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15.225 Economy and Business in Modern China and India
Spring 2008

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Final paper projects

- You should write this paper as a part of a team. The optimal size of a team is between 2 to 4 persons.
- Cross-section team formation is okay.
- Please refer to Sloan Standards for guidance on plagiarism, etc.
- **Suggested** length: 15-25 pages of text (Double space, 12 pt. font).

Format and content

- India and China are huge and complicated countries.
 - Your paper should be a focused treatment of a given topic, rather than a broad and superficial treatment of a topic.
 - You can compare the two countries but you should focus on one country and use the other country as a backdrop or to raise some broad implications.

Format and content

- An example of a focused paper while raising implications for the other country:
 - A detailed paper about the success of software industry in India and its success factors
 - At the end of the paper, you can offer some lessons for China in the following manner:
 - Make a note of the fact—very briefly—that software industry is not as well-developed
 - Make a case that China should make improvements in a number of areas, such as improving financing environment for small firms, promoting trust with foreign clients, etc.
 - Be explicit that this is based on your understanding of the success factors in India.
- This format allows to focus on one country but also enables you to think about issues in the other country.

Schedule

- You should start thinking about your project ideas NOW.
- Email your ideas to me and I will provide feedback.
- The paper is due by 9 am four days after SES 13.
- Your TA will acknowledge receiving your paper. You should check in with her if you do not get the receipt.
- Late papers will be penalized.
- **No extensions granted except for extremely extenuating circumstances.**

SUGGESTED TOPICS FOR 15.225

- Human capital

- What has happened in India’s rural basic education since reforms?

- What has been done?

- How much was spent? By federal governments? By states?

- Why teachers do not show up?

- India’s technical human capital: India is running out of skilled labor.

- Too much demand? Or too little supply?

- Mismatch between education and economy: Poor quality of training?

- China/India comparison

- Nilekani of Infosys: “We don’t necessarily look for people that have the exact skills we need.” Instead, we hire people that have the quality of ‘learnability’ and then we teach them the requisite skills.”

- Which country’s educational system does a better job teaching “learnability” and creativity, as opposed to specific skills?

- Why is there a surplus of college graduates in China but a shortage of collage graduates in India?

SUGGESTED TOPICS FOR 15.225

- Corruption

- Which country has done a better job controlling corruption?

- How to measure?

- Transparency international, World Bank indicators

- Dollar amount of the actual corruption cases

- Role of transparency through media vis-à-vis the role of monitoring through bureaucracy.

SUGGESTED TOPICS FOR 15.225

- Competitiveness

- Can you find objective measures of competitiveness? Patents?
 - Which area of India/China is most competitive in producing patents? And why?
 - What kind of patents are these? By foreign firms? By domestic firms? Invention or utility?
- How to improve “soft” environment such as reducing corruption?
 - What do the international survey data say about corruption in China and India?
 - Can you find more objective measures, such as actual instances of corruption?
 - Which industry/government department/political branch is most corrupt?
 - Compare the worst corruption cases in the two countries? Worst in terms of amount, effect or political rank of those involved.

SUGGESTED TOPICS FOR 15.225

- Property rights

- How has India been able to develop some industrial parks when real estate transactions are so difficult?
 - What are the specific approaches—negotiation, collective bargaining, market-based transactions?
 - How to solve hold-up problems?
 - Lessons for each other? Can China learn from India’s more “negotiated” approach?

- Financial system

- How do you characterize the lending practices by the banks in these two countries? Collateral or cashflow-based?
- Compare and contrast the systems of credit information collection and dissemination in the two countries.
- How to overcome poor information about small-scale entrepreneurial borrowers? What are some of the innovative methods?

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SUGGESTED TOPICS FOR 15.225

- Management models

- Compare and contrast the ways the firms in the two countries retain valued human capital

- Which countries have a more top-down/bottom-up management models among successful firms?

- Does Infosys delegate?

- Does Lenovo delegate?

- How have the firms in the two countries make the transition from the founder stage to professional management stage?

- Labor-intensive industries

- Why India can produce software but not shirts?

- Why labor reforms in India are so slow? Is labor market the problem or skilled labor or infrastructure?

- What have the Chinese firms done in branding and marketing in the labor-intensive industries?