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1. We Need an Ambitions Agenda for Engagement

by Nirupama Rao

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2. India and China: Paradigms, Partners and Performers

by Ganti Subrahmanyam

Vol.3, Issue:2, January 2011, Page: 19-29

Abstract

In the light of sixty years of India-China friendship celebration, experts opined that, “the past performance, the present outcomes and the future challenges of India”, look like a mirror image of those of China. In view of the great economic power of these giant Asian neighbours (China the second and India the fourth largest economies of the world today) future holds profound promise for the both if team play becomes the bedrock of their relations. While the growth, trade and new economic geography paradigms underline the overall strategy of China’s economic development, the inward-looking policy could still provide a leap-forward strategy for India. Both nations immensely benefit from a complementary and collaborative role-play in platform-sharing for science and technology, IT and IT enabled services, oil and natural gas exploration etc. English language and cultural complementarities can also help them both mutually benefit in marketing, space exploration etc. The huge spatial-economic interdependencies between the two nations do prompt both the nations to come together for collaborative partnerships in umpteen ways. One such opportunity lies in jointly sponsoring an Asian Regional Financial Authority (ARFA) with a view to helping deal with the public bads” and avoid recurrence of crises. Further, as a sequel to the ‘Look Asia’ strategy of the West, both India and China can jointly float an Asian Insurance Corporation (AIC) to help insure against the political risks the Western investors face while investing in the East.

3. India and China: Select Areas of Complementarities

by V.L. Rao

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Abstract

India is a major force in the world in IT and China in manufacturing. Though the two countries compete in several sectors, there are a number of areas in which there is good scope for complementarity. This paper analyses the trade patterns of the two countries using the revealed comparative advantage measure and concludes that there is no need for specialization based on static comparative advantage but gear themselves to shifting of product-wise comparative advantage from country to country over time. China is a member of the multilateral initiative with a swap facility for currency stability. India should join such an initiative. China is fast catching up with India in the IT sector, but lags behind India in demographic dividend, entrepreneurship, and management education. These are some of the areas for enhanced cooperation.

4. Dragon or Loong: A Misinterpretation of China

by Ji Ping

Vol.3, Issue:2, January 2011, Page: 31-34

Abstract

The image of China is so closely linked with the Dragon that whenever we talk about China, the Dragon will spontaneously appear in our mind. That partly because many Chinese people often use the term “Descendants of the Dragon” as a sign of ethnic identity, and the dragon is regarded as animal symbols for representation of the nation, just as the elephant was used among Indians, and the wolf was used among the Mongols. However, the concept of Dragon in China and other East Asian Countries is extremely different from that in the rest of the world that creates a misinterpretation

of People's Republic of China.

5. Egalitarian Challenges Facing China and India: Analysis of Disparities, Solutions

by Vamsi Vakulabharanam

Vol.3, Issue:2, January 2011, Page: 35-41

Abstract

China and India have been the fastest growing economies of the world, especially over the last twenty years. China has maintained a double-digit growth rate for the last three decades and is already the second largest economy of the world. India moved into a higher growth regime since 1980 from what was famously known as the "Hindu" rate of growth to over 5% between 1980 and 2000. After 2000, India's growth rate has increased to over 8%. Both countries (especially China) have also been able to cut down poverty levels quite substantially during this period. These growth performances have been phenomenal, and probably, they signal the "re-orientation" of the world in the 21st century after a gap of almost 250 years. In the middle of the 18th century, China and India were considered to be the manufacturing centers of the world with their dominance in Silk and Cotton textiles among several other manufacturing products. This is, indeed, something to analyze and sustain in the view of creating an alternative global future that could promote harmony and equality.

6. Measurement of Core Inflation: A Review of Major Approaches and Empirical Criteria

by Motilal Bicchal

Vol.3, Issue:2, January 2011, Page: 43-86

Abstract

This paper provides a review of various definitions of core inflation and various existing alternative theoretical approaches of measuring core inflation, evaluating their potential advantages and disadvantages. For this purpose, two broad categories viz., statistical approaches and theoretical approaches are identified. The existing literature argues in favour of statistical approach in view of its relative simplicity, statistical foundation and also economic rationale to measuring core inflation. As a result such measures are most frequently used by central banks when compared to model based core measures. The paper therefore focuses at some length on reviewing various statistical measures of core inflation, specifically Limited Influence Estimator (LIE) - discussing its statistical properties and the theoretical model to measuring core inflation. Given lack of uniformity on how best core inflation could be empirically derived, different statistical criteria have been applied in order to judge the best measures among alternatives. Hence, there is a need to conceptually set a common framework - in which uses of core inflation are first described, subsequently various empirical criteria of core inflation measures are reviewed, based on each uses and goals.

7. Market Efficiency of Commodity Futures Markets in India

by C. Hussain Yaganti and B. Kamaiah

Vol.3, Issue:2, January 2011, Page: 89-109

Abstract

This study examines the commodity futures market efficiency for spices and base metals futures contracts traded at two National commodity exchanges NCDEX AND MCX. Cointegration and error correction models are used to analyse market efficiency for different maturity periods ranging from one month to three months. Unlike earlier studies, it tests for both short term and long term efficiency. Results suggests a long term relationship between futures price and spot prices for all spices and base metals with different maturity periods, except in case of far month maturity for turmeric and cardamom. In short term futures markets are not efficient. The analysis also reveals that futures prices do not provide unbiased estimates of future spot prices i.e. futures markets are unable to incorporate information efficiently

8. The Country Needs a More Informed Debate on China:

by Nirupama Rao

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9. Book Review :

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