CONTENTS

Foreword viii
Preface and Acknowledgements xi
List of Tables and Figures xiii
List of Abbreviations xvii

1. Introduction 1
2. The Development Experience 12
3. Macromodelling of the Indian Economy 45
4. Model Specification and Estimation 73
5. Inferences and Validation of the Model 121
6. Structural Changes and Policy Options 145
7. Resilience to Shocks and Prospects for the Future 167

Appendices 200
1. Summary Statistics of Forecast Errors 200
2. Correlation and Cointegration between Actual and Forecast Values of Endogenous Variables 208
3. Sectoral Averages of RMSE and TIS 217
4. MODEL I: The Macroeconometric Model for Structural Analysis 219
5. Variable List for Model I 231
6. MODEL II: The Macroeconometric Model for Simulation and Forecasting 237
7. Variable List for Model II 242
8. Actual and Forecasts of Key Macro Variables from Model I 244
9. Actual and Forecasts of Key Macro Variables from Model II 246

Bibliography 247
Index 254