


To read this content please select one of the options below:

Add to cart 

37.00€ (excl. tax)
30 days to view and download



Access through your institution



Access and purchase options ▾


Economics, finance and development in China: Johansen-Juselius co-integration approach

[Qazi Muhammad Adnan Hye, Irina Dolgopolova](#) ▾

[Chinese Management Studies](#)

DOWNLOADS

[ALTMETRICS](#)

ISSN: 1750-614X
International
Article publication date: 30 August 2011
Standard
Serial [Permissions](#) 
Number.)



1491



Abstract

Purpose

The purpose of this paper is to construct a financial development index for China and to analyze the relationship between the financial sector development index and economic growth.

Design/methodology/approach

This study uses Johansen-Juselius cointegration approach to determine long run relationship between variables. To determine the strength of causal relationship variance decomposition is used. The stability of coefficient is evaluated through rolling window regression method.

Findings

The results of Johansen-Juselius cointegration approach confirm long run relationship between financial development index and economic growth. Normalized cointegrating vector indicates that financial development index, real interest rate, capital and labor force positively determine economic growth in China. The yearly coefficient is provided by the rolling regression and indicates that financial development index negatively link to economic growth in 1991, 1992, 1994, 1995, 1999, 2000, 2003-2005. Interest rate is negatively linked to economic growth in 1991-1996, 2007 and 2008. The variance decomposition method validates that shocks in financial development index and real interest rate are explained by economic growth.



Keywords

- China
- Financial development
- Economic growth
- Cointegration analysis
- National economy

Citation

Muhammad Adnan Hye, Q. and Dolgopolova, I. (2011), "Economics, finance and development in China: Johansen-Juselius co-integration approach", Chinese Management Studies, Vol. 5 No. 3, pp. 311-324.
<https://doi.org/10.1108/17506141111163381>

 Download as .RIS

Publisher: Emerald Group Publishing Limited
Copyright © 2011, Emerald Group Publishing Limited

Services

- [Authors](#)
- [Editors](#)
- [Librarians](#)
- [Researchers](#)
- [Reviewers](#)

About

- [About Emerald](#)
- [Working for Emerald](#)
- [Contact us](#)
- [Publication sitemap](#)

Policies and information

- [Privacy notice](#)
- [Site policies](#)
- [Modern Slavery Act](#)
- [Chair of Trustees governance statement](#)
- [Accessibility](#)