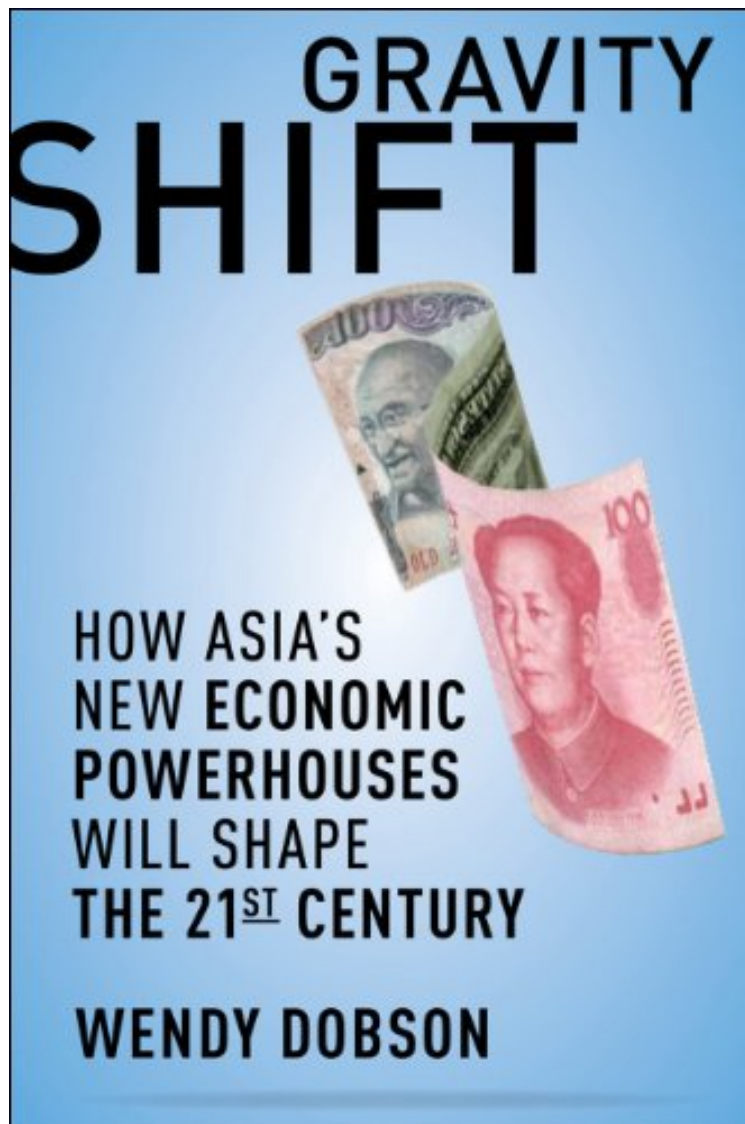


[Free download] Gravity Shift: How Asia's New Economic Powerhouses Will Shape the 21st Century (Rotman-UTP Publishing)

Gravity Shift: How Asia's New Economic Powerhouses Will Shape the 21st Century (Rotman-UTP Publishing)

Wendy Dobson

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Wendy Dobson : Gravity Shift: How Asia's New Economic Powerhouses Will Shape the 21st Century (Rotman-UTP Publishing) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Gravity Shift: How Asia's New Economic Powerhouses Will Shape the 21st Century (Rotman-UTP Publishing):

0 of 0 people found the following review helpful. Powerhouse yes, but still some ways to go....By Arun Kumar Instead of commenting about the entire book, I would like to specifically focus on the author's take of India and the way

forward. Having lived in India for a significant part of my life, I can relate to several of her insights on the India story and must admit that this is one of the most comprehensive viewpoints that I have come across. But first, a clarification is in order. This book is really not about how Asia's powerhouses will shape the 21st century. That topic is covered in only 1-2 chapters. Instead, much of the book analyzes the key criteria for a country's success, and outlines where China and India stand. Obviously, we conclude, India has to go a long way. The book shatters several myths that are bandied about the India story. The oft-quoted opinions such as "India has the world's youngest population", "Its large talent pool can drive growth" and "Its world-class IT services industry can lift the country into the global league." are not so simplistic, argues Dobson. She exposes the scale of India's challenges by presenting several facts throughout the book. Sample a few:- 90% of India's labor force is still casually employed.- 60% of labor force is still in agriculture, but provides only 18% of the country's output.- At the turn of the century, India had 75% of China's labor force, but total employment was only 55% of China. The key reason: not as many women in India work as do the Chinese. Mao's 'women hold up half the sky' seems to have propelled China far ahead.- India's literacy rate is 61% while it is 91% in China. Dobson's conclusion: India has chosen equity over growth but has achieved neither very successfully. What then according are the factors that can drive India's growth? The author argues that the key is in making the Second India (the not so well educated and casually employed labor force) employable. This means a renewed focus on Manufacturing. A holistic land reform and farmer protection policy that increases land productivity and frees up labor is another. India must no longer tout its advanced college education when its primary education structure is in shambles. Corruption must be taken head-on while law reform that reduces legal delays is critical. A better financial system that finances the small and medium enterprises is required. RD spending as a percentage of the GDP (referred to as RD intensity) must rise (it is 1% for India while Japan is 3.2%). Large investments are needed in energy water infrastructure (did you know that India has harnessed only 20% of its hydro power while this figure is close to 80% in developed countries?). Affordable health care must be meaningful (the poorest 20% in India receive only 10% of health subsidies; the richest 20% receive 30%). Lastly, states must address their fiscal deficits and reduce the growing income inequality. If all this sounds like a lot - well - it is. Nobody said getting to be an economic superpower was easy. India most definitely cannot assume that its IT sector and growing population alone will guarantee success. Those are just the basic raw materials. How these are harnessed is what will help us get there. A great book for its extensive analysis and deep insight.

2 of 2 people found the following review helpful. Good Start To A Long Line By Paul A. Summerville Wendy Dobson's 'Gravity Shift' is a very good start to what will likely become a genre in the coming years, China, India and the rest of us. Students of these countries, and their potential impact on the rest of the world, would do well to start with this book. First, Dobson avoids the usual throat clearing about the importance of these economies by focusing right away on the key determining role of domestic institutions in helping to explain how inefficient and ineffectual economies have become powerhouses. There is a nice moment when she reminds us in the case of China how a number of upheavals between 1949 and 1975 although tremendously disruptive for China had absolutely no impact on the rest of world. This was a clever way to underline how vital China in particular and India to a lesser extent are now very important to the rest of the world right now never mind by 2030. Second, the focus on institutional change as a springboard to new economic status nicely sets up the conversation about how important cross border institution building could be for these economies, and the rest of us. In this context, thinking about 'deeper integration' makes more sense, and thinking about a China-India free trade agreement by 2030 roots Dobson's analysis in a real framework. She starts to provide a roadmap for the next two decades. There is an important blind spot in this book however and that is the risk that unresolved territorial issues, ancient quarrels, and the simple fact that as neighbours these countries -- like so many rapidly growing neighbours in other places in the world in other centuries -- may clash over resources, Asian influence and other great power flash points goes largely untackled. The recent troubles over Arunachal Pradesh is a case in point, as is India's concern about China's 'string of pearls', Beijing's strategy of increasing its geopolitical influence by improving access to ports and airfields and developing special diplomatic relationships from the South China Sea through the Strait of Malacca, across the Indian Ocean, and on to the Persian Gulf. Also I think that the author could have provided a table listing and categorizing the key institutions of both countries. I remember when I was doing research in Japan in the 1980s on post-1945 Japanese economic policy making that books published decades before that provided these kinds of lists were very helpful. Given that students will likely be referring to this book for years to come this is something the author could add in a second edition.

0 of 0 people found the following review helpful. Good Background -By Loyd Eskildson Faced with union wage demands and an inability to adjust work-force size, Indian entrepreneurs moved away from labor-intensive manufacturing into capital intensive activities, or to using casual labor in the 'informal' sector. The unorganized informal sector provides over 90% of India's employment and is growing; the rest consists of large private sector firms, COEs, and government jobs. Inadequate infrastructure is another problem in India. Government investment is hindered by the costs for existing subsidies for food, fertilizer, power, and irrigation. Less than one-third of women participate in the work force, and that proportion is declining. (China's participation rate is near universal, and stable.) Between 1995-2005, India's literacy rate averaged 61%, vs. 91% for China. An investigation in 1998 found teaching taking place in only 53% of Indian village schools, and large numbers of teachers absent. About one-fourth of

students attend private secondary schools in India. Corporate customers comprise about 70-80% of Chinese bank business; those with political connections are most represented. Non-performing loans have fallen from 29% of loans for its original big four banks in 2000 to 6.7% for all major commercial banks at the end of 2007. India's governments habitually run large deficits. About 80% of India's RD goes to defense, space, and nuclear research. India's number of PC and broadband connections is about 3% the rate of China's. China faces a rising average population age and growing pension costs. Just 22% of urban waste-water in China is treated - the target is to increase this to 36 by 2010. Candidates for village chief in local elections must be drawn from local CCP branches. Judges are still appointed by local officials, and beholden to them for their pay. India's growth is impeded by restrictive laws on labor, small-scale industry requirements, lack of accessible and accurate land ownership records, unreliable electricity supply, and inefficient tax collection. Public-sector health care suffers from 40% absenteeism, crumbling facilities, and inadequate drugs and equipment; the poorest 20% receive only 10% of public health subsidies, vs. 305 for the richest 20%. Electricity theft is common, and its production is subsidized. Some estimate that private and foreign firms in China have a return on capital 50% greater than that of its SOEs. China's SOEs contributed 15% of GDP in 2005. In 2030 Asia will have three of the world's largest economies - China, India, and Japan.

The rapid growth, diversity, and strategic importance of the emerging Chinese and Indian economies have fired the world's imagination with both hopes and fears for the future. In this perceptive analysis of changing institutions, demographics, and politics, Wendy Dobson paints a thoughtful and surprising picture of India and China as economic powerhouses in the year 2030. Examining past events and current trends, *Gravity Shift* offers bold predictions of the changes we can expect in key economic and political institutions in China and India, changes that will inform and shape tomorrow's business decisions. Dobson's work anticipates that by 2030, China's economy will be larger than those of the United States, India, and Japan, though its population will be aging and its growth slowing. India will also come into its own, making major strides in modernizing its vast rural population, vanquishing illiteracy, and emerging as an innovative manufacturing powerhouse. A China-India free-trade agreement could well become the foundation of a cooperative Asian economic community. As the world re-evaluates business practices in the wake of the global economic crisis, *Gravity Shift* provides a clear vision of how India and China will reshape the Asian region and inform and transform global economic institutions.

'Gravity Shift ... [is] a hard-to-dispute book.' 'Gravity Shift is a fascinating account of the emergence of India and China as Asia's giant economies essential reading for comprehending the similarities and contrasts ... and how these countries promise to transform the global economy in the forthcoming decades.' (Arvind Panagariya, Columbia University School of International and Public Affairs; author of *India: The Emerging Giant*) About the Author Wendy Dobson, one of Canada's leading international economists, provides two unique vantage points based on her own experiences in the two countries and in the international system. One is top-down, informed by her role as Canada's Associate Deputy Minister of Finance responsible for international financial diplomacy in the G-7 in the late 1980s and more recently as a professor at the University of Toronto. The other perspective is bottom-up, drawing on her life and work in India in the 1960s, in a job that took her into politicians' offices and sent her into the villages, and her many visits to China starting in 1978, the year that its transformation began to emerge. Since 1993 she has led research and teaching at the Rotman Institute for International Business at the University of Toronto's Rotman School of Management. She has published twenty books and many articles on Asia and the international economy. Between 1995 and 2002 she was the managing editor of the Hong Kong Bank of Canada's *Papers on Asia*, published by University of Toronto Press. One of her books, *Multinationals and East Asian Integration*, won the Ohira Prize in 1998 for the best English-language book on Asia, and several of her other publications have been translated into Chinese.