The Gains and Pains of Financial Integration and Trade Liberalization
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The Gains and Pains of Financial Integration and Trade Liberalization: Lessons from Emerging Economies

BY

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Table of Contents

List of Figures and Tables ix
About the Authors xiii
Foreword xix
Acknowledgments xxi

Introduction 1
Rajib Bhattacharyya

Chapter 1 How Do Trade Openness and Financial Integration Affect Growth and Output Volatility? 5
Richardson Kajo Edeme, Nelson C. Nkalu, Ebikabowei Biedomo Aduku and Azu Benedict

Chapter 2 Globalization, Financial Integration, and Growth: Any Linkage So Far for Brazil, China, and India? 19
Ramesh Chandra Das and Bankim Chandra Ghosh

Chapter 3 A Latent Variable Modeling of a Multidimensional Index of Economic and Financial Integration of Australia with the Arab and Southeast Asian Emerging Economies 33
Partha Gangopadhyay, Mamun Billah and Siddharth Jain

Chapter 4 Understanding Characteristics of Economic Growth in the Emerging Economies during the Post-financial Liberalization Period: Case Study of India and Brazil 49
Anindita Sengupta
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Authors</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>FDI, Trade, and Economic Growth: A Dynamic Panel Study on Global Economy</td>
<td>Anil Bhuimali, Partha Pratim Sengupta, Sidhartha Sankar Laha and Madhabendra Sinha</td>
<td>77</td>
</tr>
<tr>
<td>8</td>
<td>Digital Financial Integration, Investment, Economic Growth, Development, and Poverty Reduction</td>
<td>Napoleon Kurantin and Bertha Z. Osei-Hwedie</td>
<td>101</td>
</tr>
<tr>
<td>9</td>
<td>A New Look at the Dynamics of India’s Balance of Payments through Its Liberalization Episode</td>
<td>Asim K. Karmakar and Sebak K. Jana</td>
<td>113</td>
</tr>
<tr>
<td>10</td>
<td>Impact of Risk Perceptions on Foreign Direct Investment (FDI) Inflows: A Study of Emerging Economies</td>
<td>Debabrata Mukhopadhyay and Dipankar Das</td>
<td>127</td>
</tr>
<tr>
<td>11</td>
<td>Financial Development and Financial Market Integration in India: A Post-reform Scenario</td>
<td>Debashis Mazumdar, Mainak Bhattacharjee and Jayeeta Roy Chowdhury</td>
<td>141</td>
</tr>
<tr>
<td>12</td>
<td>Trends in Financial Integration and Financial Development in Selected Asian Countries: Is There Any Relationship?</td>
<td>Avishek Sen and Arindam Laha</td>
<td>155</td>
</tr>
<tr>
<td>13</td>
<td>Co-movement and Co-integration: A Study on Nifty, Dow Jones, and N225</td>
<td>Abhisek Saha Roy and Som Sankar Sen</td>
<td>169</td>
</tr>
</tbody>
</table>
Chapter 14  Imported Inflation through Exchange Rate in India  183
Hiranya Lahiri

Chapter 15  Looking Back at Capital Account Convertibility: India–China Syndrome  195
Sovik Mukherjee and Asim K. Karmakar

Chapter 16  Financial Integration, Its Implication for Money Laundering – An Introspection  207
Mainak Bhattacharjee, Jayeeta Roy Chowdhury and Dipti Ghosh

Chapter 17  Economic Partnership Agreement between Mexico and Japan and Its Impact on Foreign Direct Investment - A Strategic Analysis  219
José G. Vargas-Hernández

Chapter 18  A Survey of Research Studies on Measurement of Financial Integration  233
Vineet Srivastava and Arup Chattopadhyay

Chapter 19  India’s Export Opportunities in the ASEAN Market  243
Suvayan Neogi and Chandni Dawani

Chapter 20  A Study on the Effect of Liberalization and Trade Integration on the Vietnamese Economy and Its Comparative Analysis with that of India  255
Trupti Upadhyay and Subhankar Parbat

Index  267
# List of Figures and Tables

## Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 3.1</td>
<td>The Time Structure of Events.</td>
<td>42</td>
</tr>
<tr>
<td>Figure 3.2</td>
<td>Stability of the Fixed Points.</td>
<td>45</td>
</tr>
<tr>
<td>Figure 10.1</td>
<td>Trend of FDI Inflows to the Developing Countries during 2000–2014.</td>
<td>131</td>
</tr>
<tr>
<td>Figure 12.1</td>
<td>Trend of Financial Integration Indicators Across South Asian Countries.</td>
<td>164</td>
</tr>
<tr>
<td>Figure 12.2</td>
<td>First Canonical Correlation between the Financial Integration and Financial Development.</td>
<td>164</td>
</tr>
<tr>
<td>Figure 14.1</td>
<td>Indian Growth, Inflation, and Exchange Rate.</td>
<td>185</td>
</tr>
<tr>
<td>Figure 16.1</td>
<td>Determination of Equilibrium Aggregate Output and Income from Keynesian Cross.</td>
<td>212</td>
</tr>
<tr>
<td>Figure 16.2</td>
<td>The demarcation curves showing the stability of the equilibrium.</td>
<td>217</td>
</tr>
<tr>
<td>Figure 19.1</td>
<td>India’s Bilateral Trade with ASEAN-5.</td>
<td>248</td>
</tr>
<tr>
<td>Figure 20.1</td>
<td>GDP Per Capita (Constant 2010 US$) for Vietnam from the Year 1998 to 2017.</td>
<td>262</td>
</tr>
</tbody>
</table>
Tables

Table 1.1 Result of the AR-EGARCH Model for the Output Components (Consumption and Investment). 12
Table 1.2 Result of the Impact of Trade Openness and Financial Integration Effect on Growth and Output Volatility. 14
Table 2.1 Johansen Cointegration Test Results. 27
Table 2.2 Short-run Causality Test Results (Wald Test). 28
Table 3.1 Estimates of Coefficient $\alpha$: Causes of Integration from the MIMIC Model. 39
Table 3.2 Estimates of Coefficient $\beta$: Index of Integration from the MIMIC Model. 39
Table 3.3 Ranking of Major Australian Trade Partners in Terms of Multidimensional Integration Index (MII). 40
Table 4.1 Order of Integration of Variables in India and Brazil According to Augmented Dickey–Fuller Test and Phillips–Perron Test. 56
Table 4.2 Results from Bounds Tests on Eq. (4.5). 56
Table 4.3 Estimated Long-run and Short-run Coefficients for India and Brazil Using the ARDL Approach. 58
Table 5.1 One-step sys-GMM Panel Estimation for Emerging Economies. 71
Table 6.1 Estimated Statistics of Unit Root Tests. 84
Table 6.2 Generalized Method of Moments (GMM) Estimation of the Impact of Foreign Direct Investment (FDI) on Trade. 84
Table 6.3 Generalized Method of Moments (GMM) Estimation of the Impact of Foreign Direct Investment (FDI) on Gross Domestic Product (GDP). 85
Table A1 Results of Simultaneous Panel Estimation (Method: Panel EGLS (Cross-section SUR)). 99
<table>
<thead>
<tr>
<th>Table A2</th>
<th>Results of Marginal Effects.</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 8.1</td>
<td>Multiple Regression Analysis: Ordinary Least Squares.</td>
<td>108</td>
</tr>
<tr>
<td>Table 8.2</td>
<td>Analysis of Variance.</td>
<td>108</td>
</tr>
<tr>
<td>Table 8.3</td>
<td>Multiple Regression Coefficients.</td>
<td>109</td>
</tr>
<tr>
<td>Table 9.1</td>
<td>Anova Tables for Models I and II.</td>
<td>121</td>
</tr>
<tr>
<td>Table 10.1</td>
<td>Summary Statistics on Political Risk Perception in Emerging Economies.</td>
<td>133</td>
</tr>
<tr>
<td>Table 10.2</td>
<td>Static Panel Regression Results for 15 Emerging Countries for the Period 2000–2014.</td>
<td>136</td>
</tr>
<tr>
<td>Table 11.1</td>
<td>Movements of Financial Ratios in India.</td>
<td>146</td>
</tr>
<tr>
<td>Table 11.2</td>
<td>Correlation Matrix of the Log Values of Stock Indices during 1998–2018.</td>
<td>149</td>
</tr>
<tr>
<td>Table 11.3</td>
<td>Periodic Changes in Correlation Coefficients of Stock Indices.</td>
<td>150</td>
</tr>
<tr>
<td>Table 11.4</td>
<td>Unit Root Test Results.</td>
<td>150</td>
</tr>
<tr>
<td>Table 11.5</td>
<td>Correlation Matrix of Cyclical Fluctuations of Stock Indices during 1998–2018.</td>
<td>151</td>
</tr>
<tr>
<td>Table 11.6</td>
<td>Correlation Matrix of Returns in Different Stock Markets (1998–2018).</td>
<td>151</td>
</tr>
<tr>
<td>Table 12.1</td>
<td>Indicators of Financial Development of the Asian Countries, 2004–2016.</td>
<td>162</td>
</tr>
<tr>
<td>Table 12.2</td>
<td>The Results of Regression on the Basis of Pooled Data (Observation 108).</td>
<td>166</td>
</tr>
<tr>
<td>Table 13.1</td>
<td>Johansen Co-integration Test Result (Lag Interval: 1 to 4).</td>
<td>175</td>
</tr>
<tr>
<td>Table 13.2</td>
<td>Vector Error Correction Estimates Result.</td>
<td>176</td>
</tr>
<tr>
<td>Table 13.3</td>
<td>Granger Causality Test Result.</td>
<td>178</td>
</tr>
<tr>
<td>Table 14.1</td>
<td>Results.</td>
<td>189</td>
</tr>
<tr>
<td>Table 15.1</td>
<td>Types and Objectives of Capital Management Techniques That Have Been Employed in India and China.</td>
<td>199</td>
</tr>
<tr>
<td>Table 15.2</td>
<td>Co-integration Results.</td>
<td>201</td>
</tr>
<tr>
<td>Table 15.3</td>
<td>Comparison of FMOLS Results for India and China.</td>
<td>202</td>
</tr>
<tr>
<td>Table 17.1</td>
<td>Mexican Exports to Japan (in Millions of Dollars).</td>
<td>225</td>
</tr>
</tbody>
</table>
xii  List of Figures and Tables

Table 17.2  Products Exported to Japan. Main Products That Mexico Currently Exports to Japan. 228
Table 19.1  India’s Realizable Exports Potential – Summary. 248
Table 19.2  Commodities with Maximum Potential for Exports – Individual Countries. 250
Table 19.3  India’s Realizable Imports Potential – Summary. 251
Table 19.4  Commodities with Maximum Potential for Imports – Individual Countries. 252
Table 20.1  The Paired Sample T-Test for GDP Per Capita, FDI Net Inflows, and Exports of Goods and Services (as a % of GDP) for Vietnam during the Post- and Pre-liberalization Period. 260
Table 20.2  Results of the Residual Sum of Square (RSS) for the Chow Test. 263
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Foreword

Trade liberalization and financial integration are the two most important pillars on which the global economy rests today, or to change the metaphor a bit, the two most important wheels on which the global economy currently moves. And through ups and downs of booms and recessions and for better or worse, they are likely to remain important in the foreseeable future. Given the importance of the twin phenomena, it is hardly surprising that economists have devoted an enormous amount of attention to the discussion of their nature and implications. The implications touch every aspect of life of the representative citizens of all types of countries across the world. This is particularly salient for those economies in the erstwhile Third World who have embarked on growth trajectories using a very wide spectrum of market-friendly reforms. A big literature has grown over the past decades chronicling the experience of these emerging economies. Under the circumstances, any new book on the topic needs to justify itself on grounds of coverage and quality. In my judgment, the present volume is able to do so successfully on both counts.

The coverage is truly impressive, ranging over issues like the link between globalization and financial integration and growth via FDI and current account trade, fiscal and monetary policies and inequalities in a regime of openness, financial development and financial market integration in India, capital account convertibility in India and China, the two Asian giants, the economic integration of Australia with the developing nations, India and the ASEAN, and so on. Owing to their importance, many of these issues have already received much attention. But by choosing carefully an international array of authors who are active researchers in their fields of study, the editor has succeeded to add value to a considerable literature.

Only wide coverage cannot, of course, ensure quality. Coverage has been adequately backed up by good economic reasoning and use of rigorous statistical methods applied to up-to-date data. Good quality is the result. The editor deserves to be congratulated for a job done well. I am particularly happy because he is my old student.

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Acknowledgments

After a long and persistent endeavor starting from conceptualization of the theme, selection of papers, editing, and ultimate publication of the proposed edited book entitled *The Gains and Pains of Financial Integration and Trade Liberalization: Lessons from Emerging Economies*, I really feel delighted to spell out that this book is a unique compilation of best-quality contributions from authors and researchers from all over the world. I really feel proud as an editor that the authors of this book have provided immense support, cooperation, and extended their whole hearted helping hand to make this project a successful one. Hence, it would be unjustified if the contributors are not acknowledged for their valuable contributions. I would also like to express my heartiest thanks to other academicians and resource persons of the society associated with this project.

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Editor