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CONTENTS		P.No.
1. From The Editors' Desk		I
2. Estimating Short and Long - run Industrial Demand for Electricity in Ghana	John Bosco Dramani D.D. Tewari	1
3. The Impact of Trade Liberalization on Demand and Price Volatility in Pakistan : Co Integration Approach for Compensation Hypothesis	Hira Mujahid Shaista Alam	19
4. Trend Analysis of Migrants' Remittances in India during Economic Reforms	Mohd. Aijaz	31
5. Foreign Direct Investment and Technology Transfer: An Analytical Review	Sreelata Biswas Anup Kumar Saha	39
6. International Trade and Competition Policy : An Assessment	U.Sarangi	61
7. Trade Policies and Performance of Manufacturing Sector in India	Sufaira C	83
8. Asymmetrical Rights and Responsibilities and Exclusion of Women in Economy: A Case Study of Women Vendors	Sangeeta Krishna	95
9. Has MGNREGA Caused Consumption Composition Changes in Rural Areas? – A Reflector of Severity of Poverty: Evidences from the Field	Sh Yogesh Kumar I. C. Awasthi	117
10. Learning from SAFTA Experience: A Way Forward for the Future FTAS of India	Tinu Joseph	133
11. Credit Risk Management in Indian Banks – An Empirical Assessment	Maram Srikanth Braj Kishore	157

## ABSTRACTS

### **Estimating Short- and Long-run Industrial Demand for Electricity in Ghana**

**John Bosco Dramani\* and D.D. Tewari\*\***

#### **Abstract**

*The study examines the short- and long-run elasticities and forecast of industrial demand for electricity in Ghana spanning 1970 to 2010. It employed three major methodologies namely, the partial adjustment model and bound test to cointegration within an autoregressive distributive lag framework. It also applied the vector autoregressive procedure to determine the number of cointegrating vectors. Generally, the series obtained stationarity after the first differencing and were uniquely cointegrated. The results conform to theory and were statistically significant. The partial adjustment coefficient of 0.5959 implied that industrial electricity demand does not adjust instantaneously but partially of about 59 percent when prices and income changes as well as the other explanatory variables. The error correction term of the ARDL revealed that industrial electricity consumption takes relatively 1.7 years to converge to the long-run equilibrium after a shock. Finally, the forecasting performance of the models also indicated all the models are relatively powerful in forecasting industrial electricity in Ghana.*

# **The Impact of Trade Liberalization on Demand and Price Volatility in Pakistan: Co Integration Approach for Compensation Hypothesis**

**Hira Mujahid \* and Shaista Alam \*\***

## **Abstract**

*The important modification of the compensation hypothesis rests on the principle; increased trade openness increases the domestic economic volatility. The economic theory recommends increase of international trade require integration into huge, even markets, and involve risk diversification, in fact it may support rather than reduce stability. By the same indication, however, economic theory also suggests that smaller economies should familiarise with greater levels of volatility than larger economies, this study quantifies the relationship proposed in case of Pakistan containing dataset since 1966-2009. The verification presented here suggests that the level of domestic economic volatility is not only because of international trade integration, there are some other factors too; however trade integration may have eased rather than emphasizing on creating domestic economic volatility.*

## **Trend Analysis of Migrants' Remittances in India During Economic Reforms**

**Mohd. Aijaz**

### **Abstract**

*Overseas workers' remittances have occupied considerable economic importance in the Indian economy in the recent decades. The inward financial flows touched the level as high as US \$ 46.9 billion during 2008-09 constituting 4.1 per cent of GDP reflecting strong growth performance of the economy and its gradual integration with the world economy. The steady flows have reduced India's reliance on external aid and lent support to India's merchandise trade deficit to a large extent. There has, however, been significant deceleration in the rate of growth of remittance flows to India since the second half of 2008-09 due to the widespread global financial crisis. This paper discusses trends, structure and characteristics of remittances inflow during the last two decades of economic reforms in India. The analysis also points to certain policy implications for investment and growth of the economy in the event of sluggish global economic conditions.*

**Foreign Direct Investment and Technology Transfer:  
An Analytical Review**

**Sreelata Biswas\* and Anup Kumar Saha\*\***

**Abstract**

*The purpose of this paper is to review and analyze critically the existing theoretical and empirical literature on Foreign Direct Investment (FDI) as a mode of technology transfer. The paper has discussed the important roles of FDI in transferring technology from home economies to host countries and its consequent spillover effects on the domestic firms. This study has tried to cover the gradual development of theoretical as well as empirical works from the neo-classical to the emergence of new theory of multinational corporations (MNCs) in the era of globalization. The review on empirical studies concerning technological spillover effects have been categorized into case studies, sectoral studies and firm-level data based studies. FDI is considered to be the cheapest way to transfer technology. Such transfer has both positive as well as negative externalities. Host countries can acquire the benefits of newer technology on the basis of their absorptive capacity.*

## **International Trade and Competition Policy : An Assessment**

**U. Sarangi \***

### **Abstract**

*The paper under review examines the various issues in international trade, trade policy, competition policy, competition law and the factors affecting international trade policy regimes of various economies of the world after the enactment of the Competition Act 2002 and the setting up of the Competition Commission of India (CCI). The Indian economy has undergone tremendous changes in its structure particularly in bilateral and multilateral trade rules and the recent upsurge in various regional trade agreements that have created fair competition among the world economies in one hand, but has also resulted in unfair trade practices and existence of monopoly and monopolistic competition in various international markets. These issues have seriously affected the Indian economy not only in various macro economic sectors, but have resulted in unfavorable terms of trade and balance of payments. This has put in the policy planners to rethink in terms of introducing new economic policies in general and international trade policies in particular suitable to the Indian economic environment particularly after the enactment of Competition Act 2002 and the setting up of the Competition Commission of India. It is stated that the CCI is the watchdog of the Indian economy in international trade policy issues and helps in paving the path for the Indian economy to move towards a fair international trade policy regime. The WTO regime and the opening up of the Indian economy have also widened the scope of international trade and in reducing trade barriers. This has no doubt created a fair and healthy competition in the global market, but has also resulted in emerging controversial trade issues which are being examined by the CCI. The paper also deals with various controversial case studies pertaining to formation of international trade cartels resulting in cut-throat global competition and unfair trade practices in the world markets. These practices have serious repercussions on the national economies which is the cause of serious worries for the policy planners and international trade experts.*

## **Trade Policies and Performance of Manufacturing Sector in India**

**Sufaira C \***

### *Abstract*

*The rapid growth of the world economy has been driven in part by the even faster rise in international trade. Indian manufacturing sector witnessed an unprecedented growth in the decade of 2000-10 due to the rise in growth of exports and imports of manufacturing in this decade. In this scenario, the paper examines how trade policy can affect the volume and composition of the manufacturing sector and whether this growth was an export-led growth? The results show that the trade policy in India has exerted a major influence on the composition and aggregate growth of trade. Granger causality tests are undertaken to check the causality. The results show that growth of Indian manufacturing sector is not an export-led growth but has been induced by import growth.*

## **Asymmetrical Rights and Responsibilities and Exclusion of Women in Economy: A Case Study of Women Vendors**

**Sangeeta Krishna\***

### **Abstract**

*Reflecting upon the numerous aspects of gender inequality that limit women's full participation in "productive" activities, this paper explores the women's unique position within the economy. The study based on empirical observations, highlighting the issues of women vendors' points out that despite women's role in the economy whether 'productive', 'reproductive' they are excluded on several levels due to asymmetrical rights and responsibilities, time poverty, and differential participation and access to labor markets. The study focuses on the constraints encountered by women in the labor markets. This recognition enables to us imply that unless there is a symmetry in gender roles and responsibilities, the question of "gender exclusion" in informal economy can not be properly addressed. It further investigates why the inclusion of gender issues is not only useful, but also central to the success of economic development programs.*

**Has MGNREGA caused Consumption Composition Changes in Rural Areas? – A Reflector of Severity of Poverty:**

**Evidences from the Field**

**Sh Yogesh Kumar \*and I. C. Awasthi\*\***

**Abstract**

*Employment creation is one of the major concerns of the planners since inception of the planning. Thus a large number of wage and self-employment programmes were initiated in rural areas for the benefit of rural poor through creation of employment to the targeted groups. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is fundamentally different from the other employment generation programmes as it provides right to work under the constitutionally legal framework. This paper makes an inquiry into the effect of Scheme on the two major aggregated compositions of expenditure, namely, food and non-food. Paper concludes that employment levels of the households in NREGS of the different income groups are discriminatory against the poor, which has very well got translated into net income effect in terms of rise in the income levels of different economic groups which can be termed as derogatory.*

**Learning from SAFTA Experience :  
A Way Forward for the Future FTAS of India**

**Tinu Joseph \***

**Abstract**

*The free trade initiatives led by SAFTA was a further step towards strengthening the trade and economic cooperation in the region as disseminated by SAPTA. It is almost six years since the commencement of SAFTA and the progress made in trade between SAARC countries was not satisfactory. The objective of the present study is to evaluate the situation responsible for this weak progress in trade. The study attempts to analyze the provisions in trade within SAFTA as well as bilateral trade treaties among south Asian countries. It takes into consideration the changes in the share of international trade by SAARC countries over 1995-2011 periods. It also takes into account changes in India's engagement with SAARC and ASEAN countries with a detailed industrial wise analysis. Since the larger share of international trade flows in SAARC countries are routed through India, it should take a proactive lead role in making democracy possible within the region with increased human development, combined programmes for manufacturing development, as well as enlarging the market with immediate business boosting among SAARC nations.*

## **Credit Risk Management in Indian Banks – An Empirical Assessment**

**Maram Srikanth \*and Braj Kishore \*\***

### **ABSTRACT**

Credit risk is common in every business, more so in banking. As Basel III norms became effective in India since April 1, 2013, the present study is undertaken to critically assess the credit risk environment prevailing in the Indian banks. By using ratio analysis on time series data, credit risk management in the Indian banks has been evaluated on various credit risk metrics. Besides, a questionnaire survey was undertaken to collect primary data to support findings of the study. It is found that Indian banks are well capitalised, in terms of quality as well as quantity, to absorb the shocks under Basel III scenario. Further, it is observed that Indian banks are resilient in financial health parameters such as Asset Quality, cost efficiency and level of earnings; and they are well placed when compared with their peers in some Emerging Market Economies and Advanced Economies.