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ABSTRACTS

Does Debt Servicing Hinder Public Investment in Pakistan? Atif Khan Jadoon*, AamirAzeem and Ambreen Sarwar*****

Abstract

The debt servicing is eating a significant amount of tax revenues of Pakistan. It is generally accepted that if debt grow larger than country's paying capacity it slow down the economic progress. High level of debt servicing may not only crowd out investment but it can also reduce the social spending of the government like health and education which can repress growth. The present study has been design to check the impact of debt servicing on the public investment. Auto Regressive Distributed Lag (ARDL) approach has been used on the data set ranging from 1981 to 2014. The results suggested that debt servicing has negative but insignificant impact on the public investment in Pakistan. This result suggest that debt servicing is not a big reason for low public investment and if the Pakistan can be able to get debt relief under any program by donors then one cannot expect more public investment. Results also suggested that openness indicator has contributed positively towards public investment. There is need to increase trade liberalization policies for Pakistan.

Vulnerability of China's Economic Growth to the Export Shocks: An Econometric Evidence

Venkatraja. B* and M. Sriram**

Abstract

Starting in the early 1990s China's growth model began to shift towards reliance on exports, a shift that intensified after 1999. Since then China grew at double digit. Economists and researchers raise questions about the sustainability of this growth model. This paper is an attempt in addressing this question. The main objective of this study is to investigate whether China's economic growth is sensitive to the fluctuations in export growth. The study has employed GDP per capita and per capita export value as dummy variables for economic growth and export growth respectively. A Vector Error Correction Model (VECM) is developed to study the interdependence of the variables and later, this model is tested with the variance decomposition and impulse response function. The results provide adequate empirical evidences to conclude that any change in China's exports would impact the prospects of her economic growth in the same direction. This makes China's economy highly vulnerable to export shocks. For stabilized and sustained growth, the study recommends consumption-led growth strategy as an alternative to the export-led growth strategy.

The Impact of SHG - Bank Linkage Programme on Women in AP - A Case Study of Nizamabad District

S. Subbarao*

Abstract

The study examines the set of deterrents hindering the women empowerment and also the set of determinants of women empowerment. It also attempts to assess the impact of SHG-Bank linkage programme on social, economic and political conditions of rural participating members. The study has formulated the following hypothesis. Greater the level of women's income on account of involvement in income generating activities, greater is the empowerment. Higher the women literacy rate, higher is their empowerment. The study is limited to only one district and hence the results of the study may have certain limitations. The major findings reveal that by comparing the situations of Pre-SHG bank linkage era and post SHG bank linkage era, there was perceptible changes in their income level, additional income allocation, the frequency of repayment and adoption of income generating activity by each group member. The intensity of awareness of the SHG members on many social issues like family planning, health, cleanliness, education for girls etc has increased immensely. Because of group meetings and frequent interaction among themselves, the confidence levels, awareness on various political issues, participation in political process has also increased by manifold.

India-Iran Trade Deficit: Bridging the Gap

Shilpy Verma *

In this article, we examine the two key issues what constituted the trade deficit between India and Iran and how this trade deficit can be bridged. The bilateral trade between the two countries is analysed during the period 2000-2014. The results reveal that the rising trade deficit in India trade balance is mainly attributable to rising crude oil import from Iran. This trade deficit can be bridged by increasing the exports from India of major Iranian imports. An attempt has been made to identify the potential items of India's exports to Iran that will enhance bilateral trade relations between two countries while addressing the growing trade deficit in India's trade balance.

Mergers and Acquisition and Firm Performance in Zimbabwe

Albert Makochekanwa* and Earnest Manjengwa**

Abstract

Mergers & Acquisitions (M&A) are one of the most important corporate growth strategy actions being used by companies the world over. This research investigated the impact of M&A on the performance of Zimbabwe Stock Exchange (ZSE) listed companies from 2004 to 2012 using panel data methodology. A sample of 14 listed non-financial sector firms was used. Two dependent variables namely return on assets (ROA) and return on equity (ROE) were used as measures of firm's financial performance while the independent variables were merger, firm age, firm size, leverage, risk (for the respective measures of performance), tangibility and liquidity. The results revealed no significant effect of M&A on firm performance. However, firm performance was positively and significantly affected by firm age, firm size, and liquidity. Tangibility had a negative and significant effect on firm performance. Risk was significant in explaining firm performance.

Intraday Price Discovery and lead-Lag Relationship between Spot and Futures Markets in India

Rashmi Ranjan Paital* and Naresh Kumar Sharma**

Abstract

In this paper we examine the intraday lead-lag relationship between spot and futures markets in India using 5-minutes interval data set for CNX Nifty index and its futures index from the time period of 2nd July 2012 to 31st December 2012. The present study applies the Engle and Granger's residual based cointegration test to determine the long-run equilibrium between the two markets and found that both the markets were cointegrated indicating the existence of long run relationship between spot and futures markets. Besides this, Vector Error Correction Model (VECM) has been applied to determine the direction of causality and the leading market. The results of the study depicts that there was a bi-directional information flow or feedback between the spot and futures markets. Even though the study revealed a feedback relationship, the lead from spot to futures appeared to be more pronounced as compared to futures to spot market.

Trade Liberalization and Export-led Growth in China

Neena Malhotra* and Deepika Kumari**

Abstract

In the late 1970s, China successfully transformed its economy from closed one to aggressively export oriented and liberal. Due to economic reforms, trade liberalization and adoption of export-led growth policy China's economy has experienced dramatic growth. This study examines the trade performance along with the validity of export-led growth hypothesis for China during 1990-2012. China has made tremendous progress in export growth and had surplus balance of trade for most of the period under study. The financial crisis of 2008 did affect China's export performance but can-not be called as major setback. China's export competitiveness has considerably grown for textile and manufacturing sectors. To examine ELG hypothesis ARDL or Bound Testing approach has been employed. The results of Bound Testing approach strongly confirm the validity of ELG hypothesis for China in the long run as well as in the short run.

Intensity and Inequality of Multifaceted Deprivation of the States in India

Supravat Bagli *

Abstract

This study explores the intensity and inequality of multifaceted non-income deprivation of the states in India. We have computed Multifaceted Deprivation Index (MDI) covering three dimensions – Knowledge, Health and Living condition. The MDI is computed measuring the weighted normalized inverse Euclidian distance of the actual vector of indicators of deprivation from the worst situation. This study has measured the inequality for deprivation indicators and MDI applying two classes of inequality measures viz. Generalised Entropy measures and Atkinson measures. Using secondary level data published by different departments of the Government of India this study find that value of MDI ranges from 0.046 to 0.589 across the states. Jharkhand is the most deprived among the states followed by Madhya Pradesh, Odisha, Bihar. The state of Goa is the least deprived preceded by Kerala, Himachal Pradesh. The cluster analysis reveals that most of the states with high level of deprivation belong to same cluster. In respect of the indicators of multifaceted deprivation the states of Mizoram, Tripura, Nagaland, and Manipur are similar to the state of Kerala. The states of India, of course, are not highly diverse in terms of multifaceted deprivation. However, non-income deprivation is highly correlated with the incidence of income poverty which is highly dispersed across the states.

FMCG Brand Awareness and Positioning in Rural Consumers

Savanam Chandra Sekhar* and R. Padmaja**

Abstract

Successful brands provide bundle of satisfactions to the consumers. National brands such as Colgate, Clinic Plus, Santoor and Rin are well-successful in rural areas. Besides, regional brands like Chik, Meera, Karthika, Nyle, XXX, Oorvasi, Diamond and Xtra are also well-known in rural India especially in south. Brand awareness of the rural consumers is qualitative in character and has been increased in the wake of improved education, income, communication and lifestyle. Now, the rural consumers are habited to use branded products rather than traditional and conventional means of products. Even though, some brands are highly positioned in their minds, a segment of rural people still tend to relate colours and numbers rather than actual brand names. At this juncture, a modest attempt is made in this paper to highlight attribute preferences, awareness and positioning of fast moving consumer goods brands in the rural consumers.

Standard of Living of the People: How Indian States Have Performed?

H. S. Shergill*

Abstract

The comparison of per capita state domestic product fails to give a correct picture of inter-state variations in standard of living of the people. A better procedure is to compare the per capita amount of goods and services consumed/used by people. The bundle of goods and services compared must be exhaustive and include non-durable goods, durable goods, house accommodation, and living facilities consumed/used by people. Such a comparison based on the latest census and NSS data shows that among the States of India people in Punjab, Kerala, Haryana and Himachal Pradesh enjoy the highest standard of living; and people in Orissa, Bihar, Jharkhand and Chhattisgarh subsist at the lowest standard of living. Maharashtra and Gujarat do not rank at the top in standard of living of people, despite having the highest per capita state domestic product among the states of India.