

Action Taken Report by Supratik Guha in response to Reviewer's Comments

Title of PhD Thesis "Capital Inflows, Production Fragmentation and Environment"

Name of Supervisor: Prof. Saibal Kar

Query: There should be an overall abstract for the whole PhD thesis including methodology, data, period of study, countries/region of study and the findings.

Action Taken: An overall abstract was already provided in a separate pdf file (in digital version in a DVD) and submitted along with the thesis at the PhD cell, Jadavpur University. To address this query, I have modified and rewritten the abstract and included that in the main file of my PhD thesis.

Query: Chapter 1 should present the background, aims and objectives of the thesis. Research questions of the overall thesis and main empirical chapters should be clearly spelt. It should also present contribution, significance, methodology and discuss about summary of the research findings and chapter outlines.

Action Taken: Chapter 1 has been modified, several sections have been extracted, shortened and moved to the new Chapter 2 (which consists of literature review). New sub-sections (which addresses research questions, methodology and the research findings) have been added in Chapter 1 and other changes have been made to address this query. *(Refer to Page No. 5-7 in the addendum)*

Query: Chapter 2 should be survey of literature review. Some part of the introduction (1.2 to 1.5) should be moved into Chapter 2. It should also discuss why India and South Asian countries are chosen for the study.

Action Taken: To maintain the connectivity and the flow of the literature survey and the concepts, the whole parts of sections 1.2 to 1.5 have been moved to Chapter 2 (which now includes literature review). The reason for the selection of India and South Asian countries for our empirical study has been provided in this newly formed Chapter 2. *(Refer to Page Nos. 27-28 in the addendum)*

Query: The original Chapter 2 should be moved to Chapter 3. This is the first empirical chapter focusing on energy prices and production outsourcing decision using India as a case study. The analysis confirms that energy prices is an important determinant of the decision making.

Action Taken: The original Chapter 2 has been renamed as Chapter 3 in the thesis.

Query: It would be better to make a table for each industry and their pollution level, export and import share of GDP including intermediate product and what percentage of total employment in theses four industries to motivate the chapter.

Action Taken: A consolidated table including the pollution level, export and import share of GDP, percentage of employment in all the four industries have been included in the newly formed Chapter 3. Along with the table, some industry-wise details have been discussed to

motivate the empirical analysis carrier out in this chapter (*Refer to Page Nos. 34-38 in the addendum*)

Query: It is better to discuss the expected sign of each variable including control variables with reference(s).

Action Taken: The expected sign of each variable has been already discussed, but the reference for all the variables could not be provided since very few literatures have studied the impact of energy prices on the outsourcing decision of firms. Still, some references from which we got motivated for including our control variables have been provided in the footnote. (*Refer to footnote nos.7. 11 & 12 in Page Nos. 40, 45 & 47 in the addendum*)

Query: Need a table for the dependent and independent variables and their expected signs. Then make a table of expected sign and actual sign of each variable.

Action Taken: A summary table (Table 3.4 (e)) have been constructed which includes the expected signs and the actual signs of the independent variables. The table basically summarizes the regression results since it includes the actual signs along with the statistical significance demarcation for all the four industries. The table has been included in the newly formed Chapter 3. (*Refer to Page No. 53 in the addendum*)

Query: More discussion on the implications of the results is needed.

Action Taken: The results and its implications have been elaborately discussed in sections 3.4 and 3.5 of Chapter 3. (*Refer to Page Nos. 45-48, 60-61 in the addendum*)

Query: I suggest making a table to summarise the main results.

Action Taken: The table 3.4 (e) already included in Chapter 3 which incorporates the results in consolidated form. The detailed discussion and explanation of the results have been already provided in sections 3.4 and 3.5 of Chapter 3. (*Refer to Page No. 53 in the addendum*)

Original Chapter 3 will be Chapter 4, this chapter tests how trade in intermediate goods affects carbon emission using South Asian case.

Action Taken: The original Chapter 3 has been renamed as Chapter 4 in the thesis.

Query: It is better to discuss the expected sign of each variable including control variables with reference(s).

Action Taken: The expected sign of each variable has been discussed, the reference for the selection of variables have been provided. Since there are very few literatures which studied the relation between trade in intermediate goods and pollution, we cited the most relevant literature which corroborates our hypothesis. (*Refer to footnote nos. 18 & 19 in Page Nos. 77-78 in the addendum*)

Query: Need a table for the dependent and independent variables and their expected signs. Then make a table of expected sign and actual sign of each variable.

Action Taken: A summary table (Table 4.4 (c)) have been constructed which includes the expected signs and the actual signs of the independent variables. The table basically summarizes the regression results since it includes the actual signs along with the statistical

significance demarcation for both intermediate exports and intermediate imports. The table has been included in the newly formed Chapter 4. *(Refer to Page No. 86 in the addendum)*

Query: More discussion on the implications of the results is needed.

Action Taken: The results and its implications have been elaborately discussed in sections 4.4 and 4.6 of Chapter 4 *(Refer to Page Nos. 81-84, 87-89, 96-97 in the addendum)*

Query: Also, to bring current literature to compare the results.

Action Taken: The references of the current literature have already been cited throughout the chapter. *(Refer to Page Nos. 66, 75-77, 87 & 88 in the addendum)*

Query: I suggest making a table to summarise the main results.

Action Taken: The table 4.4 (c) already included in Chapter 4 which incorporates the results in consolidated form. The detailed discussion and explanation of the results have been already provided in section 4.4 of Chapter 4. *(Refer to Page No. 86 in the addendum)*

Chapter 4 (should be Chapter 5), discusses the theoretical perspective of the link between production fragmentation and environment. It is good to see the theoretical perspective of the relationship.

Action Taken: The Chapter 4 has been renamed as Chapter 5 in the thesis.

Final chapter concludes with a summary of the findings and policy implications drawn from the empirical chapters.

Action Taken: No change has been suggested, so this chapter has been kept unchanged. Already, all the summary of the research findings and policy implications have been discussed in this chapter.

Need to carefully check some grammatical errors.

Action Taken: The grammatical errors have been checked and amendments have been done in the thesis.

Note: All the changes have been highlighted with yellow colour in the soft copy of the addendum provided in the DVD.

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