IMPACT OF THE CURRENT GLOBAL FINANCIAL CRISIS: A COMPARATIVE ANALYSIS

Presentation at the Workshop jointly organized by ICRIER and KAS on the 23rd of August, 2010

Professor Dayanand Arora, HTW Berlin

PROJECT MANDATE

- Impact of the Current Global Financial Crisis on Germany, Japan and India

- To survey the impact of the crisis on the national economies of Germany, Japan and India (Completed in April 2010)

- To review the policy response of these countries to the global crisis (Completed in April 2010)

- To explain the exposure to the financial crisis through the capital account channel (our first job today)

- To draw conclusions from the capital account management experience of Germany, Japan and India (our second job today)
PROJECT MANDATE

○ Impact of the Current Global Financial Crisis on Germany, Japan and India

  ○ On Germany: Ms. Sirijan Preet, Research Associate, ICRIER
  ○ On India: Mr. Shuheb Khan, Research Associate, ICRIER
  ○ On Japan: Mr. Francis Rathinam, Fellow, ICRIER
  ○ A comparative perspective on Openess and Integration: Prof. Dayanand Arora, HTW Berlin

OUR AGENDA FOR TODAY

Part II: Capital Account Management Experience of Germany, Japan and India:

○ Capital Account Management: A Case Study of Germany: Ms. Neha Malik, Research Assistant, ICRIER
○ Capital Account Liberalization and Management of Capital flows in India: Mr. Shuheb Khan, Research Associate, ICRIER
○ Sequencing Capital Account Liberalization: The Japanese Experience: Mr. Francis Rathinam, Fellow, ICRIER
○ Capital Account Management: Lessons from the Comparative Study: Prof. Dayanand Arora, HTW Berlin, Germany
OUR AGENDA FOR TODAY

Part II: Capital Account Management
Experience of Germany, Japan and India:

- Discussants on Each Country Study:
  - On Germany:
    - Prof. Dr. Jan Priewe, Professor of Economics, HTW, Berlin
  - On India:
    - Mr. Ulrich Bartsch, Senior Macro-Economist, World Bank, India
  - On Japan:
    - Prof. Toshihiko Kinoshita, Professor, Graduate School of Asia-Pacific Studies, Waseda University, Tokyo

RESEARCH GOALS

Part II: Capital Account Management
Experience of Germany, Japan and India:
Research Goals

- To examine the triggers of capital account liberalization and/or policy changes
- Explain the appropriateness of policy response
- Analyze the effectiveness of policy responses and draw conclusions for the liberalization process in emerging economies
**RESEARCH METHODOLOGY**

**Part II: Capital Account Management Experience of Germany, Japan and India:**

- Country case studies: Germany and Japan as capital-exporting countries and India as a capital-importer
- With a strong focus on *five* “Episodes-Analysis” in the capital account management experience of each country
- Used quarterly data for (internal and external sectors) amplifying:
  - the macroeconomic triggers leading to policy responses
  - the impact of various policy measures

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**SCHEDULE FOR THE DAY**

- Presentations of Country Studies and Comparative Analysis
  - 10:00 to 11:30 hrs.
- Coffee Break
  - 11:30 to 11:45 hrs.
- Feedback by country experts/discussants
  - 11:45 to 12:45 hrs.
- Open Discussion
  - 12:45 to 13:15 hrs.
- Lunch Invitation