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Transition of Emerging Economies – An Introspection

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Abstract

When the US Financial meltdown hubris or bubble stuck in 2008 with the seed laid much earlier, the worried people asked “How long this will last”? And wanted to know it could be short run recession, deep recession or a great depression deeper, than it was around 1929-30. This very clearly shows that we are certainly at entirely a “New age of turbulence”, rather ‘heightened turbulence’. Once asked by Gary Becker, a Noble prize winner Economist during October 2008 he retorted “Nobody knows, I certainly do know”. The message: The message: is loud and clear: Do not trust economists, who say they know.

Many of the top business leaders today (have put on top of their agenda for businesses), the ‘emerging economies’ ad its manifestations for solving the problems of poor segment. What are the emerging economies and how this influences the world’s population of economic growth i.e. GNP/GDP (Gross national Product / Gross Domestic Product) and future prosperity are the major issues. Normally speaking “‘emerging economies’ deals about country experiencing development and economic growth and also the country becoming industrialized and undergoing economic incremental trajectory.” Emerging economies are a bit different than ‘experience economy’ as the latter deals with economy in which products are differentiated through the quality of the consumer experience and is primarily customer oriented.

Ruchir Sharma, who is head of Emerging Market Equities and Global Macro at Morgan Stanley Investment Management in US (New York) is of strong opinion that India is marching towards becoming a “Breakout Nation” along with other BRIC countries. According to him there are two important criteria for categorizing a “Breakout nation”. One, expectation, and two, per capita income. One has to have more sustained economical growth rate. India, also has to take advantage of liquidity like China’s accelerated high sustained growth rate.

As per the latest study of Indian economy for the poorer it has been observed that poverty in the country is certainly going down. Also as per the latest study by Montek Singh Ahuwalia Deputy Chairman, Planning Commission poverty ratio has declined to 29.8 percent in 2009-10 from 37.2 percent in 2004-05. This should not be linked with the social sector schemes of the government. A holistic view end approach will be discussed in the paper. Also, the present paper covers briefly about the reformations of economy of the poorest segment of the society and how to bring down the poverty level.

Introduction

The US financial meltdown hubris, bubble or simply economic recession has sent down shock waves of economic turbulence all over the world: This was certainly, not the great economic

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depression of 1929-30, but has affected the stable economy of the world. But since 2008, the new age of turbulence has mellow down a bit, and traversing towards normality (Prahlad etal. 2004; Pathak etal. 2011a; Kotler, 2009).

Many of the top business leaders today, have put on top of their agenda for businesses, the 'emerging economies' and its manifestations for solving the problems of the poorer segments of the society. Thus, what are the emerging economies and how it influences the economic growth of world's populations i.e GNP/GDP and addressing the future prosperity are the major issues.

Generally, speaking, "'emerging economies' deals about Country experiencing industrial development as well as under going economic growth trajectory". Emerging Economies are a bit different than 'experience economy' as the latter deals with economy in which products are differentiated through the quality of the customer/consumer's experience and is primarily customer oriented (Pine & Gilmore 1999; Sharma, 2012).

While discussing emerging economy it is worth mentioning 'Emerging Market Economy' (EME). "EME is generally in nation's economy i.e. progressing towards becoming advanced as shown by some liquidity in local debt and equity markets and the existence of some form of markets and regulatory body. Also, "EME may be defined as an economy with low to middle per capita income". Such countries constitutes 80% of global world population and represent about 20% of the world's economies.

Generally EME have

- Physical Financial Infrastructure.
- Includes banks and stock exchange.
- Unified currency.

EME do not have

- Good level of Market economy.
- Strict standard and accounting.
- Securities regulations like 'advanced economies' of US, UK, Japan etc.

EME may be measured by

- Investopedia.
- Risks due to political instability.
- Domestic Infrastructures problems.
- Currency Volatility.

"An 'emerging market' is a foreign economy that is developing in response to the spread of capitalism and which has created its own stock market". (www.investopeida.com and OECD, March 2009; Sharma, 2012; Kotler etal, 2009).

A word about globalization and emerging economies. The number of people living in a high growth economies or in countries with per capita incomes at OECD levels has increased fourfolds over the last three decades (30 years) – from 1 billion to 4 billion as per the growth commission report. The rapid integration into world markets by six of the largest non-OECD (Organisation for Economic Cooperation Development) economies (BRIICS – Brazil, Russia, India, Indonesia, China and South Africa), was an important component of globalization during the past two decades. Thus, the entrepreneurs gained from access to larger potential markets for their products and consumers gained from access to a wider variety of less expensive products.

The paper also deals with EME to Indian economy for the poorer section which certainly brings out that, the poverty level in our context is definitely going down/reducing. Apart from globalization and emerging economies some case studies have also been discussed pertaining to 'experiential economy' and emerging economies.

Also 'emerging markets' are those countries or geographical regions in which a previous investment might be anticipated. In this category the economically formidable countries may also be included. Emerging market is ever changing one, subject to economic uncertainty or some other factors. Some emerging markets do so well, that they override the 'established market' status also. There are around 28 emerging markets. (at 2010 more than 40 markets are there).

Framework of Emerging Economies

As has been observed earlier 'emerging economies' primarily deals about countries experiencing development and economic growth as well as country becoming industrialized and undergoing economic growth. Emerging economies buildings blocks are: 'emerging markets' and 'emerging market economy'.

'Emerging Markets' may be defined as a foreign economy that is developing in response to the spread capitalism and has created its own stock market'. Also it can be opined that 'emerging markets' are nations with social and business activity in the process of rapid growth and industrialization.

Emerging Markets are also analogous to small growth companies, emerging markets have high potential of growth as well as at the same time envelopes high risk factors — 'Pacific Rin Markets' which grew rapidly and then collapsed rapidly in 1997-1998 are glaring examples of emerging markets.

During 2006, there were around 28 emerging markets in the world with the economies of China and India considered to be the largest. In recent times during 2010, more than 40 emerging markets have emerged and further increase and growth is still taking place.

India is considered to be the largest emerging country. During 1970s also 'less economically developed countries' (LEDCs) were observed which were developed than the less developed countries like US, Western Europe and Japan.

There are few worth mentioning emerging markets which is making a substantial impact on world economies. These are:

- **Big Emerging Market.** Economies in alphabetical order are : Brazil, China, Egypt, Philippines, Poland, Russia, South Africa, South Korea and Turkey. Their economy during first quarter of 2011 has reached to $ 121 billion.
- **Big Ten Emerging Market.** Apart from the original BRIC, BRICS, BRICK,or BRIICS there are other ten economies in the world like: Mexico, Brazil, Argentina, South Africa, Poland, Turkey, India, Indonesia, China and South Korea.
- **Next Eleven (N-**11). These countries are Bangladesh, Egypt, Indonesia, Vietnam, Iran, Mexico, Nigeria, Pakistan, Philippines, Turkey, South Korea and Vietnam. Along with BRICS, these are going to be the world's largest economies during 21st Century.
- **BRICET**. These countries are BRIC + Eastern Europe and Turkey.
- **CIVETS**. These countries are Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa.

As per Goldman Sacks, and Jim O Neill, the above countries are having high potential of becoming largest economies in the 21st Century.

Emerging Market Economy (EME)

"EME is a nation's economy that is progressing towards becoming advanced as shown by some liquidity in local debt and equity markets and the existence of some form of market exchange and regulatory body.

- EME: It has three parts: Physical Financial Infrastructure including Bank, Stock exchange and Unified Currency.
- EME do not have the following :
  - Good level of marketing efficiency
  - Strict standard and accounting and,
  - Securities regulation like advanced economies of US, UK, Japan etc.
- EME is measured by the following :
  - Investopedia.
  - Risk due to political instability.
  - Domestic Infrastructure problem
  - Currency Volatility
  - Limited Equity Opportunities.

(Large companies may be state run or private).

Variety of Economic Groups: There are many groupings or group list, some of them are as under:

- Newly Industrialized countries
- FTSE List like advanced emerging markets, Secondary emerging markets
- MSCI list
- S & P (Standard and Poor's) list.
- Dow Jones list.

Among the above groupings there are only three countries which always appear in all the groups. These countries are Indonesia, Turkey and Egypt.

Standard and Poor's (S & P) Rating

Less than two months after cuttings its rating outlook for India, S&P's recently said that India could become the 'first of the BRIC economies to lose its investment- grade status, sending the rupee and stocks on a downward slide'.

"Set backs or reversals" in India's path towards more liberal economy could hurt its long-term economical growth rates and prospects, therefore, even destabilizing its credit quality and policy. This was retorted by S&P analyst Joydeep Mukerji. (IE, 12 Jun,2012)

Due to the above set back, S&P has revised the rating outlook to negative from stable in April 2012, because of India's lower GDP growth Prospects and the risk that its external liquidity and fiscal flexibility may erode.

In response to S&P, Finance Minister Shri. Pranab Mukherjee has said that government is fully aware and seized with the situation and adequate measures would be taken to turnaround in growth prospects in the ensuing months (IE 12 Jun 2012, Pune).

Experience Economy

"The 'experience economy', is primarily an advanced service economy which has began to sell ' mass customizations' services to theatre, using underlined goods and services as props. "(Pine & Gilmore, 1999).

OR

"Experience economy is also described as the next economy following the agrarian economy, the industrial economy, and the most recent service economy".

Make no mistakes, says Pine and Gilmore: Goods and services are no longer enough. Experiences are the foundation of future economic growth and the experience economy unfolds the desired performances. Work is theatre – perform for the audience – customers – the final destination. Perform and see the difference is the buzz world today. Also we can say that either perform, if not then perish.

One should understand 'commodities" goods', 'produce', 'products', 'services', and finally 'experience'. In economics a commodity is a generic term for any marketable item produced to satisfy wants or needs of the customers. The economic commodities comprise goods or services. More specific meaning of the term commodity is applied to goods only. It is used to describe a class of goods for which there is a demand, but which is supplied with 'qualitative differentiation' across a market. It all depends on supply and demand principles fundamentally. A commodity has a full or partial '**fungibility',** i.e. the market treats it as equivalent or nearly so, no matter who produces it. In the original and simplified sense, commodities were things of value, of uniform qualities that were produced in large quantities by many different producers.

There are basic resources in agriculture goods like: iron ore, crude oil, coal, salt, sugar, coffee beans, soya beans, aluminum, copper, rice, wheat, gold, silver, platinum etc. There are another important class of emerging commodities such as electricity, gas, coal and oil. Electricity is uneconomical to store, therefore, electricity must be used as soon as it is generated. '**Soft Commodities'** are goods that are 'grown'**,** while **'hard commodities'** are those which are extracted through mining. There is binary distinction of commodity versus differentiable products. Few products have complete un-differentiability and hence fungibility: whereas electricity can be differentiated in the market based on its method of its generation (e.g. fossil fuel, wind, solar, fuel-cell etc.). People differentiate on the basis of price environmental sustainability, animal welfare, recycled content, certification (ISO etc.), forestry, organic, inorganic goods, brands etc.

Commodification (also called commoditization) occurs as a goods or services market looses differentiations across its supply base, often by the diffusion of the 'intellectual capital' necessary to acquire or produce it efficiently. However, commodities are the material extracted from the natural world: animal, mineral, vegetable etc. People grow them on the ground, dig them under the ground or grow them in the ground. Products are produced after processing and refining and particularly suiting to the customer's requirements.

By definition, commodities are fungible – they are what they are. Commodities are fungible, goods and products are tangible, services are intangible, and experience is memorable.

Marketing Stages of Products or Services

Due to increasing competitions ever, today services also look like as commodities. Products are finished goods or customized whereas 'produce' generally are agricultural form of goods.

Products can be placed on a continuum form 'undifferentiated' (referred to as commodities) to highly 'differentiated'. Experience Markets are limited on newly commoditized services, e.g. internet bandwidth, consulting help etc.

The classification for each stage in the evolution of the product is :

- A commodity business' charges for un-differentiated products.
- A 'goods business' charge for the distinctive tangible things.
- A service business charges for the activities you perform.
- An 'experience business' charges for the feeling customers get by engaging it.
- A 'transformation business' charges for the benefit customers (or "guests") receive by spending time there.

Case studies on experience economy will be discussed subsequently, later in this paper.

Globalization and Emerging Economies

Organization for Economic Co-Operative and Development (OECD) report (2009), brings salient points about BRIICS countries and their economies as well as important components of globalization, during the past two decades.

In recent decades, all of the BRIICS countries, have opened their economics significantly and improved their connectedness to world trade networks. The substantial barriers of trade at the border can be seen in the decline of the average applied tariffs on non- agricultural products, though the pace varies across the countries. (Refer Figure 1)

The BRIICS countries are the examples of how they are using diverse methodologies and different kinds of strategies to build and compete with most developed countries in trade. As is observed from the Figure 1.

Figure 1: Average Applied Import Tariffs on Non-Agricultural Products.
(Source: UN TRAINS, 2008).

- Brazil started with high walls of protection as part of import substituting policies that lasted for half century.
- Tariffs in Indonesia and South Africa were generally lower than those in other countries (BRIICS) during this period.
- China entered in 1990s with relatively high tariffs which went further during accession to the WTO in 2001.
- India has the highest tariffs among the BRIICS in the late 1980s but implemented ambitious tariff cuts in the 1990s and 2000s — greater than those in the OECD area during the Uruguay round of the trade negotiations. India's recent impressive growth on IT sector is especially noteworthy.

Trade Performances of Briics

As is evident from the Figure 2, it will become clear that over the last two decades the BRIICS have been expanding their exports much faster than the leading developed countries. Some salient features are.

- The above rapid growth distinguishes BRICS from OECD and many other countries.
- While China's strong performance is in line with public perceptions, countries like India, South Africa, Russia and Indonesia have been performing equally well or even better.
- The BRIICS have also grown in importance in world trade. Some trade connectedness suggests that China, India and Russia are at the same level of importance as the highest income OECD countries are.

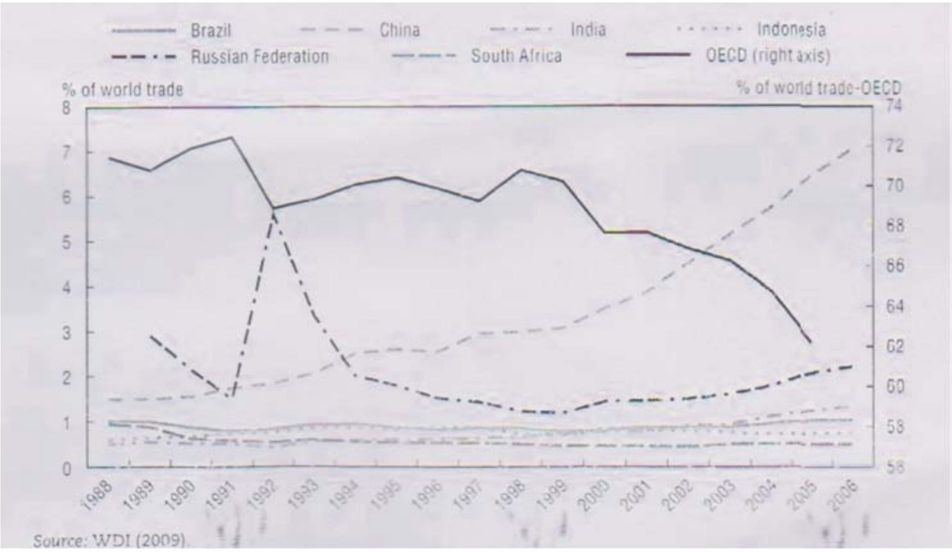

Figure 2: OECD and BRIICS: Share in World Exports of Goods and Services.
(*Source: WDI 2009)*

- Brazil and South Africa are close behind while Indonesia remains on the periphery.
- Outcome suggests that world trade has not become polarized / marginalized, but on the contrary, the world trade has become more multi lateral.
- This evidently is a precursor that some BRIICS economies could play increasingly valuable rules in the international trade organizations like the WTO.

Criticality of Briics Performance Appreciation

There have been reduction in border – measures of traders, or so called “First generation” and “Second generation reforms”. Trade and tariff reductions service regulations, intellectual property rights protections, and customs administration etc. help as well as also pose problems for BRIICS countries. Even the economic downturn of 2008-2009 and liberalization has affected the BRIICS. These reforms may strengthen the BRIICS economies. Liberalizations and trade effects are tabulated in the Table 1.

The comparison of six BRIICS countries is self explanatory about their performances. The policy and finding of BRIICS and OECD appreciates the emerging economies positively. Even though the world economy has entered a period of financial turmoil, BRIICS counties are facing the stark facts of trade policies, but due to multilateral free trade has tided over the problem. Despite all the problems differences in the emerging economics of the BRIICS countries are doing well.

Table 1: How did the Briics Liberalize their Trade?

	Unilateral liberalization	Multilateral liberalization	Regional / bilateral liberalization	Role of donor’s policy conditionality.
Brazil	Strong during 1988/89 to 1994. Little thereafter	Weak. But very active in WTO	Weak. Very active with trade-light preferential trade agreements	Weak
India	Incremental since 1991	Weak. But very active in WTO	Same as above	Weak, except IMF package 1991.
China	Strong (1990s)	Very strong WTO commitments. Active in WTO, but low key in DDA	Same as above	Weak
Indonesia	Strong (mid 1980s- early 1990s)	Weak defensive in DDA	Weak. Mainly AEAN FTAs. Relatively trade-light PTAs.	Mixed. Japanese aid in 1980s, IMF package 1998.
South Africa	Rand crisis 1996 Little thereafter	Strong Uruguay Round commitments. Defensive in DDA since Cancun	Weak. Very active with PTAs. Trade - light preferential trade agreements	Weak
Russian Federation	Stops and starts in 1990s. Weak since 2003/04. Some reform reversal.	Not yet acceded to WTO	Trade – light preferential trade agreements in CIS.	IMF packages in 1990s.

Case Study of Emerging Economies-Abu Dhabi

The capital city of the UAE (United Arab Emirates) is one of the strong examples of the emerging global economies (Editor, Mayo today Editor, 12 Nov 2011). It will be noted that within just 40 years of its independence gained from Britain it has enormous infrastructure, public amenities, state-of-the-art facilities like tourism, entertainment, industries educational upshot is really remarkable. UAE enormous oil wealth, it has built up sovereign wealth fund of over 1$ trillion to date, and it is looking for a future beyond its oil wealth, which is expected to last beyond 90 years. Abu Dhabi case is of immense interest to all the populace of the world.

Case Study of Experience Economy

Taking a case of a Birthday party as a case study, we come across the following. At home earlier days the mother used to bake the cake by using such commodities like sugar, butter, milk, cocoa, eggs, flour etc. These ingredients used to cost one dime or two may be three. Gradually these were costing a bit more in the super market/ local bakeries etc. by 1970s or 1980s – a dollar or two or one pound. This was certainly more than earlier using home made commodities. The cost of making a cake was a good saver of time, labour, flavour etc. In western world labour alone is a very costly affair. During 1980s-90s many parents / families stopped making cake at all at home. Mom or Dad used to simply call up super market or a local bakery and ordered the cake, specifying the exact type like vanilla, chocolate, frosting or any other finishing. This started costing up to $10 or 20 though the ingredients still costed lesser than $1 or $2. This also involved home delivery or so. This saves time, energy and many other effects of the parents.

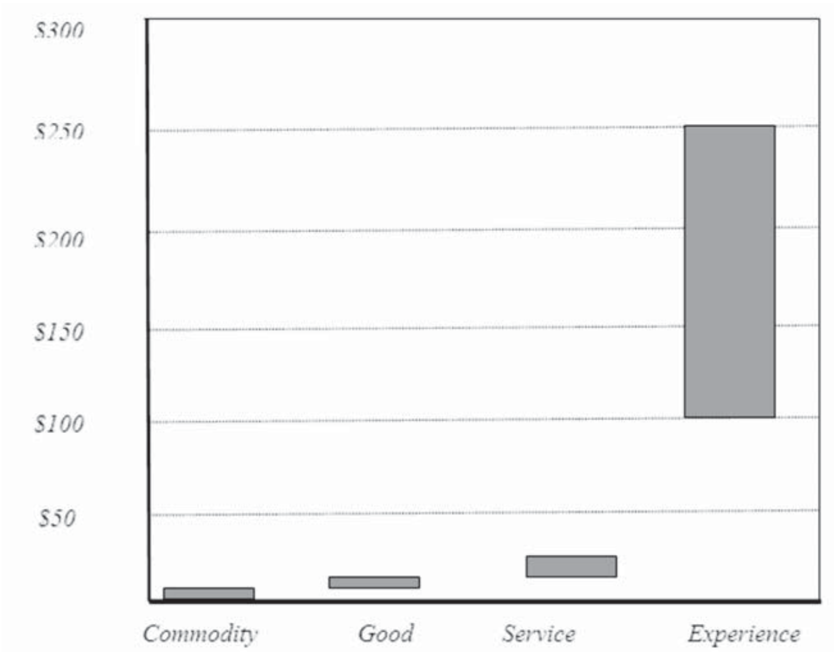

Figure 3: Price of Birthday Offerings

And now what the families do at the dawn of the 21st century. They outsource the entire party to the various such companies Chuck E. Cheese, Club Disney, creativities and other entertainment agencies. The company now stage the entire Birthday party in their premises or so, which cost now something $100 or even $200 or so. (Refer Figure 3).

The simple saga of experience learning and its experience progression has been depicted at Figure 4.

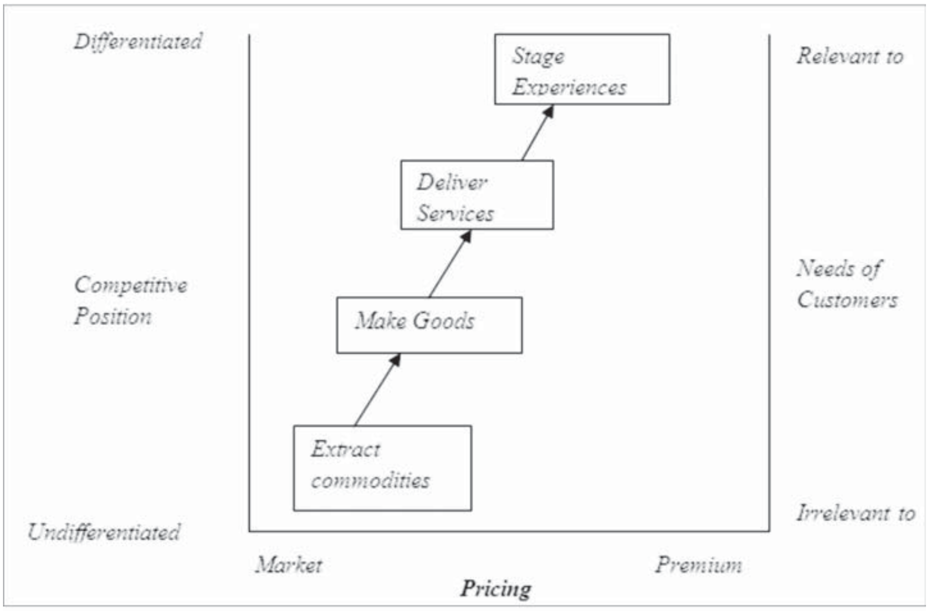

Figure 4: The Progression of Economic Value

Each successive offerings – pure ingredients (commodities) packaged mixes (goods, finished cakes (services) and thrown parties, (experiences).are shown above in Figure 4 distinctly.

Thus, it is observed that it greatly enhances the value experience the buyer finds variety of permutation / combination to suit the taste of the customer. Such examples of now days are : Outsourcing a party of get together in their own premises or party venues of the companies, farewell parties of the office, farm house parties, reception parties etc.

Poverty Alleviation Measures

Sharma (2012), Pathak (2011), Nandan Nilekani (2009) have aptly described the poverty alleviation measures for various Asian countries specially in Indian context. Nilekani, even mentions BIMARU (Bihar, MP, Assam, Orissa, Rajasthan, Uttar Pradesh) states which are fully enveloped in poverty. Pathak (2011a; 2012b) has covered some poverty alleviation programmes and shown concern with Bottom of the Pyramid (BOP). Prahalad (2007) has addressed and suggested some remedial measures and solutions.

Prahalad (2007) has cited some case studies of Arvind Eye Care System (AECS), e-chaupal, ITC'S rural networking projects and also given some examples of non NGOs private sector for reaching these measures to the poorer sections. The fortune lies at the bottom of the pyramid and giving a push to them to come up so that they take part in people participation – this is one very dominant and viable measure to impart an upshot to the bottom rung of the society.

Some of the salient points of poverty and its mitigational measures are cited below:

- 41% of rural households are landless. Poverty alleviation schemes should in reality reach the poorer mass of the society.

- The poverty also persists because of the rural population migrating to cities – urbanization. It imbalances the economy of the developed cities.
- Rural Employment Generation Programmes (REGP) should be effectively implemented and open up job opportunities to the maximum villagers.
- Programmes should be strictly monitored / ensured.
- Even use of ICT (Information Communication Technology) including innovation techniques required effective, successful and transparent implementations.

Poverty Introspection

It will be observed that the poverty during these years have decidedly reduced. Some findings are as under:

- In the last decades i.e. 2000-2010 poverty level has reduced from 57% around 31.95% (Pathak, 2011b).
- Government poverty alleviaton programmes have also reduced poverty by way employment, medical facilities and per capita income etc.
- For eradicating poverty dynamic inter play of many force-multipliers should be applied. Some of them are :
  - Force of markets.
  - Force of Technology.
  - Force of human capital.
  - Force of spiritual knowledge economy.
- NGOs and people participation will help in uplift of the poor segment of the society.

And when poverty challenge is facing such an alarming situation we have to roll up our sleaves and solve the problem together with rules / regulations / policies of the Government by tackling with the ground reality.

- Another study by planning commission, Deputy Chairman Shri Montek Singh Ahluwalia indicates decline of poverty level to 29.8% in 2009-10 from 37.2% from 2004-2006 (Indian Express, 30 April 2012, Pune edition)

India – A Break out Nation

Nilekani Nandan (2009) retorts about India that its offshore IT software and service industry is being dominated world over by Infosys, TCS and Wipro. The phenomenal growth in these industries is also driving the country as a whole towards a techno-economical super power giant. Sharma (2012; IE 30 April 2012) questions about INDIA and addresses the need for sustenance to become a break out nation due to its rapid economic growth.

Sharma retorts and emphasizes that the INDIA should not become a welfare nation unless until it becomes economically strong. China gives the sweet pie to its general public once she is in a giving position and not sharing the same pie among all concerned. As per the interview given to editor, Shekhar Gupta in Indian Express (IE, 30 April 2012) and Uday Kotak, Vice Chairman & MD of Kotak Mahindra Bank 'In Mumbai at the Express Adda event. Sharma remarked that India has to take advantage of liquidity like China's acceleration and high growth rate for a sustained and high economic growth. According to Sharma (IE, 30 April, 2012), these are two important – criteria that categorise a breakout nation". One expectations, and two, per capita income. If there are expectations to grow at 7-8% anything less than that will not meet the requirement of break out nations.

Among the BRIC nations, according to Sharma, India is most likely to break out since it has the advange of low per capita income of $1500, more unproductive resources in the economy, more unemployed and under – employed people who can be brought up in the urban area. Still despite all the advantages; India is not the fastest growing economy in the world. Rather all the BRICS nations, they have made good progress between 2003-2007 i.e. before the recession or down turn of 2008.

As per Sharma's opinion India should avoid the mistakes Brazil committed in the 1990s by creating welfare state prematurely. It is better to re-distribute the pie once you have it rather than try to do it when the pie is small. India should look at China who followed ruthlessly capitalism. Also, in India domestic businessman should invest in India only rather than investing in other countries. At the same time governance at the state level is satisfactory, but in centre it is poorer which must be improved for betterment of the nation, in keeping pace with the world economically. BRIICS want also bigger IMF (International Monetary Fund), bid to win a big boost in funding to handle the 'Euro Zone Crises'. IMF's Managing Director Christian Lagarde wants at least $ 400 billion in extra funds to protect countries from any worsening of the euro zone crises. (IE, 21 April, 2012).

Emerging Economies Introspection

BRIC and BRIICS nations are examples of emerging economies and economy of growing nations with the emerging markets – countries being industrialized and experiencing economic developments rapidly. India is definitely marching towards becoming a '**break-out nation's'** as per Ruchir Sharma (2012) Nandan Nilekhani (2007), and Rafiq Dossani (2008). India today is definitely leaping ahead and is an 'emerging giant' and may overtake many lead counties in near future. Also, India-China-US-Tech-Triad combination decidedly redefines the world economic order in this coming time (Pathak 2009). Even Pangaria (2008) suggest that during few coming decades India is poised to become world super power house economically.

As we have observed earlier that as per Sharma (2012) India has to take advantages of liquidity like China's high sustained and accelerated economic growth rate. As we know the liquidity can be defined as:

'Liquidity'. The degree which an asset or security can be bought or sold in the market without affecting the market price. It has other manifestations also.

- Liquidity is characterized by a high level of trading activity.
- Assets that can be easily bought or sold are known as 'liquid assets'.
- The ability to convert an asset to cash quickly is known as 'marketability'.

And, also our expectations and per capita income are going to be deciding factor for India to become a breakout nations. Globalizations and emerging markets as well as emerging economies of the BRIICS countries are the leveraging essential factors which are also the pre cursors of the economic growth trajectory for India.

The political system and environment and its long term stability is desirable for any country for its phenomenal economic growth. It is a deep seated faith by some economists' even authoritarian systems is more productive for a nation than purely treading on democracy as well as capitalism path. Examples of the latter categories are: South Korea, Taiwan and Singapore. China is also following suit in this category. As is well known there is democracy in India and Indonesia, autocracies in china and in Russia but transition from one state to other is the flexibility /

agility of the system for switching over to better sustainable economic growth as well.

Though political stable system is more desirable for economic growth, as per Sharma (2012) who has studied some countries over three decades brings out an outcome of 64 (54%) of 124 high growth countries who were democracies. But any sustained economic growth requires stable political systems whether democratic, authoritarian (or even monarchies and military governments), and better than 5% growth rates.

If we introspect the various emergent markets, and emerging economies, we find that some countries like Abu Dhabi (capital city of UAE) depends mainly on Oil industry as a singular measure. Same is true for Russia and technology for Taiwan whereas India's market has everything from Motor car to drugs companies. Too much welfare countries may not be more focused on the aspect of economical growth and should have a 'balanced score card' (BSC) philosophy.

Conclusion

US financial meltdown, hubris, bubble or recession struck during 2008 – 09 has brought instability and set a chaotic economic turbulence which has decidedly imbalanced whole of the world economy. The growth of emerging countries in GNP / GDP of BRICS and BRIICS and their emerging economies really had strategic growth from 2003 to 2007 in better fashion.

Also comparing India, China and other European countries demographically, India has more younger population of youth of 29 years old, China 37 years and European nations 49 years by 2020. Today also, India is having 65 % of its population below 35 years of age of its younger generation and older people of age 65 and beyond are only 35%. Reverse is true for European Western countries (Nilekani, 2009; Sharma, 2012)

Emerging economies deals about experiencing development and economic growth by countries becoming industrialized as well as having constant growth trajectory. The paper also briefly discusses 'experience economy' where economy is central around products and its differentiation through the quality and the consumer experience – customer centric.

Sharma (2012) is of a strong opinion that India is decidedly marching towards a 'break out nation' alongwith the other BRIIC countries. This paper also brings out briefly about emerging market variety of combination of nations group and globalization as well as its effects on emerging economies briefly.

Standard and Poors (S&P) has lately warned India that whether India may be the first BRICS country (Angel) to fall due to its slower and losing investment-grade status, today (IE,2012 Jun 12,Pune) As per the latest report of S&P, they question that "Will India Be The First BRIC Fallen Angel" country as presently its slower growth rate is sending the economic shock waves and also whether India can maintain an investment - grade rating or not. Therefore, message is: India must maintain a progressive economic growth rate to be in the race of BRICS countries.

Herein, eventually the various aspects of poverty alleviation programmes / measures also have been covered. There is an emerging fact that poverty is certainly declining day by day. Some case studies also have been discussed in the present paper brining out salient parameters of the emerging economies, emerging markets and experience economy.

Finally it is hoped that the paper will evince keen interest among erudite readers and will open up fresh avenues for futuristic research work on the subject.

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