Contents

Part I Overview

Introduction ................................................. 3
Chetan Ghate and Kenneth M. Kletzer

Part II Pre-Requisites for Effective Monetary Transmission

Challenges of Effective Monetary Policy in Emerging Economies ...... 31
Amartya Lahiri and Urjit R. Patel

Monetary Transmission in Developing Countries: Evidence from India .................................................. 59
Prachi Mishra, Peter Montiel and Rajeswari Sengupta

Financial Intermediation and Monetary Policy Transmission in EMEs: What has Changed Since the 2008 Crisis? .......................... 111
M.S. Mohanty and Kumar Rishabh

Monetary Policy Transmission in the Presence of Product and Labor Market Frictions: The Case of India ..................... 151
Rahul Anand, Sonali Das and Purva Khera

Part III Liquidity Management and Financial Structure of the Indian Economy

Financial Markets and Investment Finance in India:
Implications for Monetary Transmission ............................ 173
Rajesh Chakrabarti

State Intervention in Banking: The Relative Health of Indian Public Sector and Private Sector Banks ................................. 195
Viral Acharya and Krishnamurthy V. Subramanian

The Term Structure of Interest Rates in India ..................... 231
Rajnish Mehra and Arunima Sinha
Liquidity Management and Monetary Policy: From Corridor Play to Marksmanship ........................................ 257 Michael Debabrata Patra, Muneesh Kapur, Rajesh Kavediya and S. M. Lokare

Part IV The Constraints on Normal Central Banking in India

Capital Flows and Capital Controls in India:
Confronting the Challenges ........................................ 299 Atish R. Ghosh, Mahvash S. Qureshi and Eun Sun Jang

Measuring Trend Inflation and Inflation Persistence for India ........ 335 Vipul Bhatt and N. Kundan Kishor

Exchange Rate Trends and Management in India ................. 357 Michael M. Hutchison and Gurnain Kaur Pasricha

Capital Flows and Central Banking: The Indian Experience ....... 385 Poonam Gupta

What is Responsible for India’s Sharp Disinflation? ............... 425 Sajjid Z. Chinoy, Pankaj Kumar and Prachi Mishra

Part V Towards a Theoretical Framework for Monetary Policy in India

An Estimated DSGE Open Economy Model of the Indian Economy with Financial Frictions ........................................ 455 Vasco Gabriel, Paul Levine and Bo Yang

Finance and Credit in a Model of Monetary Policy ................ 507 Jagjit S. Chadha and Young-Kwan Kang

Indian Economy During the Era of Quantitative Easing:
A Dynamic Stochastic General Equilibrium Perspective ........... 549 Shesadri Banerjee and Parantap Basu

Part VI Future Challenges

The Past and Future of Inflation Targeting: Implications for Emerging-Market and Developing Economies ............... 583 Klaus Schmidt-Hebbel and Martín Carrasco

International Policy Coordination and Emerging-Market Economies .................................................. 623 Barry Eichengreen

Index ................................................................. 643
Monetary Policy in India
A Modern Macroeconomic Perspective
Ghate, C.; Kletzer, K.M. (Eds.)
2016, XIII, 652 p. 184 illus., Hardcover
ISBN: 978-81-322-2838-7