct devised to enhance the regulation of corporate behaviour. The research presented herein focuses on the conceptualization of such regulatory mechanisms, and their relationship to the larger corpus of corporate social, commercial, and ethical strategic interactions; evaluating their effectiveness as instruments of privatised governance through the particular examination of corporate stakeholder behaviour and recent examples of global best practice.

Chapter 11: Critical analysis of the influence of transnational capitalism on institutions and organizations

José G. Vargas-Hernández, University of Guadalajara, Mexico

This chapter aims to analyze the development of capitalism and its influences on institutions and organizations from its beginnings to reach the highest stage in the processes of neoliberal economic globalization and the New Economy version with supports of information and communication technologies. In raising this development from a critical analysis, it examines the impacts and effects on individuals, communities and the nation state. Subsequently it is questioned the scope of the imposed transnational neoliberal capitalism model. Finally, it is concluded that it needs a cultural transformation for not accepting the forms of domination, power and alignment of globalizing capitalism and to reconstruct the identity of communities through individual action and asserting collective self-determination, independence and self-management. To a certain extent, this analysis finds that evolution and globalization support divergence more than convergence.

Chapter 12: Association between Governance and Human Development in South Asia: A Cross Country Analysis

Arindam Laha, The University of Burdwan, India

Good governance could play a catalytic role in creating an enabling working environment where the dream of sustainable human development can be fulfilled, whereas poor governance could erode individual capabilities to meet even the basic needs of sustenance for vulnerable sections of the population. Under this backdrop, this study attempts to explore empirically the association between the governance and human development in the context of South Asian countries. Broadly, a converging trend of both the indices of governance and human development across South Asian countries is noticeable with the passage of time. Moreover, substantial empirical evidences suggest that the state of governance and that of level of human development are positively correlated in the sense that countries having a better functioning of governance system are also the countries with relatively high levels of human development.

Chapter 13: Strategic-spatial Analysis of the Implementation of Business Opening Politics of Mexico

José G. Vargas-Hernández, University of Guadalajara, Mexico
The aim of this present chapter is to analyze the Mexican implementation strategy of trade policy openness due to the globalization trend, urging the country to create a series of trade agreements and treaties on free movement of goods and regional integration, becoming the country with the network of the world’s largest trade agreements, increasing its presence and Mexican companies in international markets. Similarly, a spatial analysis of the last five governmental periods, comprising 26 years of foreign trade policies and its impact on foreign investments, foreign trade and main multinationals in Mexico, are done forcing them to centering in competitive productive processes and improving their internal organization, innovation and development.

Chapter 14: How inequality of opportunity does persist from education to earning? Some recent evidences from India

Anjan Ray Chaudhury, Goenka College of Commerce and Business Administration, India

The part of outcome inequality, which can be attributed to the unequal circumstances is considered as unfair and it is designated as inequality of opportunity in the outcome space. In this study we reckon this inequality of opportunity in the distribution of weekly wage and education in India by invoking two alternative methods of reckoning inequality of opportunity. Furthermore, it is evaluated from the results of estimations that inequality of opportunity in the distribution of labour market outcome can be attributed to the poor circumstances to achieve education, as the groups with poor circumstances in education as identified by the parametric model are the groups having greater percentage of opportunity inequality in the distribution of weekly wage. This finding corroborates the existence of a vicious cycle from low educational achievement to low earning to low educational achievement in India.

Chapter 15: Economic Convergence and Real Dimensions - The case of shelter deprivation

Saptarshi Chakraborty, Panchakot Mahavidyalaya, India

Economic convergence exists when two or more economies tend to reach a similar level of development and wealth. The idea of convergence in economics is the hypothesis that poorer economies’ per capita incomes will tend to grow at faster rates than richer economies. Though income is considered to be an important indicator, it is now widely recognized that ‘real’ dimensions like nutrition, health, shelter, education etc. assess the overall wellbeing of an individual/household. The objective of this chapter is to discuss and formulate a methodology by which one can measure shelter deprivation and its convergence in a region as a step forward to add on to overall well-being of an individual or household. This chapter not only shows a methodology to calculate such divergence and analyses the reasons for such divergence, but also prepares a list of possible combinations of policy prescriptions by which a policy maker, such as the government, can find the extent of rectification of shelter deprivation of a group given its allotment of budget.

Chapter 16: Health Status and Convergence in Developing Open Economies: Is Health Status converging in developing Economies?

Tonmoy Chatterjee, Ananda Chandra College, India
Soumyananda Dinda, The University of Burdwan, India

This chapter delves into the relationship among different economic issues like economic growth, health status and international trade in the context of convergence literature. In this chapter we illustrate and provide arguments behind the convergence of health status in developing economies in the presence of open economy regime. In this respect we consider a panel data set of 17 developing economies of the time span 1960-2011. In the present study we have found convergence not only in measure of health care status but also in the measure of trade and openness and therefore we have dealt with such kind of complexities. Apart from these we have found that health status improves in the post liberalization period but cross-sectional divergence increases in post liberalization era.

Chapter 17: Food Security in Asia – Is there Convergence?

Sebak K. Jana, Vidyasagar University, India

Asim K. Karmakar, Jadavpur University, India

Food security has emerged as one of the most significant and complex challenges of the twenty-first century. The region has made impressive achievements in reducing poverty and hunger in the past two decades, driven by impressive economic growth and rising incomes over the last few decades. This progress has however been uneven within and across states, and the region remains home to over 60% of undernourished people in the world. The objective of the paper is to examine the status of food security of Asian economies. For that purpose, we have assessed and taken into account food security situation according to various indicators across different regions of Asia as well as average food production as indicator of food security for our analysis. We then endeavor to find whether there is any convergence of average food production across Asian countries. Lastly, we have tested whether average food production is a significant determinant of undernourishment for Asian countries. The results reveal that there is no convergence in average food production in Asia. However the panel regression exercise reveals that there is significant relationship between food security and undernourishment.

Chapter 18: The Environmentalism and Politics of Climate Change: A Study of the Process of Global Convergence through UNFCCC Conferences

Duruji, Moses Metumara, Covenant University, Nigeria

Duruji-Moses Favour Urenma, Covenant University, Nigeria

This study examined the environmentalism and politics of climate change by undertaking a study of the United Nations Framework Convention on Climate Change (UNFCCC) focusing on the Kyoto Protocol document and the UNFCCC conferences held after Kyoto that has centered on how to garner consensus on the way forward for the global community. The study also probed why the agreement at Kyoto, Japan started having problems when a change of government occurred in the United States with a Republican President that leaned towards the interests of big business most of whom would bear the most costs if the policies as articulated in the Kyoto protocols were to be executed and why the Democratic presidency of Barrack Obama has been
slow in pushing forward the agreement at Kyoto. The study concluded that national political interests of the major powers seem to have stalled the implementation of the Kyoto protocol but a change in the dynamics of global leadership spectrum can have a significant impetus in producing an agreement on climate change.

**Chapter 19:** A Comparative Study on World-wide Carbon Emission Convergence: An Empirical Analysis

*Chhanda Mandal, Muralidhar Girls’ College, India*

*Anita Chattopadhyay Gupta, Deshbandhu College for Girls’, India*

Environmental issue is one of the primary concerns in present global scenario for developed as well as developing countries and reducing the emission level of greenhouse gases is the common objective for all. Study of per capita carbon emission convergence is quite significant in the ongoing debate of climate change policy formulation and implementation as future emission level can only decide the incentive to shift to the clean technology. With a balanced panel of 79 countries and 50 years, over 1960-2009, we have tested for both sigma and beta convergence. The data exhibits a possible convergence in carbon emission. The countries are disaggregated twice, first into OECD and Non-OECD countries and then into five categories on the basis of income. OECD countries show absolute and conditional beta convergence, also with sigma convergence. Countries from lower income group have a lower degree of variability in dispersion in the time period being considered. The set of explanatory variables in this analysis are real GDP per capita, population growth rate and trade openness.

**Chapter 20:** Green Convergence in Emerging Nations: The Determinants and the Possibilities

*Gagari Chakrabarti, Presidency University, India*

*Chitrakalpa Sen, BML Munjal University, India*

Convergence in growth for emerging nations has always been an important topic of economic discourse. This study looks into the growth convergence of selected basket of emerging nations towards selected basket of developed nations using Autoregressive Distributed Lag (ARDL) framework. The findings of the study show that not only the economic indicators of the respective emerging nations are responsible towards narrowing the per capita GDP differential between developed and emerging nations, but also the differentials of economic indicators between developed and emerging nations are important. This helps towards answering the paradoxical question why in spite of taking the best measures the developing countries are unable to match up with their developed counterparts’ per capita GDP. Finally, the study shows significant positive relationship between GDP growth rate and carbon dioxide emission.

**Chapter 21:** Exploring Landscapes in Regional Convergence—Environment and Sustainable Development in South Asia

*Srinivasan Rajamanickam, Pondicherry University, India*
The South Asian region is a key economic zone, as seen from the global perspective. In the past two decades, it has witnessed a healthy growth in GDP terms. Globalization has propelled the countries in the region towards regional cooperation as a means to address common growth concerns. Along with geo-political compulsions that have fostered this convergence, we find that there are also socio-cultural and historical factors present that could serve as binding stones. However environment and climate change pose a huge challenge to the economic integration and growth in this region. While a number of institutional and policy regional cooperative measures have been put in place, there are certain bottlenecks in the region, which are again a product of its history, that need to be addressed. We feel that reassessment of national interests and priorities through strong political will are essential to mitigate these bottlenecks to realize the true potential of convergence in this region.

**Chapter 22: Convergence of Forest Resources in Jangalmahal, West Bengal**

*Nilendu Chatterjee, Rabindra Bharati University, India*

*Soumyananda Dinda, The University of Burdwan, India*

The topic of growth and convergence is at the heart of a wide-ranging debate in the growth literature. The century long history of deprivation and backwardness of Jangalmahal area and four districts of it in the state of West Bengal- Purulia, Bankura, West Midnapore and parts of Birbhum- is also a well discussed issue. The dependency of the people on forest products to earn livelihoods is a natural phenomenon which, over the years, has resulted in considerable exploitation of forest resources. Through this chapter, we have made an attempt to see whether there exists any convergence, both absolute as well as conditional, in the total forest product of Jangalmahal and in the incomes earned from forest resources. We have seen the presence of Beta convergence, both conditional and absolute, in both tests of forest products as well as income from it. With respect to the values of Sigma, forest income diverges instead of converge. Similar result is seen in case of timber.

**Chapter 23: Effects of Neoliberal Globalization on Readymade Garment industry of Bangladesh- a case study for Chittagong**

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*Arpita Palit, Asian University for Women, Chittagong, Bangladesh*

Philosophy of neo liberalization globalization is emerging from last two decades and dominating the economic policy making in most of the world economies. It is strongly advocated in UK and the USA; however substantial resistance has limited its influence for rest of the world. For this study, the researcher used the descriptive case studies methodology to test the effectiveness of this philosophy of globalization for readymade garment sectors in Bangladesh after the setback of Rana Plaza incident. As a result, she proved with the help of data collected from RMG workers that it is still ineffective because policies are malfunctioned. The neoliberal globalization policies adopted by the government are creating divergence and disparity among the workers and investors of the RMG Sector in a serious way.