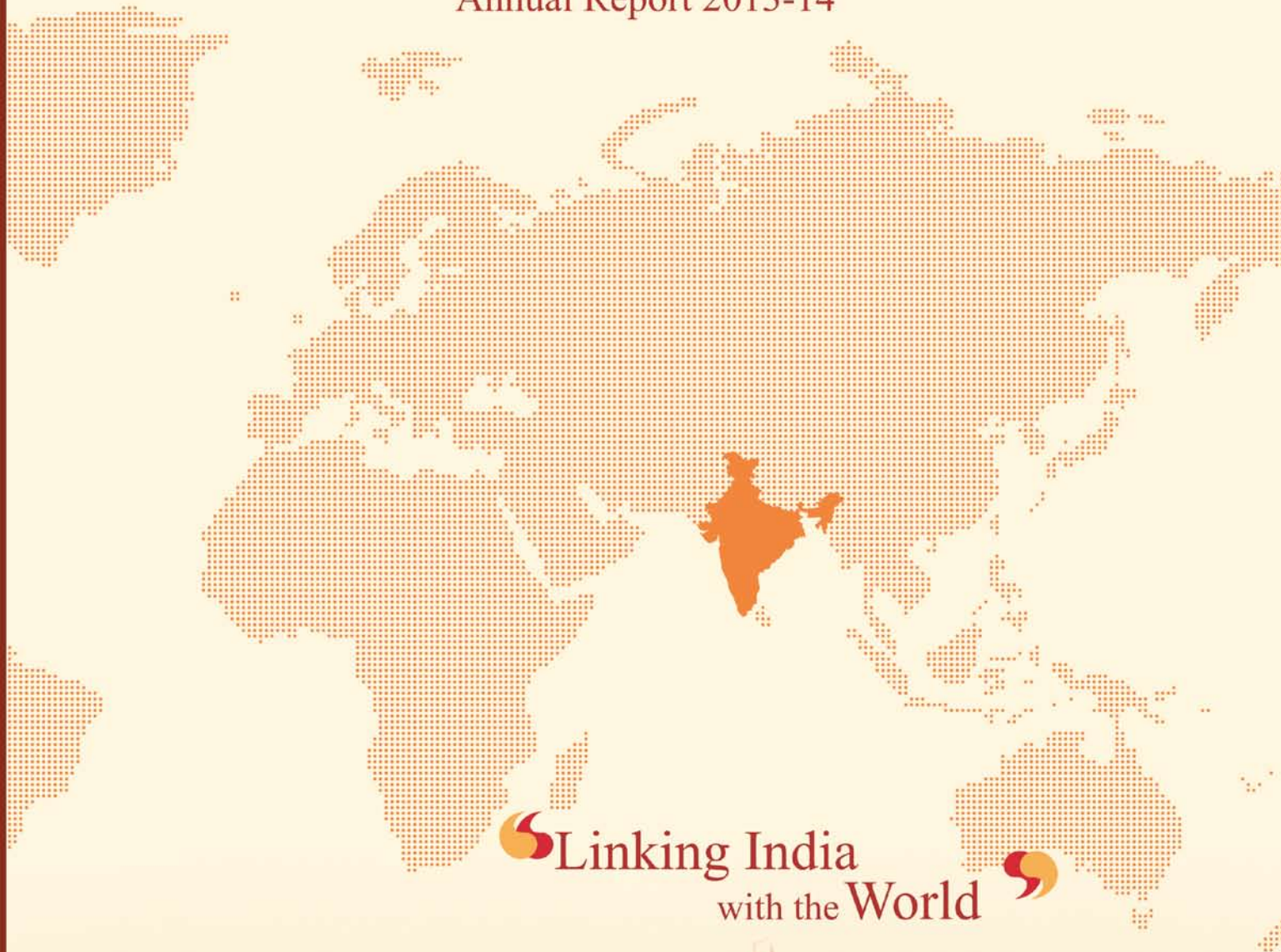




Indian Council for Research on  
International Economic Relations

## Annual Report 2013-14



“Linking India  
with the World”







# ICRIER

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**Indian Council for Research on  
International Economic Relations**

**Annual Report  
2013-2014**





*Bhoomi Poojan at the site of ICRIER's New Green Building,  
February 14, 2014*

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**Isher Judge Ahluwalia**  
Chairperson, ICRIER

ICRIER has continued its impressive task of knowledge creation and dissemination in the changing economic and political environment of 2013-14. The scope of research has been extended to cover important areas such as job creation, skill development, urbanisation, climate change and macroeconomic stability in an increasingly more open Indian economy. In some of these areas, it has meant engaging with the state and municipal governments, while in others, it has involved collaboration with research institutions across the world.

Given India's urgent need to create productive employment, ICRIER has launched a major research initiative on jobs this year with a number of new projects studying the employment impact of Special Economic Zones and Mega Food Parks and the role played by inadequate logistics infrastructure and processes leading to India's absence from international production networks. ICRIER is also participating in the "Network of Jobs and Development" initiative of the World Bank.

Climate change and its impact on the economy has emerged as a key research area for ICRIER during the past few years. With support from the Rockefeller Foundation, ICRIER has been engaged in preparing vulnerability profiles of a number of Indian cities with respect to climate change, with the objective of understanding the impact of climate change on the competitiveness of Indian cities. ICRIER also provided research inputs for the work of the Global Commission on the New Climate Economy, which

## Foreword by the Chairperson

has made its report public with recommendations to the world's governments and business and finance leaders on actions that will lead to more climate-resilient patterns of economic growth and development.

Two years ago, ICRIER launched a major programme on urbanisation under my guidance in an honorary capacity. Funded by the Ministry of Urban Development, Government of India, this programme has focused on research in a number of critical themes of urbanisation and provided key policy inputs. A parallel programme of capacity building on urbanisation has received strong support from the state governments. Additionally, the "Conversations on Urbanisation" series, a joint initiative by ICRIER and India Habitat Centre, was launched to provide a platform to discuss pressing urban challenges with a wider audience.

ICRIER's long-standing emphasis on South Asian economic integration has provided policy inputs to governments in the South Asia region, particularly in the bilateral trade dialogue between India and Pakistan. The ongoing study, "Strengthening Research and Promoting Multi-Level Dialogue for Trade Normalisation between India and Pakistan" has generated several high-level exchanges between the two countries and kept the dialogue open despite a challenging political environment. To facilitate greater cooperation between SAARC and ASEAN, research at ICRIER is also exploring the potential for sub-regional cooperation.

Research under the G20 programme continued to be a major part of ICRIER's international economic research agenda during the year. The fifth G20 conference on "Global Economic Cooperation: Views from G20 Countries" was organised against the backdrop of global economic recovery. The conference was inaugurated by Mr. P. Chidambaram, former Finance Minister, Government of India.

The fifth K. B. Lall Memorial lecture "Growth Prospects and Challenges in the Global Economy: Building Blocks of Sustainable Economic Growth Strategies," was delivered in New Delhi by Professor Michael Spence, Nobel Laureate and Professor of Economics at New York University. ICRIER also hosted the annual Neemrana conference

jointly with the National Bureau of Economic Research (NBER) in December 2013.

This year has seen valuable additions to ICRIER's research faculty. Professor Jaimini Bhagwati is the new occupant of the RBI Chair, and Professor Ashok Gulati is the first occupant of the Infosys Chair on Agriculture. These appointments considerably strengthen the research capacity at ICRIER on macroeconomic management and on the

challenging issues facing Indian agriculture, including food price stabilisation.

On all counts, 2013-14 has been a busy, productive and exciting year at ICRIER. The coming years will be even more exciting as we build our new office in Saket, New Delhi and expand the strength of our research faculty to keep up with the increasing scope of our research interests.

A handwritten signature in blue ink, which appears to read "Isher Judge Ahluwalia", is positioned above the printed name.

**Isher Judge Ahluwalia**  
Chairperson, ICRIER

## Board of Governors

### Chairperson

**Dr. Isher Judge Ahluwalia**

W-36, Greater Kailash-I  
New Delhi - 110 048

**Mr. Nandan M. Nilekani**

House No. 856, 13 Main, Third Block  
Kore Mangla, Bengaluru - 560 034

### Elected Members

**Mr. Tarun Das**

Founding Trustee, Ananta Aspen Centre  
102-B, Beverly Park-I, Mehrauli Gurgaon Road  
Gurgaon - 122 009

**Ms. Janaki Kathpalia**

Former Additional Secretary  
Ministry of Finance  
Government of India  
D-935, New Friends Colony, New Delhi - 110 065

**Dr. Vijay Laxman Kelkar**

Non-Executive Chairman  
National Stock Exchange of India Ltd.  
A-701, Blossom Boulevard, Plot No. 421  
South Main Road, Koregaon Park, Pune - 411 001

**Ms. Chanda Kochhar**

Managing Director & Chief Executive Officer  
ICICI Bank Ltd.  
ICICI Bank Tower, Bandra-Kurla Complex  
Mumbai - 400 051

**Mr. Uday S. Kotak**

Vice Chairman & Managing Director  
Kotak Mahindra Bank Ltd.  
Bakhtawar, 2<sup>nd</sup> Floor, 229, Nariman Point  
Mumbai - 400 021

**Mr. Anand G. Mahindra**

Chairman & Managing Director  
Mahindra & Mahindra Ltd.  
Gateway Building, Apollo Bunder, Mumbai - 400 001

**Mr. N. K. Singh**

House No. 7, South Avenue  
New Delhi - 110 001

**Mr. Malvinder Mohan Singh**

Group Chairman  
Religare & Fortis Healthcare  
1, South End Lane, New Delhi - 110 011

### Co-opted Members

**Dr. Kiran Mazumdar Shaw**

Chairman & Managing Director  
Biocon Ltd., 20<sup>th</sup> KM, Hosur Road  
Electronics City, Bengaluru - 560 100

**Mr. Nitin Desai**

Honorary Professor, ICRIER &  
Former Under Secretary General, United Nations  
B-63, Defence Colony (First Floor)  
New Delhi - 110 024

**Mr. Ashok Jha**

D-6/24, 2<sup>nd</sup> Floor,  
Vasant Vihar, New Delhi - 110 057

### Member-Secretary

**Dr. Rajat Kathuria**

Director & Chief Executive, ICRIER  
Core 6-A, 4<sup>th</sup> Floor, India Habitat Centre  
Lodhi Road, New Delhi - 110 003



## Management Committees

### Executive-cum-Finance Committee

<b>Dr. Isher Judge Ahluwalia</b>	:	<b>Chairperson</b>
Mr. Tarun Das	:	Member
Ms. Janaki Kathpalia	:	Member
Mr. N. K. Singh	:	Member
Dr. Rajat Kathuria	:	Member-Secretary

### Investment Committee

<b>Mr. Uday S. Kotak</b>	:	<b>Chairman</b>
Ms. Janaki Kathpalia	:	Member
Ms. Chanda Kochhar	:	Member
Dr. Rajat Kathuria	:	Member-Secretary

### Establishment Sub-Committee

<b>Mr. N. K. Singh</b>	:	<b>Chairman</b>
Ms. Janaki Kathpalia	:	Member
Dr. Rajat Kathuria	:	Member-Secretary

## Founder Members and Life Members

### Founder Members

1. Dr. Montek Singh Ahluwalia
2. Dr. Jagdish Bhagwati
3. Mr. K. K. Bhargava
4. Mr. I. S. Chadha
5. Mr. K. L. Dalal
6. Mr. B. S. Das
7. Mr. Ashok V. Desai
8. Mr. Nitin Desai
9. Mr. M. Dubey
10. Dr. S. P. Gupta
11. Mr. R. M. Honavar
12. Mr. S. V. S. Juneja
13. Mrs. Anna R. Malhotra
14. Dr. Suman K. Modwel
15. Mr. P. K. Nanda
16. Mr. N. C. B. Nath
17. Mr. P. C. Nayak
18. Dr. Deepak Nayyar
19. Dr. V. R. Panchamukhi
20. Mr. Vijay G. Pande
21. Mr. R. D. Pradhan
22. Mr. Vinay Bharat Ram
23. Mr. S. S. Ramphal
24. Dr. C. Rangarajan
25. Mr. S. S. Rao
26. Dr. Manmohan Singh
27. Mr. R. V. Subrahmanian
28. Dr. M. S. Swaminathan
29. Mr. T. K. N. Unnithan
30. Dr. Charan D. Wadhva

### Late Founder Members

31. Mr. Malcolm S. Adiseshiah
32. Mr. M. C. Bhatt
33. Mr. Brij Bhushan
34. Dr. Sukhamoy Chakravorty
35. Mr. Khub Chand
36. Mr. B. K. Chatterjee
37. Dr. R. J. Chelliah
38. Mr. P. K. Dave
39. Prof. P. N. Dhar
40. Mr. R. S. Gae
41. Mr. B. D. Jayal
42. Mr. L. K. Jha
43. Mr. P. K. Kaul
44. Dr. A. M. Khusro
45. Dr. Rajni Kothari
46. Mr. Raj Krishna
47. Mr. Lovraj Kumar
48. Mr. Suresh Kumar
49. Dr. K. B. Lall
50. Mr. Sanjaya Lall
51. Mr. R. N. Malhotra
52. Mr. S. S. Marathe
53. Mr. Freddie A. Mehta
54. Mr. Govind Narain
55. Mr. B. K. Nehru
56. Mr. I. G. Patel
57. Mr. Anand Prakash
58. Mr. Bharat Ram
59. Mr. P. Chenstal Rao
60. Mr. J. Rameshwar Rao
61. Mr. H. N. Ray
62. Mr. S. R. Sen
63. Mr. N. K. Sengupta
64. Mr. Y. T. Shah
65. Mr. Manu R. Shroff
66. Mr. Harbans Singh
67. Mr. Prakash Tandon
68. Mr. Mohammad Yunus

### Life Members

1. Dr. Shankar Acharya
2. Dr. Isher Judge Ahluwalia
3. Mr. Mukesh D. Ambani
4. Mr. J. S. Baijal
5. Mr. Jagmohan Lal Bajaj
6. Mr. Surjit S. Bhalla
7. Mr. Y. C. Deveshwar
8. Mr. Jamshyd Godrej
9. Ms. Lalita D. Gupta
10. Mr. Anwarul Hoda
11. Dr. Bimal Jalan
12. Mr. K. V. Kamath
13. Dr. Vijay Kelkar
14. Mr. Uday S. Kotak
15. Dr. Rajiv Kumar
16. Mr. Darshan Lal
17. Dr. Deepak Lal
18. Dr. Rajiv B. Lall
19. Mr. Arun Maira
20. Mr. Raghunandan D. Maluste
21. Dr. R. A. Mashelkar
22. Mr. Aman Mehta
23. Dr. Rakesh Mohan
24. Mr. N. R. Narayana Murthy
25. Dr. Arvind Panagariya
26. Dr. Kirit S. Parikh
27. Dr. Swati A. Piramal
28. Mr. N. Ravi
29. Dr. Y. V. Reddy
30. Mr. Parth J. Shah
31. Mr. Prakash Shah
32. Dr. Kiran Mazumdar Shaw
33. Mr. N. K. Singh
34. Mr. Surendra Singh
35. Mr. Pramath Sinha
36. Prof. T. N. Srinivasan
37. Mr. C. M. Vasudev



**Rajat Kathuria**  
Director & Chief Executive, ICRIER

## Director's Report

logistics infrastructure and processes in understanding India's absence from international production networks. Our Special Economic Zones (SEZ) study for the Ministry of Commerce, Government of India inter alia examines the employment impact of these zones. A new study on Mega Food Parks is also investigating the direct and indirect employment opportunities that could arise following creation of modern infrastructure facilities for food processing along the value chain from the 'farm to the market'.

In 2009, ICRIER added a seventh theme area to the scope of its research activities on "Environment and Climate Change" thereby extending the focus of research beyond trade and economic relations. In collaboration with eight leading research institutes across the world and under the aegis of the Global Commission on the New Climate Economy, ICRIER has commenced a major study that attempts to address difficult yet critical questions around economic risks and opportunities that arise from climate change. The global report was launched in New York in September 2014 by former Mexican President Felipe Calderon, who also chairs the global commission. The India report will be launched later this year reflecting research in key themes around Low Carbon Growth, Urbanisation, Agriculture and Energy Demand Management that ICRIER undertook earlier this year. The second phase of this project will deepen the existing work in urbanisation and agriculture, while adding new research on energy modelling and institutions for climate governance.

As India endeavours to enhance its engagement with the global economy, a focus on domestic macroeconomic stability is equally necessary to counter vulnerability to the external environment and to achieve inclusive growth. The difference between triumph and failure will be scripted by how well policy formulation and implementation adapt to the vast challenges that lie ahead. In particular, the issues relating to sustainable growth, rapid urbanisation and job creation, among others, need to be better understood in the interest of our future generations. ICRIER's work has progressed abreast with this evolving agenda.

India is projected to be the world's most populous country by 2025, surpassing China. By then around half of our population will live in urban areas, generating immense concerns of food, energy and economic security. At the same time, India needs to urgently create productive employment. I am happy to state that ICRIER has launched a major initiative on jobs as part of the "Network of Jobs and Development" initiative of the World Bank, comprising five global institutions. The objective of this international collaboration is to create a lasting network of researchers, policy makers, academics, private sector experts, labour unions and development practitioners with the common aim of addressing the employment challenge. This project complements another ongoing study with the ADB that seeks to identify shortcomings in the domestic investment environment, especially in manufacturing, and lays particular emphasis on the role played by

The New Climate Economy study builds on and broadens our ongoing work with the Rockefeller Foundation on "Climate Change and the Economic Competitiveness of Cities: Making the Business Case for Adaptation." This study has helped demonstrate the impact of climate change on the competitiveness of our cities. The second phase will delve further and also add issues of waste to energy and effective water management to the research portfolio. Through this project, ICRIER hopes to highlight the corresponding risks and opportunities and offer real options to policy makers on the basis of carefully collected evidence. The research recognises there are lock-ins and path dependencies that need to be addressed.

The programme on urbanisation is being guided by ICRIER's Chairperson, Dr. Isher Judge Ahluwalia in an honorary capacity. This programme has two legs – research and capacity building in a number of critical themes of urbanisation. These include: (i) water, sewerage, waste water treatment and solid waste management; (ii) unlocking urban land value; (iii) municipal finance; (iv) governance and administrative reforms; (v) planning - land use and transit-oriented development; (vi) sustainable project management and implementation; and (vii) e-governance. A new and exciting interactive initiative “Conversations on Urbanisation” has been jointly launched by ICRIER and IHC with a view to foster wider discussion and dialogue on India's contemporary urban challenges.

South Asia continues to be a thrust area of research at ICRIER. The ongoing project on “Strengthening Research and Promoting Multi-Level Dialogue for Trade Normalisation between India and Pakistan” has been very well received by policy makers and has also received positive attention in the media. To facilitate greater cooperation between SAARC and ASEAN, ICRIER has initiated a new research programme on “Sub-Regional Cooperation between India-Myanmar and India-Bangladesh”. The objective is to analyse the scope for sub-regional cooperation between India-Myanmar and India-Bangladesh through enhancement in trade flows and investment.

Complexity of tax laws and its inefficient administration have been a constant concern for Indian businesses. The project on tax administration reforms and another on estimating compliance cost for direct taxes in India will serve as input in the much needed reform in this area. A multi-phased health policy initiative has also been launched at ICRIER to develop actionable policy recommendations. In cooperation with ZEF, a German research foundation, we are attempting a critique of India's buffer-stocking policies with a view to providing recommendations for more cost-effective and time-efficient management of our food security.

Over the years, trade in services has become an important component of India's international trade. However, data collection processes remain weak and services data by sectors is hard to come by. With this background, a new study for the Ministry of Commerce, Government of India aims to recommend a holistic framework for institutional reform and suggest templates for regular data collection.

Another study in collaboration with the University of Sussex is examining India's participation (or lack thereof) in global value chains (GVCs) and offer recommendations to increase India's participation in them. A related study that has already been cited in this year's Economic Survey estimates domestic value added and foreign content of India's exports. This study is important since it involves a comparison of the foreign content of India's exports with the global average and that of some important emerging economies. Based on the analysis, policy recommendations will be made to gainfully link India with GVCs. ICRIER is preparing to undertake research on critical components of India-Japan relations, including economic partnership, defence and security ties. There are several other initiatives whose details are provided in the Annual Report. You will notice that ICRIER continues to provide solid policy support through research and knowledge sharing in the changing economic and political environment. With several scholars working across disciplines, ICRIER has brought an unparalleled breadth and depth of expertise to the pressing challenges facing India today.

There were notable additions to ICRIER's faculty during the year. Professor Jaimini Bhagwati joined as RBI Chair enhancing our research capacity on issues of macroeconomic management and financial sector regulation. Professor Ashok Gulati became the first occupant of the Infosys Chair in Agriculture. His presence strengthens ICRIER's capacity to do research in areas of agriculture and food price stabilisation. Also beginning this year, ICRIER will produce a biennial flagship publication on a specific theme that reflects substantive ongoing research. The first flagship publication, on telecommunications, will trace the history of the sector in India, critically examine its successes and failures and offer lessons on regulation and regulatory processes for other infrastructure sectors.

The fifth K. B. Lall Memorial lecture was delivered by Professor Michael Spence, Nobel Laureate and Professor of Economics at New York University, on “Growth Prospects and Challenges in the Global Economy: Building Blocks of Sustainable Economic Growth Strategies”. ICRIER hosted the annual Neemrana conference jointly with the National Bureau of Economic Research (NBER) in December 2013. In December 2014, ICRIER will host an International Conference on “Jobs for Development: Challenges and Solutions” in New Delhi. Leading global scholars and practitioners have confirmed participation.





I am fortunate to be admirably supported by an excellent team of experienced and young researchers. Indeed, it is a testament to ICRIER's single minded pursuit of high-quality and policy-oriented research that we are able to attract and retain such talent. The coming years are crucial for ICRIER as we will complete construction and occupy our new office

in Saket, New Delhi. The change will be accompanied by growth in staff numbers and also an increase in research activities including the flagship publication. I have no doubt that we will continue to move from strength to strength.

Thank you very much for all your support.

**Rajat Kathuria**  
Director & Chief Executive, ICRIER

## Abbreviations

<b>ACAAI</b>	Air Cargo Agents Association of India
<b>ACCCRN</b>	Asian Cities Climate Change Resilience Network
<b>ADB</b>	Asian Development Bank
<b>ADB I</b>	Asian Development Bank Institute
<b>AoA</b>	Agreement on Agriculture
<b>APMC</b>	Agriculture Produce Marketing Committee
<b>ASEAN</b>	Association of South-East Asian Nations
<b>BCCI</b>	Bombay Chambers of Commerce & Industry
<b>BIDS</b>	Bangladesh Institute of Development Studies
<b>BIMSTEC</b>	Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
<b>BIPA</b>	Bilateral Investment Promotion and Protection Agreement
<b>BP</b>	British Petroleum
<b>BRICS</b>	Brazil, Russia, India, China and South Africa
<b>BRT</b>	Bus Rapid Transit
<b>BTIA</b>	Board-based Trade and Investment Agreement
<b>CAA</b>	Constitution Amendment Act
<b>CACP</b>	Commission for Agricultural Costs and Prices
<b>CARIM</b>	Consortium for Applied Research on International Migration
<b>CCAOI</b>	Cyber Café Association of India
<b>CCI</b>	Competition Commission of India
<b>CECA</b>	Comprehensive Economic Cooperation Agreements
<b>CEO</b>	Chief Executive Officer
<b>CEPA</b>	Comprehensive Economic Partnership Agreement
<b>CIER</b>	Chung-Hua Institute for Economic Research
<b>CII</b>	Confederation of Indian Industry
<b>CIS</b>	Commonwealth of Independent States
<b>CSIR</b>	Council of Scientific and Industrial Research
<b>CSIS</b>	Centre for Southeast Asia Studies
<b>CTT</b>	Commodities Transaction Tax
<b>DGCI&amp;S</b>	Directorate General of Commercial Intelligence and Statistics
<b>DIT</b>	Directorate of Income Tax
<b>DTAAs</b>	Double Taxation Avoidance Agreements
<b>EMEs</b>	Emerging Market Economies
<b>EOUs</b>	Export Oriented Units
<b>EPCEs</b>	Export Promotion Council for EOUs and SEZs
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organization

<b>FDI</b>	Foreign Direct Investment
<b>FICCI</b>	Federation of Indian Chambers of Commerce and Industry
<b>FMCG</b>	Fast-Moving Consumer Goods
<b>FSB</b>	Financial Stability Board
<b>FSLRC</b>	Financial Sector Legislative Reforms Commission
<b>FSI</b>	Floor Space Index
<b>FTA</b>	Free Trade Agreement
<b>G20</b>	Group of Twenty Countries
<b>GAAR</b>	General Anti-Avoidance Rules
<b>GATS</b>	General Agreement on Trade in Services
<b>GDP</b>	Gross Domestic Product
<b>GE</b>	General Electric
<b>GHG</b>	Greenhouse Gas
<b>GIS</b>	Geographic Information System
<b>GMO</b>	Genetically Modified Organism
<b>GMP</b>	Good Manufacturing Practices
<b>GOI</b>	Government of India
<b>GVCs</b>	Global Value Chains
<b>HFCs</b>	Housing Finance Companies
<b>HPEC</b>	High Powered Expert Committee
<b>HUDCO</b>	Housing and Urban Development Corporation
<b>HVM</b>	High Value Manufacturing
<b>IBA</b>	Institute of Business Administration
<b>IBS</b>	Institute for Structural Research
<b>ICFI</b>	Indicus Centre for Financial Inclusion
<b>ICRA</b>	Information Credit Rating Agency Ltd.
<b>ICRIER</b>	Indian Council for Research on International Economic Relations
<b>ICT</b>	Information and Communications Technology
<b>ICTSD</b>	International Centre for Trade and Sustainable Development
<b>IDE-JETRO</b>	Institute of Developing Economies of the Japan External Trade Organization
<b>IDSA</b>	Institute for Defence Studies and Analyses
<b>IESS</b>	India Energy Security Scenarios
<b>IFMR</b>	Institute for Financial Management and Research
<b>IGIDR</b>	Indira Gandhi Institute of Development Research
<b>IHC</b>	India Habitat Centre
<b>IHD</b>	Institute for Human Development
<b>IIFT</b>	Indian Institute of Foreign Trade
<b>IIM</b>	Indian Institute of Management
<b>IIP</b>	Index of Industrial Production

<b>IISD</b>	International Institute for Sustainable Development
<b>IMF</b>	International Monetary Fund
<b>IMI</b>	International Management Institute
<b>IPS</b>	Institute of Policy Studies
<b>IRADe</b>	Integrated Research and Action for Development
<b>IT</b>	Information Technology
<b>ITES</b>	Information Technology Enabled Services
<b>IUCN</b>	International Union for Conservation of Nature
<b>IIA</b>	Japan Institute of International Affairs
<b>JNNURM</b>	Jawaharlal Nehru National Urban Renewal Mission
<b>KAS</b>	Konrad-Adenauer-Stiftung
<b>KLEMS</b>	Capital Labour Energy Material and Services
<b>LACEA</b>	Latin American and Caribbean Economic Association
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>LSE</b>	London School of Economics
<b>LUMS</b>	Lahore University of Management Studies
<b>MCX-SX</b>	MCX Stock Exchange
<b>MFA</b>	Multi Fibre Agreement
<b>MGI</b>	McKinsey Global Institute
<b>MHz</b>	Megahertz
<b>MIDO</b>	Myanmar ICT Development Organisation
<b>MOOCs</b>	Massive Open Online Courses
<b>MoU</b>	Memorandum of Understanding
<b>MSNA</b>	Maharashtra Sujal Nirmal Abhiyaan
<b>MSPs</b>	Minimum Support Prices
<b>NAPCC</b>	National Action Plan on Climate Change
<b>NASSCOM</b>	National Association of Software and Services Companies
<b>NBER</b>	National Bureau of Economic Research
<b>NCAER</b>	National Council of Applied Economic Research
<b>NCE</b>	New Climate Economy
<b>NCR</b>	National Capital Region
<b>NFSA</b>	National Food Security Act
<b>NGOs</b>	Non-Governmental Organisations
<b>NHB</b>	National Housing Bank
<b>NISTAD</b>	National Institute of Science, Technology & Development Studies
<b>NJD</b>	Network of Jobs and Development
<b>NMCC</b>	National Manufacturing Competitiveness Council
<b>ODA</b>	Overseas Development Assistance
<b>OECD</b>	Organisation for Economic Co-operation and Development



<b>PMA</b>	Preferential Market Access
<b>PMS</b>	Post-Marketing Surveillance
<b>PRI</b>	Policy Research Institute
<b>PSAG</b>	Private Sector Advisory Group
<b>PSU</b>	Public Sector Undertaking
<b>PV</b>	Photovoltaic
<b>R&amp;D</b>	Research and Development
<b>RAP</b>	Research Advisory Panel
<b>RBI</b>	Reserve Bank of India
<b>RCEP</b>	Regional Comprehensive Economic Partnership
<b>RESCOs</b>	Renewable Energy Service Companies
<b>RET</b>	Renewable Energy Technologies
<b>RRC</b>	Regional Research Competition
<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>SAFTA</b>	South Asian Free Trade Area
<b>SAM</b>	Social Accounting Matrix
<b>SANEI</b>	South Asia Network of Economic Research Institutes
<b>SAWTEE</b>	South Asia Watch on Trade, Economics and Environment
<b>SDPI</b>	Sustainable Development Policy Institute
<b>SEZ</b>	Special Economic Zone
<b>SFIA</b>	Seoul Forum for International Affairs
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>STT</b>	Securities Transaction Tax
<b>TOD</b>	Transit Oriented Development
<b>UK</b>	United Kingdom
<b>ULBs</b>	Urban Local Bodies
<b>UNDP</b>	United Nations Development Programme
<b>UNICEF</b>	United Nations Children's Fund
<b>US</b>	United States
<b>USA</b>	United States of America
<b>USIBC</b>	United States-India Business Council
<b>USOF</b>	Universal Service Obligation Fund
<b>WDR</b>	World Development Report
<b>WEO</b>	World Economic Outlook
<b>WIOD</b>	World Input-Output Database
<b>WITS</b>	World Integrated Trade Solution
<b>WTO</b>	World Trade Organization
<b>ZEF</b>	Zentrum für Entwicklungsforschung (Centre for Development Research)

# ICRIER's Research Activities

## 1. Macroeconomic Management in an Open Economy

### Ongoing Project (1)

#### 1.1 Reserve Bank of India Chair

**Project Leader:** *Dr. Jaimini Bhagwati*

**Commencement:** June 1996

**Expected Date of Completion:** Ongoing

**Funded by:** Reserve Bank of India (Rs. 400.00 lakh)

The study Salient Features of Measuring, Interpreting and Addressing Indian Inflation has been completed. It reviews the calculation of the Indian wholesale and consumer price indices and suggests improvements in the light of past experience and international best practice. Analysing the recommendations of the Urjit Patel Committee, the study points out that monetary policies predominantly focused on inflation may not necessarily be effective in India where inflation and inflationary expectations, compared to developed countries, are not that driven by excess demand. A number of shortcomings in storage, distribution and supply bottlenecks are also relevant. The study also suggests that the efficiency of price discovery mechanisms, including those relevant for the financial sector, need to be improved to enhance the effectiveness of an explicit inflation targeting regime.

Work is currently underway on two more studies. The first examines and comments on the feasibility and advisability of the government adopting the recommendations of the Report of Financial Sector Legislative Reforms Commission (FSLRC) submitted to the Union Finance Minister in March 2013. The second study on Capital Adequacy and the Indian Banking Sector will examine the extent of the problem for both public sector undertakings (PSUs) and private Indian banks as also the international experience in selected countries post the 2008 financial-economic meltdown. The paper will recommend next steps, taking into account the paucity of government budgetary resources to provide fresh equity capital.

### Completed Project (1)

#### 1.1 An Analysis of Fiscal Prudence in Germany and India

**Project Adviser:** *Dr. Shankar Acharya*

**Research Team:** *Fahad Siddiqui and Kirti Gupta*

**Commencement:** February 2013

**Completion:** June 2014

**Funded by:** Konrad-Adenauer-Stiftung, India (Rs. 20.00 lakh)

In the light of the global financial crisis (2008-09), the world responded with fiscal stimuli, leading to unsustainable government accounts in many nations. Fiscal prudence has become the key challenge for both advanced and emerging economies in this context. There is, however, no consensus on the nature of fiscal policies that need to be implemented as the debate between austerity and stimulus continues. The concept of fiscal space and tools has gained prominence for ensuring a quick response to the folding up of demand and providing short- and medium-term stabilisation. Hence, there is a need for policies that deal with both short- and long-term problems.

Against this backdrop, the study focuses on analysis of fiscal strategies in Germany and India, efficacy of the policies used in both economies to weather the crisis, lessons learnt and the institutional underpinnings of fiscal prudence in the two countries. The study identifies major policies undertaken and their subsequent positive and negative effects. It seeks to identify the policies which have acted in favour of fiscal consolidation in India and Germany from 1980 till 2012 and develop foresight on the probable changes to the fiscal scenario which can put India on the path of fiscal consolidation which Germany has undertaken. The study also reviews the literature on the background of debates around fiscal stimuli and their impact and fiscal sustainability and constructs a conceptual framework to examine the sustainability of fiscal policies in both countries.

## 2. Financial Sector Liberalisation and Regulation

### Ongoing Project (1)

#### 2.1 Cover Bonds as a Complementary Source of Financing Mortgage Lending in India: Lessons from the Global Covered Bond Systems

**Project Leader:** *Ms. Mira Tamboli*

**Research Team:** *Neha Malik*

**Commencement:** May 2013

**Expected Date of Completion:** August 2014

**Funded by:** Housing & Urban Development Corporation Ltd. (HUDCO), (Rs. 20.18 lakh)

While India's Rs. 6.3 trillion mortgage market was expected to grow at 17-19% in 2012-13 as per Information Credit Rating Agency Ltd. (ICRA) estimates, housing finance penetration remained at 7%, considerably lower than the levels achieved in developed countries. This suggests that there is a significant potential for growth. The real challenge lies in how to promote this growth through sources of long-term financing. Indian Housing Finance Companies (HFCs) rely primarily on wholesale funding for refinancing. While the larger HFCs can tap into capital markets for their long-term lending, the smaller HFCs depend largely on banks and the National Housing Bank (NHB). This creates the need to explore the sources of long-term financing.

Globally, securitisation and covered bonds are used to access long-term funding for the housing market. Securitisation was one of the primary mechanisms of sourcing mortgage financing in the USA until the financial crisis of 2008. Subsequently, due to the lack of investor confidence, the volume of mortgage securitisation has shrunk significantly, while covered bond issuance has benefited from a market environment of heightened sovereign risk and favourable regulatory treatment. The critical need for finding alternative sources of long-term funding, amidst the rising popularity of covered bonds across the globe, has created an opportunity for developing a covered bond market in India.

The objective of the study is to provide a comparative overview of the leading covered bond systems and analyse their key design features. The primary research involving survey of the key stakeholders has been concluded. The focus has been on gathering inputs related to the desired legal and regulatory framework, structure of the issuer, cover assets and valuation criteria. The secondary research component of the study examines the applicability of these features to the Indian market so as to offer broad regulatory guidelines for the introduction of covered bond system in India.

## Completed Project (1)

### 2.1 Securities Transaction Tax in India: Motives, Revenues and Effects

**Research Team:** *Dr. Saon Ray and Neha Malik*

**Commencement:** April 2013

**Completion:** March 2014

**Funded by:** MCX-SX (Rs. 4.70 lakh)

The Security Transaction Tax (STT) was introduced in the Indian capital market in 2004. It is a tax on transaction of equities as well as their derivatives. Despite the reduction in STT over the years, it constitutes a large percentage (next only to brokerage fee) of the total cost of trading. The rationale behind STT was to replace the long-term capital gains tax and create a level playing field for all participants in the stock market. It was also seen as a way to mobilise additional revenue. Given this backdrop, the project involved analysing the impact of STT in a developing country context where not all segments of the market are well developed, and also one of the goals of the regulator is to encourage greater participation in the market rather than dampening it. For this purpose, trends in the Indian stock market in the past decade were examined. An attempt was also made to quantify the impact of STT imposition and subsequent revisions on volatility and trading volume for the period October 2003 to July 2013 using econometric tools. Empirical results showed a mixed response of volatility and volume to changes in STT.

## 3. Trade Openness, Restructuring and Competitiveness

### Ongoing Projects (15)

#### 3.1 Programme on Capacity Building and Knowledge Dissemination on Urbanisation in India

**Project Leader:** *Dr. Isher Judge Ahluwalia*

**Research Team:** *Dr. Simanti Bandyopadhyay, Dr. Radhicka Kapoor, Kanak Tiwari, Dr. Deepak Santhanakrishnan, Dr. Sabyasachi Tripathi, Sahil Gandhi, Tanushree Bhan, Tarika Khanna, Sirus Joseph Libeiro, Sri Siddhartha Ayyagari, Shraddha Suresh and Neharika Rajagopalan.*

**Commencement:** July 2012

**Expected Date of Completion:** December 2014

**Funded by:** Ministry of Urban Development, Government of India (Rs. 145.04 lakh)

India's historic transition to a predominantly urban economy in the next 40-50 years will throw up numerous challenges for urban planners, city managers and urban local bodies (ULBs). These challenges range from dealing with worsening urban congestion, to handling escalating demands for land, water, energy, housing and basic urban services (sanitation, waste management, public health) for millions of new and existing urban residents. Enhancing the capabilities of ULBs, many of which are frequently strapped for resources and limited by inadequate institutional capacity, is therefore critical.

Building on the Report of the High Powered Expert Committee on Urban Infrastructure and Services, 2011, of the Ministry of Urban Development, Government of India, ICRIER initiated a "Programme on Capacity Building and Knowledge Dissemination on Urbanisation in India," which was launched by Mr. Kamal Nath, Minister of Urban Development, Government of India in August 2012.

This year, capacity building and knowledge dissemination workshops have been organised in Bhopal, Delhi, Guwahati, Pune and Shimla. Officials from state governments and ULBs of nearly 25 states have participated, besides professionals and academicians with expertise in different sectors of urban development.



The importance of these workshops has been enhanced by the presence of the Chief Ministers of Andhra Pradesh, Haryana, Assam, Maharashtra and Madhya Pradesh, who were chief guests at the inaugural sessions of the workshops in their states.

The themes covered by the regional workshops were: (i) Bhopal – e-Governance; (ii) Hyderabad – Urban Governance; (iii) Delhi – Water and Sanitation; (iv) Chandigarh – Water and Sanitation; (v) Guwahati – Solid Waste Management; (vi) Pune – Urban Sustainability; (vii) Thiruvananthapuram – Solid Waste Management; (viii) Delhi – Urban Planning, Infrastructure and Sustainability, Finance and Governance, and Inclusion and Governance; (ix) Bhopal – Issues in Urban Water; and (x) Shimla – Issues of Solid Waste Management in Hill States.

### 3.2 Programme on Research on Urbanisation in India: Preparing for the Urban Challenges of the 21<sup>st</sup> Century

**Project Leader:** *Dr. Isher Judge Ahluwalia*

**Research Team:** *Dr. Simanti Bandyopadhyay, Dr. Radhicka Kapoor, Kanak Tiwari, Dr. Deepak Santhanakrishnan, Dr. Sabyasachi Tripathi, Sahil Gandhi, Tanushree Bhan, Tarika Khanna, Sirus Joseph Libeiro, Sri Siddhartha Ayyagari, Shraddha Suresh and Neharika Rajagopalan*

**Commencement:** December 2012

**Expected Date of Completion:** November 2014

**Funded by:** Ministry of Urban Development, Government of India (Rs. 120.00 lakh)

Closely associated with the “Programme on Capacity Building and Knowledge Dissemination on Urbanisation in India,” is the “Programme of Research on Urbanisation in India: Preparing for the Urban Challenges of the 21<sup>st</sup> Century.” The two programmes have significant synergy and mutually reinforce the process of learning and disseminating knowledge.

The research programme focuses on seven themes: (i) Water, Sewerage, Waste Water Treatment, and Solid Waste Management; (ii) Unlocking Urban Land Value; (iii) Municipal Finance; (iv) Governance and Administrative Reforms; (v) Planning – Land Use and Transit-oriented Development; (vi) Sustainable Project Management and Implementation; and (vii) e-Governance. Research papers under this programme are intended to inform policy, and will be published as working papers in the first instance, and subsequently developed into thematic papers for professional journals and other publications.

By June 2014, four working papers on Planning for Urban Development, Unlocking Urban Land Value, Using GIS for Greater Efficiency and Property Taxation have been completed, while the others are in advanced stages of completion.

#### 3.2.1 Planning for Urban Development in India

*Isher Judge Ahluwalia*

This paper presents a brief overview of the present approach to urban planning in India and highlights the importance of an integrated approach to the planning of transportation and land use. It presents the conundrum of high population density and low FSI (floor space index) in Indian cities and calls for a new approach to urban planning which brings socio-economic factors and spatial factors together, and also integrates urban design with urban planning. The challenges of inclusion of low-income households in urban planning in the light of the political economy of land acquisition in India are also examined. The study presents alternative models of land assembly and the role of instruments, such as impact fee or betterment charges for revenue mobilisation in the course of putting urban infrastructure in place.

### 3.2.2 Unlocking Land Value for Financing Urban Development in India

*Isher Judge Ahluwalia*

This paper highlights the importance of unlocking land value for financing urban infrastructure development. Considering the large financing requirements of urban infrastructure and the strained finances of ULBs as well as state governments, instruments such as tax increment financing, betterment levies, development charges and special assessments are examined for their potential in unlocking urban land value in India's urban infrastructure development. The paper presents evidence from international experience in this area.

### 3.2.3 Using GIS for Greater Efficiency in Operations and Better Delivery of Services by ULBs in India

*Tanushree Bhan*

This paper explores the use of GIS technology to improve the system of service delivery and bring about transparency and accountability in the functioning of ULBs. A number of good practices have been deconstructed to identify the role of GIS and the enabling factors that have led to a smooth transition from a manual system to IT-enabled administrative arrangements for operations as well as service delivery in Indian cities.

### 3.2.4 Property Taxation: A Comparison of Delhi and Bengaluru

*Simanti Bandyopadhyay*

Property tax is a major source of revenue for ULBs. Adequate coverage, a proper methodology for assessment of the tax, and changing valuation of properties in the face of rising prices, are some of the major factors that affect the ability of ULBs to realise the potential revenue from property tax. This study attempts to identify the factors responsible for the differences in performance of Delhi and Bengaluru. In Delhi, a transition from rental valuation to unit area based valuation has not been successful in bringing about the desired revenue; Bengaluru has achieved greater success. This is so even though there are similarities in the approach to reform and both cities have used GIS and IT. The interaction between policy and administrative reforms to support the change in outcomes emerges very clearly from this study.

### 3.2.5 Making Cities Creditworthy

*Anand Sahasranaman*

The literature on making cities creditworthy for accessing debt markets points to three sets of reforms that can address the issue: (i) a set of fundamental reforms that need to be implemented across cities in the country such as implementing computerised double entry accounting standards, improving efficiency in the collection of taxes, especially property tax, solving the problem of weak staff capacity and; (ii) a set of legal and constitutional reforms that provide, for instance, adequate financial autonomy along with functional devolution provided by the 74<sup>th</sup> CAA; (iii) a national legal policy on how local governments can access debt markets and a bankruptcy framework for ULBs. While the path to making cities credit worthy is clearly laid out, there is insufficient understanding of how policy can nudge and incentivise cities to tread this path. To address this gap in the literature, we propose to study international experience as well as the current state of affairs in selected Indian cities with the objective of framing a set of policy options for improving the credit worthiness of cities.

### **3.2.6 Scaling up Urban Water Supply 24×7: Where are the Opportunities and Barricades?**

*Deepak Santhanakrishnan and Isher Judge Ahluwalia*

Despite demonstrated success in providing continuous water supply 24 hours, 7 days a week in a few pilot areas in some Indian cities, scaling up of these initiatives and replicating these examples has proved challenging. Existing funding arrangements for 24x7 water delivery projects through urban local governments, public sector institutions such as the Delhi Jal Board, and public-private partnerships are examined, as is the experience with setting user charges to cover costs and the political economy of the urban water supply sector. More broadly, the paper covers the challenge of governance and the need for administrative reform for better service delivery.

The potential for scaling up is evaluated against practical realities on the ground. The case studies drawn from Indian cities provide guidance on how to bridge the gap between testing innovation and bringing projects to scale.

### **3.2.7 Towards Achieving Efficiency in Service Delivery of Water**

*Kanak Tiwari*

This paper looks at efficiency of water supply in Indian cities. Notwithstanding its critical importance for public health, access to safe drinking water, particularly through piped water supply is still inadequate in both urban and rural areas. Cities face a dual challenge that consists of preserving and recharging bulk sources and significantly improving the efficiency of the distribution network. This paper looks at technical factors as well as institutional strategies and policy climate at city, state and national levels that can help enhance, retain and sustain efficiency. It does so in the context of the challenges of financial sustainability and environmental sustainability.

### **3.2.8 Approaches to Sustainable Management and Implementation of Urban Infrastructure Projects in Public Transport**

*Deepak Santhanakrishnan, Pavan Kumar Ankinapalli and Ranesh Nair*

This paper attempts to answer some pressing issues in the public transport sector: (i) understanding the project life cycle and sustainable factors for two mass transit projects; (ii) identifying the potential risks, cost overruns and flexible intervention strategies that account for the uncertainties and scheduled analysis; and (iii) suggesting various combinations of policy packages that are most effective for motivating sustainable project management implementation.

### **3.2.9 Policy Initiatives for Promotion of Urban Agglomeration in India**

*Sabyasachi Tripathi*

This paper attempts to identify which policies can help to promote urban agglomeration for rapid and sustainable economic growth in India. It covers the areas of transport infrastructure, efficient land use and its integration with transport planning as well as administrative reforms for better delivery of public services. Only when the ease of living is improved, together with ease of doing business, can agglomeration economies be harnessed.

### 3.2.10 Land-based Financing in Metropolitan Cities in India: The Case of Hyderabad and Mumbai

*V. K. Phatak and Sahil Gandhi*

One of the major challenges that policy makers have to address is infrastructure bottlenecks in major cities and the shortfall in financial outlays to overcome them. Given the plethora of unfunded mandates confronting urban local governments, one of the recommendations by HPEC (2011) is to leverage urban land to finance infrastructure needs of these cities. This study focuses on land-based financing in two Indian metropolitan cities – Hyderabad and Mumbai. The study will examine collections from land-based financing tools by the principal local body and the development authority in the two metropolitan cities, and their contributions to the revenues of the implementing bodies. It would discuss legal issues, related to the implementation of these tools. The study will also propose some policy recommendations.

### 3.2.11 e-Governance for Strengthening Governance: Achieving Efficiency and Transparency through e-Business Procurement and e-Tendering in ULBs in India

*Sirus Joseph Libeiro*

The use of information and communication technology (ICT) for transparency, accountability, and efficiency in delivery of public services was one of the mandatory reforms for ULBs under the JNNURM. The national e-governance plan aimed to put in place mechanisms which would facilitate the use of technology in order to provide more effective services to the citizens. Accordingly, a number of ULBs have instituted e-governance projects with the use of ICT to strengthen governance. This paper focuses on e-procurement and e-tendering. It will look at initiatives undertaken by ULBs and assess the successes and difficulties faced in implementation. The focus would be on analysing the factors (such as transparency in the e-tendering process, ease of access and design of the process) which led to the success or failure of these initiatives, so as to gather lessons for other ULBs.

### 3.2.12 Capacity Building and Associated Administrative Reforms for Urban Development

*M. Ramachandran and Isher Judge Ahluwalia*

In addressing the challenges of urbanisation in India, there is broad consensus on the need to develop institutional capacity as well as human skills to plan, implement and manage the development of urban infrastructure and ensure the delivery of services in Indian cities and towns. Capacity building is required across all levels of government in the urban sector, especially ULBs. This study highlights the challenges of capacity building and puts forth some specific recommendations. In doing so, it identifies lessons learnt from the experience of JNNURM, a flagship programme of the Government of India that ran its course from 2005 to 2014. Besides recommending a major focussed role for the Government of India, the study also calls for state-level initiatives and the need for establishing municipal cadres.

## 3.3 The HUDCO Chair Programme

**Project Leader:** *Dr. Meenu Tewari*

**Research Team:** *Zeba Aziz*

**Commencement:** March 2012

**Expected Date of Completion:** February 2015

**Funded by:** Housing and Urban Development Corporation (HUDCO), (Rs. 60.00 lakh)

ICRIER's HUDCO Chair Programme is a three-year project aimed at conducting research and undertaking capacity building activities on urban issues in India. The programme has three main components: (i) a seminar series on



urbanisation and the competitiveness of cities; (ii) research on a subset of urban issues; and (iii) thematic capacity building workshops on selected themes based on the research conducted under the programme.

During 2013-14, four seminars were held as part of the seminar series on Urbanisation and the Competitiveness of Cities, and four research studies were initiated. In the first seminar, Dr. Kara Nelson of the University of California, Berkeley, and her students presented their findings from a *multi-year institutional, economic and public health evaluation of Hubli-Dharwad's 24x7 water supply project in Karnataka*. The second seminar was led by Professor Russell Smith, Associate Professor of Geography at the Winston-Salem State University on the evolution of sustainability strategies in the U.S. including the recent LEED-certified Neighbourhood Development Program introduced by the U.S. Green Building Council. In the third seminar, Erik Vergel, Fulbright Scholar and doctoral candidate at the University of North Carolina at Chapel Hill presented findings from his study of BRT systems and their impact on urban development patterns comparing cities in Latin America and in India (Ahmedabad BRT). The fourth seminar, led by B. R. Balachandran and Soumya Balachandran of Alchemy Urban Systems Bengaluru was on *Proactive Urbanisation for Economic Corridor Development*.

The four research studies include (i) A study comparing the 24x7 water reforms in Amravati and Nagpur, (ii) A critical analysis of select international cases of tax increment financing and land-based fiscal tools and their application for Indian cities, (iii) An analysis of lessons learned from the global experience on transit-oriented development in comparison with experiments underway in India and (iv) A study on last mile connectivity in the Transport sector in Delhi and Bangalore. The study on water reforms in Amravati and Nagpur was completed in June 2014 and will soon be issued as a working paper.

### 3.4 Jobs and Development: Creating Multi-Disciplinary Solutions

**Project Leader:** Mr. Ali Mehdi

**Research Team:** Professor Anwarul Hoda, Dr. Rajat Kathuria, Dr. Deb Kusum Das, Dr. Sahana Roy Chowdhury, Dr. Radhicka Kapoor, Homagni Choudhury (External Collaborator), Sourabh Bikas Paul (External Collaborator), Sirjjan Preet, Durgesh Kumar Rai, Atisha Ghosh, Sugandha Singh and Sreerupa Sengupta

**Commencement:** January 2014

**Expected Date of Completion:** December 2016

**Funded by:** The World Bank, Washington D. C. (Rs. 126.00 lakh per year)

This project is part of the Network of Jobs and Development (NJD) initiative of the World Bank. ICRIER is one of five global institutions participating in this initiative which aims to build a vibrant and engaging community of experts on 'Jobs' and seeks to build consensus among policy makers, academics, private sector, labour unions, development practitioners and others on the need to tackle the jobs challenge from a multi-sectoral and multidisciplinary perspective. The other international partners are Institute for Emerging Market Studies, Hong Kong University of Science and Technology (HKUST IEMS); Development Policy Research Unit, University of Cape Town (DPRU); Institute for Structural Research (IBS), Poland and Latin American and Caribbean Economic Association (LACEA). A dedicated website [www.icrier-jobs.org](http://www.icrier-jobs.org) has been created to provide regular updates on the project activities.

ICRIER will conduct and disseminate a series of research studies aimed at drawing up policy recommendations towards expansion of job opportunities and capabilities, based on lessons from international best policies and practices. Well-known experts and policy makers from across the globe will be invited to write blogs on the jobs agenda and interact with an international audience through Google Hangouts. In December 2014, the project will organise an International Conference on the theme, *Jobs for Development: Challenges and Solutions* in New Delhi.

Currently the following studies are being conducted:

### **3.4.1 Labour Regulations and Growth of Manufacturing and Employment in India**

*Anwarul Hoda and Durgesh K. Rai*

The study will examine the role of labour regulations as a constraint on the expansion of the manufacturing sector in India, with focus on industrial relations. It will analyse the inputs obtained from manufacturing enterprises and associations of such enterprises through a survey. A central feature of the study will be comparison of the regulations on industrial relations in India with those in East and South East Asian countries, which have been successful in the manufacturing sector, such as Korea, China, Thailand and Malaysia. Through analysis and comparison, the study will identify the deficiencies in the regulations in India, which are hampering the growth of manufacturing and employment generation, and make recommendations to address them. It will be based on both desk work and interviews/survey with the stakeholders.

### **3.4.2 Labour Market Reforms and Manufacturing Performance in India**

*Deb Kusum Das and Homagni Choudhury*

The study aims to explore the restrictiveness of current labour laws in India and to investigate the effects of collective institutions of labour legislation, trade unions and wage setting on the labour market in India. Using structured scientific surveys, the study will gather opinion of stakeholders including employers and employees on how they perceive the existing labour market institutions and the nature of de facto reforms in order to understand the severity and restrictiveness of the existing policy regime and how it impacts the labour market. Based on the findings of this exploratory survey, the study aims to prepare an analytical framework for the construction of an index (or multiple indices) exploiting the variation of labour legislation (due to amendments of Central and State Acts) across states and over time, in order to capture the labour market rigidities and inflexibilities caused by the collective institutions. Such an index (or indices) can be used to empirically investigate how labour market rigidities affect the performance of the manufacturing sector and to suggest policy measures to mitigate the effects of such labour market rigidities and inflexibilities.

### **3.4.3 The Challenge of Productive Employment Creation**

*Radhicka Kapoor and Rana Hasan*

Given that India has the largest young population in the world, with over 60% of the population in the working age of 15-59 years, the role of the manufacturing sector in creating more productive jobs assumes even greater significance. The objective of this study is to identify appropriate policy responses to accelerate the growth of manufacturing. Some of the key questions that will be addressed are: How do we provide high productivity jobs for the rapidly rising population? How do we energise jobs in manufacturing? How can governments create an enabling environment for productive employment generation in the manufacturing sector?

Using enterprise level data from the Annual Survey of Industries and the National Sample Survey from 1994-95 to 2010-11, the study attempts to understand whether output and employment growth were higher in certain states, industries, and firm types. The study examines the extent to which manufacturing growth is driven by labour intensive/capital intensive industries, formal/informal enterprises, larger/smaller enterprises and younger/older enterprises. Further, it explores the role of state characteristics such as the quality of physical and financial infrastructure and key elements of business regulations (including labour, product market and environmental regulations).

### 3.4.4 Early Human Capital Formation and Employability

*Ali Mehdi, Sugandha Singh and Sirjjan Preet*

Adopting a multi-sectoral and multi-disciplinary approach, the WDR 2013 on Jobs challenges the centrality of labour policies/institutions and argues for a three-layer policy approach to address the jobs challenge, with ‘human capital’ as an integral part of the ‘Fundamentals’. As far as human capital/skill formation is concerned, in India, as in many parts of the world, the focus has been on vocational training or higher education, with token recognition of the role of primary and secondary education and healthcare. This paper will analyse selected primary and secondary education and healthcare policies from around the world, in particular the German dual educational system, which is said to have been responsible for its manufacturing success as well as for low unemployment rates in Europe in a major way. The focus will be on the lessons that countries like India can learn from global policy experiences.

### 3.4.5 Are Skills Gaps an Impediment to Employment Creation in the Manufacturing Sector? A Case Study of India

*Aashish Mehta and Deboshree Ghosh*

From the perspective of this “skills-gap” theory, the solution to the manufacturing sector job creation challenge must lie partly in further training for workers. This argument has been influential in India. This study seeks to understand whether skills gaps are a costly constraint on Indian manufacturing employment, and why they persist. This paper would be the first step in unpacking the notion of skills gaps in the manufacturing sector. Developing an empirical sense of where skills gaps exist, and why, will greatly clarify further discussions about how serious a problem they constitute, and how they should most efficiently be ameliorated.

### 3.4.6 Trade and Job Creation: Is Finance a Binding Constraint?

*Pankaj Vashisht*

It has been argued that trade could potentially help developing countries to combat poverty by generating job opportunities in low-skilled, labour-intensive sectors. However, the Indian experience in this regard has been less than satisfactory. This paper proposes to take a fresh look at the role of trade in job creation in India. It will quantify the impact of trade on jobs in India and examine whether financial constraints have been impeding the export of low-skilled, labour-intensive products. The study will also evaluate policies that the government has introduced to address the financial constraints and compare them with policies adopted in Germany and South Korea. The study will also conduct an intensive field survey to examine the opinion of entrepreneurs regarding financial constraints and participation in export markets.

## 3.5 Barriers to Compliance and Compliance Cost of Direct Taxes in India

**Project Leader:** *Dr. Rajat Kathuria*

**Research Team:** *Mansi Kedia and Neetika Kaushal*

**Commencement:** November 2012

**Expected Date of Completion:** January 2015

**Funded by:** Directorate of Income Tax, Ministry of Finance, Government of India (Rs. 120.90 lakh)

The complexity of taxation is a widely discussed subject in public finance literature. Complicated statutes and tax procedures have an adverse effect on tax administration and often result in non-compliance and low tax revenues. The Indian tax system of self assessment is also complex. India is ranked very low in the World Bank’s Doing Business Report, primarily on account of the country’s inefficient tax regime. This report attempts to identify barriers to compliance for direct taxes in India and estimates the cost of compliance for direct taxes.

The study is based on a mix of primary and secondary data analysis. The primary data collection involves a survey of approximately 6,200 individuals across 16 Indian cities and 500 enterprises (including micro, small, medium and large ones). Accordingly, three questionnaires have been developed - for individuals, small and medium, and large enterprises. Data from the survey will be used in an econometric model to arrive at an estimate of compliance cost for direct taxes. An international benchmarking exercise will help identify compliance measures adopted by other countries that can also be adopted in India. This has involved a visit to the tax authorities in UK and Australia. Best practices from other countries will be collected using secondary data sources.

The findings from the survey and international benchmarking will find their way into policy recommendations for suitable compliance measures that help India broaden its tax base and increase revenues.

### 3.6 Health Policy Initiative

**Project Leader:** *Mr. Ali Mehdi*

**Research Team:** *Vasudha Wattal, Fiyanshu Sindhwani and Saleema Razvi (External Consultants)*

**Commencement:** March 2014

**Expected Date of Completion:** August 2014

**Funded by:** Pharmaceutical Research and Manufacturers of America (Rs. 53.25 lakh)

A multi-phased Health Policy initiative has been launched at ICRIER to develop actionable policy recommendations for health sector reforms in India. ICRIER has started out with two scoping workshops – on drug regulation and chronic care – to identify problem areas. The workshop on Drug Regulatory Reforms in India was organised on March 31, 2014 in New Delhi with the active participation of leading policy makers, representatives of industry and civil society as well as Indian and international experts, who discussed major issues in this particular area and identified research questions. A workshop on chronic diseases was held on July 31, 2014 and August 1, 2014 in New Delhi. Based on the discussions at these workshops, the three-year research programme for drug regulatory reforms has been finalised to cover the following themes: (i) Drug quality and safety; (ii) Administrative structure and functions of drug regulatory authorities; (iii) Pricing and competitiveness; (iv) Enforcement issues; (v) Clinical trials and new drug approvals; and (vi) Harmonisation of certification standards. The studies will be based on field research in six countries and four Indian states.

### 3.7 Cross-Country Comparison of GAAR

**Project Leader:** *Mr. Rajiva Ranjan Singh*

**Research Team:** *Neetika Kaushal*

**Commencement:** February 2014

**Expected Date of Completion:** August 2014

**Funded by:** British High Commission (Rs. 8.40 lakh)

The GAAR was a matter of great public attention and contention when it was recently introduced through the Finance Act, 2012. Businesses have blamed the government for a sudden introduction of a rule that is otherwise widely discussed with stakeholders in other countries prior to implementation. Investments suffered a huge blow and large multinationals are refusing to undertake any major transaction in the absence of clarity from the government on this issue. It has been debated that, compared to many developed and developing countries, the Indian GAAR is much broader in perspective and provides wide discretion to tax administrators. The study will provide a comprehensive comparison of the Indian GAAR with that of other countries. The comparison will be made by aspects such as definition, scope, coverage, power in the hands of tax authorities and effect on industry. The Shome Committee in its report has made a brief comparison. The study will compare the law, clauses and provisions across advanced and emerging economies that have implemented GAAR. It will review the mechanism implemented to limit abuse to

invoke GAAR. It is hoped that the study will help policy makers draw lessons from the experience of other countries that have successfully implemented GAAR and then launch a sound GAAR in 2016.

### 3.8 Revisiting Special Economic Zones (SEZ): A Review and Evaluation of India's SEZ Policy

**Project Leader:** *Dr. Arpita Mukherjee*

**Research Team:** *Subhobrota Ray, Dr. Parthapratim Pal and Saubhik Deb (External Consultants), Debolina Mukherjee, Deboshree Ghosh, Deepti Mathur and Purva Singh*

**Commencement:** April 2013 (First Stage), November 2013 (Second Stage)

**Expected Date of Completion:** September 2014

**Funded by:** Department of Commerce, Ministry of Commerce and Industry, Government of India and Export Promotion Council for EOUs and SEZs (EPCES), (Rs. 65.33 lakh)

There is heated debate in India on whether the SEZ policy has been successful in meeting the desired objectives of generating additional economic activity, employment creation, promotion of exports and investments and development of infrastructural facilities or has, instead, led to land grab and tax evasion, without promoting substantial manufacturing growth. Against this background, this study aims to examine the objectives laid down under the SEZ policy and how far these have been achieved; conduct a cost-benefit analysis of SEZs; understand the sectoral and regional patterns in the development of SEZs; identify global best practices which can be replicated by India; examine the incentives, concessions, exemptions under the Foreign Trade Policy 2009-2014 vis-à-vis those offered under the SEZ policy; examine the WTO compatibility of the SEZ scheme; analyse the implication of tariff reductions and other benefits provided under the Free Trade Agreements (FTAs) on the growth of businesses in SEZs and make policy recommendations to the Indian government to make SEZs a viable instrument for growth of manufacturing, development of high-value manufacturing and services, diversification of services and manufacturing export basket, enhancing foreign and domestic investments, among others. The study is based on primary and secondary data.

The study is divided into two phases. The first phase covered desk based research, stakeholder's consultation, meetings with state governments and secondary information analysis. The first phase has been completed and the second phase is on-going which covers the primary survey and report writing.

### 3.9 Stabilising Food Prices through Buffer Stocking and Trade Policies

**Project Leader:** *Professor Anwarul Hoda*

**Project Adviser:** *Dr. Ashok Gulati*

**Research Team:** *Shweta Saini*

**Commencement:** May 2013

**Expected Date of Completion:** December 2014

**Funded by:** Centre for Development Research (ZEF), University of Bonn, Germany (Rs. 53.00 lakh)

This study, undertaken in cooperation with ZEF, explores and analyses the buffer-stocking policies in India and will make recommendations aimed at ensuring that the stocking operations are cost effective and at the same time efficient in achieving the stabilisation and food security objectives. In the wake of the 2008 global food crisis, decisions on strategic buffer stocking of food grains have become a big issue, particularly for populous countries like India and China. Such decisions have cost and price repercussions at both intra-country and global levels. Countries view buffer stocks as a potential means to dampen short-term price volatility while treating most production enhancing policies as working only in the longer term. But public buffer stocking does not come free of cost and its operations are said to be marred by systemic inefficiencies. Therefore, there is a need to revisit not just the buffer stocking operations but also the policy itself.



This project involves modelling exercises to compute the fiscal costs of alternative stabilisation policy objectives that can be achieved through such buffer stocking operations. A key feature of the project is to construct and empirically test simulation models that incorporate the links between agricultural commodity prices, commodity storage, trade options, and different price stabilisation policies in the short- and medium-term (1-3 years) context.

Three research papers are being prepared under this project. The first paper titled, “Evolution and Critique of Buffer Stocking Policy in India,” elucidates the history of the buffer stocking policy environment in India starting from the Bengal famine of 1943 and then critically evaluates the performance of the operations involved. The second, “Modelling Indian Wheat and Rice Sector Policies,” aims to disentangle the complex system of Indian food policies, related to wheat and rice procurement, storage, distribution and trade. Using the time series for national aggregate data, these policies are econometrically analysed, their implications for the markets are assessed and finally their fiscal costs are estimated. The third, “Food Grain Distribution Commitment under National Food Security Act (NFSA), 2013,” focuses on the recently passed National Food Security Act, 2013. The paper estimates the buffer stocking implications of the grain distribution commitments undertaken by the centre and the states. The paper highlights the fiscal, operational and systemic challenges involved once the Act is implemented.

### 3.10 Institutional Framework for Collection of Statistics on Trade in Services: Four Pilot Surveys

**Project Leader:** *Dr. Arpita Mukherjee*

**Research Team:** *Dr. Deeparghya Mukherjee, Tanu Goyal and Ramneet Goswami*

**Commencement:** June 2014

**Expected Date of Completion:** February 2015

**Funded by:** DGCI&S, Department of Commerce, Ministry of Commerce and Industry, Government of India (Rs. 73.98 lakh)

Over the years, trade in services has become an important component of India’s international trade. However, the data collection procedures are weak, and disaggregated services trade data by country and sectors is not available. The lack of data makes it difficult to understand the pattern of bilateral trade flows by sectors, provide incentives linked to exports or trade and restricts the ability of trade negotiators to negotiate trade agreements with partner countries which can be beneficial for the Indian services sector. With this background, this project aims to: (i) suggest a suitable mechanism for regular collection of country-wise, sector-wise and mode-wise services trade data; (ii) suggest an appropriate classification to be adopted for data collection based on international classification; (iii) examine the methodologies and institutional framework adopted by some developed and developing countries for compilation of services trade data and how these can be adopted in India; (iv) conduct a primary survey to check the validity of the data collection procedure; and (v) design sampling frame and suggest institutional reforms and mechanisms for regular data collection.

### 3.11 Measuring the Competitiveness of Indian Agriculture

**Project Leader:** *Dr. Pooja Sharma*

**Research Team:** *Manjeeta Singh and Deepti Sethi (External Consultant)*

**Commencement:** December 2013

**Expected Date of Completion:** November 2014

**Funded by:** Commission for Agricultural Costs and Prices, Ministry of Agriculture, Government of India (Rs. 24.67 lakh)

In India, the Commission for Agricultural Costs and Prices (CACP), while making its recommendation with respect to the Minimum Support Prices (MSPs) of agricultural commodities, takes into account a range of factors, including the domestic terms of trade and cost of production of these commodities. However, it does not fully factor in prevailing world commodity prices. It is felt that eventually the CACP and the government would need to take into consideration,



more systematically, India's competitive position in world markets while fixing the MSPs. Substantial and systematic differences in domestic and world reference prices or excessive unevenness in protection and support accorded to different agricultural products can have adverse economic impact. The measures of protection and support are considered useful instruments for evaluating agricultural price policy by allowing analytically sound comparison of domestic and world prices for a given commodity. Improved monitoring and measurement of the international competitiveness of Indian agriculture would enable the CACP and the government to make more informed policy and programmatic decisions, potentially allowing for a more balanced and improved allocation of domestic resources.

With this aim, the CACP has invited ICRIER to conduct a research study to measure and evaluate the protection and support accorded to a set of 12 agricultural commodities, out of a total of 24, for which the CACP presently announces MSPs periodically. The study will provide estimates of alternate measures of protection for the period 2000-01 to 2011-12.

### 3.12 Enhancing India's Participation in Global Value Chains

*(In collaboration with the University of Sussex, UK)*

**Project Leader:** Dr. Saon Ray

**Research Team:** Smita Miglani and Neha Malik

**Commencement:** September 2013

**Expected Date of Completion:** March 2015

**Funded by:** Foreign & Commonwealth Office, Government of UK (Rs. 49.70 lakh)

The production of goods is becoming increasingly fragmented and spread out across the world. This has led to the emergence of complex production networks with increased participation of the developing countries. This study examines India's participation in global value chains through a better understanding of India's positioning in the global production system. India is less engaged in global value chains (GVCs) than other major traders, partly due to lack of tools to monitor Indian performance in the formation of GVCs along with trade barriers and elements of domestic regulation. The objective of this study is to increase India's participation in GVCs through: (i) a better understanding of India's positioning in the global production system; (ii) a greater capacity for value chain analysis; and (iii) using the evidence base created to identify the regulatory changes necessary to encourage value chain formation and to increase India's share in value added.

The project includes use of the world input-output database (WIOD) to monitor Indian GVC performance, corroborate it with WITS and DGCIS data for a secondary analysis of India's GVC activity. This will be followed by a primary survey in selected sectors to generate a database on GVC formation in India and to understand barriers to GVC activity in India. It is hoped that through this study, evidence-based advocacy of GVCs, requisite activity will be attained through workshops aimed at groups of analysts, policy stakeholders and media commentators, leading to a more rigorous analysis of policy generated barriers to GVCs.

### 3.13 An Inquiry into the Impact of India's "App Economy"

**Project Leader:** Dr. Rajat Kathuria

**Research Team:** Dr. Sahana Roy Chowdhury, Mansi Kedia and Sugandha Srivastava

**Commencement:** July 2013

**Expected Date of Completion:** August 2014

**Funded by:** Internet and Mobile Association of India (Rs. 10.46 lakh)

Mobile applications have created a new trend in content creation and dissemination on mobile platforms. Lightweight and function-specific applications, more popularly known as "Apps", are driving consumption in this industry, and

will only increase as newer devices are introduced in the market. The ecosystem around applications in India has evolved rapidly over the last few years, and has resulted in the emergence of new business models.

The aim of this study is to capture and analyse the entire ecosystem around Apps in India, including, importantly, its impact on growth and employment. The study has attempted to provide an estimate of the direct and indirect employment multiplier for the App ecosystem using a social accounting matrix. It has also identified patterns in the Indian ecosystem for App development and highlighted challenges facing the system. The research is based on both primary and secondary data analysis. Data from 500 application developers was collected using a structured questionnaire, interactions with App publishers, device manufacturers, and App distributors (App stores). Secondary data was collected from App analytics firms such as App Annie and Metrics Monk. Findings from the survey and the secondary research have helped establish growth imperatives of the App ecosystem in India. The study will provide policy recommendations concerning the constraints to improving the ecosystem around Apps.

### 3.14 Trends and Economic Dynamics of Guar Production in India

**Project Leader:** *Professor Anwarul Hoda*

**Research Team:** *Durgesh K. Rai*

**Commencement:** April 2014

**Expected Date of Completion:** September 2014

**Funded by:** K. K. Foundation (Rs. 9.89 lakh)

Guar products have acquired substantial importance in India's export basket and become one of the major export items from the country in recent years. In 2012-13, India exported approximately 4,06,312 MT of guar products to the world, valued at about US\$ 4 billion, becoming the largest agricultural export item in 2012-13, surpassing basmati rice. These developments have opened up immense opportunities for many key stakeholders involved in the production, consumption and trade of guar products.

The objective of this study is to analyse the trends and economic dynamics of guar and its derivative products market in India and the world, examine the future prospects and devise strategies to advance the commercial and economic interests of the stakeholders in India.

### 3.15 Estimating Domestic and Foreign Value Added in Indian Export

**Project Leader:** *Dr. Deb Kusum Das*

**Project Adviser:** *Professor B. N. Goldar (External Consultant)*

**Research Team:** *Sreerupa Sengupta and Pilu Chandra Das (External Consultant)*

**Commencement:** April 2014

**Expected Date of Completion:** August 2014

**Funded by:** Department of Economic Affairs, Ministry of Finance, Government of India (Rs. 8.75 lakh)

The present study attempts to estimate the domestic value added and foreign content of India's export. This assumes importance as rapid global production sharing has reduced the reliability of trade flow statistics (which is measured in gross terms) to evaluate the value added that is generated from exports in a given country. Global trade needs to be viewed not in terms of countries specialising in different final products but in terms of specialisation in different components or processes in the production of those products. Trade performance and the contribution of trade to domestic employment and income generation need to be viewed accordingly.

In particular, this study uses national and world input-output transaction tables to examine the following for the period 1995 to 2011: (i) trends in domestic and foreign value added in India's exports, at the aggregate level and

industry-level; (ii) the labour and non-labour components of domestic value added in Indian exports, with a further division of the labour component into three classes of workers according to skill level; (iii) a comparison of the foreign content of India's exports with the global average and that of some important emerging economies; and (iv) an analysis of trends in domestic production and trade for selected network products which play an important role in GVCs in East Asian economies. Based on the analysis undertaken in the study, policy recommendations are suggested which will gainfully link India to the GVCs.

The draft report of the study has been submitted to Ministry of Finance, Government of India in July 2014 and the final report is under preparation subject to feedback from the Ministry.

## Completed Projects (8)

### 3.1 Subsidies provided to the Services Sector in India

**Project Leader:** *Dr. Rupa Chanda*

**Research Team:** *Shravani Prakash, Sasidaran Gopalan and Pralok Gupta (External Consultants)*

**Commencement:** June 2013

**Completion:** May 2014

**Funded by:** Ministry of Commerce & Industry, Government of India (Rs. 32.77 lakh)

Unlike the area of goods, the General Agreement on Trade in Services (GATS) so far does not contain any substantive discipline on subsidies with respect to trade in services. However, Article XV of the GATS recognises that subsidies may distort trade in services. Consequently, member countries have made a commitment to enter into negotiations in order to develop the necessary multilateral discipline on subsidies to services. Although these negotiations commenced more than a decade ago, they have been inconclusive and have mainly focused on the working definition of subsidies and on information exchange. Little progress has been made in understanding the nature of these subsidies and their likely impact on trade flows.

The objective of this study was to examine the subsidies provided to services by selected developed and developing countries, namely US, Canada, UK, China and India. Three services were chosen for each country in an attempt to: (i) identify the forms in which subsidies are granted; (ii) understand whether and how they may distort trade; (iii) give a comparative picture of subsidies provided to services across the selected countries; (iv) assess if India's trade interests are affected by subsidies provided to services in other countries; (v) assess whether these subsidies are compatible with the countries' GATS commitments; and (vi) provide some directions for developing discipline in services subsidies.

### 3.2 Linkage between Index of Industrial Production (IIP) Growth Rate and Export Growth Rate

**Project Leader:** *Dr. Deb Kusum Das*

**Project Adviser:** *Professor B. N. Goldar (External Consultant)*

**Research Team:** *Amit Sadhukhan*

**Commencement:** March 2013

**Completion:** September 2013

**Funded by:** Ministry of Commerce & Industry, Government of India (Rs. 17.90 lakh)

This study analysed the volatility of the Index of Industrial Production (IIP) in relation to exports and vice-versa. The period of study was 2006-2012. In particular, it examined the relation between the growth of IIP and the growth of exports in the Indian manufacturing sector at different disaggregate levels. This was done taking into account

397 IIP product items used by the Central Statistical Organisation for constructing the IIP. The products which show a positive association with IIP growth and export growth are expected to have different policy implications than the products which show a negative association. The study, therefore, identified such products and proposed policies to address the issue.

### 3.3 Estimates of Productivity: KLEMS Project

**Project Leader:** *Dr. Deb Kusum Das*

**Project Adviser:** *Professor B. N. Goldar (External Consultant)*

**Research Team:** *Dr. Suresh Aggarwal and Dr. Abdul Azeez Erumban (External Consultants), Sreerupa Sengupta and Pilu Chandra Das*

**Commencement:** September 2009

**Completion:** August 2013

**Funded by:** Reserve Bank of India (Rs. 106.00 lakh)

The India-KLEMS Project is a part of the World KLEMS initiative, which uses the KLEMS framework for measuring productivity and is currently undertaken by many developing economies of Asia and Latin America.

This project attempted to construct an internationally comparable dataset on the Indian economy for the period 1980-81 to 2009-10 for productivity measurement at a disaggregated industry level covering the entire economy. Time series data on gross output, gross value added, capital, labour and intermediate inputs (energy, material and services) for a disaggregated internationally comparable industrial classification have been constructed. The project generated an industry-level productivity database, consistent with official national accounts and input-output transaction tables.

### 3.4 Facilitating Investments between India and the European Union: The Case of Bilateral Investments between India and Germany

**Project Leader:** *Dr. Arpita Mukherjee*

**Research Team:** *Tanu M. Goyal, Ramneet Goswami and Tincy Sara Solomon*

**Commencement:** January 2013

**Completion:** December 2013

**Funded by:** Konrad-Adenauer-Stiftung (KAS), (Rs. 20.00 lakh)

The objective of this study was to make policy recommendations that will help facilitate bilateral investment flows between India and Germany. Based on in-depth interviews, stakeholder's consultations and an on-line survey, the study found that the services sector has attracted the major part of investment from Germany in India. Although German companies are major investors in the manufacturing sector in countries such as China and want to establish production networks in India, regulatory uncertainties and multilayered and variable tax regimes have adversely impacted such investment. In fact, these barriers had a higher ranking than FDI restrictions. Indian companies are keen to invest in Germany to access the EU market and acquire technology, but the market is saturated, cost of operation is high and labour laws are rigid. While most Indian and German companies are aware of and are using the Bilateral Investment Promotion Agreement (BIPA) and Double Taxation Avoidance Agreement (DTAA), they are unaware of the ongoing India-EU negotiations on the Broad-based Trade and Investment Agreement (BTIA). Indian BTIA CHECK and DTAA are weaker than the German agreements and thereby fail to protect the interest of investors. The study found that barriers to investment can be addressed at three levels: (i) through domestic reforms, especially in India; (ii) through bilateral collaboration between the Indian and German governments, industry associations and companies; and (iii) through the India-EU BTIA.

### 3.5 Impact of American Investment in India

**Project Leader:** *Dr. Saon Ray*

**Research Team:** *Smita Miglani and Neha Malik*

**Commencement:** December 2012

**Completion:** January 2014

**Funded by:** American Chambers of Commerce in India (Rs. 25.10 lakh)

The United States is India's largest trade and investment partner and is engaged with India at several levels of economic cooperation. This study investigates the socio-economic impact of direct investment of US in India and identifies the challenges faced by US investors. The contribution of American investment is enormous. This study has not attempted to quantify it but has instead tried to highlight some of the most significant contributions and underline the channels through which they have come. The largest recipient of US FDI in the last few years has been the services sector, followed by manufacturing. The sectors chosen for this study are finance, fast-moving consumer goods (FMCG), IT, pharmaceuticals, consulting, and automobiles. They were chosen primarily because the spillover of the impact of investment to the local/consumer level is relatively high.

The study is based on secondary data and primary surveys. Analysis of secondary data helped in identifying sectors where the overall impact of US FDI was high. A primary survey was then conducted in selected sectors, comprising in-depth personal interviews and consultation with relevant stakeholders. The primary survey of American firms and other stakeholders was carried out in Delhi NCR, Mumbai, Bengaluru and Hyderabad in 2013.

### 3.6 Impacts of Taxes on Commodity Derivatives Transactions

**Project Leader:** *Dr. Saon Ray*

**Research Team:** *Neha Malik*

**Commencement:** November 2012

**Completion:** December 2013

**Funded by:** Multi-Commodity Exchange of India Ltd. (Rs. 6.40 lakh)

Commodity derivatives were introduced in India with the dual purpose of promoting price discovery and enhancing risk management in the commodities market. A transaction tax (of 0.01%) on commodity futures trading was introduced in the Union Budget, 2013-14. The study examined the rationale behind such a tax. It also checked for validity of the proposition that such taxes generate additional revenue. For this purpose, the study probed the theoretical arguments as well as empirical evidence in the context of financial transaction taxes. An event study was also undertaken to assess the impact of Commodities Transaction Tax (CTT) imposition on the total traded volume of a few selected commodity futures as well as on the overall efficiency of the commodity market. The results of the study suggest a significant drop in traded volumes of commodity futures such as gold, copper, crude oil and mentha oil.

### 3.7 Non-Alcoholic Beverages Sector in India: Constraints and Prospects

**Project Leader:** *Dr. Arpita Mukherjee*

**Research Team:** *Debolina Mukherjee, Deboshree Ghosh and Divya Satija*

**Commencement:** June 2012

**Completion:** December 2013

**Funded by:** Indian Beverage Association (Rs. 30.20 lakh)

This is the first exhaustive study of the non-alcoholic beverage sector as a case for reforming the Indian food processing sector. Based on a pan-India survey, the report highlighted the contribution of the non-alcoholic

beverages sector to the Indian economy. Even at a time when the Indian manufacturing sector is not doing well, the non-alcoholic beverage sector is projected to record double digit growth. The growth of this sector is more than twice the growth of the Indian GDP. The sector is labour-intensive and its ratio of direct to indirect employment is 1:4. The study found that high and multilayered taxation, varied regulations, such as different environmental regulations and standards across the Indian states hinder investment. Instead of incentives, the study recommended that a uniform low direct tax regime would have increased the tax base and tax collection and enabled the industry to invest. The report suggests that reforms in agriculture, manufacturing and retail are interlinked and it is important that policy changes are more coherent with centre-state coordination and also coordination across different government departments at the centre. The study suggests streamlining of the agriculture supply chain by making contract farming and direct marketing mandatory under the Agriculture Produce Marketing Committee (APMC) Act and de-listing fruits and vegetables from mandi cess across all Indian states. In addition, it recommends introduction of fast track clearance and a 'green channel' system for inter-state transportation.

The findings of the study have been published in a report which was released by the former Union Minister of Agriculture and Food Processing Industries, Mr. Sharad Pawar in December 2013.

### 3.8 Joint Feasibility Study on Enhancing Trade, Investment and Cooperation between India and Taiwan

**Project Leader:** *Dr. Arpita Mukherjee*

**Research Team:** *Dr. Rajat Kathuria, Divya Satija, Durgesh Kumar Rai, Mansi Kedia, Dr. Parthapratim Pal (External Consultant), Smita Miglani and Tanu M. Goyal*

**Commencement:** August 2011

**Completion:** September 2013

**Funded by:** Ministry of External Affairs, Government of India (Rs. 20.00 lakh)

India and Taiwan have trade and investment complementarities and the two countries have set up a Secretary-Vice Ministerial level economic consultation process to facilitate bilateral trade and investment flows. ICRIER and Chung-Hua Institute of Economic Research (CIER) were identified by their respective governments to examine the feasibility of an India-Taiwan Comprehensive Economic Agreement. Given this background, this study, based on secondary information analysis and a primary survey, examines how Asian countries can leverage their mutual complementarities, develop production networks and efficient supply chains and enhance investment flows, taking the example of India and Taiwan. In a globalised world under a difficult geo-political scenario, India and Taiwan are inter-linked through trade and investment. Both countries are currently looking towards expanding and diversifying their export markets through economic cooperation agreements in Asia. The study highlights that unless India unilaterally lowers tariffs and implements domestic reforms, it will not gain from trade agreements. Through regulatory certainty and liberalisation of the FDI regime, it is possible to enhance investment inflows into India from Taiwan and there is scope for cooperation in a number of sectors, such as ICT, automobiles, auto-components and food processing. India should evaluate the impact of its existing trade agreements and examine how its relationship with Taiwan fits into the overall framework of its policy related to East Asia and trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP). The findings of the study have been published in a report.



## 4. Regional Economic Cooperation with Focus on South Asia

### Ongoing Projects (2)

#### 4.1 Strengthening Research and Promoting Multi-Level Dialogue for Trade Normalisation between India and Pakistan

**Project Leader:** *Dr. Nisha Taneja*

**Research Team:** *Sanjana Joshi, Samridhi Bimal, Isha Dayal and Devyani Pande*

**Commencement:** August 2012

**Expected Date of Completion:** March 2015

**Funded by:** UK Government Agencies (Rs. 624.00 lakh)

The issues of normalising trade between India and Pakistan have been at the forefront of regional economic cooperation of South Asia in recent times. The trade normalisation process between India and Pakistan has progressed, with both countries acknowledging the huge bilateral trade potential and are making efforts to integrate further. In keeping with the overall aim of improving trade and investment relations between India and Pakistan, the project, in its second year, generated a great deal of attention through practical research and fostering multi-level dialogue platforms. The project's research studies were carried out in collaboration with Lahore University of Management Sciences (LUMS), Institute of Business Administration (IBA), Karachi and Sustainable Policy Development Institute (SDPI), Islamabad.

The focus of the research studies was on enhancing trade in goods and removing barriers to trade and sectoral trade, particularly trade in agriculture, automobiles and pharmaceuticals. In addition, the first *Trade Perception Survey* was released to report the perception of stakeholders engaged in India-Pakistan trade on the extent of impediments faced by them in realising the trade potential. Three special editions of the India-Pakistan Trade newsletter on agriculture, pharmaceuticals and automobiles were also published during this year. With the aim of widely disseminating the findings of the research and to provide regular updates on the various activities, the project's web portal [www.indiapakistantrade.org](http://www.indiapakistantrade.org) has served as a knowledge repository on India-Pakistan trade for policy makers, academics and business persons.

The findings of the project's research studies were presented at the project's Second Annual Conference in January 2014.

##### 4.1.1 Bilateral India-Pakistan Trade in Agriculture: Trends, Composition and Opportunities

*Ramesh Chand and Raka Saxena*

Trade in agriculture between India and Pakistan assumes importance on the grounds of food security, price stability and peace building initiatives. This paper analyses the comparative advantage and complementarities along with agricultural trade patterns between India and Pakistan. The results indicate that the scope for Pakistan to replace third country export to India is limited. However, Pakistan can take advantage of rapid growth in diversified demand for several products in India like fruits and vegetables. The study also proposes improving trade facilitation, pruning of the negative list and removal of non-tariff barriers to enhance trade between India and Pakistan in agricultural commodities.

#### **4.1.2 Assessing the Future of Trade in the Automobile Sector between India and Pakistan: Implication of the Removal of the Negative List**

*Biswajit Nag*

The automobile industry in both India and Pakistan has been critical to the manufacturing sectors of both economies. This study makes an attempt to understand the implication of normalisation of trade between India and Pakistan and its implication for the automobile sector. The results of quantitative analysis in the study indicate that India will mostly compete with South East Asian countries in Pakistan and Indian export will substitute of imports from Japan, Thailand and China and may not have a significant impact on the Pakistani domestic industry. The paper also suggests a phased way of removing automobile items from the negative list maintained by Pakistan and makes recommendations to set up production networks between manufacturers of both countries.

#### **4.1.3 India-Pakistan Trade: A Case Study of the Automobile Sector**

*Vaqar Ahmed*

The paper analyses the competitiveness of India and Pakistan's automobile industries and identifies the hindrances impeding cross-border trade in automobiles. The paper also examines the informal trade and pricing of automobiles in both countries. By analysing the import and export policies and duty structure of automobiles in both countries, the study cites examples of automobile sector agreements and proposes that India and Pakistan should enter into an automobile agreement.

#### **4.1.4 India-Pakistan Trade: An Analysis of the Pharmaceutical Sector**

*Manoj Pant and Devyani Pande*

The pharmaceutical sector is crucial to health issues in developing economies and with the ongoing trade normalisation, it would be an ideal segment to focus on in improving trade relations between India and Pakistan. This paper throws light on the trend and pattern of trade in the two segments of pharmaceuticals – active pharmaceutical ingredients and formulations – between India and Pakistan. It also examines the dynamics of India-China-Pakistan trade in pharmaceuticals. Through quantitative and qualitative analysis, the results suggest that there is huge trade potential but low level of trade in pharmaceuticals and that the opening up of pharmaceutical trade in Pakistan would lead to higher consumer surplus.

#### **4.1.5 India-Pakistan Trade: A Case Study of the Pharmaceutical Sector**

*Vaqar Ahmed*

This study seeks to assess the macro-level impacts of Pakistan liberalising pharmaceutical trade with India, apprehensions of pharmaceutical manufacturers in Pakistan, supply chain cooperation between India and Pakistan and the prospects of cross-border investment-trade nexus in pharmaceutical sub-sectors. The study also throws light on the informal trade and the non-tariff barriers in pharmaceutical trade between India and Pakistan.

#### **4.1.6 Financial Mechanisms for Supporting Trade Transactions between India and Pakistan**

*Muhammad Ather Elahi*

Banking is the cornerstone of trade in goods and services between two countries. This study throws light on the risks in trade financing, documentation, challenges and issues in trade financing between India and Pakistan. With

regard to India-Pakistan trade, there are information asymmetries, absence of branches of domestic banks across borders and lack of awareness among customs officials that has led to the low volume of trade and investment. The study recommends increasing transparency, 24/7 e-banking solutions and introducing currency swaps (trade in local currency).

#### **4.1.7 Challenges in India Pakistan Trade Normalisation: SMEs and the Communication Barriers**

*Huma Amir*

The study investigates the perceptions of Pakistani stakeholders, based on their experiences of trading with India. It is structured on personal interviews with exporters and importers of textiles, herbs and spices, alternate medicines, IT, engineering services and some agricultural products. The paper discusses issues relating to visas, non-availability of services such as courier, banking and other problems with the operating trade routes. It proposes remedies to overcome mistrust and lack of information by enforcing confidence building measures and simplifying administrative procedures.

#### **4.1.8 Reporting on Guns versus Butter**

*Rahul Mediratta*

This paper analyses the news coverage on India-Pakistan relations and attempts to find whether under-reporting on trade-related activity can be a barrier to trade normalisation. To assess if trade-related activities are captured in popular discourse on India-Pakistan relations, a content analysis has been carried out on newsprint media of the last 17 years from 1997 to 2013. Along with the analysis, the paper also throws light on the non-tariff barriers that exist between India and Pakistan and their relevance in the current scenario.

#### **4.1.9 Trade between India and Pakistan in Textiles**

*Saon Ray, Mishita Mehra and Prithvijit Mukherjee*

This paper examines the trade potential and current trade in textiles between India and Pakistan. Through an examination of the revealed comparative advantage, the paper suggests removal of some textile items from the negative list that Pakistan maintains for India and the sensitive lists of both countries. The study also discusses the evolution of productive capacity and competitiveness in textiles since independence, and the regulatory structure of the industry.

#### **4.1.10 Enhancing India-Pakistan Trade: Developments in the Rajasthan-Sindh Border**

*Tridivesh Singh Maini*

The Rajasthan-Sindh border is an important link to enhancing trade between India and Pakistan. The paper discusses trade through this border, in the pre-1965 period, and also the commodities traded via this border. It examines in detail the efforts of business lobbies as well as political lobbies for commencing trade via the Munnabao-Khokhrapar route. The paper also attempts to study the potential and logistical challenges to trade via this route and the impact of opening up of this route on overall India-Pakistan trade.

## 4.2 Sub-regional Cooperation between India-Myanmar and India-Bangladesh

**Project Leader:** *Dr. Nisha Taneja*

**Project Coordinator:** *Dr. Deb Kusum Das*

**Research Team:** *Sanjay Pulipaka, Vasudha Wattal and Sreerupa Sengupta*

**Commencement:** June 2014

**Expected Date of Completion:** May 2015

**Funded by:** IPE Global Pvt. Ltd. (Rs. 95.00 lakh)

The study aims to analyse the scope for sub-regional cooperation between India-Myanmar and India-Bangladesh through enhancement in trade flows and investment in these nations, in the larger context of poverty reduction in the region. With the recent economic and political changes in Myanmar, there is an important role that India can play in enhancing economic cooperation between the three countries in the region through trade and investment, thereby bringing about poverty reduction in the sub-region. Further, to facilitate greater cooperation between SAARC and ASEAN, strengthening the relations between India and its two neighbours, Bangladesh and Myanmar, would help lay the necessary foundation for sub-regional cooperation.

In particular, the study aims to focus on: (i) understanding the political economy underlying regional economic cooperation between India Myanmar and Bangladesh; (ii) studying existing regional trade agreements (SAFTA, BIMSTEC, APTA, ASEAN) and empirically examining the trends and patterns of trade in the sub-region; (iii) analysing the prospects for regional cooperation with regard to connectivity and infrastructure development that would unleash the trade potential between North East India and Myanmar; and (iv) examining the scope for poverty reduction in the sub-region and identifying the priority areas for intervention.

The study will be based on analysis of secondary data as well as primary data collected during stakeholder consultations and survey. The research findings as well as the policy recommendations, each addressing the country perspective on sub-regional integration, will be disseminated through research papers and policy briefs.

## Completed Project (1)

### 4.1 Integrating South and East Asia: An Analysis of the Economic Effects of Intensified Regional Cooperation and Integration

**Project Leader:** *Professor Anwarul Hoda*

**Research Team:** *Dr. Rajat Kathuria, Dr. Arpita Mukherjee, Dr. Meenu Tewari, Durgesh Kumar Rai, Manjeeta Singh, Mansi Kedia, Uttara Balakrishnan, C. Veeramani and Tanu M. Goyal*

**Commencement Date:** September 2012

**Submission of final reports:** January 2014

**Funded by:** Asian Development Bank (Rs. 97.30 lakh)

The project undertook four studies, based on both desk work and field surveys, and interviews.

#### 4.1.1 Trade and Investment Barriers affecting International Production Networks in India

This paper analyses the reasons why India has lagged behind East and South-East Asian economies in terms of participation in international production networks. In particular, the paper examines the reasons for India's inability to attract multinational investment in manufacturing. It lays particular emphasis on the role played by logistics infrastructure and processes in investors' selection of specific locations for investment in manufacturing. The study also identifies other shortcomings in the domestic investment environment, such as lack of good quality

power supply, inverted tariff structure, rigidities in labour laws, complicated tax structure, lack of availability of land, entry and exit barriers and difficulty in access to finance for SMEs, that have made India less attractive for foreign as well as domestic investors in comparison with East and South-East Asian countries. The study makes policy recommendations to address these lacunae in order to increase India's participation in international production networks.

#### **4.1.2 The Potential for Involving India in Regional Production Networks: Analysing Networked Production and Vertically Specialised Trade Patterns between India and ASEAN**

At a time when regional production networks have been resurgent, especially in Asia, this paper analyses the reasons why India's integration in regional markets has not been deeper. Using highly disaggregated trade data and an analysis of industry perspectives based on semi-structured interviews with a sample of firms and industry associations relevant to India's trade with ASEAN, the paper found that despite low volumes, vertically specialised trade has been growing between India and ASEAN. Overall, there is significant potential for deepening India's engagement in ASEAN by expanding intermediates' exports in the machinery sector, building on its strong performance in the chemicals sector by expanding the export of higher value specialty chemicals, and in general attempting to move up the value chain in the parts, components and assembled goods exported in the road vehicles and transport equipment product categories, and the telecommunications and sound recording equipment segments where network exports (assembled end products) are important. There is tremendous underexploited potential for growth in electronics and related equipment categories.

The field level interviews bore out some of these emerging trends and showed that while East Asia and ASEAN are seen as important destinations for Indian exports, deeper integration is affected by three factors: (i) Indian firms' preoccupation with the large domestic market over exports; (ii) low value addition in Indian manufacturing which translates to low-value component exports and a high degree of reliance on expensive imports; and (iii) a variety of impediments that add to production costs, such as sub-optimal scales of production in key intermediate sectors, a near total lack of high-quality inputs (high-quality steel, electronics and plastics), precision and high-quality tooling, the complete absence of the electronics hardware sector (including semi-conductor devices), and a lack of serious R&D or skill development. These structural deficits are compounded by policy costs imposed on firms by the disabling lack of reliable power supply, inadequate infrastructure and logistics, high interest rates and land costs, and an unstable policy environment. Although firms have found ways to cope, the costs are high.

#### **4.1.3 Mapping the Future of High Value Manufacturing (HVM) in India**

The study finds that there is a need to create an eco-system for manufacturing to thrive, especially for high-value products. In India, HVM consists of pharmaceuticals, auto-components and chemical industries. There are islands of excellence in the country in the HVM product space, but barring these fragmented growth stories, India lacks dedicated focus for development of HVM. A two-pronged strategy should be adopted for encouraging HVM in India. Simultaneous adoption of horizontal reforms and sector-specific policies that promote HVM is the way forward.

#### **4.1.4 Integrating South and East Asia: The Case of Liberalising Services under the India-Thailand CECA**

The study found that India and Thailand have certain commonalities in their approach to services trade negotiations which seems skewed towards facilitating movement of people. The two countries have a fairly restrictive foreign investment regime in services. While globally India is a much larger exporter of services compared to Thailand, the latter has a more diversified export basket. At present, the level of market integration in services between the two

countries is low and plagued by several barriers. Although India and Thailand have signed several trade agreements which includes services, these are weak agreements and have not helped to liberalise trade in services or establish services value chains. The study suggested that bilateral agreements should be more robust and forward looking and should be complemented by domestic reforms. Overall, the paper found that for services market integration and the development of services value chains, countries in South and South-East Asia should speed up their domestic reforms process, remove market access barriers and implement a sound regulatory framework that enables foreign companies to operate in a transparent and non-discriminatory environment. Forward looking commitments under trade agreements may help speed up the domestic reform process in the region and integrate the services markets in South and South-East Asia.

## 5. WTO Related Issues

### Ongoing Project (1)

#### 5.1 WTO and Trade Policy

**Project Leader:** *Professor Anwarul Hoda*

**Commencement:** August 2009

**Expected Date of Completion:** Ongoing

The Trade Policy and World Trade Organisation (WTO) research and capacity building project was developed to enhance trade policy and WTO research at ICRIER and to provide Indian policy makers with a deeper understanding on how to take forward India's interests in the multilateral trading system. The principal objectives of the research programme are to: (i) engage in policy-oriented research; (ii) assist the Ministry of Commerce & Industry, Government of India, in policy making; (iii) constructively engage with stakeholders at regular intervals; (iv) organise stakeholder meetings to elicit suggestions on the possibilities and opportunities for agreement in multilateral trade negotiations; and (v) help India to effectively participate in the reform of the global governance and trade agenda.

During the year, a ministerial conference of the WTO was held at Bali in December 2013. Two subjects, trade facilitation and flexibility for developing countries in stocking food grains for food security purposes, dominated the agenda. In the run up to the Bali conference two articles were contributed in the national newspapers (by Professor Anwarul Hoda and Dr. Ashok Gulati, Chairman of CACP) to explain the issues to the public and offer suggestions to the government for finding a workable solution on the WTO obligations on food stocks. On trade facilitation, ICRIER organised an international workshop in New Delhi on March 23, 2014 jointly with the Ananta Centre.

### Completed Project (1)

#### 5.1 Issues and Challenges in Food Security for India and the Role of Trade

**Project Leader:** *Dr. Pooja Sharma*

**Research Team:** *Deepti Sethi (External Consultant) and Uttara Balakrishnan*

**Commencement:** July 2012

**Completion:** October 2013

**Funded by:** Department of Commerce, Ministry of Commerce & Industry, Government of India (Rs. 28.40 lakh)

The issue of food security has come to the forefront owing to rising food prices and overall food price volatility in recent years. It is also on the agenda of the G20, and is being discussed at various forums including the WTO. The term "food security" finds mention in the WTO Agreement on Agriculture (AoA) and also in the revised



agriculture negotiations text (TN/AG/W/4/Rev.4 dated 6 December 2008) being discussed in the ongoing Doha Round of trade negotiations in the WTO.

This study developed a comprehensive understanding of the numerous dimensions of the subject - legal, political and economic - from India's perspective, so as to ensure a holistic, integrated, and effective response at the national and global levels. A detailed analysis of different aspects of food security from a trade perspective was also undertaken. It further addressed the issues and challenges concerning food security in the context of the existing trade rules related to the subject as well as the modalities being discussed in the ongoing Doha Round negotiations.

## 6. Strategic Aspects of India's International Economic Relations

### Ongoing Projects (2)

#### 6.1 ICRIER-Wadhwani Chair in India-US Policy Studies

**Project Leader:** *Ambassador Hemant Krishan Singh*

**Research Team:** *Sanjay Pulipaka and Aman Raj Khanna*

**Commencement:** September 2011

**Expected Date of Completion:** August 2014

**Funded by:** Wadhwani Foundation (Rs. 150.00 lakh)

This research programme is designed to promote the strategic potential of India-US relations and accelerate India's economic development with the following overarching objectives: (i) increase awareness in the US of the Indian perspective on the bilateral agenda of the two nations; (ii) provide an independent platform for public policy discussion and formulation to support the India-US strategic partnership; and (iii) advance India's emergence as a major economy in the 21<sup>st</sup> century.

In pursuit of these objectives, the programme is conducting research activities in three broad areas: (i) Trade and Investment; (ii) Defence and Security; and (iii) Regional Cooperation for Stability and Security in the Indo-Pacific Region. The programme outputs include: (i) regular news updates, policy briefs and research papers; (ii) working group meetings, seminars and international conferences; and (iii) policy reports on key issues.

The research this year focused on compiling policy recommendations for the US-India Strategic Dialogue held in June 2013 and the preparation of a major policy report "Asia's Arc of Advantage – India, ASEAN and the US: Shaping Asian Architecture," which was launched on August 30, 2013. In the second half of the year, the focus was on policy studies intended to improve the India-US business environment on trade and investment issues which have been at the forefront of bilateral contention, namely preferential market access, taxation, immigration and intellectual property rights. The policy report "Navigating the Headwinds: Mitigating Issues in India-US Business Engagement" was launched on May 5, 2014. Another report, "India-US Defence Industrial Cooperation: The Way Forward" was released on June 10, 2014. A policy brief on the prospects for domestic and foreign policy under a new government led by Prime Minister Narendra Modi was released on May 19, 2014. This assessment was also shared extensively with US think tanks at public events and meetings in Washington D. C. during June 18-24, 2014. A policy report assessing the experiences of US companies present in India and recommendations for improving India's investment climate is under preparation.

## 6.2 Strategic Aspects of India's International Economic Relations: US-India Private Sector Advisory Group

**Project Leader:** *Professor Anwarul Hoda*

**Commencement:** 2007

**Expected Date of Completion:** Ongoing

**Funded by:** Department of Commerce, Ministry of Commerce & Industry, Government of India

The US-India Private Sector Advisory Group (PSAG) was set up in 2007 as an adjunct to the ministerial level India-US Trade Policy Forum by the Government of India and the Government of the United States. The objective of the PSAG is to provide strategic recommendations and policy insights that generate new initiatives to assist the Trade Policy Forum to strengthen and expand bilateral US-India trade and investment. The ICRIER functions as the secretariat. The PSAG co-chairs are Dr. Isher Judge Ahluwalia (ICRIER) and Dr. Fred Bergsten (Peterson Institute for International Economics). The other members of the group from India include representatives of the Federation of Indian Chambers of Commerce and Industry (FICCI), the Confederation of Indian Industry (CII), the National Association of Software and Services Companies (NASSCOM), Apollo Hospitals, and the National Manufacturing Competitiveness Council (NMCC).

In the year 2013-14 there has been no PSAG activity as the ministerial level India-US Trade Policy Forum has remained inactive. With the formation of a new central government following the general elections, there is likely to be a renewal of contacts and revival of the Trade Policy Forum.

## 7. Environment and Climate Change

### Ongoing Projects (4)

#### 7.1 Climate Change and the Economic Competitiveness of Cities: Making the Business Case for Adaptation

**Project Leader:** *Dr. Meenu Tewari*

**Research Team:** *Dr. Saon Ray, Dr. Sahana Roy Chowdhury, Dr. Indro Ray, Dr. Anant Sudarshan (External Consultant), Amrita Goldar, Vidhya Unnikrishnan and Zeba Aziz*

**Commencement:** November 2012

**Expected Date of Completion:** June 2015

**Funded by:** Rockefeller Foundation (Rs. 185.00 lakh)

This study deals with two pressing challenges of the 21<sup>st</sup> century: (i) urbanisation; and (ii) the urgent need for cities to adapt to the risks of climate change. The aim of the study is to understand how and under what conditions can a city's adaptation decisions also contribute to its economic competitiveness. In tracing the complex overlaps between a city's development and adaptation goals, the study explores how everyday development decisions, if made in more climate aware and innovative ways, can foster both climate resilience and inclusive urban growth. The study uses mixed methods to gain policy driven insights on how cities adapt to climate risks, based on a comparative case analysis of four rapidly growing secondary cities in India, namely Surat, Kochi, Pune and Ludhiana. This exercise will lead to measurable impacts of climate risks on each city's economy, linked through vantage points. Through these processes, the study will build a "business case" for motivating greater public and private investment in securing the economic competitiveness of cities in the face of climate risks.

Field research has been undertaken in Pune, Surat, Kochi and Ludhiana. A set of indicators are currently being finalised to quantify the aspects of climate change, economic competitiveness, and mediating institutional vantage

points. In the final phase of the project these indicators will be used to assess the economic costs and benefits of climate action.

## 7.2 Using Renewable Energy Technologies for Telecom Towers in India

**Project Leader:** *Dr. Rajat Kathuria*

**Research Team:** *Dr. Indro Ray, Amrita Goldar, Mansi Kedia, Sreerupa Sengupta and Abhilasha Sahay*

**Commencement:** January 2014

**Expected Date of Completion:** July 2014

**Funded by:** Universal Service Obligation Fund (USOF), Department of Telecommunication, Ministry of Communication and IT, Government of India (Rs. 31.12 lakh)

Energy requirements constitute a major part of a telecom tower's operating cost, especially in rural areas where power supply is irregular and inadequate. Besides, the ICT industry contributes nearly 2% to global GHG emissions, the majority of which comes from telecom. The growing cost of energy and rising carbon emissions from this industry have led policy makers to think of alternate solutions in Renewable Energy Technologies (RET) for telecom towers in India.

The study will be conducted in three phases. The first phase (concluded in March 2014) included a techno-economic evaluation of 22 pilot projects under USOF's subsidy programme for greening of telecom towers in India. In the second phase the techno-economic analysis will be accompanied by a spatial analysis of 7,300 tower sites identified by USOF. The research team will visit some of the tower sites for a first hand understanding of challenges at the ground level which do not get captured in data from secondary sources. Additionally, stakeholder consultations with renewable energy service companies (RESCOs), technology vendors, telecom tower companies, and telecom service providers will be conducted to enhance the understanding of technology and its application. In the final phase, the study will focus on arriving at an appropriate subsidy programme for greening of telecom towers, per mandate set by the regulator in India. Recommendations from this study will contribute to the policy discussion on technology choices, financing, and deployment of RET for telecom towers in India.

## 7.3 Assessment and Implications of Rationalising Fossil-Fuel Subsidies in India

**Project Leader:** *Ms. Amrita Goldar*

**Research Team:** *Swati Saluja*

**Commencement:** April 2013

**Expected Date of Completion:** August 2014

**Funded by:** International Institute for Sustainable Development (IISD), Geneva (Rs. 10.8 lakh)

The existing literature shows that fossil-fuel subsidy reforms will lead to increases in the prices of petroleum products and electricity for one or more consumer groups. The study aimed to model the impacts of energy subsidy reforms in India. The impact analysis modelling for fossil-fuel based consumer and producer subsidy reforms in India was done using the social accounting matrix (SAM) framework.

In this project, a modified SAM with detailed information on petroleum products and electricity sectors was constructed. This SAM was then used for analysing a change in the subsidy regime on the directly linked sectors and the entire economy, using various subsidy reduction and re-allocation scenarios. By maintaining a focus on the distributive impact of reforms on households throughout the analysis, the modified SAM analysis will try to look at the resulting reduction in fuel demand as well as overall macro-economic impacts on key indicators such as GDP, output and labour income. Country scenarios that look at fuel-specific results and the possible impact of better targeting and reallocation of the subsidy amount removed through direct transfers were also analysed.

## 7.4 The Global Commission on the Economy and Climate: New Climate Economy Project

**Project Leader:** Dr. Rajat Kathuria

**Research Team:** Professor Anwarul Hoda (Agriculture), Dr. Meenu Tewari (Cities), Dr. Anant Sudarshan (External Consultant, Energy), Dr. Purnamita Dasgupta (External Consultant, Macro Models), M. S. Mani, Dr. Ashok Gulati (Advisers), and Dr. Kirit S. Parikh (External Consultant, Analysis of the 12<sup>th</sup> Plan), Dr. Saon Ray, Dr. Indro Ray, Amrita Goldar, Durgesh Kumar Rai, Mansi Kedia, Zeba Aziz, Vidhya Unnikrishnan, Neetika Kaushal and Kuntala Bandyopadhyay.

**Commencement:** September 2013

**Expected Date of Completion:** August 2014

**Funded by:** World Resources Institute, Washington D. C. (Rs. 130.00 lakh)

The Global Commission on the Economy and Climate is a major new international project to analyse and communicate the economic risks and opportunities that arise from climate change, and to make recommendations to the world's governments, business and finance leaders on actions that will lead to lower carbon and more climate-resilient patterns of economic growth and development. The 'New Climate Economy initiative' (NCE) aims to bring together the economic argument for climate policy as advocated by the Stern Report and advance it in the light of new development experiences in many countries. It seeks to conduct an independent analysis of the impacts of transition to a low-carbon economy. Its goal is to create a common, rigorous and unbiased understanding of the relative risks and opportunities of low and high-carbon trajectories, the possible pathways to a low-carbon economy, the inevitable trade-offs involved in such a transition, which will depend partly on the speed of change, and how they can be managed.

ICRIER is a key member of this partnership of leading global economic and policy institutions, namely Climate Policy Initiative, Ethiopian Development Research Institute, Global Green Growth Institute, Pontifical Catholic University of Rio de Janeiro, Stockholm Environment Institute, Tsinghua University and World Resources Institute.

The project engages directly with the goals and perspectives of key decision-makers, namely finance, economy and other ministries in governments, leaders of major cities, and those who take major investment decisions in businesses and the financial sector. Specifically, it seeks to answer the following:

- How are the risks and opportunities presented by climate change seen by various actors, and how in the light of this, do they make choices about policy and investment?
- What kind of evidence, analytical approaches, technological options and policy instruments might change decisions made under conditions of uncertainty?
- What barriers, lock-ins and path dependencies need to be overcome to foster dynamic growth that is also low carbon?

ICRIER is preparing a study on the Indian case, with four detailed chapters on: (i) India's growth story and an analysis of key macroeconomic models; (ii) Agriculture; (iii) Cities; and (iv) Energy demand management. Draft papers and interim findings from each of the four work streams were presented at an international conference held in May 2014.

## Completed Project (1)

### 7.1 Articulating the Vision for a Progressive BRICS Development Bank

**Project Leader:** *Mr. Ali Mehdi*

**Research Team:** *Sirjjan Preet and Samidha Sapra*

**Commencement:** August 2013

**Completion:** February 2014

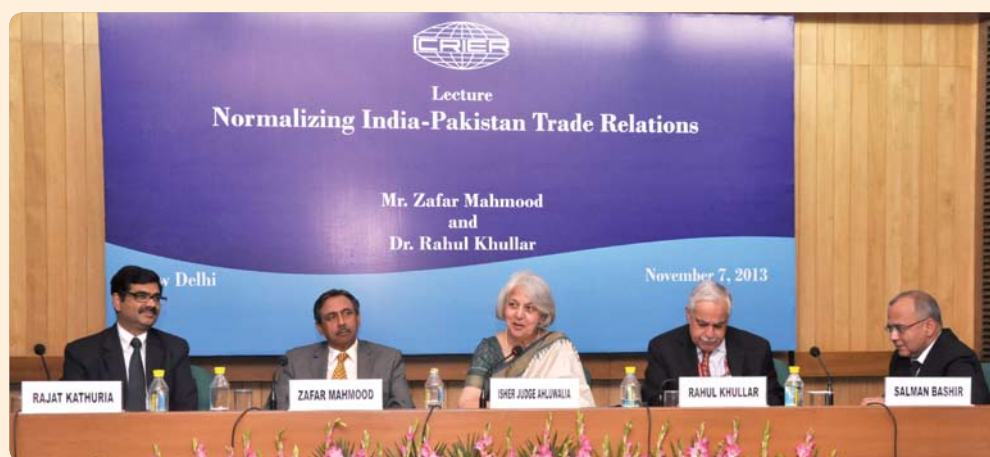
**Funded by:** OXFAM India (Rs. 11.60 lakh)

The BRICS leaders, at their 5<sup>th</sup> Summit in Durban in March 2013, announced the establishment of a BRICS Development Bank. The BRICS countries wish the new bank to mobilise funding for infrastructure and sustainable development projects in BRICS as well as in other emerging and developing nations. The intention is to promote greater cooperation while removing dependency on the developed world. In the context of there already being numerous multilateral development banks and international financial institutions, this project has tried to propose a vision for a progressive BRICS Development Bank based on the case studies of two regional development banks – the Asian Development Bank (ADB) and the Corporación Andina de Fomento/Development Bank of Latin America (CAF) – as well as semi-structured expert interviews. The project report identified the practices and norms that the BRICS Development Bank should replicate and adapt from the existing multilateral institutions as well as what it should be doing differently.

## Public Lectures and Discussions

### Lecture on “Normalising India-Pakistan Trade Relations” by Mr. Zafar Mahmood Chairman, Punjab Public Service Commission, Lahore and Dr. Rahul Khullar, Chairman, Telecom Regulatory Authority of India

November 7, 2013



L to R: Dr. Rajat Kathuria, Mr. Zafar Mahmood, Dr. Isher Judge Ahluwalia, Dr. Rahul Khullar and Dr. Salman Bashir at the lecture on ‘Normalisation India-Pakistan Trade Relations.’

As part of its project on “Strengthening Research and Promoting Multi-level Dialogue for Trade Normalisation between India and Pakistan,” ICRIER organised its 2<sup>nd</sup> lecture in the Distinguished Lecture Series on November 7, 2013 at the India Habitat Centre, New Delhi. The talk was delivered by Mr. Zafar Mahmood, Chairman, Punjab Public Service Commission, Lahore and Dr. Rahul Khullar, Chairman, Telecom Regulatory Authority of India. As former Commerce Secretaries of Pakistan and India respectively, the two speakers have been instrumental in providing momentum to the trade normalisation process between the two countries. The event was chaired by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER and brought together a number of other distinguished policy makers and academics – including Dr. Salman Bashir, Pakistan’s High Commissioner to India, Mr. Sharad Sabarwal, Former High Commissioner to Pakistan, Mr. Arvind Mehta, Joint Secretary SAARC – Department of Commerce, Ministry of Commerce and Industry, Government of India, and Mr. Sunil Munjal, Joint Managing Director, Hero MotoCorp.

Dr. Rahul Khullar drew attention to the enormous benefits of economic integration between India and Pakistan, which included increased industrialisation, particularly along the international border, the rise of nascent sectors whose competitiveness is either unknown or underrated, a sharp rise in trade across the two Punjabs, and the expansion in maritime trade. He also pointed out that greater economic integration would lead to substantial benefits in terms of lowered costs of trade. Dr. Khullar outlined a six-pronged approach to improving trade and investment relations between India and Pakistan. This included the development of trade infrastructure, adoption of trade facilitation measures, tackling the non-tariff barrier issue, promotion of business to business engagement, settling investment and banking issues that hinder the increase in trade volumes and identifying new trade options, especially in the petroleum and power sectors.

Mr. Zafar Mahmood highlighted the huge potential gains from the trade normalisation process in the services sectors of the two countries – given that this sector accounts for more than half the GDP in both India and Pakistan. He also pointed out that another benefit from the economic integration of the two countries is the greater access India could get to the Middle East and European markets through the port facilities at Gwadar in Pakistan. Mr. Mahmood made a strong pitch for the opening of more crossing points between the two countries, pointing out that in 1947, there were seven crossing points for trade between India and Pakistan, while today most trade is limited to the Atari-Wagah route. He was optimistic that talks for enhancing economic integration between India and Pakistan would restart soon and that the dialogue would be more composite this time.



The lectures were followed by a stimulating open discussion. In this session, Dr. Khullar and Mr. Mahmood addressed important issues pertaining to the infrastructure bottlenecks on both sides of the border, the possibilities of cooperation and integration across the agricultural sectors in both economies, the liberalisation of visa regimes in India and Pakistan and the gradual expansion of trade between the two countries, despite the existing non-tariff barriers.

### **“5<sup>th</sup> K. B. Lall Memorial Lecture,” by Professor Michael Spence, New York University**

November 21, 2013

In 2001, as part of the 20<sup>th</sup> anniversary celebrations to honour its founder Chairman, Dr. K. B. Lall, ICRIER instituted a lecture series in his name. Over the years, this event has acquired a well-deserved and formidable reputation amongst the academic and policy community and it is an event that is keenly awaited. Notable speakers have included Dr. Mervyn King, Deputy Governor of the Bank of England, Professor Larry Summers, former US Treasury Secretary, Dr. Andrew Sheng, former Tun Ismail Ali Chair at the Faculty of Economics, University of Malaya and Professor David Vines, Professor of Economics and Fellow of Balliol College, Oxford University.



L to R: Prof. Michael Spence, Dr. Rajat Kathuria and Dr. Isher Judge Ahluwalia at the ‘5<sup>th</sup> K. B. Lall Memorial Lecture.’

The 5<sup>th</sup> K. B. Lall Memorial Lecture, was delivered by Professor Michael Spence, Nobel Laureate and Professor of Economics at New York University, on ‘Growth Prospects and Challenges in the Global Economy: Building Blocks of Sustainable Economic Growth Strategies.’ The lecture was chaired by Dr. Isher Judge Ahluwalia, Chairperson ICRIER.

Professor Spence began by saying that it is virtually impossible to understand the growth dynamics in advanced and developing countries and the potential for defective growth patterns and recovery mechanisms, without paying attention to differences between the tradable and non-tradable sectors in the factors that stimulate and constrain growth. According to him, in open economies, the level and composition of demand: (i) drive the supply side evolution of the economy; (ii) are important in understanding defective growth patterns and the recoveries from them; and (iii) provide insights to the employment challenges of advanced economies. The level can exceed or fall short of output and the composition is tradable and non-tradable. In many economies these get out of balance – giving rise to defective growth models. Recovering involves more than restoring the level – it involves changing the composition. This is much more complex than in a closed economy which is the implicit background of much growth theory.

In the course of the lecture, Professor Spence iterated the role of demand and components of demand in developing growth models. He emphasised that in contrast to the typical Solow-Swan growth model, where growth is determined by total factor productivity, the new models should be based on demand shifters. In the global context, demand can be categorised in tradable and non-tradable segments. In the backdrop of the 2008 crisis, wherein tradables manifested greater resilience than non-tradables, the flow of resources from the former to the latter took place to restore economic balance. However, the extent to which this unilateral flow was successful depended on the flexibility of the economic space in each country. In the

current cut-throat global competition wherein each segment of the value chain in every industry is grabbed by the country that is best at it, such resource flow is quintessential. Professor Spence further discussed the contentious relation between growth and employment. The positive relation between these two macroeconomic indicators has been debated, the prime hypothesis being that an increase in the use of capital and technology intensive methods of production has replaced labour-intensive techniques. The cognitive, non-routine jobs are overpowering the non-cognitive, routine jobs. Simplistically, ‘you either use your head or your hands’. The gap between the two is increasing tremendously and bridging this gap would lie at the heart of inclusive growth. In his concluding remarks, Professor Spence reiterated that sustainable growth can be ensured only if the level and composition of aggregates are incorporated in growth models. A more conceptually sound and detailed structure is required to understand the dynamic growth effects of the global economy.

The lecture was followed by a question and answer session. Various pertinent issues with regard to the macroeconomic challenges were raised during this session including, inter alia, co-existence of high inflation and low-growth, contribution of MNC remittances towards growth, role of infrastructure in developing economies and prioritisation of growth among economic goals of emerging economies which are overwhelmed by various other developmental concerns. Professor Spence addressed these questions with immense expertise, making the session an extremely enriching one. He accurately pointed out that *‘the most important thing for an economy is to have a structure and a set of people who possess the ability to utilise opportunities which can’t be easily predicted by others.’*

## Conferences and Workshops

### Conferences

#### G20 Conference on ‘Global Economic Cooperation: Views from G20 Countries’

September 17-19, 2013

ICRIER, since 2009, has been organising an annual conference bringing together well-known academics, experts and key policy makers from G20 member countries to deliberate on pressing issues. The 5<sup>th</sup> G20 conference was organised against the backdrop of some improvements in the global economy. The conference focused on six thematic areas – global governance, food security, energy sustainability, global financial system, trade and protectionism, and growth and employment.



L to R: Mr. P. Chidambaram and Dr. Isher Judge Ahluwalia at the conference on ‘Global Economic Cooperation: Views from G20 Countries.’

In his inaugural address, Mr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India, reflected on the evolution of G20 and focused on the challenges it faces in the wake of global uncertainty. The keynote address was delivered by the Hon. Finance Minister of India, Mr. P. Chidambaram who said that the G20 forum had resulted in a global geopolitical shift, acknowledging a different balance of power where both the advanced and emerging countries come together as equal partners, allowing for more inclusive deliberation and a more effective response to today’s complex global challenges and opportunities. According to Mr. Chidambaram, an important signal emerging from the St. Petersburg’s summit was the manner in which development issues are being focused in the G20 forum. In her special address, Ms. H. K. Holdaway, General Manager, G20 Division, Australian Treasury, said that the Australian Presidency had identified re-balancing public finance as a key issue in restoring economic growth. She said that Australia’s vision as Chair of the G20 summit in 2014 is to have a disciplined agenda that reinforces the G20 as a leader-led global group and, through their tangible actions, lifts global economic growth.

Other notable speakers included Sergey Drobyshevsky, Managing Director of Russia’s G20 Expert Council, Dr. Heribert Dieter, Senior Research Associate, The German Institute for International and Security Affairs, Dr. Osamu Tanaka, Executive Vice President, Policy Research Institute, Ministry of Finance, Government of Japan, Dr. Jae-Ha Park, Deputy Dean for Special Activities, ADBI, and Dr. Charit Tingsabadh, Acting Director, Centre for European Studies, Chulalongkorn University, Thailand.

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had identified re-balancing public finance as a key issue in restoring economic growth. She said that Australia's vision as Chair of the G20 summit in 2014 is to have a disciplined agenda that reinforces the G20 as a leader-led global group and, through their tangible actions, lifts global economic growth.

Other notable speakers included Sergey Drobyshevsky, Managing Director of Russia's G20 Expert Council, Dr. Heribert Dieter, Senior Research Associate, The German Institute for International and Security Affairs, Dr. Osamu Tanaka, Executive Vice President, Policy Research Institute, Ministry of Finance, Government of Japan, Dr. Jae-Ha Park, Deputy Dean for Special Activities, ADBI, and Dr. Charit Tingsabadh, Acting Director, Centre for European Studies, Chulalongkorn University, Thailand.

## 12<sup>th</sup> India-Korea Dialogue on Forty Years of India-Korea Diplomatic Relations and Roadmap for a More Intensified Partnership

October 24-25, 2013

The 12<sup>th</sup> India-Korea Dialogue commenced with Mr. Arun Maira, Member, Planning Commission, Government of India delivering the inaugural address. Mr. Maira emphasised that there was much that India could learn from Korea. Mr. Joon Gyu Lee, Ambassador of Korea to India, and Mr. Vishnu Prakash, Ambassador of India to Korea stated that the dialogue contributes greatly towards fostering better India-Korea relations.

The two-day dialogue was structured into six sessions: (i) International Security – the View from Seoul and New Delhi; (ii) Recent Economic Trends in Korea and India; (iii) Domestic Political Trends in India and Korea; (iv) Bridging the Socio-Cultural Distance between India and Korea; (v) Enhancing India-Korea Trade; and (vi) Galvanising India-Korea Investment Relations and Joint R&D. Special addresses were delivered by Mr. S. R. Rao, Commerce Secretary, Government of India and Mr. Jin Park, Executive President of Asia Future Institute and Former Chairman of Foreign Affairs, Trade and Unification Committee of the National Assembly in Korea.

The dialogue concluded with a panel discussion on 'India-Korea Relations: Way Forward.' The Panellists underscored the need for upgradation of the India-Korea Comprehensive Economic Partnership Agreement (CEPA) for creating collaboration opportunities between small- and medium-sized Korean companies and Indian SMEs. They highlighted the immense scope for engagement between India and Korea in the field of manufacturing, infrastructure development, science and technology, defence, energy, tourism, education and entertainment. At the same time, the Panellists agreed on the need to extend ties beyond economics by adding a socio-cultural dimension to the existing bilateral arrangements.

A joint statement was signed by the two institutional collaborators of the dialogue – ICRIER and the Seoul Forum for International Affairs (SFIA). The statement emphasised the need for India and Korea to enhance cooperation on security issues and deepen bilateral economic relations while working together to integrate with East Asia.

## Conference on the occasion of the launch of 'Urbanisation in India: Challenges and the Way Forward'

January 21, 2014



Dr. Isher Judge Ahluwalia at the conference on the occasion of the launch of 'Urbanisation in India: Challenges and the Way Forward.'



The conference on ‘Urbanisation in India: Challenges, Opportunities, and the Way Forward’ was a day-long event spread over four sessions. The inaugural session was chaired by Professor Ravi Kanbur, Professor of Economics, Cornell University. It included opening remarks by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER and the keynote address by Mr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India. Mr. Ahluwalia spoke at length about India’s increasing urbanisation, the growing needs of urban areas and the need to focus central policy towards urban issues. The following session on Urban Planning, Infrastructure and Sustainability was chaired by Dr. Isher Judge Ahluwalia with Mr. Alain Bertaud, Senior Scholar, Stern Urbanisation Project, New York University as the principal speaker. Mr. Bertaud talked about the delineation of roles of the government and market in city planning and development. The third session, on Finance and Governance, was chaired by Mr. P. K. Mohanty, Chief Secretary, Government of Andhra Pradesh. Professor Paul Smoke, Professor and Director of International Programs, New York University was the principal speaker. He dwelt on fiscal federalism, saying that economic realities, multiplicity of organisations and functions and capital constraints had led to the failure of the concept in India. The final session, on Inclusion and Governance, was chaired by Mr. Samuel Paul, Chairperson, Public Affairs Centre, Bengaluru. Professor Anuradha Joshi from the Institute of Advanced Studies, Sussex was the principal speaker. Professor Joshi spoke at length on inclusion in urban governance practices, citing examples from both India and abroad and on the need for assessment and monitoring of urban programmes. During the conference Dr. Isher Judge Ahluwalia also announced the launch of a monthly lecture series on urbanisation as a collaborative effort between ICRIER and the India Habitat Centre.

## 2<sup>nd</sup> Annual Conference on Normalising India-Pakistan Trade

January 21-22, 2014

As part of ICRIER’s project on Strengthening Research and Promoting Multi-level Dialogue for Trade Normalisation between India and Pakistan, the second annual conference, ‘Normalising India-Pakistan Trade’ was held during January 21-22, 2014 in New Delhi. The keynote address was delivered by Dr. G. K. Chadha, President, South Asian University, New Delhi. Special addresses were delivered by Mr. Rajeev Kher, Special Secretary, Ministry of Commerce & Industry, Government of India, Dr. Ishrat Husain, Dean & Director, IBA and Former Governor, State Bank of Pakistan and Mr. Sharat Sabarwal, former Indian High Commissioner to Pakistan. The Foreign Secretary, Government of India, Ms. Sujatha Singh gave the valedictory address. The final report of the First Trade Perception Survey was released by Mr. Rajeev Kher at the conference. The conference participants included several senior members from the policy-making community, business and media.



L to R: Dr. Rajat Kathuria, Mr. Rajeev Kher, Dr. G. K. Chadha and Dr. Nisha Taneja at the conference on ‘Normalising India-Pakistan Trade.’

Each session emphasised that economic gains from trade are significant and this should be the driving force towards cementing better relations between the two nations. The participants felt it was time that policies specific to sectors of mutual interest such as agriculture and automobiles be negotiated bilaterally. It was also suggested that collaboration on issues such as food and energy security and pharmaceuticals R&D be explored while keeping in mind the interests of the ultimate consumer. Further, free movement of the business community across borders via a more conducive visa regime could be facilitated by both nations. In addition, for global supply chains to flourish, FDI is needed

in both countries along with labour and industrial policies favourable to growth in trade. Finally, there is need for transport corridors to be developed to connect with global trade routes. The conference came to a close with a panel discussion on “The Way Forward.”

### International Conference on Telecommunications – Indian Telecoms Last Mile: So Near Yet So Far

March 7, 2014

With the objective of influencing the policy discourse in the Indian telecom sector, towards a more constructive and forward-looking path, ICRIER organised an international conference in March this year. In his opening address, Dr. Sam Pitroda, Chairman, National Innovation Council, emphasised the progress India has made and how it is at the cusp of a data revolution. The discussion at the conference was organised into three sessions.



L to R: Dr. Sam Pitroda and Dr. Rajat Kathuria at the conference on ‘Telecommunications - Indian Telecoms Last Mile: So Near Yet So Far.’

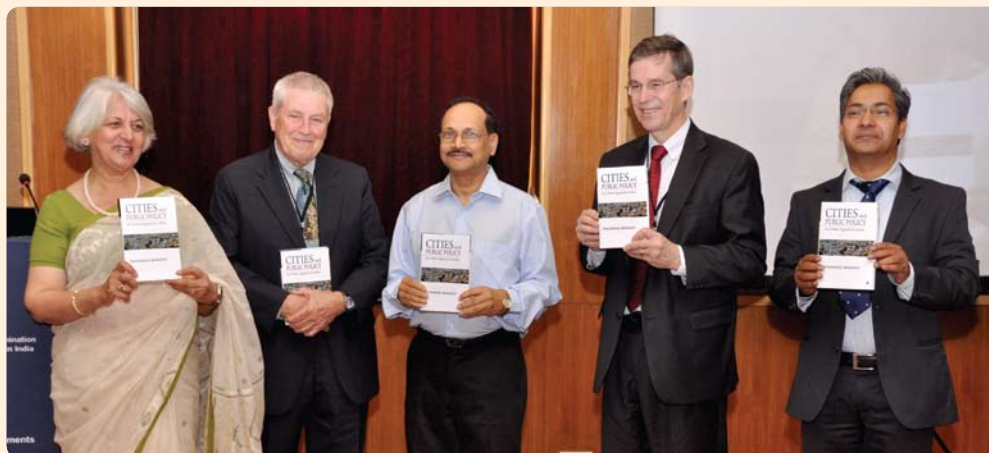
The first session examined spectrum scarcity, auctions and trading. In this session, academics such as Dr. Arunava Sen of the Indian Statistical Institute came together with industry experts such as Mr. Rajat Mukarji, Chief Corporate Affairs Officer of Idea Cellular Ltd., and Mr. Parag Kar, Director of Government Affairs at Qualcomm, to discuss how spectrum can be used and allocated more efficiently. The next session focussed on the telecom sector’s regulatory and institutional framework. Speakers such as Dr. Rohan Samarajiva, Chair of LIRNEasia, and Mr. Erik Whitlock, Principal Associate at Nathan Associates Inc., spoke about the experiences of regulators in Sri Lanka and the USA respectively and highlighted international best practices. The last session covered innovation, impacts and service delivery where, notably, Ms. Anu Madgavkar from the McKinsey Global Institute discussed initiatives in telemedicine, e-business and education through Massive Open Online Courses (MOOCs).

The conference culminated with Mr. Ajit Balakrishnan, founder of Rediff.com talking about how the internet and information intermediaries, such as Google, drive productivity. Mr. Balakrishnan stressed that India must bring down the cost of its internet services to achieve higher penetration. In the concluding session, Mr. Montek Singh Ahluwalia set out an agenda for future research and stressed on the need for immediate policy action to provide the thrust for the industry in its next growth phase.



## Conference on Financing Metropolitan Governments in Developing Countries

April 23, 2014



L to R: Dr. Isher Judge Ahluwalia, Dr. Roy Bahl, Dr. P. K. Mohanty, Dr. Johannes Linn and Mr. R. Chandra Sekhar at the conference on 'Financing Metropolitan Governments in Developing Countries.'

ICRIER and the Lincoln Institute of Land Policy, USA, held a conference on April 23, 2014 against the backdrop of the book 'Financing Metropolitan Governments in Developing Countries' and its relevance for India. The book is a follow-up to the seminal treatise on public finance, 'Urban Public Finance in Developing Countries' by Bahl and Linn, published 20 years ago. The conference brought together editors, Roy Bahl, Johannes Linn, and an author of a chapter in the volume, Professor Abhay Pethe. Several central and state government officials, municipal commissioners, metropolitan commissioners and urban experts were present at the workshop. Officials from Maharashtra, Karnataka and Andhra Pradesh were also present at the workshop, thereby leading to a fruitful discussion with the officials sharing varied experiences.

At the conference, the book 'Cities and Public Policy: An Urban Agenda for India' by P. K. Mohanty and published by Sage Publications India, was released by Dr. Isher Judge Ahluwalia, Dr. Roy Bahl and Dr. Johannes Linn.

## Greening India's Growth: Balancing Growth and Environmental Sustainability

June 12, 2014



L to R: Dr. Muthukumara Mani, Dr. Rajat Kathuria and Mr. Jairam Ramesh at the conference on 'Balancing Growth and Environmental Sustainability.'

'Greening India's Growth: A Conference on Balancing Growth and Environmental Sustainability' jointly organised by ICRIER, the Global Green Growth Institute and the World Bank took place in New Delhi, on June 12, 2014. The conference started with the keynote address by Mr. Jairam Ramesh, former Minister of Rural Development, Government of India. Eminent researchers, policy makers and experts from advocacy groups discussed issues such as the pathways available to India towards a low-carbon economy, the importance of accounting for resources, human capital and health, and the desirability, necessity and affordability of green growth as a national policy for India. Dr. Muthukumara Mani, Senior Environmental Economist, World Bank pointed out that India's stellar economic performance is not matched by its environmental performance. At the current rate of degradation, environmental sustainability could become the next major

challenge as India surges along its projected growth trajectory. During the conference, experts stressed the necessity of innovative fiscal strategies and integrated planning to balance economic growth and climate policies. It was also pointed out that in the near future India will face a massive increase in energy requirements. To meet this increased demand, several directional synergies in the energy security and climate driven scenarios will be important. Local resources and renewable energy would also need to play a much larger role in India's energy scene. Dr. Purnamita Dasgupta, Ford Foundation Chair in Environmental and Resource Economics & Acting Head, Environment Economics Unit, Institute of Economic Growth, New Delhi said that not only is a low carbon transition pathway consistent with the goals set for the Indian economy, it is also necessary for energy security and health benefits.

## Workshops

### Regional Capacity Building and Knowledge Dissemination Workshop on Urbanisation with Focus on Solid Waste Management

August 26-27, 2013

The seventh Regional Capacity Building and Knowledge Dissemination Workshop on challenges of urbanisation was held in partnership with the Government of Kerala at Thiruvananthapuram on August 26-27, 2013. The focus of this workshop was to share the challenges and benefits associated with different technologies and methods of managing municipal solid waste.



L to R: Dr. Sudhir Krishna, Mr. K. M. Chandrasekhar, Dr. K. Kasturirangan, Dr. Isher Judge Ahluwalia, Mr. Oommen Chandy and Mr. Manjalamkuzhi Ali at the workshop on 'Urbanisation with Focus on Solid Waste Management.'

On the first day, the chief guest Mr. Manjalamkuzhi Ali, Minister for Urban Affairs, Department of Local Self Government, Kerala, gave an overview of the challenge of solid waste in the state. The presentations were on community-based waste management, landfills, and bio-methanation. Dr. Suneel Pandey, Senior Fellow, TERI and Dr. Sharad Kale from the Bhabha Atomic Research Centre shared their views on options for waste management. On the second day, the chief guest, Mr. Oommen Chandy, Chief Minister, Kerala, gave a special address in the inaugural session, chaired by Dr. Sudhir Krishna, Secretary, Ministry of Urban Development, Government of India. Dr. Isher Judge Ahluwalia presented good practices from some Indian cities and Dr. K. Kasturirangan, Member, Planning Commission, Government of India spoke about the issues of converting municipal waste to energy. The second session had presentations by three companies providing technologies for converting waste to energy. The last session, on the challenges related to public private partnerships in solid waste management, was chaired by Mr. Gajendra Haldea, Adviser to Deputy Chairman, Planning Commission, Government of India.

The discussion following each session was rich in experiences shared by different cities and states on their successes or failures in trying different methods and technologies for managing municipal waste. The workshop resulted in tremendous learning on a range of methods available for solid waste management, and their related benefits and challenges. A report of the lessons from the workshop requested by the Ministry of Urban Development, Government of India was prepared by ICRIER.

## Indian Buffer Stocking Policies

October 25, 2013

ICRIER, in partnership with the Centre for Development Research (ZEF), University of Bonn, Germany, organised the first workshop on Indian buffer stocking policies on October 25, 2013 at ICRIER. Presentations were made by Professor Anwarul Hoda, Supervisor, ICRIER-ZEF Project & Senior Professor, ICRIER, Ms. Shweta Saini, Consultant, ICRIER, Dr. Ashok Gulati, Chairman, Commission for Agricultural Costs and Prices (CACP), Ministry of Agriculture, Government of India, Ms. Marta Kozicka, Research Scholar, ZEF and Dr. Matthias Kalkuhl, Senior Researcher, ZEF.

After the opening remarks by Professor Hoda, in which he emphasised the importance of buffer stocking policies for Indian food security and the need for intensified research on the topic, Ms. Saini presented a brief critique and historical background of buffer stocking policies in India. The system was criticised for being too costly, inefficient and having a negative impact on domestic inflation. Dr. Gulati discussed the challenges and implications of buffer stocks for the implementation of the National Food Security Act (NFSA). Ms. Kozicka presented a research proposal which consisted of a partial equilibrium model of the Indian rice and wheat markets. The final presentation, made by Dr. Kalkuhl, discussed the results of his study on price transmission from the international markets to domestic prices.

Notable participants at the workshop included Mr. Kirit Shantilal Parikh, Chairman, Integrated Research and Action for Development (IRADe), Dr. Ashok Desai, Consultant Editor, Business World, Mr. Allan Mustard, Minister-Counsellor for Agricultural Affairs, American Embassy, Mr. Sachin Kumar Sharma, Assistant Professor, Centre for WTO Studies, Indian Institute of Foreign Trade (IIFT), Ms. Surbhi Jain, Joint Director, CACP, Ministry of Agriculture, Government of India, and Mr. Vijay Kumar, Chief Business Officer, National Commodity & Derivatives Exchange Ltd.

## Articulating a Vision for a Progressive BRICS Development Bank

December 2, 2013

ICRIER organised a consultative workshop on “Articulating a vision for a progressive BRICS Development Bank” on December 2, 2013 with selected experts from national and international organisations, embassies, academia, and industry. The workshop commenced with opening remarks by Dr. Rajat Kathuria, Director and CE, ICRIER, followed by presentation of the draft report by Ms. Sirjjan Preet, Consultant, ICRIER. The objective of the workshop was to discuss the draft report and gather expert insights, comments and suggestions which would be incorporated in the final report.

In addition to the priority areas outlined in the report, the experts suggested inclusion of innovation and technology, food security, energy security and poverty alleviation as priority areas for the new bank. In the context of the Contingency Reserve Arrangement formed by the BRICS countries, it was suggested that lessons be included from the Chiang Mai initiative, which is a similar regional foreign exchange liquidity support mechanism. Given the varied political and economic ideologies and interests, achieving harmonisation of policies would be a challenge for the new bank. Some suggested that the bank should develop participatory community-based development programmes underscoring the inter-relationships between poverty and the environment. It was advised that the bank should develop a strong knowledge component and also focus on SMEs as source of job creation in the regions. It should be located at a place which poses no visa restrictions for the bank staff and their families. It should have a new paradigm, whereby everyone has equitable voting rights, irrespective of capital contribution. The workshop concluded on the note that the new bank has to be different in order to be a genuine addition to the existing development banks, or it will end up as a pale shadow of the latter.



## India-US Defence Cooperation: The Way Forward

December 9, 2013



L to R: Mr. Pritpal Chinna, Mr. Vijay Mathur and Ambassador Hemant Krishan Singh at the seminar on 'India-US Defence Cooperation: The Way Forward.'

Against the backdrop of the India-United States Joint Declaration on Defence Cooperation released on September 27, 2013, the ICRIER-Wadhwani Chair organised a workshop titled, 'India-US Defence Cooperation: The Way Forward.' The workshop had the participation of various stakeholders including former defence personnel, representatives of Indian and foreign defence companies, academics and domain experts. The workshop took stock of ongoing defence cooperation between the two countries and explored new areas such as joint military operations. Further, the workshop reflected on the steps that need to be taken to enhance defence trade between India and the USA.

The workshop focused on the need for enhanced FDI limits, offsets, technology transfers, the necessity of fine-tuning policy and administrative frameworks and the need for a long-term vision. The proceedings of the workshop have been compiled in a report that was released by the Chair in May 2014.

## Regional Capacity Building and Knowledge Dissemination Workshop with Focus on Issues in Urban Water

February 17, 2014

The eleventh Regional Capacity Building and Knowledge Dissemination Workshop under ICRIER's Programme on Urbanisation in India was held in Bhopal on February 17, 2014. The focus of the workshop was on issues of urban water. Representatives of cities from Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Odisha and Rajasthan participated.



Dr. Isher Judge Ahluwalia addressing the participants of the workshop on 'Issues in Urban Water' in Bhopal in partnership with the Water and Sanitation Programme (WSP).

The opening remarks were made by Dr. Isher Judge Ahluwalia, followed by a presentation and discussion of the HPEC (Ahluwalia, 2011) Report. Presentations by the participating states covered topics related to efficient delivery of water services, technology for delivery, and examples of international and regional practices of 24x7 water supply. Bengaluru

and Jaipur's 24x7 water supply projects, GIS (Geographic Information System) for water supply, and the status of the Maharashtra Sujal Nirmal Abhiyaan (MSNA) were some of the topics presented. The role of public-private partnership in improving service delivery was also discussed.

## **School Education: A Foundation for Future Employability and Productivity**

March 21, 2014

This consultation was held at ICRIER, as part of its ongoing project on 'Jobs and Development.' Representatives from leading educational institutions in Delhi and the NCR participated. The objective was to discuss issues related to primary human capital and challenges to the jobs agenda. The panellists discussed the following questions: (i) What sort of reforms are required in school curriculum at the primary and secondary levels to ensure enhanced employability in the future?; (ii) Should industry be involved in curricula design?; (iii) What sort of reforms in educational policy would help towards reaching this goal?; and (iv) How can the health and nutritional status of children be improved within the school set-up to improve their educational outcomes and future productivity?

The participants were of the opinion that schools are failing in their responsibility to develop life- and work-related skills, and that personality development should be an integral part of the school curriculum. It was also pointed out that schools need to strike a balance between content-heavy and skill-oriented curriculum by offering subject combinations which can optimise learning outcomes and enhance the prospect of employability. There was support for the involvement of industry in school education, not only by way of summer internships, but also through their involvement in the design of industry-specific training modules for school children. In addition, panellists felt that reforms in the system of teacher-training and teacher-incentive structures were critically needed. Addressing the issue of improvement of health and nutritional status of children within the school set-up, the panellists emphasised that provision of basic infrastructure facilities in schools such as clean drinking water, separate toilets for boys and girls, safe classrooms and electricity can go a long way in improving the health status and future productivity of children. Some also suggested that to improve the quality of education in government schools, top private schools should adopt the ones in their vicinity so that they also empower the disadvantaged community.

## **Trade Facilitation**

March 23, 2014

As a part of the conference on 'Reviving Growth - Reversing the Tide,' a workshop on 'Trade Facilitation' was jointly organised by ICRIER and Ananta Centre on March 23, 2014 at New Delhi. The workshop was moderated by Professor Anwarul Hoda, Professor, ICRIER and former Deputy Director General, WTO. The discussion was initiated by an eminent panel comprising Professor Carlos Braga, Professor of International Political Economy at IMD and Director of the Evian Group, Mr. Shashank Priya, Commissioner of Central Excise and Service Tax, Patna, Mr. Bharat Thakkar, Immediate Past President and Permanent Advisor to the Board of ACAAI (Air Cargo Agents Association of India) and Jt. Managing Director of Zeus Air Services Pvt. Ltd., Mumbai, and Mr. Pritam Bannerjee, Senior Director, Corporate Public Policy (South Asia), DHL, India.

The presentations were followed by an open discussion. The participants were in agreement that: (i) India needs to do much more than implementation of trade facilitation agreements in order to improve its competitive position; (ii) while a unified Ministry of Transport may not be feasible it is necessary to establish an authority with a strong coordinating role among the ministries dealing with transport; and (iii) the problems of trade facilitation and infrastructure in land ports are even more daunting than in sea and air ports.

## 4<sup>th</sup> ICRIER-PRI Workshop on Mutual Understanding and Economic Partnership Towards Intensifying 'Japan-India Strategic and Global Partnership'

March 27, 2014

The Policy Research Institute (PRI) is a think tank under the Ministry of Finance, Japan. ICRIER and PRI have an ongoing MoU for research collaboration and the two institutions jointly organise an annual workshop to facilitate discussion among experts on issues relating to India-Japan economic cooperation. At the 4<sup>th</sup> ICRIER-PRI Workshop held in Tokyo the discussions were structured into three sessions: (i) Current Economic Outlook and Policies in India and Japan; (ii) Industrial Policies in India and Role of Japan's ODA; and (iii) India-Japan Economic Partnership amidst the Trend for Mega FTA Negotiations.

The Indian delegation was led by Dr. Rajat Kathuria, Director & CE, ICRIER and included Dr. Jaimini Bhagwati, Reserve Bank of India Chair Professor, ICRIER, Mr. Anil Padmanabhan, Deputy Managing Editor, Mint, Mr. Ajay Shankar, Member Secretary, National Manufacturing Competitiveness Council, Dr. Manoj Pant, Professor, Jawaharlal Nehru University, and Ambassador Hemant Krishan Singh, former Ambassador to Japan and Chair Professor, ICRIER. From the Japanese side the notable participants included Mr. Hiroshi Nakahara, President, PRI, Mr. Tadaatsu Iwase, Vice President, PRI, Mr. Toshio Oya, Counselor, Minister's Secretariat, Ministry of Finance, Mr. Toru Nishihama, Senior Economist, Dai-ichi Life Research Institute Inc, Dr. Hideki Esho, Professor, Faculty of Economics, Hosei University, Mr. Katsuo Matsumoto, Director, South Asia Department, JICA, Mr. Takashi Shimada, President, Indo Business Centre, Dr. Shujiro Urata, Professor, Waseda University, Dr. Fukunari Kimura, Professor, Faculty of Economics, Keio University, and Dr. Shuji Uchikawa, Director-General, Inter-Disciplinary Studies Center, IDE-JETRO.

## Drug Regulatory Reforms in India

March 31, 2014

As a part of ICRIER's Health Policy Initiative, a workshop was conducted on drug regulatory reforms in India on March 31, 2014 in New Delhi. The goal of this workshop was to discuss issues of concern in the context of drug regulation in India, which would then be taken up to develop ICRIER's research agenda in this field. It was attended by distinguished experts from the government, international organisations, academia, industry as well as civil society. The discussions focused on the following themes: drug safety, good manufacturing practices (GMP), post-marketing surveillance (PMS), clinical trials and new drug approvals and other relevant issues.



Mr. Arun Maira, Member, Planning Commission, Government of India and others at the workshop on 'Drug Regulatory Reforms in India.'

The inaugural address was delivered by Mr. Arun Maira, Member, Planning Commission, Government of India. The participants included Dr. B. R. Jagashetty, former Drug Controller of Karnataka, Mr. Sudhanshu Pandey, Joint Secretary, Ministry of Commerce and Industry, Government of India, Dr. A. Ramkishan, Deputy Drug Controller, Ministry of Health & Family Welfare, Government of India, Mr. Ratnesh Sahay, Adviser, Competition Commission of India, Dr. Genevieve



Begkoyian, Chief of Health, UNICEF India, Dr. Shubhashis Gangopadhyay, Research Director, India Development Foundation, Dr. Aditya Bhattacharjea, Professor and Head, Department of Economics, Delhi School of Economics, Dr. Amir Ullah Khan, President, Glocal University, Saharanpur, Uttar Pradesh, Mr. Richard F. Kingham, Partner, Covington and Burling, Washington D. C., Ms. Susan C. Winckler, President, Food and Drug Law Institute, Washington D. C. and Dr. Bobby John, President, Global Health Advocates, India.

## **Global Value Chains (GVC) and Trade in Value Added in India: Concepts, Measurement, Data and Research**

April 3-4, 2014

A two-day workshop on ‘Global Value Chains and Trade in Value Added in India’ was held on April 3-4, 2014 at New Delhi. The workshop began with a brief overview of the project in which the key speakers were Dr. Michael Gasiorok, Managing Director, InterAnalysis, Sussex Innovation Centre and Dr. Saon Ray, Senior Fellow, ICRIER. This was followed with a session by Dr. Michael Gasiorok on the concept of trade in value addition vis-à-vis the concept of traditional trade data. The findings of the pilot survey undertaken by the ICRIER team were presented by Dr. Saon Ray in the third session. The survey was conducted for a few selected industries in India to identify their engagement in the GVC, barriers faced, and policy options. The results of the sampled firms surveyed suggested limited or no integration with the GVC in the chosen industries. The fourth session on barriers to GVC activity was presented by Dr. Javier Lopez Gonzalez, Development Division, OECD Secretariat, by video link. The post-lunch session dealt with a presentation by Dr. Gasiorok on India’s engagement in value chains using some key indicators such as the share of domestic and imported value added in gross exports, and sector-wise value added in exports. The last session had a panel discussion on GVCs and India’s position in them. The panellists included Dr. Saon Ray, Dr. Michael Gasiorok, Professor Abhijit Das (IIFT), Mr. Pranav Kumar (CII) and Professor Dev Nathan (IHD and Duke University).

On the second day of the workshop, a training programme was held in the ICRIER conference room on ‘Using WIOD and TiVA Databases using TradeSift Software.’ The workshop was conducted by Dr. Michael Gasiorok and Dr. Maximiliano Medez Parra, ITEAS Ltd. and CARIS, University of Sussex by video link. The workshop aimed at providing basic training on the use of TiVA, WIOD and Trade Sift database.

## **New Climate Economy: The Global Commission on the Economy and Climate**

April 14-15, 2014

The Global Commission on the Economy and Climate is a major new international initiative to analyse and communicate the economic benefits and costs of acting on climate change. The New Climate Economy, the flagship project of the Global Commission on the Economy and Climate, aims to produce better and more comprehensive evidence on whether and how climate policy can be made compatible with strong economic performance. ICRIER is one of the country partners of this project. As part of the collaboration, ICRIER organised a two-day workshop ‘New Climate Economy: The Global Commission on the Economy and Climate’ at New Delhi, on April 14-15, 2014.

This workshop was inaugurated with a keynote address by Lord Nicholas Stern, President of the British Academy, Chair of the Asia Academy in the London School of Economics (LSE), Chair of the Grantham Research Institute on Climate and the Environment, LSE, and Head of the India Observatory, LSE. The discussion covered issues of macro models for climate change, critical evaluation of 12<sup>th</sup> Five Year Plan from the climate point of view, and energy demand management including green growth strategies for India, and the strategic framework for cities – linking economic performance and climate performance.



L to R: Prof. B. N. Goldar, Dr. Purnamita Dasgupta, Lord Nicholas Stern, Mr. Sanjib Pohit and Mr. Vaibhav Chaturvedi at the workshop on 'New Climate Economy: The Global Commission on the Economy and Climate.'

The transition to a low carbon economy is a challenge for India, as it seeks to balance its developmental needs with climate change concerns. In this context, it is necessary for policy makers to understand the options available for moving to a low carbon growth path, and what these imply in terms of macroeconomic welfare indicators for the economy. The research presented at the workshop showed that India has taken constructive steps towards cutting carbon emissions per unit of GDP by 20-25 per cent in 2020 from the 2005 levels. The National Action Plan on Climate Change (NAPCC) has stressed the overriding importance of rapid economic growth in India's development agenda as 'an essential pre-condition to poverty eradication and improved standards of living.'

### Regional Capacity Building and Knowledge Dissemination Workshop with Focus on Solid Waste Management

May 30, 2014



L to R: Mr. Sanjay Chauhan, Dr. Rajat Kathuria, Dr. Purnima Chauhan and Mr. Manoj Tomar at the workshop on 'Solid Waste Management' in Shimla.

The twelfth regional capacity building and knowledge dissemination workshop under ICRIER's Programme on Urbanisation in India took place in Shimla on May 30, 2014. The focus of the workshop was on solid waste management. The participating cities were from Assam, Chandigarh, Haryana, Himachal Pradesh, Meghalaya, Mizoram, Punjab and Uttarakhand.

The inaugural address was presented by Mr. Sanjay Chauhan, Mayor, Shimla Municipal Corporation who stressed the importance of recycling waste and strict enforcement of laws related to solid waste management. The opening remarks were made by Dr. Rajat Kathuria, followed by a presentation and discussion of the HPEC (Ahluwalia, 2011) Report. The participating states presented the issues in segregation, collection, recycling and disposal of waste, and technology options in waste-to-energy. The presentations included the practice of solid waste management in Shimla, the role of technology in converting waste to energy without releasing harmful emissions, and specific challenges of hill states in solid waste management.

## Seminars

### **Urban Sustainability Strategies in the USA: An Examination of the LEED-Neighbourhood Development Programme**

August 2, 2013

As part of the ICRIER-HUDCO Seminar Series, Professor Russell Smith, Associate Professor of Geography, Winston-Salem State University, USA, was invited to deliver a talk on urban sustainable strategies in the USA, particularly the LEED-ND programme. Professor Smith examined the major principles and criticisms of some development strategies and concepts formulated in the past few decades to address the issue of sustainable urban development such as smart growth, new urbanism and green buildings. He then gave a brief overview of the LEED-Neighbourhood Development (LEED-ND) programme that combines the earlier practices in a holistic approach to planning and developing urban communities. He presented case studies from across the USA where the LEED-ND standards had been adopted to show the wide range of projects which these standards could be applied to and the resulting successes in reducing sprawl and promoting green development. The discussion that followed drew comparisons between the LEED-ND programme and the GRIHA rating system developed by TERI in India. The issues in implementation of such programmes were brought out as also the hurdles faced in the final certification process and the issues with tying financial or other incentives to the certification. In the Indian context there was also a discussion on how green building principles were embedded in the traditional building and neighbourhood design of Indian cities and that modern design was moving away from it.

### **Bus Rapid Transit (BRT) and Urban Development in Latin America: Some Lessons for Cities in India**

August 8, 2013

At the third seminar in the ICRIER-HUDCO Seminar Series for the year 2013-14, Mr. Erik Vergel, Fulbright Scholar and doctoral candidate, University of North Carolina, Chapel Hill, USA presented the findings from his study to understand the land development and redevelopment possibilities triggered by bus rapid transit (BRT) investments in seven cities in Latin America. Mr. Vergel brought out some pertinent points from his research such as the impact of land use typology on BRT use. Mr. Vergel observed the highest frequency of use along mix-use corridors, community centres and institutional use corridors across the seven cities. He highlighted the need for the public sector to capture the land value increments along such corridors to provide affordable housing and establish public infrastructure. Currently, the private sector was taking advantage of land around the terminals and had been able to capture land value increments in these areas. This, in his view, was a missed opportunity for the public sector. Adding additional insights from the India case, Mr. Vergel pointed out that Transit Oriented Development (TOD) was implicit in planning and design in the traditional city structure in India with mixed use and urban fabric oriented along a structure of streets. Talking about his ongoing research on BRTS in India for Ahmedabad and Indore, he mentioned that on-street parking was a big issue in Indian cities. Also, while he did not find land use playing an important role in the Latin American case, he hoped to investigate this in India. Mr. Vergel summarised his presentation by highlighting that coordination between the urban planning and transport planning departments in the city, educational campaigns to encourage good driving behaviour, development of citizenship culture seen in Bogota and provision of adequate support facilities especially for pedestrians were aspects that were key to the successful functioning of BRT and TOD.

### **Using GIS for Greater Efficiency in Operations and Better Delivery of Services by Urban Local Bodies in India**

August 30, 2013

ICRIER organised this seminar on a paper that Ms. Tanushree Bhan wrote for the programme on urbanisation in India. The seminar was chaired by Dr. K. Kasturirangan, Member, Planning Commission, Government of India and attended by

field experts such as Dr. Mukund Rao, GIS Consultant to the Planning Commission, Government of India and faculty and researchers from planning institutes and think tanks in New Delhi. In the paper, some good practices from Indian cities were used to identify the role of IT-enabled interventions, with GIS in particular, and complementary administrative reform to ensure transparency in the system of delivering water supply, electricity and solid waste management, and accountability in the interface between the government and citizens. The use of GIS by Indian cities was found to be most popular in bringing more properties under the tax net.

Dr. Isher Judge Ahluwalia added to the discussion among policy makers and practitioners on the need for a national platform for GIS, given the high cost involved in procuring this technology by individual municipalities. Members of the audience agreed that a common and synchronised database of natural resources, and urban and rural infrastructure would allow seamless and cost-effective sharing of information between different stakeholders, and efficient spatial planning of public assets.

### India's Regulatory Framework and the Twelfth Five Year Plan (2012-17)

September 25, 2013

The third seminar under the ICRIER-KAS Seminar Series 2013 was held in Kolkata in collaboration with FICCI, Kolkata office. Mr. Partha Chatterjee, Minister of Commerce and Industries, Industrial Reconstruction, Public Enterprises, Parliamentary Affairs & Information Technology, Government of West Bengal delivered the inaugural address and spoke about the initiatives his government had taken. The keynote address was delivered by Mr. Arun Maira, Member, Planning Commission, Government of India, who spoke about the industrial regulatory framework and the Twelfth Five Year Plan, besides outlining strategies for improvement of the regulatory environment in the country.



L to R: Mr. Arun Maira, Dr. Rajat Kathuria and Mr. Partha Chatterjee at the seminar on 'India's Regulatory Framework and the Twelfth Five Year Plan 2012-17.'

This was followed by a technical session that included presentations by Dr. Navroz K. Dubash, Senior Fellow, Centre for Policy Research, New Delhi, Dr. V. K. Unni, Associate Professor, Public Policy & Management, IIM, Calcutta and Dr. Rajat Kathuria, Director & CE, ICRIER. It was chaired by Mr. Roland Lomme, Governance Adviser to the South Asia Governance and Public Sector Unit, The World Bank. Mr. Lomme urged that business regulations should be used as policy tools for addressing objectives such as industrial development, job creation, gender equity and national market integration in India. Dr. Dubash shared his views on regulation as a form of governance that should engage the political system. Dr. Unni's presentation focused on the importance of a regulator for higher education. Dr. Kathuria emphasised that independent regulation is a myth and argued that we need to get economic regulation right for the infrastructure sector in order to reap the benefits that we envisage infrastructure would deliver for India.



## **Markets and Design in the Development of Cities**

October 7, 2013

As part of the programme on Capacity Building and Knowledge Dissemination on Urbanisation in India, Professor Alain Bertaud, Senior Research Scholar, NYU Stern Urbanisation Project, gave a talk on the role of markets and government's design in the development of cities.

Professor Bertaud's presentation was based on decades of international experience working on urban issues. He began by emphasising the high productivity of large labour markets which explains the growth of very large cities. Smaller cities also grow due to low operation costs. However, the rapid developments of cities pose the challenge to government about how to maintain land and housing affordability. He stressed that this needed to be done while maintaining the mobility which is indispensable for the functioning of labour markets. He then moved to the crucial role that markets and cultures play in shaping urban densities, substantiating his point by providing empirical data on densities for cities from developed and developing countries. He concluded by suggesting that while the government should concentrate its resources on provision of infrastructure and public open spaces, it should stay away from regulating densities and floor area ratio, these being best left to the market.

The discussion after the presentation revolved around the relevance of this prognosis for Indian cities, which have low density regulations, and yet experience high population density. Professor Bertaud answered queries regarding the debate on the extent of relaxation of density rules for Indian cities, its impact on city size, and existing public infrastructure.

## **Roundtable Series: Meeting on Bryson Climate Initiative, Wilson Centre**

October 10, 2013

The ICRIER-Wadhwani Chair hosted a meeting with Mr. John E. Bryson, former US Commerce Secretary and Distinguished Public Policy Scholar, Wilson Centre Washington D. C. and his team from the Wilson Centre on Climate Initiative on October 10, 2013. The meeting commenced with an exchange of ideas between the two teams, followed by a presentation of the work done by ICRIER on climate change. The discussion covered key issues such as the impact of climate change on different kinds of urbanisation such as industrial city, agro city and service city and the translation of global models of climate change down to the city level. The participants felt that careful modelling can help communities design effective interventions. The linkages between fossil fuel subsidies and climate change and converging clean energy measures with anti-poverty programmes were also discussed.

## **Reforming the Global Financial System: Implications for Long-term Investment Finance**

October 14, 2013

A talk on global financial reforms titled 'Assessing Global Financial Regulatory Reforms and Implications for Long-term Investment Finance for EMEs' was organised at ICRIER on October 14, 2013. Dr. Alok Sheel, Secretary, Economic Advisory Council to the Prime Minister, Government of India and Ms. Meeta Ganguly, banking analyst, spoke on global financial regulatory initiatives by the G20 in conjunction with the Basel Committee and the Financial Stability Board (FSB), with national level initiatives in the USA, Europe and UK, in the wake of the global financial crisis.

The components of regulatory reform and resolution are derived from the Dodd Frank Act, 2010 enacted in the USA, the revised Basel III norms, FSB recommendations on shadow banking and banking committee recommendations like that of Vickers in the UK and Liikanen in Europe. The first part of the presentation attempted to give a comprehensive mid-term review and evaluation of the key elements of the reform measures. The second half looked at the fall out on

financial markets and EMEs in particular. The talk concluded by speculation on what has changed, what has not, and the takeaways for EMEs.

### Roundtable Series: Discussion with Diane Farrell, Vice-President, USIBC

October 18, 2013

Ms. Diane Farrell exchanged views with the ICRIER Wadhvani Chair in the context of the Chair's ongoing 'Navigating the Headwinds' studies on PMA, India's Tax regime and the U.S. immigration Bill of 2013. The discussion highlighted the need for both nations to address deterioration of the India-US economic dialogue. Ms. Farrell welcomed the Chair's role in providing intellectual backstopping for efforts to alleviate contention through research. She also provided insights from the US perspective, in order that the Chair's research outputs have greater impact on policy makers in Washington D. C.

### Incentive to Invest and the Twelfth Five Year Plan (2012-17)

November 8, 2013

The fourth seminar under the ICRIER-KAS Seminar Series 2013 was held at Kochi. The inaugural address was delivered by Professor K. V. Thomas, Union Minister of Consumer Affairs, Food and Public Distribution, Government of India. Professor Thomas spoke of economic reforms over the past two decades stating that investments in the private sector, which account for over 70% of total investments, have greatly contributed to the country's growth. He agreed that in order to further mobilise investments the government has to provide an enabling environment to the private sector in a greater way. Dr. Arunish Chawla, Staff Officer to Deputy Chairman of Planning Commission, Government of India delivered the keynote address, in which he talked about the role played by investments in India, various models adopted by the Planning Commission in different Plans, concluding with a discussion on the pillars of the Twelfth Five Year Plan, namely inclusive and sustainable growth.



Prof. K. V. Thomas,  
Hon Union Minister of  
Consumer Affairs, Food  
and Public Distribution,  
Government of India  
inaugurating the ICRIER-  
KAS seminar on  
'Incentive to Invest and the  
Twelfth Five Year Plan.'

The technical session was chaired by Mr. P. H. Kurian, Managing Director, KSIDC and Principal Secretary, Department of Information Technology, Government of Kerala. The session began with a presentation by Dr. K. J. Joseph, Professor and Ministry of Commerce Chair at the Centre for Development Studies, Trivandrum who focused on the manufacturing sector and argued that the only way to keep up with global competitiveness is through innovations. Dr. Anupam Khanna, Chief Economist and Director General (Policy Outreach), NASSCOM, during his presentation, talked about how the regulatory framework is affecting investment decisions in the IT industry. Lastly, Dr. Samiran Chakraborty, Head of Regional Research (South Asia) at Standard Chartered Bank, Mumbai made a presentation on how important investments have led India towards high growth.



## Bilateral Cooperation for Sustainable Development: Past and Future

November 28, 2013

The seminar was delivered by Ms. Tanja Gönner, Chair of the Management Board, GIZ and former Minister for Environment, Nature Protection and Transport of the state of Baden-Württemberg, Germany.



L to R: Ms. Tanja Gönner and Dr. Rajat Kathuria at the seminar on 'Bilateral Cooperation for Sustainable Development: Past and Future.'

Ms. Gönner stressed that while the traditional donor-recipient relationship is not present between the two countries anymore, bilateral cooperation between India and Germany is important in the context of international issues such as climate change, financial stability, migration, resource efficiency, peace and security. In her view these issues are better handled at a global level with cooperation. This is possible when the countries have mutual interests, potential for exchange of knowledge and focus on being complementary to each other in areas of advantage or disadvantage. Ms. Gönner gave several examples of areas where India and Germany can learn from each other including use of smart cards in India and Germany's new energy policy. She concluded by advocating the need for inclusive and sustainable growth through international cooperation.

## The Information Economy in an Internet Age: New Paradigms for Competitiveness and Economic Growth

December 16, 2013

In a presentation organised by ICRIER in collaboration with Google on 'The Information Economy in an Internet Age: New Paradigms for Competitiveness and Economic Growth,' Dr. Hal Varian, Chief Economist, Google presented his ideas on the transformative impact of the internet on economies and societies. As discussant, Dr. Anupam Khanna, Chief Economist, NASSCOM, also shared his thoughts on information economics and its growth implications.

Among the several ideas that Dr. Varian presented in his talk, one was on the concept of combinatorial innovations. He explained how different components of the internet including standardised software, protocols and widespread availability of cloud computing enabled the development of innovative applications around the world. He also mentioned that this generation of innovation is much more rapid than that of mechanical and electronic inventions. The idea of combinatorial innovations led to another concept, which Dr. Varian called computer mediated transactions that cover a gamut of uses from simple cash registers to very advanced data centres. New capabilities resulting from this innovation include data extraction and analysis (big data), personalisation and customisation, continuous experimentation to improve services, as well as monitoring and new forms of contracts which is among the most interesting consequences of computer mediated transactions, as it helps record behaviour which was previously unobservable. Consequently, new online payment gateways have emerged and businesses (micro multinationals) can interact virtually without establishing offices in multiple locations. He concluded by saying that combinations of such innovations would change the way economies operate, becoming much more global and data driven.

Dr. Anupam Khanna remarked on emerging phenomena such as now casting, using recent data trends to forecast. He also extended the idea of combinatorial auctions to global value chains and emphasised the ubiquity of computer-mediated transactions. He also mentioned that the role of the internet is becoming particularly relevant for policy formulation on financial inclusion, labour markets and intellectual property, especially in countries like India.

## Impact of Transaction Taxes on Commodity Derivatives Trading in India

December 23, 2013

At this seminar the key findings of ICRIER's study on the "Impact of Transaction Taxes on Commodity Derivatives Trading in India" were presented by Dr. Saon Ray, first author of the study. In his welcome address Dr. Rajat Kathuria, Director & CE briefed the audience about the significance of this study by highlighting the role of commodity transaction cost (CTT) in curbing speculation in the commodity market. In her presentation Dr. Saon Ray explained the rationale behind the introduction of CTT by shedding light on its role in mobilising revenue, price discovery and curbing speculation in the commodity market. She traced the evolution of CTT both at the international and domestic levels and highlighted some significant studies, explaining that ICRIER's study has adopted an event based approach, having analysed the impact of CTT on the volume trade 50 days prior to and 120 days after implementation of the policy.



L to R: Dr. Alok Pandey, Ms. Neha Malik, Dr. Saon Ray, Dr. Rajat Kathuria and Dr. Nilanjan Ghosh at the seminar on 'Impact of Transaction Taxes on Commodity Derivatives Trading in India.'

The major findings of the study include the reduction in volume of market trade in both time periods. The ensuing discussion focussed on the role of regulators and on how stringent regulations increase the risk premium and reduce the volume of trade in the market. The question and answer session focussed on integration of domestic and international markets and whether Indian markets are mature enough to implement CTT. The discussion also highlighted the fact that in the global arena India is not a price maker in commodity markets and faces institutional constraints in evolving as a global player.

## How the Great Recession Impacts the Poor: Possible Lessons for India from the US Experience

January 6, 2014

Dr. John D. Graham, Dean, School of Public and Environmental Affairs, Indiana University and former senior budget official in the George W. Bush administration (2001-2006), in his presentation 'How the Great Recession Impacts the Poor: Possible Lessons for India from the US Experience' on January 6, 2014 looked at the trend, causes and dynamics of poverty in the US during the Great Recession and brought out the lessons that could be drawn by India from the design of US safety-nets that mitigated some effects of the economic downturn.

Examining the impact of the safety-net programmes built to offer protection to individuals and families having low incomes in the US, he and his co-author Kristin Seefeldt, Assistant Professor, Indiana University, found that while entitlement

programmes like medical aid, food stamps and unemployment compensation received robust responses with increasing participation, those programmes that depended on discretionary spending were less effective. Listing the lessons for India he said, first, poverty programmes are different from social security programmes; second, entitlement programmes work better in recession although for programmes, such as unemployment insurance, incentives to work need to be crafted very intelligently; and third, in-kind cash assistance like food stamps targets poverty among children better as compared to cash assistance.

## **Global Economic Prospects**

January 8, 2014

The seminar on ‘Global Economic Prospects’ was delivered by Dr. Ashoka Mody, Lecturer, Woodrow Wilson School of Public and International Affairs, Princeton University. Dr. Mody presented his views on deceleration of global recovery after the 2008-09 crisis and growth prospects for the world economy in the medium-term. The starting point of the talk was the bounce back in global recovery in the immediate post crisis period, that is in 2010, and a steady deceleration that has followed since. Dr. Mody highlighted the decline in GDP growth across the globe apart from the USA. The Eurozone, which is the most trade intensive group in the world, has been a major drag on the global economy and the slow paced recovery in the Asian economies can be linked to it. Dr. Mody concluded by pointing out that the potential of world growth will now be much lower than in the pre-crisis period.

## **Does China have a Debt Crisis?**

January 14, 2014

Professor Shaun Breslin, the University of Warwick, UK, spoke about the grave impact of the 2008 crisis on China and how it translated domestically from being a financial crisis to having grim real economy repercussions. In a bid to boost the economy, the government and the Chinese banking sector gave out more than 12 trillion renminbi in stimulus packages over a two-year period. A large portion of the bank loans went to local governments, mediated through specially created local government financial vehicles. Professor Breslin mentioned that in addition to infrastructure creation, local industries funding by the local governments also led to massive purchases of land. The high revenue earnings from sale of property rights, profligate spending patterns and the resulting high dependency of local governments on this source, when compared with the piling up of debt commitments, have led to questions about long-term sustainability of this model. Professor Breslin highlighted the need for increasing regulation of the shadow banking system.

## **Greening India’s Growth Study**

January 15, 2014

ICRIER organised a seminar on ‘Greening India’s Growth’ by Dr. Muthukumara S. Mani, Senior Environmental Economist, World Bank, on January 15, 2014 at ICRIER. Dr. Mani began by stating that his presentation was based on a study conducted by the World Bank in 2012 on the environmental impacts of India’s growth rate which was more than 7% per annum during the decade. Though this growth rate had translated into increased employment opportunities, it also markedly worsened the environment. The main conclusion of the study was that a 10% particulate emission reduction would result in a lower gross domestic product but the size of the reduction was modest and partly offset by the health gains from lower particulate emissions. The presentation was followed by a stimulating discussion on the model and understanding how this model could be used by policy makers.

## Review of the Global Energy Outlook 2035

January 28, 2014

ICRIER hosted the review of the annual Global Energy Outlook 2035 by British Petroleum (BP) on January 28, 2014. The presentation was delivered by Dr. Christof Rühl, Group Chief Economist, BP. Dr. Rühl also manages BP's global economics team which produces the annual statistical review of *World Energy and the Global Energy Outlook*. Dr. Rühl started by giving an overview of the trends in primary energy consumption. Almost all the projected growth in energy consumption over the period 2012-35 is seen in non-OECD countries with China and India playing key roles. A heartening aspect of the forecast was that renewable energy sources show the fastest growth in the forecast period along with significant contributions by nuclear, hydro-electric, liquefied natural gas and other energy forms like shale gas and tight oil. Oil and coal are expected to be the slowest growing fuels in this period. The presentation was followed by a panel discussion. The panellists were Dr. Subir Gokarn and Dr. Jaimini Bhagwati, RBI Chair Professor, ICRIER who spoke about the 'impossible trinity' of achieving sufficiency, security and sustainability of energy sources, which summed up the main themes of the presentation. Although there are sufficient fuel sources which can be tapped, the security of their supply and sustainability regarding the environment are questionable.

## IMF's January 2014 World Economic Outlook Update

January 31, 2014

ICRIER hosted a talk on January 31, 2014 by Dr. Thomas Richardson, Senior Resident Representative – India, IMF on the IMF's latest *World Economic Outlook* Update of January 2014. Dr. Richardson presented the highlights of this report. He said that recent data suggests that global growth during this period was somewhat stronger than anticipated in the October 2013 *World Economic Outlook*. Global activity and world trade picked up in the second half of 2013. Final demand in the advanced economies expanded broadly as expected, much of the upward spurt in growth being due to higher inventory demand. In emerging market economies, however, financial conditions have remained tighter following the surprising US tapering announcements in May 2013, notwithstanding fairly resilient capital flows. Equity prices have not fully recovered, many sovereign bond yields have edged up, and some currencies have been under pressure. He concluded his presentation on the note that growth momentum seems to be shifting from emerging markets to the advanced economies, whereas risks are on the downside. Asia is still the global growth leader and inflation is not a major concern for most except India and Indonesia. Short-term monetary tightening might work. In the case of India, there is a growth slowdown led by investments which will take time to fix. Inflation in India is still too high and the budget deficit is increasing. There is a need for structural reforms to boost investment and growth.

## Central Bank Balance Sheets: Implications for India

February 3, 2014

A talk on expanding Central Bank balance sheets titled, 'Unprecedented expansion of Central Bank Balance Sheets: Implications for India' was organised at ICRIER on February 3, 2014. Dr. Jaimini Bhagwati, RBI Chair Professor at ICRIER spoke on ballooning balance sheets of crisis-ridden advanced economies like US, UK, Euro Area and Japan in the wake of the global financial crisis and their implications on emerging economies like India. He gave an overview of how total assets or total liabilities of the Federal Reserve as well as the Bank of England rose at an unprecedented four-fold level during 2008-2013 as a response to unconventional monetary policies adopted by them. Further, Dr. Bhagwati shed light on why nominal yields on US treasury long-term bonds, UK Gilt and German government bonds have been rising over the post-crisis years, despite the expansionary monetary policy in these economies. In spite of rising nominal yields, real yields which factor in inflation have been quite low. For instance, in the beginning of January 2014, yields on 10-year US treasury bonds were close to 1.5% while it was negative in January 2013. In India, where the government bond market promises

a much higher yield on government dated securities than all advanced countries' government long-term bonds, there has been persistent rise in consumer prices, marring all benefits from high nominal yield and, in fact, creating negative returns. The talk concluded by highlighting major problems in the Indian bond market and some ways to overcome them.

### **Conversations on Urbanisation Series**

February 12, 2014

The 'Conversations on Urbanisation' series is a joint initiative by ICRIER and IHC to provide a platform for discussion on pressing urban challenges with a wider audience. The inaugural lecture was given by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER. Mr. Raj Liberhan, Director, India Habitat Centre, made the initial remarks and introduced the speakers and Dr. Rajat Kathuria, Director, ICRIER, spoke about the urbanisation programme at ICRIER.

Dr. Ahluwalia began by stressing the need for greater inter-disciplinary dialogue on urbanisation, given the poor availability of reliable data, and limited research collaboration between sub-disciplines in urban studies. She stated that the issue of urbanisation needed to be located within the overall strategy of national development, which is currently not the case. While urbanisation is inevitable – leading to large-scale movement of people – how it is managed will determine whether we reap the benefits of such a transformation. She cited the HPEC Report on Urban Infrastructure and Services, and highlighted the massive amount of infrastructure investment required in order to service approximately 40% of India's population which will reside in urban areas by 2030. This kind of investment would be possible only if private players are incentivised by providing an appropriate revenue model guaranteeing returns on their investments.

The lecture was followed by a discussion wherein the audience provided varied perspectives on urban challenges and possible solutions, touching upon issues ranging from the need for better governance structures, the dynamics of rural-urban migration, technical capacity building within ULBs, municipal financing, and the use of technological solutions to improve service delivery.

### **China's Approach to Global Economic and Environmental Governance: The Cases of G20, Climate Policy and GMO Regulation in a Larger Perspective**

February 17, 2014

This seminar was led by Dr. Yves Tiberghien, Director, Institute of Asian Research, University of British Columbia. Dr. Tiberghien spoke about China's approach towards global economic and environmental governance in the larger perspective of G20, climate policy and GMO regulation. He said that the scope and depth of global economic interdependence has gone ahead of existing global governance structures. There is a transition from old economic structures to new ones as the share of the OECD is declining and the share of many Asian countries, especially India and China, is increasing, together with a new balance of power. Dr. Tiberghien also discussed the Chinese GMO puzzle and explained why China has adopted a strong precautionary regulatory position, including mandatory labelling. The talk concluded with the statement that there exists a positive window for cooperation between established and emerging powers in the G20 process but time is limited. The positions of the BRICS nations, especially China, are fluid and diverse. Countries like China and India are median players seeking to buttress the existing global economic system and increasing the voice for emerging powers.

### **How the US Dollar Tightened Its Grip on Global Finance**

February 20, 2014

Dr. Eswar Prasad, Tolani Senior Professor of Trade Policy at Cornell University and Senior Fellow at the Brookings Institution, spoke about his new book 'The Dollar Trap: How the US Dollar Tightened Its Grip on Global Finance'



in a talk hosted by Brookings India and ICRIER on February 20, 2014, in New Delhi. The programme was chaired by Dr. Subir Gokarn, Senior Fellow and Director of Research, Brookings India. The opening remarks were made by Dr. Rajat Kathuria, Director and Chief Executive, ICRIER. Dr. Jaimini Bhagwati, RBI Chair Professor, ICRIER and Mr. Abheek Barua, Chief Economist, HDFC Bank were the discussants.



L to R : Prof. Eswar Prasad, Dr. Rajat Kathuria, Dr. Subir Gokarn and Dr. Jaimini Bhagwati at the seminar on 'How the US Dollar Tightened Its Grip on Global Finance.'

In his book, Professor Prasad demonstrates how the dollar will remain the cornerstone of global finance for the foreseeable future, even after the near collapse of the US financial system in 2008-2009, and even in the face of emergence of the Chinese renminbi as the main reserve currency. Professor Prasad has argued that the financial crisis, a dysfunctional international monetary system, and US policies have paradoxically strengthened the dollar's importance. Dr. Jaimini Bhagwati presented a scenario of another financial meltdown in the US economy and asked the author to examine what the dollar's role would then be. Mr. Abheek Barua stated that the market likes to reward on the basis of relative performance. Dr. Subir Gokarn stressed the need for a global regulatory framework. If stakeholders are affected by the actions of some institutions, namely the US dollar, then the institutions must be held accountable. The countries with a bigger stake in the world market will eventually have a bigger say in financial decision making.

## IMF's Annual Assessment of India: Article IV

February 21, 2014

Dr. Thomas Richardson, Senior Resident Representative – India, IMF, presented the IMF report on the macroeconomic health of the Indian economy, highlighting the projections of India's growth rate, state of inflation, deficits and role of government policy. Dr. Richardson mentioned that the IMF estimates India's growth to be 4.6% in 2013-14 and 5.4% in 2014-15. In the past, India's growth forecasts have been revised downwards due to slowdown in investment in the country. As regards inflation, the country has been experiencing high overall inflation, largely attributed to high food inflation. On the deficit situation, Dr. Richardson mentioned that the fiscal stimulus package after the crisis has led to an increase in the fiscal deficit. Dr. Richardson pointed out that both fiscal and monetary policies in India leave no space for manoeuvre.

The presentation was followed by brief remarks from Dr. Ila Patnaik, RBI Chair Professor, National Institute of Public Finance and Policy, Dr. Surjit S. Bhalla, Managing Director, Oxus Investments Private Ltd. and Dr. Denis Medvedev, Senior Country Economist, World Bank.

Dr. Patnaik enquired about the growth drivers for the Indian economy and reasons for increased short-term debt in India. Dr. Bhalla questioned the appropriateness of tight monetary policy and its adverse effect on output and investment. He pointed out that the IMF can do something about comparative data for India and other countries with respect to tax-GDP ratio. Dr. Denis highlighted the position that the World Bank has projected India's growth in 2014-15 to be 6.2%. However, data revisions by the Indian government make it difficult to forecast growth. As a counter argument, Dr. Richardson



explained that the IMF is optimistic about agricultural output and investments in India and hence the optimistic projections. This was followed by interaction with the audience.

## **India and the US: Managing the Changing Power Dynamics in the Indo-Pacific, with the US Air War College**

March 7, 2014

The ICRIER-Wadhvani Chair held a discussion on ‘India and the US: Managing the Changing Power Dynamics in the Indo-Pacific’ with the team from the US Air War College led by Dr. Amit Gupta. Ambassador H. K. Singh highlighted a growing economic interdependence between the US and India. He stated that the Asia-Pacific is experiencing two contradictory and paradoxical developments. On the one hand, countries in the region are economically integrating and registering sustained economic growth. On the other, the countries in the region are witnessing increased tensions pertaining to maritime and territorial disputes which indicate that there is growing and unsustainable disconnect between geo-economics and geopolitics. He drew attention to the urgent need to create a regional security framework in India’s neighbourhood. Ambassador Singh stated that the principal guidelines on which a security framework could be charted are ‘No containment’, ‘No hegemony’ and ‘No condominium’. The ensuing discussion concluded with the understanding that economic interdependence alone cannot guarantee a security balance and that the US needs more collaborative approaches for ensuring global peace.

## **The Challenges of Opening up India’s Capital Account**

March 12, 2014

Dr. Rajeshwari Sengupta, Visiting Fellow at Indira Gandhi Institute of Development Research (IGIDR) in Mumbai made a presentation on the challenges of opening up India’s capital account. She analysed India’s experience in negotiating the trade-offs between conflicting objectives of the well-known macro trilemma – free capital flows, an independent monetary policy and a free exchange rate. India has adopted a calibrated and gradual approach towards opening of the capital account, prioritising the liberalisation of certain flows. She quantified the trilemma policy objectives using empirical methods and determined that India has opted for an intermediate regime rather than corner solutions. The results indicate that the intermediate approach has been associated with an asymmetric intervention by the Central Bank in the foreign exchange market, with the objective of resisting pressures of appreciation, and has resulted in large accumulation of reserves. Much of the sterilisation in India has been through reduction in holding of government bonds but, from 2003-04, rising fiscal costs of sterilisation forced the Central Bank to only partially sterilise forex interventions. She argued that interventions, if not sterilised, can lead to rapid increase in reserve money and decline in monetary independence. Finally, she concluded that while the greater flexibility in exchange rate since 2007 has allowed the pursuit of a more independent monetary policy and the exchange rate to act as a shock absorber, the hands-off approach has resulted in reserves remaining virtually stagnant since 2007, leading to a significant deterioration in the reserve adequacy measures. The session ended on the note that emerging economies should actively manage their capital account in the face of volatile capital flows driven by widely shifting risk perceptions, uncertainty about recovery prospects and quantitative easing in advanced economies.

## **Urbanisation in India at Chatham House, London**

April 2, 2014

Dr. Isher Judge Ahluwalia, Chairperson, ICRIER, gave a talk around the topics covered in the recently published book ‘Urbanisation in India, Challenges, Opportunities and the Way Forward,’ which she has co-edited with Professor Ravi Kanbur and Dr. P. K. Mohanty. The session was chaired by Dr. Gareth Price, Senior Research Fellow, Asia Programme, Chatham House. Dr. Ahluwalia spoke about how urban areas are integral to India’s growth and development, accounting

for around two-thirds of the country's GDP. She discussed India's rapidly expanding process of urbanisation, identifying key challenges and opportunities and proposing suitable managerial and policy reforms. Drawing upon examples from across the country, she discussed how cities are transforming themselves, raising the hope that India can successfully manage its urbanisation concerns.

## Public Lecture on Transforming Indian Cities: Challenges and Opportunities at London School of Economics

April 3, 2014

In this public lecture hosted by the London School of Economics and chaired by Lord Nicholas Stern, Dr. Isher Judge Ahluwalia spoke about how urban areas are integral to India's growth and development, accounting for around two-thirds of the country's GDP. Yet the country's cities face severe challenges and are desperately in need of transformation. Dr. Ahluwalia shared that ICRIER has been involved in efforts to make cities and urbanisation more central to the national policy agenda. She outlined insights from her recent book, 'Transforming Our Cities: Postcards of Change,' published by HarperCollins and highlighted stories of hope from a diverse range of Indian cities. She put forward an analysis of the challenges and opportunities facing Indian cities at this critical juncture.

## Second Discussion in the Series: Conversations on Urbanisation

### Role of Business in Improving Cities: The Experience of City Connect – by V. Ravichandar

April 24, 2014



L to R: Mr. V. Ravichandar, Mr. R.M.S. Liberhan, Dr. Isher Judge Ahluwalia and Dr. Rajat Kathuria at the discussion on 'Role of Business in Improving Cities: The Experience of City Connect.'

The second discussion in the series 'Conversations on Urbanisation' was anchored by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER, and steered by Mr. V. Ravichandar, Chairman of Feedback Consulting and involved improving the quality of life in cities in collaboration with the government through a platform called 'City Connect.'

Mr. Ravichandar's presentation outlined the need to involve businesses in the growth of cities. One message ran clear across his presentation, namely, businesses should be incentivised to get involved in the process of correcting dysfunctional cities, which in turn would benefit them by catalysing a reduction in overall costs.

He went on to describe the elements of 'City Connect,' which consist of revised methods of property tax collection to ensure transparency, a city accountability platform, better city roads, and improvements in solid waste management techniques.

The talk was followed by a conversation on these issues, many of which call for attention in our cities – the lack of a proper drainage system in New Delhi, for instance. The conclusion was that for development of cities, the collaboration of the government, NGOs, interested citizens, residents' welfare associations and businesses is necessary in any initiative of public interest.

## FSI-ICRIER-JIIA Dialogue on India-Japan Relations: The Way Forward

April 25-26, 2014



L to R: Amb. Hemant Krishan Singh, Amb. Lalit Mansingh, Amb. Yoshiji Nogami and Major General Dipankar Banerjee (Retired) at the 'FSI-ICRIER-JIIA Dialogue on India-Japan Relations: The Way Forward.'

A new India-Japan Track II Dialogue was initiated by ICRIER with the Japan Institute of International Affairs (JIIA), in collaboration with the New Delhi-based think tank Forum for Strategic Initiatives (FSI). The participants comprised eminent experts and policy makers and were led by Ambassador Yoshiji Nogami (JIIA), Ambassador Lalit Mansingh (FSI) and Ambassador H. K. Singh (ICRIER). The discussion focused on the evolving dynamics of India-Japan relations in the context of the geopolitical and security situation in the Indo-Pacific region. Views were exchanged on the expansion of the India-Japan strategic partnership in trade and investment, energy, defence and regional security architecture. The meeting concluded with the signing of an ICRIER-FSI-JIIA joint statement and the decision to continue this Track II Dialogue in Tokyo in March 2015.

## Does Climate Change make Indian Agriculture more Risky? Evidence from Food Grain Yields

June 19, 2014

Dr. Shreekanth Gupta, Associate Professor, Delhi University, presented the paper, co-authored with Professor Partha Sen, 'Does Climate Change make Indian Agriculture more Risky? Evidence from Food Grain Yields' on June 19, 2014. They felt that the expected change in India by 2030 would include longer dry spells with distribution of rainfall changing inter-temporally and spatially, thereby increasing variability and risk in agricultural production. However, when and where this will happen becomes important as agriculture is an important sector in India and its production is still strongly correlated with the summer monsoon rainfall.

They examined the impact of climate change by estimating crop-specific production functions in contrast with other economic studies that use the Ricardian approach, while linking climate and weather with yields, land values and farm profits. Their preliminary results show, first, that yields are strongly correlated with rainfall. Since rain is highly variable, yields too will fluctuate. Second, while agricultural inputs improve yield, they also make the crops sensitive to climate variations, thereby increasing the variance in crops. Third, the impact of climate change on mean yields and their variability is more so for rice than for millets.

## World Bank's Annual Assessment of Global Economic Prospects

June 20, 2014

The meeting began with a presentation by Mr. Andrew Burns, Acting Director, Development Prospects Group, World Bank, on the World Bank's annual assessment of Global Economic Prospects, which was also the theme of the event. Covering the global economy, South Asia and India, Mr. Burns affirmed the downgrade of the global growth forecast for 2014, led by a weak first quarter in most countries. According to Mr. Burns, the World Bank's outlook on medium-term growth for

2014 remains flat with a moderate rise expected in 2015. The acceleration in growth will come primarily from high-income countries. Regarding India, Mr. Burns pointed out that India continues to battle with issues like high inflation, rising NPAs and declining capital stock. He said that lower potential growth and a negative output gap are the major barricades in India's growth path and that strong structural policies are needed for sustaining stronger growth.

After Mr. Andrew's presentation, Dr. Subir Gokarn, Director, Brookings India, postulated that disconnect between the real and financial worlds, change in the nature and process of job creation and change in the nature of global integration were the three significant structural changes which the world has witnessed in the last five years. The meeting ended with concluding remarks by Dr. Jaimini Bhagwati, RBI Chair, ICRIER, who picked out the issue of rising NPAs in banks to suggest that banks must use stochastic modelling to predict potential defaulters.

### **Presentation on India Energy Security Pathways: Alternate Projections up to 2047**

June 23, 2014

Dr. Isher Judge Ahluwalia set the context by discussing how the Planning Commission, Government of India should adopt a long-term focus. Achieving energy independence would take India a long way in achieving its climate change targets. Mr. Anil Kumar Jain, Adviser (Energy), Planning Commission, Government of India added that the next version of the tool under demonstration would incorporate features such as pricing.

The presentation by Mr. Himanshu Gupta, Consultant (Energy), Planning Commission, Government of India revolved around the results derived from 'India Energy Security Scenarios,' 2047, a web/excel based tool to explore alternate energy scenarios through changes in energy demand and supply. Mr. Gupta demonstrated how different effort levels impacted energy projections. 'Heroic' efforts involving solar photo voltaic, for example, decreased emissions to 4.8 tonnes per capita. The tool offers insights to energy projections such as how significant increases in the use of biomass, domestic coal and coal station efficiency markedly reduce energy import dependence. In an energy scenario that minimises emissions, thermal capacity drops over time. In this way the tool can determine narratives around the energy futures sought.

The discussion closed with agreement that different institutions could modify this tool and consolidate high-quality data to arrive at more robust iterations. Dr. Kathuria expressed enthusiasm at the prospect of partnering to help develop the IESS, 2047.

### **Third Discussion in the Series: Conversations on Urbanisation The Public Domain in the City: How to use its Potential to Energise our Cities and make them more Liveable**

June 26, 2014

Mr. Shyam Khandekar, independent design consultant and editorial director of the magazine 'MY LIVEABLE CITY: the Art and Science of making it' delivered the third lecture in the series 'Conversations on Urbanisation' on the theme 'The Importance of Public Domain in Our Cities.' The lecture was chaired by Dr. Meenu Tewari, HUDCO Chair Professor, ICRIER. Mr. Khandekar argued that public space defines the primacy of urban space and stressed the need for interaction between buildings and the public domain. He described how public space is managed in India and other parts of the world with examples of cities where pedestrians and cyclists are given priority over cars. He emphasised that pedestrians and cyclists need to be the prime focus in design rather than cars. He also pointed out that management of these public spaces is not a tough task: there is only need for proper enforcement. He concluded by suggesting that pedestrianisation in combination with efficient public transport facilities will be the only sustainable solution. This will result in environmental, health, financial, social and spatial gains.

## International Networking

### **South Asia Network of Economic Research Institutes (SANEI)**

The Thirteenth Annual SANEI Conference will be held during August 30-31, 2014 in Dhaka, Bangladesh. The conference is being organised by the SANEI secretariat in association with the Bangladesh Institute of Development Studies (BIDS). The theme of the conference is 'Regional Integration in South Asia' and it will be attended by renowned academicians, researchers, high-level policy makers and others from the USA, South Asia and other countries including representatives from SAARC, Government of India and research organisations.

SANEI has also invited research proposals for its 16<sup>th</sup> Round of Regional Research Competition (RRC) within the thematic focus on Regional Integration in South Asia. It was decided by the SANEI Research Advisory Panel (RAP) to extend the 15<sup>th</sup> Round topic for a further year.



## Book/Report Releases

### Report Release – *Asia's Arc of Advantage India, ASEAN and the US: Shaping Asian Architecture*

August 30, 2013



L to R: Amb. H.K. Singh, Dr. Rajat Kathuria, Amb. Nancy Powell, Amb. Ronen Sen, Amb. Shyam Saran and Admiral Sureesh Mehta at the release of 'Asia's Arc of Advantage India, ASEAN and the US: Shaping Asian Architecture.'

The ICRIER-Wadhvani Chair launched its report on 'Asia's Arc of Advantage – India, ASEAN and the US: Shaping Asian Architecture.' The report was launched by H. E. Nancy Powell, Ambassador of the United States to India. Ambassador Ronen Sen, Admiral Sureesh Mehta (Retd.) and Ambassador Shyam Saran also participated in the release of the report. Ambassador H. K. Singh gave an overview of the report and listed various action points for India and the US noting that, given the structural shift in global power, there is a need for shared normative frameworks and security architecture in the region. The participants at the release called for greater convergence between India's renewed Look East Policy and the US 'rebalance' towards the Asia Pacific.

### Report Release – *Enhancing Trade, Investment and Cooperation between India and Taiwan and A study of India's Investment Environment, Major FDI Inflows, and Suggestion for Taiwan Businessmen*

September 2, 2013

ICRIER organised the release of two reports titled, 'Enhancing Trade, Investment and Cooperation between India and Taiwan' edited by Parthapratim Pal, Arpita Mukherjee and Kristy Tsun Tzu Hsu and 'A study of India's Investment Environment, major FDI inflows, and Suggestion for Taiwan's businessmen' authored by Dr. Rajat Kathuria and Mansi Kedia Jaju, on September 2, 2013. The reports were released by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER and attended by policy makers, bureaucrats, academics, and business representatives from India and Taiwan.



L to R: Dr. Rajat Kathuria, Mr. Chung-Shu Wu, Mr. Chung-Kwang Tien, Dr. Isher Judge Ahluwalia, Mr. Da-Wei Hsu and Mr. K. Shankar Bajpai at the Reports Release.

The first report focuses on the possibility of a comprehensive economic partnership between India and Taiwan. It highlights the macroeconomic policies of both countries, including an analysis of bilateral trade and investment, and the scope for

collaboration in selected sectors. These include logistics, automobile and auto components, information and communications technology, food processing, retail and trade distribution, and human resource development. The second study examines the investment climate in India with respect to Taiwanese businesses, also focusing on selected sectors and states. It highlights the need for domestic reforms at the macro level and provides recommendations for industry associations and businesses at the micro level.

In the technical sessions that followed the release, representatives from both countries presented their views on the gains from increased economic engagement between India and Taiwan. The Indian perspective highlighted the benefits of increased FDI inflows from Taiwan, while the Taiwanese representatives stressed the need for India to lower import tariffs for their products to become competitive in the Indian market. Both sides unanimously agreed on the need for continuous dialogue between the two countries to take the collaboration forward.

### **Report Release – *Food Processing Industry in India: Unleashing the Potential of the Non-Alcoholic Beverage Sector***

December 19, 2013

A report on ‘Food Processing Industry in India: Unleashing the Potential of the Non-alcoholic Beverage Sector’ authored by Arpita Mukherjee, Debolina Mukherjee, Deboshree Ghosh and Divya Satija was launched on December 19, 2013 at ICRIER. The report was published by Academic Foundation. ICRIER, Indian Beverage Association and Academic Foundation jointly organised the book release.



L to R: Mr. S. R. Goenka, Dr. Isher Judge Ahluwalia, Prof. Arpita Mukherjee and Mr. Sharad Pawar at the release of the report ‘Food Processing Industry in India: Unleashing the Potential of the Non-Alcoholic Beverage Sector.’

The report is the first exhaustive study on the non-alcoholic beverage sector as a case study for reforming the Indian food processing sector. It addresses the core policy issue of how to generate ‘inclusive growth’ by examining an important component of the food processing sector, namely the non-alcoholic beverage sector, which encompasses the entire agriculture value chain from farm to final consumer. The report is based on secondary information analysis and a primary survey. It provides information and market entry and operation strategies to businesses in emerging markets such as India, and enables policy makers to prioritise policy reform. The report highlights some key barriers and suggests measures to remove the barriers to support the growth of the non-alcoholic beverage sector in particular and the Indian manufacturing sector in general.

The report was released by Mr. Sharad Pawar, Hon. Union Minister of Agriculture and Food Processing Industries, Government of India, followed by a presentation of the key findings and a panel discussion. Several prominent policy makers including Dr. Isher Judge Ahluwalia, Chairperson, ICRIER, Mr. Saumitra Chaudhuri, Member, Planning Commission, Government of India, Mr. Shiraj Hussain, Secretary, Ministry of Food Processing Industries, Government of India, Mr. Pankaj Agrawala, Secretary, Department of Consumer Affairs, Government of India, Dr. Ashok Gulati, Chairman, Commission for Agriculture Costs and Prices, and Mr. Ajay Shankar, Member Secretary, National Manufacturing Competitiveness Council, spoke at the event which was attended by representatives from industry, media, think tanks and academics.

## Book Release – *Urbanisation in India: Challenges, Opportunities and the Way Forward*

January 21, 2014



L to R: Dr. Bimal Patel, Dr. P. K. Mohanty, Mr. Kamal Nath, Dr. Isher Judge Ahluwalia, Mr. Vivek Mehra, Dr. Montek Singh Ahluwalia and Dr. Ravi Kanbur at the Book Release 'Urbanisation in India: Challenges, Opportunities and the Way Forward.'

The book 'Urbanisation in India: Challenges, Opportunities, and the Way Forward' edited by Dr. Isher Judge Ahluwalia, Dr. Ravi Kanbur, and Dr. P. K. Mohanty and published by Sage Publications was launched on January 21, 2014 by Mr. Kamal Nath, Hon. Union Minister of Urban Development, Government of India. The launch was preceded by a day-long workshop on the same topic. The event was held at Vigyan Bhawan, with the editors of the book, and the CEO of Sage Publications sharing the dais with the minister who stressed the need for a long-term vision of urbanisation in the country, touching other pertinent issues such as the financial health of ULBs, public-private partnership, people's participation, urban land markets and sustainable habitats. The event was covered by the media, with eminent policy makers, academics, international urban practitioners present.

## Book Release – *Transforming our Cities: Postcards of Change*

February 10, 2014



L to R: Mr. Krishan Chopra, Mr. P. M. Sukumar, Mr. Shekhar Gupta, Dr. Isher Judge Ahluwalia, Hon. Mr. P. Chidambaram, and Mr. Satyajeeet Krishnan at the book release 'Transforming our Cities: Postcards of Change.'

The book, 'Transforming Our Cities: Postcards of Change' (HarperCollins, India) by Dr. Isher Judge Ahluwalia was released by the Hon. Finance Minister, Government of India, Mr. P. Chidambaram, in Delhi. This book is a collection of Dr. Ahluwalia's columns in the Indian Express and the Financial Express, which portray the varied experiences of cities as they undergo the rapid process of urbanisation. The book release was followed by a panel discussion which included Mr. Arun Jaitley, Member, Rajya Sabha, Mr. Jyotiraditya Scindia, Hon. Minister of State for Power, Government of India and Dr. Sanjaya Baru, Director, International Institute for Strategic Studies. Ms. Barkha Dutt, Group Editor, NDTV moderated the panel discussion. The event was organised by the Express group and had policy makers, academics, prominent politicians and media personalities in attendance.

The book was also released in Kolkata, where the author presented a copy to Dr. Amartya Sen, in Bengaluru by Mr. N. R. Narayana Murthy, and in Mumbai where the author discussed the book with Mr. Prithviraj Chavan,



former Chief Minister, Maharashtra at ‘Express Adda’. Subsequently, the book was launched at the Centre for Livable Cities in Singapore in March, 2014 and at the London School of Economics in the presence of Lord Nicholas Stern in April, 2014.



L to R: Ms. Kiran Mazumdar Shaw, Justice Santosh Hegde, Mr. Sunil Jain, Mr. N. R. Narayana Murthy, Mr. K. Jairaj, Dr. K. Kasturirangan and Dr. Isher Judge Ahluwalia at the Book Release in Bengaluru.

### ***Report Release – From Poverty to Empowerment: India’s Imperative for Jobs, Growth and Effective Basic Services***

March 3, 2014

ICRIER and the McKinsey Global Institute (MGI) jointly released an MGI report which examines the methods to alleviate poverty and empower the Indian citizen. The event began with the authors presenting their key findings, followed by a panel discussion which included Dr. Subir Gokarn, Director of Research, Brookings India, Mr. Rajat Gupta, Director, McKinsey & Company, Dr. Martin Rama, Chief Economist, South Asia, World Bank, Mr. Shirish Sankhe, Director, McKinsey & Company and Dr. Pronab Sen, Country Director, International Growth Centre.

The report has developed an analytical framework to determine the ‘Empowerment Line,’ a measure which goes beyond the official poverty line to focus on the level of consumption required for an individual to meet the necessities of human development. The ‘Empowerment Line’ is estimated using the cost of fulfilling eight basic household needs (food, energy, housing, drinking water, sanitation, health care, education, and social security) at a level sufficient to achieve a decent, if modest, standard of living rather than just bare subsistence.

From the 2011-12 data, MGI finds that 56% of India’s population lacks the means to meet its essential needs, implying that this segment falls below the ‘Empowerment Line.’ The four critical elements for inclusive reforms are accelerating job creation, raising farm productivity and increasing public spending on basic services and making basic services more effective.

The panellists agreed that current measurements of poverty are insufficient and endorsed the usage of the ‘Empowerment Line’ as a new and informative measure.

### ***Report Release – Navigating the Headwinds: Mitigating Contention in the India-US Business Engagement***

May 5, 2014

Even as India-US trade, in both goods and services, has reached the \$100 billion mark, the past year saw the emergence of a number of contentious issues which have adversely impacted the climate for bilateral trade and investment. Against this backdrop, the ICRIER Wadhvani Chair has undertaken a series of policy reports to help understand, clarify and mitigate issues in India-US business engagement.

A consolidated volume titled 'Navigating the Headwinds' was launched on May 5, 2014. The three reports in this volume are 'Deconstructing India's Preferential Market Access (PMA) Policy,' 'India's Investment Climate: Addressing Concerns about Tax Policy,' and 'US Immigration Reform: Revisiting the Approach to Skilled Visa Provisions.'

The launch commenced with an opening address by Ambassador Hemant Krishan Singh, ICRIER Wadhvani Chair Professor, who hoped the reports would contribute towards greater equilibrium in the bilateral economic discourse between India and the US. This was followed by presentations on each of the three issues covered in the volume by their authors. A distinguished panel of expert discussants reviewed the report.



L to R: Mr. R. R. Singh, Amb. Hemant Krishan Singh, Dr. Rajat Kathuria, Amb. Kanwal Sibal, Dr. Parthasarathi Shome and Mr. B.V. R. Mohan Reddy at the report launch 'Navigating the Headwinds.'

Dr. Rajat Kathuria provided a perspective on PMA and manufacturing localisation policies that broadly buttress the findings of the report. Mr. B. V. R. Mohan Reddy, an IT industry stakeholder and Vice Chairman of NASSCOM, dwelt on the relevance of the immigration report in view of the adverse impact on US industry from restrictions on skilled worker visas. Dr. Parthasarathi Shome, Chairman of the Tax Administration Reform Commission, highlighted the broader issues and challenges of reforming India's taxation policies. The event concluded with the keynote address by Ambassador Kanwal Sibal, former Foreign Secretary, Government of India on the contours of the evolving India-US relationship from an economic and strategic perspective.

### Report Release – *India-US Defence Industrial Cooperation: The Way Forward*

June 10, 2014

The ICRIER Wadhvani Chair's policy report 'India-US Defence Industrial Cooperation: The Way Forward' was launched on June 10, 2014. The report's authors Sanjay Pulipaka and Brig. Gurmeet Kanwal made presentations on the critical constraints which need to be addressed by Indian policy makers for progress in domestic defence manufacturing. Vice Admiral Pradeep Kaushiva, Director, National Maritime Foundation, made keynote remarks as the principal discussant. The report provides timely inputs to India's new government as it seeks to incentivise the expansion of India's defence industrial sector.



L to R: Dr. Deba Mohanty, Brig. Arun Sahgal, Ms. Sylvia Mishra, Mr. Sanjay Pulipaka, Dr. Rajat Kathuria, Amb. Hemant Krishan Singh, Vice Adm. Pradeep Kaushiva and Brig. Gurmeet Kanwal at the report release 'India-US Defence Industrial Cooperation: The Way Forward.'



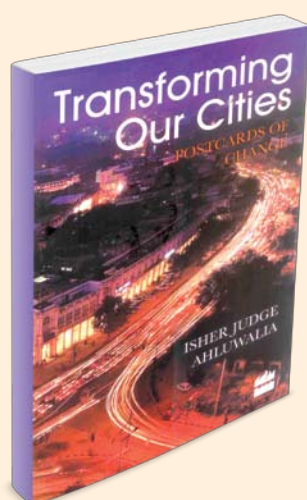
# Publications

## Books

- **Transforming Our Cities: Postcards of Change**

By Isher Judge Ahluwalia

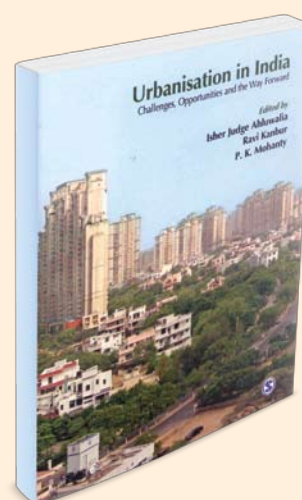
HarperCollins Publishers India, 2014, 280 pages



- **Urbanisation in India: Challenges, Opportunities and the Way Forward**

Edited by Isher Judge Ahluwalia, Ravi Kanbur and P. K. Mohanty

SAGE India, 2014, 300 pages



- **Impact of American Investment in India: A Socioeconomic Assessment**

By Saon Ray, Smita Miglani and Neha Malik

Academic Foundation, 2014, 66 pages

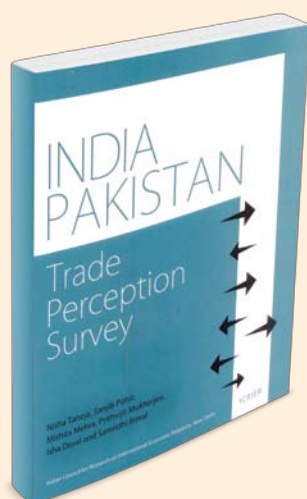


## Reports

- **India-Pakistan: Trade Perception Survey**

By Nisha Taneja, Sanjib Pohit, Mishita Mehra,  
Prithvijit Mukherjee, Isha Dayal and Samridhi Bimal

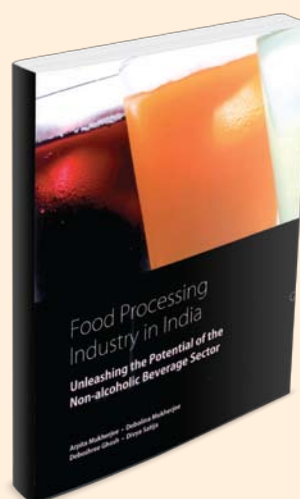
Academic Foundation, 2014, 82 pages



- **Food Processing Industry in India: Unleashing the Potential of the Non-Alcoholic Beverage Sector**

By Arpita Mukherjee, Debolina Mukherjee,  
Deboshree Ghosh and Divya Satija

Academic Foundation, New Delhi, 2014, 144 pages



- **Enhancing Trade, Investment and Cooperation between India and Taiwan**

Edited by Parthapratim Pal, Arpita Mukherjee and  
Kristy Tsun-Tzu Hsu

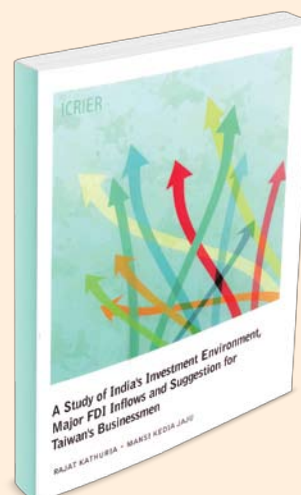
Academic Foundation, 2013, 386 pages



- **A Study of India's Investment Environment, Major FDI Inflows and Suggestion for Taiwan's Businessmen**

By Rajat Kathuria and Mansi Kedia Jaju

Academic Foundation, 2013, 152 pages

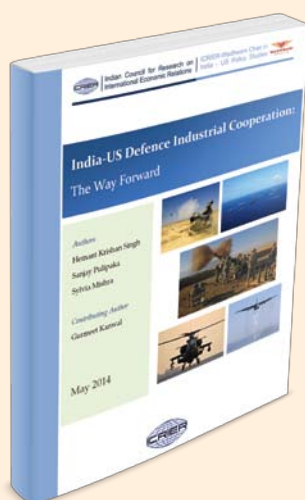


## Wadhvani Chair Reports

- **India-US Defence Industrial Cooperation: The Way Forward**

By Hemant Krishan Singh, Sanjay Pulipaka and Sylvia Mishra

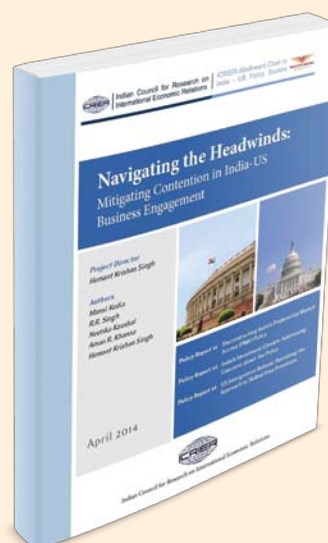
ICRIER, 2014, 38 pages



- **Navigating the Headwinds: Mitigating Contention in India-US Business Engagement**

By Mansi Kedia, R. R Singh, Neetika Kaushal, Aman Raj Khanna and Hemant Krishan Singh

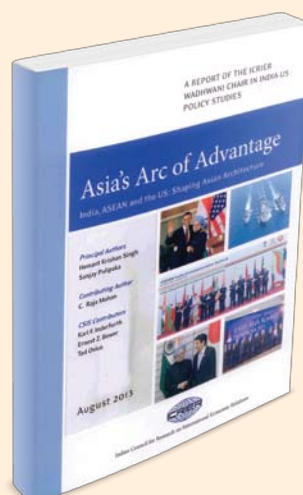
ICRIER, 2014, 150 pages



- **Asia's Arc of Advantage India, ASEAN and the US: Shaping Asian Architecture**

By Hemant Krishan Singh and Sanjay Pulipaka

ICRIER, 2013, 134 pages



## Working Papers

281. Anwarul Hoda and Durgesh Kumar Rai, “Trade and Investment Barriers affecting International Production Networks in India,” July 2014.
280. Nisha Taneja, Neetika Kaushal Nagpal and Saon Ray, “India-Korea CEPA: Harnessing the Potential in Services,” July 2014.
279. Kirti Gupta and Fahad Siddiqui, “Salient Features of Measuring, Interpreting and Addressing Indian Inflation,” July 2014.
278. Anant Sudarshan and Meenu Tewari, “The Economic Impacts of Temperature on Industrial Productivity: Evidence from Indian Manufacturing,” July 2014.
277. Ganeshan Wignaraja, “Joining the Supply Chain: A Firm-Level Perspective from Southeast Asia,” June 2014.
276. Shweta Saini and Ashok Gulati, “El Niño and Indian Droughts – A Scoping Exercise,” June 2014.
275. Manoj Pant and Devyani Pande, “India-Pakistan Trade: An Analysis of the Pharmaceutical Sector,” June 2014.
274. Palakh Jain and Samridhi Bimal, “Enhancing India-Pakistan Economic Cooperation: Prospects for Indian Investment in Pakistan,” May 2014.
273. Neha Malik, “Securities Transaction Tax-Case Study of India,” April 2014.
272. Saon Ray and Neha Malik, “Impact of Transaction Taxes on Commodity Derivatives Trading in India,” March 2014.
271. Saon Ray, Amrita Goldar and Swati Saluja, “Feedstock for the Petrochemical Industry,” February 2014.
270. Suparna Karmakar and Meenu Tewari, “Using IPRs to Protect Niches? Evidence from the Indian Textile and Apparel Industry,” January 2014.
269. Ashok Gulati, Shweta Saini and Surbhi Jain, “Monsoon 2013: Estimating the Impact on Agriculture,” December 2013.
268. Samarjit Das, Chetan Ghate and Peter E. Robertson, “Remoteness and Unbalanced Growth: Understanding Divergence across Indian Districts,” September 2013.
267. Nisha Taneja, Mishita Mehra, Prithvijit Mukherjee, Samridhi Bimal and Isha Dayal, “Normalising India Pakistan Trade,” September 2013.

## Wadhvani Chair: Issue Briefs and India-US Insight Series

1. India-US Insight, Vol. 4, Issue 2: “The Narendra Modi Cabinet” by Sanjay Pulipaka, May 29, 2014.
2. India-US Insight, Vol. 4, Issue 1: “Narendra Modi’s resounding election victory and prospects for India’s domestic and foreign policy” by Ambassador Hemant Krishan Singh, May 20, 2014.
3. Policy Report No. 3: “US Immigration Reform: Revisiting the Approach to Skilled Visa Provisions” by Aman R Khanna and Hemant Krishan Singh, March 18, 2014.
4. Issue Brief, Vol. 3, Issue 4: “Managing Strategic Change in the Indo-Pacific” by Ambassador Hemant Krishan Singh, February 19, 2014.
5. Policy Report No. 2: “India’s Investment Climate: Addressing Concerns about Tax Policy” by R. R. Singh and . Neetika K. Nagpal, February 12, 2014.
6. Policy Report No. 1: “Deconstructing India’s Preferential Market Access (PMA) Policy” by Mansi Kedia, February 7, 2014.
7. Issue Brief, Vol. 3, Issue 3: “Reimagining the Region: Asia-Pacific or Indo-Pacific?” by Ambassador Hemant Krishan Singh, October 31, 2013.
8. India-US Insight Vol. 3, Issue 6: “India-US Defence Trade and Technology Initiative: Moving to a Higher Trajectory” by Brig. (Retd.) Gurmeet Kanwal, October 9, 2013.
9. India-US Insight Vol. 3, Issue 5: “India, the US and Afghanistan: Arc of Anxiety or a New Silk Road?” by Sanjay Pulipaka and Sylvia Mishra, September 26, 2013
10. India-US Insight Vol. 3, Issue 4: “India and the US: Navigating Headwinds” by Ambassador Hemant Krishan Singh, August 16, 2013.
11. India-US Insight Vol. 3, Issue 3: “India-US Strategic Dialogue: Continuity and Change” by Ambassador Hemant Krishan Singh, July 1, 2013.
12. Issue Brief, Vol. 3, Issue 2: “Regional Dimensions of South China Sea Issues” by Ambassador Hemant Krishan Singh, June 28, 2013.
13. India-US Insight Vol. 3, Issue 2: “Challenges of the US Rebalance” by Sanjay Pulipaka, May 8, 2013.



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- Department of Commerce, Ministry of Commerce & Industry, Government of India
- Department of Economic Affairs, Ministry of Finance, Government of India
- Department of Telecommunication, Ministry of Communication and IT, Government of India
- Genpact
- Housing Development Finance Corporation Ltd.
- Housing and Urban Development Corporation
- Indian Beverage Association
- IDFC Foundation
- Information Technology and Innovation Foundation
- Infrastructure Professionals Enterprise Global (P) Ltd. (IPE)
- Institute of International Education
- International Institute of Sustainable Development
- International Monetary Fund
- Internet and Mobile Association, India
- K. K. Foundation
- Konrad-Adenauer-Stiftung (KAS)
- McKinsey
- Ministry of External Affairs, Government of India
- Ministry of Urban Development, Government of India
- Multi-Commodity Exchange of India Ltd.
- OXFAM India
- Pharmaceutical Research and Manufacturers of America
- Qualcomm India Pvt. Ltd.
- Rockefeller Foundation
- Taipei Economic and Cultural Centre in India
- Taru Leading Edge Pvt. Ltd.
- Toshiba International Foundation
- Wadhvani Foundation
- World Bank
- World Resources Institute (WRI)
- Centre for Development Research (ZEF)

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- Dr. Gurpreet Singh Bhatia
- Dr. Sahana Roy Chowdhury
- Dr. Radhicka Kapoor

- Dr. Deeparghya Mukherjee
- Dr. Indro Ray
- Dr. Deepak Santhanakrishnan
- Ms. Kanak Tiwari
- Dr. Sabyasachi Tripathi

### In-house Consultants

- Mr. Sahil Gandhi
- Ms. Sirjjan Preet
- Mr. Sanjay Pulipaka
- Ms. Shweta Saini
- Mr. B. Karan Singh

### Research Associates

- Ms. Zeba Aziz
- Ms. Kuntala Bandyopadhyay
- Ms. Tanushree Bhan
- Ms. Atisha Ghosh
- Ms. Ramneet Goswami
- Ms. Tanu Goyal
- Ms. Mansi Kedia
- Mr. Sirus Joseph Libeiro
- Ms. Neha Malik

- Ms. Deepti Mathur
- Ms. Smita Miglani
- Ms. Neetika Kaushal
- Mr. Durgesh Kumar Rai
- Ms. Manjeeta Singh

### Research Assistants

- Mr. Sri Siddhartha Ayyagari
- Ms. Samridhi Bimal
- Ms. Isha Dayal
- Ms. Deboshree Ghosh
- Ms. Kirti Gupta
- Ms. Neharika Rajgopalan
- Mr. Aman Raj Khanna
- Ms. Debolina Mukherjee
- Ms. Sylvia Mishra
- Ms. Devyani Pande
- Ms. Abhilasha Sahay
- Ms. Radhika Saini
- Ms. Sreerupa Sengupta
- Ms. Shraddha Suresh
- Ms. Vidhya Unnikrishna

## Administration

### Secretary

- Mr. Rajeev Kapil

### Senior Manager (Admin. & Events)

- Mr. Manmeet Ahuja

### IT Manager

- Mr. Raj Kumar Shahi

### Senior Accounts Executives

- Mr. S. P. Chathli
- Mr. Prabhat Kumar

### Library cum Doc. Officer

- Ms. Chhaya Singh

### Private Secretaries

- Mr. Anshul Bhojwani
- Ms. Hilda Kathuria
- Mr. V. Murali Krishna
- Mr. G. Ramakrishnan Potti
- Mr. Anu Mohandas
- Ms. Shivani Sagar

### Office Assistants

- Ms. Neha Arora
- Ms. Sonia Chopra
- Mr. Sharad Natha Jha
- Mr. Krishan Kumar
- Ms. Aric Mary

### Accounts Assistant

- Mr. Ram Kumar

### Jr. Office Assistant

- Mr. Rajesh Chaudhary

### Reprographic Operator

- Mr. Pherum Singh

### Driver

- Mr. Ashok Kumar Singh

### Senior Office Attendants

- Mr. Ajay Pal
- Mr. R. M. Yadav
- Mr. Jovinder

### Library Attendant

- Mr. Deepak

### Office Attendant

- Mr. Jeet Singh



## External Consultants

### **Muhammed Adnan**

Sustainable Development  
Policy Institute, Islamabad,  
Pakistan

### **Suresh Aggarwal**

University of Delhi,  
Delhi, India

### **Vaqar Ahmed**

Sustainable Development  
Policy Institute, Islamabad,  
Pakistan

### **Rajeev Anantaram**

International Management  
Institute, New Delhi, India

### **Homagni Choudhury**

Aberystwyth University  
Shrewsbury, United Kingdom

### **Deb Kusum Das**

University of Delhi,  
Delhi, India

### **Saabhik Deb**

Indian Institute of  
Management,  
Kolkata, India

### **Surajit Deb**

University of Delhi,  
Delhi, India.

### **Abdul Azeez Erumban**

The Groningen Growth and  
Development Centre,  
The Netherlands

### **Bishwa Nath Goldar**

University of Delhi,  
Delhi, India

### **Sasidaran Gopalan**

George Mason University  
Arlington, Virginia,  
United States

### **Pralok Gupta**

Indian Institute of Foreign Trade  
New Delhi, India

### **Hadia Majid**

Lahore University of  
Management Sciences,  
Pakistan

### **Dr. M. S. Mani**

World Bank  
World Bank's South Asia  
Region India

### **Biswajit Nag**

Indian Institute of  
Foreign Trade,  
New Delhi, India

### **Parthapratim Pal**

Indian Institute of  
Management,  
Kolkata, India

### **V. K. Phatak**

Independent Consultant  
Mumbai

### **Sanjib Pohit**

CSIR – NISTAD,  
New Delhi, India

### **Shravani Prakash**

Independent Consultant,  
Bengaluru, India

### **Subhobrota Ray**

Independent Consultant  
New Delhi

### **Deepti Sethi**

Janki Devi Memorial  
College, Delhi University,  
Delhi, India

### **Saleema Razvi**

GE Capital, Gurgaon

### **Anand Sahasranaman**

Director  
IFMR Finance Foundation  
Chennai

### **Fahad Sayeed Siddiqui**

Independent Consultant  
New Delhi

### **Parthasarathi Shome**

Ministry of Finance  
Government of India, India

### **Anant Sudarshan**

Harvard University  
Massachusetts, USA

### **Abid Q. Suleri**

Sustainable Development  
Policy Institute,  
Islamabad, Pakistan

### **Mira Tamboli**

Independent Consultant  
New Delhi

# Faculty Activities

## DIRECTOR & CHIEF EXECUTIVE

**RAJAT KATHURIA**

### Appointed

- Member, Research Advisory Committee, State Bank of India, Mumbai, March, 2014.
- Member, Special Committee, Centre for the Study of Law and Governance, Jawaharlal Nehru University, February 28, 2014.
- Independent Director, Governing Board of Microfinance Institutions Networks, Gurgaon, February 17, 2014.
- Member, Task Force on Service Sector Export, Department of Commerce, Ministry of Commerce and Industry, February 10, 2014.
- Adviser, Eminent Persons Advisory Group, Competition Commission of India (CCI).

### International Conferences/Presentations

- Speaker, “Macro Trends in India,” ADBI, Tokyo, March 28, 2014.
- Speaker on “Mutual Understanding and Economic Partnership towards Intensifying Japan-India Strategic and Global Partnership,” Policy Research Institute, Ministry of Finance-ICRIER Workshop, Tokyo, March 27, 2014.
- Panellist, “What are the major reasons for the slowdown of economic growth in Asia? Part I: “External aspects”, Conference on the End of Double-Digit Growth – Implications for Economic Sustainability in Asia, Konrad-Adenauer-Stiftung, SOPAS Programme Asia-Chulalongkorn University, Bangkok, January 19-22, 2014.
- Chaired session on “Water Woes – Beyond gridlocks and connecting the drops,” India-Pakistan Peace Process: Resuming the Dialogue, Friedrich Ebert Stiftung, Dubai, October 27-29, 2013.
- Lead discussant, session on “Institutional Framework to Support Corridors,” workshop on Building National and Regional Growth Corridors in South Asia, ADB – South Asia Department, Manila, October 16-17, 2013.
- Lecture on “Policy and regulation conducive to rapid ICT sector growth in Myanmar: An Introductory Course,” organised by LIRNEasia, Myanmar ICT Dev. Organisation (MIDO), Open Society Foundation and International Development Centre of Canada (IDRC), Myanmar, September 28-October 2, 2013.
- Presentation on “Mapping the future of high value manufacturing in India,” 3<sup>rd</sup> Workshop of the study Integrating South and East Asia: An Analysis of the Economic Effects of Intensified Regional Cooperation and Integration, ADB, Korea Institute for International Economic Policy and ICRIER, Manila, September 4-5, 2013.
- Presentation on “A View from India,” workshop on Challenges for Fiscal and Monetary Policies: Effects on Economies and Societies, IIMA - Konrad-Adenauer-Stiftung, Tokyo, July 15-16, 2013.
- Panellist, “Sub-regional Cooperation Program: Infrastructure, Trade and Investment,” Asia FTA Forum 2013, Boao Forum for Asia, China, June 19-20, 2013.
- Presentation on, Regional ‘Think 20’ Seminar, organised by Lowy Institute for International Policy, Asian Development Bank Institute and the Korea Development Institute, Sydney, May 22-24, 2013.

### National Conferences/Seminars/Workshops

- Welcome address and vote of thanks, workshop on “Drug Regulatory Reforms in India,” ICRIER, New Delhi, March 31, 2014.
- Discussant, “Expert Group discussion on Mobile Value Added Services,” Department of Management Studies, IIT Delhi, New Delhi, March 21, 2014.
- Speaker, “Doing Business in India: Regulatory Aspects,” for participants of Executive Master in Business Consulting from ESCP-Paris, International Management Institute (IMI), New Delhi, March 18, 2014.
- Speaker, “Why is the Indian Mobile App Market Not Taking Off,” Expert Forum on Broadband Policy and Regulation Conducive to Access by the Poor, LIRNEasia, New Delhi, March 12, 2014.
- Panellist, “Making policy and doing regulation,” How to Engage in Broadband Policy and Regulatory Processes-Four-Day Course by LIRNEasia and the Ford Foundation, Gurgaon, March, 7-10, 2014.



- Welcome address, Session Chair, “Spectrum Trading, Auctions and Scarcity,” Panellist in the session, “Innovation, Service Delivery and Impacts” and Vote of Thanks, International Conference on Telecommunications: Indian Telecoms Last Mile: So Near Yet So Far, ICRIER, New Delhi, March 7, 2014.
- Moderator, India-Taiwan Roundtable on Enhancing Bilateral Trade and Investment, ICRIER, New Delhi, March 6, 2014.
- Addressed a group of Top Business Leaders from Mauritius on “Emerging Corporate Landscape: Implications for Indian Business,” conference on Doing Business in India – the View from Delhi, IMI-ESSEC, New Delhi, March 4, 2014.
- Speaker, “China and India: benefits of Cooperation,” in session on Economic Global Shift towards Asia , 16<sup>th</sup> Asian Security Conference on Emerging Strategic Trends in Asia and India’s Response, Institute for Defence Studies and Analyses (IDSA), New Delhi, February 19-21, 2014.
- Discussant, “Introductory Discussion on the Issues,” workshop on Emerging Issues in Use and Governance of the Internet from the Indian Perspective, Cyber Café Association of India (CCAIOI), New Delhi, February 19, 2014.
- Welcome remarks, “China’s Approach to Global Economic and Environmental Governance: The cases of G20, Climate Policy and GMO regulation in a larger perspective,” ICRIER, New Delhi, February 18, 2014.
- Speaker, 18<sup>th</sup> Merrill Lynch India Investor Conference: Delhi Speaks 2014, Bank of America Merrill Lynch, New Delhi, February 18, 2014.
- Opening address and chaired session on “Energy Outlook,” BP Energy Outlook 2035, ICRIER-BP, New Delhi, January 28, 2014.
- Welcome remarks and vote of thanks, 2<sup>nd</sup> Annual Conference Normalising India-Pakistan Trade, ICRIER, New Delhi, January 21-22, 2014.
- Welcome Address at Report release, “Food Processing Industry in India: Unleashing the Potential of the Non-Alcoholic Beverage Sector,” by Arpita Mukherjee, Debolina Mukherjee, Deboshree Ghosh and Divya Satija, ICRIER, New Delhi, December 19, 2014.
- Chaired session on “Technology, Innovation and Competitiveness” and chaired panel discussion on “Youth, Democracy and Development,” 15<sup>th</sup> Annual Neemrana Conference, ICRIER-NBER, Rajasthan, December 13-15, 2013.
- Welcome address, “Bilateral Cooperation for Sustainable Development – past and future?”, GIZ-ICRIER, New Delhi, November 28, 2013.
- Moderator, session on “Sunrise Sectors for Services Exports IT/ITEs and Telecom? Animation, R&D, Gaming etc.,” Services Conclave on Promoting Services Export from India – Challenges, Opportunities and Issues, organised by Dept. of Commerce, Ministry of Commerce & Industry and CII, New Delhi, November 12-13, 2013.
- Welcome address, “Incentive to Invest and the Twelfth Five Year Plan (2012-17),” ICRIER-KAS-FICCI, Kochi-Kerala, November 8, 2013.
- Welcome address, speaker in session on “Recent Economic Trends in Korea and India” and Chaired panel discussion on “India-Korea Relations: The Way Forward” at the 12<sup>th</sup> India-Korea Dialogue: Forty Years of India-Korea Diplomatic Relations and Roadmap for a More Intensified Partnership, ICRIER, New Delhi, October 24-25, 2013.
- Panellist, “Investing in Sustainability,” CII-ITC Centre of Excellence for Sustainable Development and International Union for Conservation of Nature (IUCN), 8<sup>th</sup> Sustainability Solutions Summit, New Delhi, October 14, 2013.
- Speaker, I “Indian Politics and Economic Forecasting: The New Indian and How He is Changing the Political Landscape of India,” India Retail Forum 2013, Mumbai, September 25-26, 2013.
- Welcome address and presentation in technical session, ICRIER-KAS-FICCI Seminar Series 2013, Kolkata, September 25, 2013.
- Chaired opening session and delivered vote of thanks, ICRIER conference on “Governance and Development: Views from G20 Countries,” New Delhi, September 17-19, 2013.
- Welcome address and Panellist, “A Study of India’s Investment Environment, Major FDI Inflows, and Suggestions for Taiwan’s Businessmen,” Conference on Enhancing Trade, Investment and Cooperation between India and Taiwan, ICRIER and Chung-Hua Institution for Economic Research (CIER), New Delhi, September 2, 2013.

- Chaired session on “Measurement and Decomposition of a Cobb Douglas-Lowe Index of Total Factor Productivity Growth in Indian Banking,” “Conference on Indian Economy: Issues and Perspectives,” Department of Economics, Delhi School of Economics, New Delhi, August 23-24, 2013.
- Welcome address, Launch of Policy Report “Asia’s Arc of Advantage – India, ASEAN and the US: Shaping Asian Architecture,” ICRIER-Wadhwani Chair in India, New Delhi, August 30, 2013.
- Moderator, “India’s Centre for Financial Inclusion Industry Technical Workshop – Payment and Financial Inclusion,” ICFI, Mumbai, August 26, 2013.
- Attended seminar on “Economic Stalemate: The Finance Minister’s Options,” Observer Research Foundation, New Delhi, August 10, 2013.
- Keynote address and speaker at session on “The Role of Gold – Consumption or Investment?”, at Stakeholders Consultation on Facilitating Investments between India and the European Union: The Case of Bilateral Investments between India and Germany, Madras Management Association-ICRIER-KAS, Chennai, July 25, 2013.
- Attended Open House Meet with reference to SEZ Project, Export Promotion Council for EOUs and SEZs, Chennai, July 24, 2013.
- Co-chaired and moderated session on “Mobile Innovations in Business & Commerce/Banking,” at 4<sup>th</sup> mBillionth South Asia Award International Mobile Congress, Digital Empowerment Foundation (DEF), New Delhi, July 18, 2013.
- Introductory talk at Dialogue on Tax Administration Reform, ICRIER, New Delhi, June 25, 2013.
- Welcome Address, “Challenges and Priorities in the Twelfth Five Year Plan, Broad Theme: Social Sector, ICRIER-KAS Seminar Series 2013, New Delhi, May 27, 2014.
- Chaired session on “Presentation of IMF Asia Pacific Spring 2013 Regional Economic Outlook,” Conference on Fiscal Policy Achievements and Challenges in Asia – Implications for India, ICRIER-IMF, New Delhi, May 6, 2013.
- Discussant, Seminar on Trade Policy Implications of Global Value Chains – The Asian Experience, OECD as part of Asian Development Bank’s 46<sup>th</sup> Annual Meeting, Greater Noida, May 5, 2013.

## **Publications**

### **Books/Chapters in Books**

- Book titled, “A Study of India’s Investment Environment, Major FDI Inflows and Suggestion for Taiwan’s Businessmen,” co-authored with Mansi Kedia Jaju, New Delhi, September 2, 2013.

### **Papers in Refereed Journals**

- “The Value of 1800 MHz and 2100 MHz Spectrums in India and Implications for Auction Design,” with Rohit Prasad, Telecommunications Policy, Vol. 38 (2014), Pp. 223–235.

## **HONORARY PROFESSOR**

### **SHANKAR ACHARYA**

### **International Conferences/Presentations**

- Speaker on “International Economic and Political Momentum” in Fourth India-China Strategic Dialogue organised by Aspen Institute (India), and China Reform Forum, Beijing, November 17-19, 2013.
- Invited as a Resident Fellow at Rockefeller Foundation Bellagio Center, Italy during May-June 2013. Gave seminar presentation: “India: Political Constraints to Inclusive Growth and Development.”

### **National Conferences/Seminars/Workshops**

- Participant at the “Third Annual Foreign Policy and National Security Workshop” organised by Ananta Aspen Centre, New Delhi, March 5, 2014.
- Delivered a lecture on “India’s Macro-economy: Recent Experience and Challenges Ahead” at Indian School of Business, Hyderabad, December 19, 2013.

- Chaired the Roundtable discussion on Tax Policy Dialogue, “Barriers to Compliance and Cost of Compliance of Direct Taxes in India” organised by DIET-ICRIER, December 17, 2013.
- Participant in the 15<sup>th</sup> Annual ICRIER-NBER-NCAER Neemrana Conference, Rajasthan, December 13-15, 2013.
- Participant in the Delhi Round Table on “Key issues tied to India’s Economy and Foreign Policy” organised by Hudson Institute, New Delhi, October 17, 2013.
- Chaired the session on “Growth and Employment” at a Conference on Governance & Development: Views from G20 countries, organised by ICRIER, Delhi, September 19, 2013.
- Discussant on “India: Current Macroeconomic Challenges” at NCAER-Brookings India Policy Forum 2013, New Delhi, July 17, 2013.
- Lead speaker at India Summit 2013 on “The Special Report on India” organised by The Economist, at Taj Palace, New Delhi, April 24, 2013.

## **Publications**

### **Books/Chapters in Books**

- Contributed a chapter: “India and Fiscal Austerity,” in Global Cooperation Among G20 Countries: Responding to the Crisis and Restoring Growth, edited by Michael Callaghan, Chetan Ghate, Stephen Pickford, Francis Xavier Rathinam, Springer, New Delhi, January, 2014.
- Contributed a chapter: “Progress and Poverty in Bihar,” in The New Bihar: Rekindling Governance and Development, edited by N. K. Singh and Nicholas Stern, HarperCollins Publishers India, July, 2013.

## **PROFESSORS**

### ***JAIMINI BHAGWATI***

#### **International Conferences/Presentations**

- Speaker at a presentation on constants in the Indian Economy at the Fourth ICRIER – PRI conference, Tokyo, March 27, 2014.
- Speaker at Track II India-US Strategic Dialogue, Washington D. C., February 8-10, 2014.

#### **National Conferences/Seminars/Workshops**

- Speaker on “India’s Double Taxation Avoidance Agreements (DTAAs)” at an international seminar on Investment Treaties and Applicable Laws in International Contracts, New Delhi, February 22, 2014.
- Discussant at a book launch, “The Dollar Trap: How the U.S. Dollar Tightened Its Grip on Global Finance,” by Professor Eswar Prasad, Brookings Institution and Cornell University, New Delhi, February 20, 2014.
- Speaker on “Central Bank Balance Sheets: Implications for India,” ICRIER, New Delhi, February 5, 2014.
- Panellist at BP Energy Outlook 2035 organised by ICRIER, New Delhi, January 28, 2014.
- Speaker at a session on “Liquidity and Recession” at the 15<sup>th</sup> Annual ICRIER-NBER-NCAER Conference, Neemrana, December 13-15, 2013.
- Discussant at a session on “Recent Economic Trends in Korea and India” at the 12<sup>th</sup> India Korea Dialogue, organised by ICRIER, New Delhi, 24-25 October 2013.

### ***ANWARUL HODA***

#### **Appointed**

- Appointed Chairman, Expert Group on “Strengthening of Institutional Mechanism for Regular Collection, Compilation of data on International Trade in Services,” Ministry of Statistics and Programme Implementation, Government of India, March 28, 2014.

## International Seminars/Conferences/Workshops

- Presentation on “Low Carbon Strategies for India in Agriculture and Forestry,” at the Conference on New Climate Economy, organised by ICRIER at New Delhi, April 14-15, 2014.
- Chairman of the workshop on Trade Facilitation, organised by ICRIER and Ananta Centre, New Delhi, March 23, 2014.
- Presentation on “Special and Differential Treatment,” at the Conference on Trade Cooperation in a Multi-Polar World Economy, organised by the Korean Institute of International Economic Policy, Seoul, February 12-14, 2014.
- Presentation on “Trade in Agriculture—Safeguards for Protecting Domestic Producer Interest,” In a conference on Normalising India-Pakistan Trade, organised by ICRIER, New Delhi, January 21, 2014.
- Presentation on “Emerging Farm Trade Issues in the Multilateral Trading System,” at the Dialogue on farm Trade, organised by ICTSD/FAO at Geneva, Switzerland, September 24, 2013.
- Presentation on “Trade and Protectionism: The Emerging Role for G20,” at the Fifth Annual G20 Conference organised by ICRIER, New Delhi, September 17-19, 2013.
- Presentation on “Trade and Investment Barriers affecting International Production Networks in India,” at the ADB conference on Integrating South and East Asia, September 4-5, 2013.

## National Conferences/Seminars/Workshops

- Chaired the Jury in the “Supply Chain and Logistics Excellence Award 2014,” India Chamber of Commerce, February, 2014.

## Publication

### Books/Reports/Chapters in Books

- “India’s Agricultural Trade Policy and Sustainable Development Goals,” jointly authored with Dr. Ashok Gulati in The Emerging Big Picture, Making Sense of India’s Economy, (ed. Uma Kapila), 2014, Academic Foundation, New Delhi
- Chapter on “Trade and Protectionism – The Emerging Role for G20,” in Governance and Development: Views from G20 Countries, Springer Verlag (Forthcoming).
- “Towards India-US FTA in Agriculture,” in US-India Integration volume, Peterson Institute of International Economics, Washington D. C. (Forthcoming).

### Working Papers/Policy Series

- “Low Carbon Strategies for India in Agriculture and Forestry,” jointly authored with Dr. Ashwini K. Swain, New Climate Economy Project, Global Commission on The Economy and Climate, April 14, 2014.
- “Trade and Investment Barriers affecting International Production Networks in India,” jointly authored with Durgesh Rai, ADB Project, A-7791: Capacity Building for Implementing Private Sector-Led Integration in South Asia- An Analysis of Economic Effects of Intensified Regional Cooperation, December 2013.

## ARPITA MUKHERJEE

### Appointed

- Member, Department of Commerce, Government of India, Sub-group on Creative and Entertainment Services.
- Member, Department of Industrial Policy and Promotion Advisory Group for the India-Taiwan Secretary-Vice Ministerial Level Economic Consultations.
- Adviser, Services Exports Promotion Council, Ministry of Commerce and Industry, Government of India.
- Member, Editorial Board, Journal International Review of Public Administration (IRPA), published by Taylor and Francis.
- India country expert for ADB on the services and knowledge economy.
- Member, FICCI Direct Selling and Retail Committees.
- Member, IIM (Kolkata)-British High Commission Advisory Group on Agriculture Value Chain and Retail.

## International Seminars/Conferences/Workshops

- Presentation on “Labour Mobility and Remittances,” Roundtable Meeting for SAARC Study on “Roadmap for Achieving South Asia Economic Union,” jointly organised by SAARC Secretariat and South Asia Sub-regional Economic Cooperation (SASEC), ADB, Manila, Philippines, March 24, 2014.
- Presentation on “Food Supply Chain in India: Analysing the Potential for International Business,” in the interactive session on “The Indian Retail and Logistics Opportunities,” organised by UK India Business Council (UKIBC), London, UK, January 31, 2014.
- Meetings, round-table discussions and interactions with industry and policy makers under the project, “Facilitating Investments between India and the European Union: The Case of Bilateral Investments between India and Germany,” in Frankfurt & Cologne, Germany, November 23-30, 2013.
- Lecture on “India-Korea CEPA Services,” and “India-EU FTA Negotiations,” to students of the Department of Diplomacy, National Chengchi University, Taiwan, November 13, 2014.
- Keynote speaker on “India’s FTA Strategy in Services,” and presentation on “Prospects for Liberalising Services if India-Taiwan enter into an Agreement,” International Conference on “Trade in Services and Asian Economic Integration: Implications for Taiwan,” organised by Department of Diplomacy, National Chengchi University, Taiwan, November 14, 2013.
- Presentation on “Revisiting SEZs Policy in India,” workshop on “Building National and Regional Growth Corridors in South Asia,” organised by South Asian Regional Department, ADB, Manila, Philippines, October 14-18, 2013.
- Presentation on “India as a Trading Partner: Issues in India-EU BTIA and Way Forward,” workshop on “The Long Road towards an EU-India Free Trade Agreement – How to boost EU-India economic relations?” organised by London School of Economics and European Union Parliament in Brussels, Belgium, September 24, 2013.
- Presentation on “Integrating South and East Asia: The Case of Liberalising Services under the India-Thailand CECA,” Third workshop on “Integrating South and East Asia: An Analysis of the Economic Effects of Intensified Regional Cooperation and Integration,” organised by ADB, Manila, Philippines, September 3-5, 2013.

## National Conferences/Seminars/Workshops

- Presentation on “Food Supply Chain in India: Analysing the Potential for International Business,” Conference on “Food Supply Chain in India: Analysing the Potential for International Business,” jointly organised by IIM Calcutta and FICCI, New Delhi, March 28, 2013.
- Chaired, session on “Creating Transparency for Consumer Rights in Non-Store Retail, National Conference on “Consumer Rights in Non-Store Retail,” organised by Indian Direct Selling Association (IDSA), New Delhi, March 12, 2014.
- Presentation on “Enhancing Bilateral Trade, Investment and Cooperation between India and Taiwan,” at India-Taiwan Roundtable Meeting on “Enhancing Bilateral Trade and Investment,” organised by ICRIER, New Delhi, March 6, 2014.
- Presentation on “Food Retail Supply Chain in India: Analysing the Potential for International Business,” in Advisory Group Meeting organised by IIM Calcutta and British High Commission, New Delhi, December 20, 2013.
- Presentation on “Food Processing Industry in India: Unleashing the Potential of the Non-Alcoholic Beverage Sector,” at the Report Release event jointly organised by ICRIER and Indian Beverage Association (IBA), New Delhi, December 19, 2013.
- Presentation on “India’s Comprehensive Agreements and Services: Benefits for Businesses,” in the 15<sup>th</sup> Annual ICRIER-NBER-NCAER Conference in Neemrana, December 14, 2013.
- Presentation on “Exports of Audiovisual Services and India,” Stakeholders Consultation on “Audio Video Services” organised by Centre for WTO Studies (Indian Institute of Foreign Trade, IIFT) and CII, New Delhi, October 22, 2013.
- Panellist, Conference on “Enhancing Trade, Investment and Cooperation between India and Taiwan,” jointly organised by ICRIER and Chung-Hua Institute for Economic Research (CIER), New Delhi, September 2, 2013.
- Discussant, “Knowledge Forum on the Direct Selling Industry in India,” organised by FICCI, New Delhi, September 16, 2013.



- Panellist on “Trade in Services in India – Exploring Service Sectors Beyond IT & ITES Services,” National Conference on “Trade in Services in India and Inclusive Growth Paradigm: Emerging Opportunities and Future Challenges,” organised by IIFT, New Delhi, August 22, 2013.
- Panellist in the session, “Retail Reforms – Are we ready on Ground?” at the flagship event of FICCI, “Massmerize 2013” organised by FICCI, New Delhi, August 7, 2013.
- Presentation on “Facilitating Investments between India and the European Union: The Case of Bilateral Investments between India and Germany,” in a seminar jointly organised by Madras Management Association (MMA), ICRIER and KAS, Chennai, July 25, 2013.
- Opening Remarks, “Industry Consultation on Export Incentives and Related Issues,” organised by Federation of Indian Export Organisations (FIEO), FICCI and ICRIER, FICCI, New Delhi, July 18, 2013.
- Opening remarks, Stakeholders’ Consultation on SEZs jointly organised by CII and ICRIER, New Delhi, May 16, 2013.
- Presented, key observations at the Stakeholders’ Consultation on SEZs jointly organised by EPCES, CII and ICRIER, Kolkata, May 23, 2013.
- Coordinated round table discussion on “Revisiting SEZs Policy in India,” organised by EPCES, Noida, June 27, 2013.
- Presentation on “Facilitating Investments between India and the European Union: The Case of Bilateral Investments between India and Germany,” in a webinar jointly organised by ICRIER, Konrad-Adenauer-Stiftung (KAS) and CII, New Delhi, May 8, 2013.
- Panellist, session on “Women Empowerment and Social Benefits through Direct Selling,” & “Direct Selling in India: Appropriate Regulation is the Key,” Conference on “Mark-e-Dir: Bringing Market to Consumer,” organised by FICCI, New Delhi, April 17, 2013.
- Presentation on “FDI and Women Employment in India,” Seventh Gender and Economic Policy (GEP) Discussion Forum on “The Politics and Economics of FDI through a Gender lens,” organised by the Institute of Social Studies Trust (ISST) in association with the Heinrich Boell Foundation (HBF), New Delhi, April 9, 2013.

## Publications

### Books/Reports/Chapters in Books

- “Food Supply Chain in India: Analysing the Potential for International Business,” coauthored with Parthapratim Pal, Saubhik Deb and Tanu M. Goyal, Academic Foundation, March, 2014.
- “Audiovisual Services in India,” in “Trade Policy in Asia: Higher Education and Media Services,” co-edited with Christopher Findlay, Hildegunn Kyvik Nordas, Gloria Pasadilla, World Scientific Publishing, Singapore, March 2014.
- “Food Processing Industry in India: Unleashing the Potential of the Non-Alcoholic Beverage Sector,” co-authored with Debolina Mukherjee, Deboshree Ghosh and Divya Satija, Academic Foundation, December 2013.
- “The Service Sector in India,” in “Developing the Service Sector: As an Engine of Growth for Asia,” edited by Donghyun Park and Marcus Noland, ADB, November 2013.
- “Enhancing Trade, Investment and Cooperation between India and Taiwan,” co-edited with Parthapratim Pal and Kristy Tsun-Tzu Hsu, Academic Foundation, September 2013.
- “Movement of Engineers and Architects between India and the EU,” co-authored with Tanu Goyal, Indian Institute of Management, Bengaluru, Working Paper No. 403, and CARIM-India – Developing a knowledge base for Policymaking on India-EU Migration, Research Report 2013/20, April 2013, [http://www.kas.de/wf/doc/kas\\_34372-1522-1-30.pdf?130514123556](http://www.kas.de/wf/doc/kas_34372-1522-1-30.pdf?130514123556)

### Working Papers/Policy Series

- “Exports of Audiovisual Services and India,” with Ramneet Goswami, in Services Conclave Volume titled, “Promoting Services Exports from India: Challenges, Opportunities and Issues,” published jointly by the Ministry of Commerce & Industry, Govt. of India, and Services Export promotion Council, November 12-13, 2013.
- “India as a Trading Partner: Issues in India-EU BTIA and Way Forward,” with Tanu M. Goyal and Ramneet Goswami published in the Workshop Volume on “The Long Road Towards an EU-India Free Trade Agreement,” organised by Directorate-General for External Policies, Policy Department, European Parliament, Belgium, October 2013.

- “The Service Sector in India,” ADB Economics Working Paper Series No. 352, June 2013. <http://www.adb.org/publications/service-sector-india>

### **Papers in Refereed Journals**

- “The Political Economy of Retail Liberalization: The Case of India,” with Tanu Goyal, *Journal of International Commerce, Economics and Policy*, Vol. 5 No. 1, World Scientific, February 2014.
- “FDI in Services and India,” with Tanu Goyal, *FTR-IIFT*, Volume 48, No. 3, August 2013.
- “Facilitating Trade and Improving Competitiveness through Improved Road Network: Issues and Way forward,” with Dr. Parthapratim Pal and Ramneet Goswami, *FTR-IIFT*, Volume 48, No. 2, May 2013.

## **HEMANT KRISHAN SINGH**

### **Appointed**

- Chair Professor, ICRIER-Wadhvani Chair in India-US Policy Studies, September 5, 2011.

### **International Conferences/Presentations**

- Presentation on “India-Japan Economic Partnership and the Trend for Mega-FTA Negotiations,” 4<sup>th</sup> ICRIER-PRI Workshop, Tokyo, March 27, 2014.
- India-CSCAP representative, meeting of CSCAP Co-Chairs to draft a policy memorandum, “Towards an Effective Regional Security Architecture for East Asia,” Tokyo, March 3-4, 2014.
- Address on “Framework to De-conflict Strategic Dynamics,” Annual Maritime Power Conference on “Evolving Dynamics of the Indian Ocean: Prospects and the Way Forward,” National Maritime Foundation, New Delhi, February 14, 2014.
- Address on “Reconciling Contending Visions and Expectations of Regional Security Architecture,” second meeting of the Council for Security Cooperation in the Asia Pacific (CSCAP) Study Group on Regional Security Architecture, Jakarta, February 11-12, 2014.
- Chair, meeting on “India-Japan Relations and the Asia-Pacific – Shaping a Cooperative Future,” organised by the Forum for Strategic Initiatives and India International Centre, New Delhi, December 23, 2013.
- Speaker, “Strategic Environment in the Indo-Pacific,” India-Japan-Korea Trilateral Conference, Tokyo, November 28-29, 2013.
- Participant, India-Japan Strategic Dialogue, Tokyo, November 20, 2013.
- Presentation on “Regional Security: The View from New Delhi,” 12<sup>th</sup> India-Korea Dialogue, ICRIER, New Delhi, October 24, 2013.
- Moderator, session on “Reimagining the Region: “Asia-Pacific” or “Indo-Pacific”?” at the India-Australia Track 1.5 Dialogue 2013, IDSA, October 17, 2013.
- Chair, Special Session on “China – Where will growth come from in the next decade?” at ICRIER’s 5<sup>th</sup> Annual International Conference on issues of concern for G20 countries, New Delhi, September 18, 2013.
- Presentation on India-CSCAP at the first meeting of the Council for Security Cooperation in the Asia Pacific (CSCAP) Study Group on Regional Security Architecture, Kuala Lumpur, September 4, 2013.
- Address on “Look East: India, the United States and the Evolving Security Architecture in East Asia,” Carnegie Endowment for International Peace, Washington D. C., June 7, 2013.
- Address on the “South China Sea in Regional Politics,” Conference on “Managing Tensions in the South China Sea,” CSIS, Washington D. C., June 5, 2013.
- Background talk on India’s evolving Look East Policy and India-US convergences, at the US Department of State, Washington D. C., June 4, 2013.
- Keynote remarks on India’s transforming Look East Policy at report launch event on “Enhancing India-ASEAN Connectivity,” CSIS, Washington D. C., June 3, 2013.

- US-Japan-India Trilateral Strategic Dialogue: lead presentation for India on “Perspectives on the US ‘pivot’ towards the Asia-Pacific,” Tokyo, May 17-20, 2013.
- Presentation on “India’s Changing Energy Patterns,” Sixth US-India-EU Trilateral Forum organised by the German Marshall Fund of the US (GMF) and Sweden’s MFA in Stockholm, Sweden, April 12, 2013.

### **National Conferences/Seminars/Workshops**

- Talk on “India’s Look East Policy: Strategic Issues and Security Challenges,” National Defence College, New Delhi, September 19, 2013.

### **Publications**

#### **Books/Reports/Chapters in Books**

- Report “Asia’s Arc of Advantage – India, ASEAN and the US: Shaping Asian Architecture,” by H. K. Singh and Sanjay Pulipaka, August 2013.
- “Policy recommendations for the 4<sup>th</sup> US-India Strategic Dialogue,” jointly compiled by H. K. Singh and Karl F. Inderfurth, May 2013.

#### **Others**

- “Navigating the Headwinds: Mitigating Contention in India-US Business Engagement.” (Research Director and Contributing Author)

### **NISHA TANEJA**

### **International Conferences/Presentations**

- Speaker, session on “Informal Trade in SAARC,” roundtable meeting for SAARC study on “Roadmap for achieving South Asia Economic Union (Second Phase) organised by ADB at the request of the South Asian Association for Regional Cooperation (SAARC) Secretariat, Manila, Philippines, March 24-25, 2014.
- Discussant, session on “South Asian LDCs and trade facilitation agreement with reference to aid for trade,” seminar on Regional cooperation on trade, climate change and food security in South Asia: Some reflections and way forward organised by South Asia Watch on Trade, Economics and Environment (SAWTEE) in collaboration with Oxfam and Swedish Standards Institute (SIS), Kathmandu, Nepal, March 13-14, 2014.
- Speaker, session on “Trade Facilitation in South Asia: Case of India and Pakistan,” Bali Trade and Development Symposium, Joint Session by International Centre for Trade and Sustainable Development (ICTSD) and ICRIER, Bali, Indonesia, December 3-5, 2013.
- Speaker, session on “Normalising India-Pakistan Trade,” Second Regional Chambers of Commerce Roundtable organised by ICRIER jointly with The Federation of Pakistan Chambers of Commerce & Industry (FPCCI) & Institute of Business Administration (IBA), Karachi, November 26, 2013.
- Panellist, session on “Trade and Transport Facilitation Audit in South Asia: A Methodological Framework,” Inception meeting of the projects organised by SAWTEE and UNDP APRC with support of AusAID, Kathmandu, October 1-2, 2013.
- Panellist, session on “MAKING TRADE EASIER’ Overcoming Tariff, NTBs and Improving TF,” Sixth South Asia Summit Towards a Stronger, Dynamic, and Inclusive South Asia, organised by Institute of Policy Studies, Sri Lanka, September 2-4, 2013.
- Presentation on “Trade Facilitation,” Regional Consultation on “Road to Bali: South Asian Priorities for the Ninth WTO Ministerial” organised by South Asia Watch on Trade, Economics and Environment (SAWTEE) and Institute of Policy Studies of Sri Lanka (IPS), in collaboration with Oxfam Novib, UNESCAP and Commonwealth Secretariat, Sri Lanka, July 2-3, 2013.

## National Conferences/Seminars/Workshops

- Speaker, session on “India Pakistan Trade – The Way Forward,” Second Annual Conference on “Normalising India-Pakistan Trade,” organised by ICRIER, New Delhi January 22, 2014.
- Presentation on “Enhancing Trade in Goods,” Second Annual Conference on “Normalizing India-Pakistan Trade,” organised by ICRIER, New Delhi, January 21, 2014.
- Discussant, “Enhancing India-Korea Trade,” 12<sup>th</sup> India Korea Dialogue on India-Korea Diplomatic Relations and Roadmap for a More Intensified Partnership organised by ICRIER and Seoul Forum of International Affairs, (SFIA), New Delhi, October 24-25, 2013.
- Speaker, consultation on “Enhancing India Pakistan Trade,” organised by ICRIER, Surat, August 19-20, 2013.
- Discussant, roundtable on “South Asia: Prospects for Regional Integration,” organised by Institute of Defence Studies and Analysis (IDSA), New Delhi, June 27, 2013.
- Speaker, session on “Promoting Bilateral Cooperation in South Asia,” International Conference on “Regional Trade and Economic Cooperation in South Asia: Trends, Challenges and Prospects,” organised by Research and Information System for Developing Countries, RIS, New Delhi, May 2-3, 2013.
- Speaker, session on “Connecting South Asia and Southeast Asia,” 46<sup>th</sup> Annual meeting of the Board of Governors (ADB), New Delhi, India, May 2-5, 2013.

## Publications

### Books/Chapters in Books

- “India-Pakistan”: “Trade Perception Survey” by Nisha Taneja, Sanjit Pohit, Mishita, Mehra, Prithvijit Mukherjee, Isha Dayal, Samridhi Bimal, Academic Foundation, January 2014.
- “Trade Facilitation issues confronting South Asia at the WTO,” edited by Nisha Taneja and Isha Dayal, Vol. 9, No. 2, 2013, Trade Insight.”
- “India’s role in a regional economic union,” by Nisha Taneja, Shravani Prakash and Samridhi Bimal published in South Asian Journal , April-June 2013.

### Working Papers/Policy Series

- “Normalising India Pakistan Trade” (with Mishita Mehra, Prithvijit Mukherjee, Samridhi Bimal and Isha Dayal) ICRIER working paper no. 257, September 2013.

## SENIOR FELLOWS/CONSULTANTS

### *SANJANA JOSHI*

### International Conferences/Presentations

- Discussant in Session on “International Security – The View from Seoul and New Delhi”, at 12<sup>th</sup> India-Korea Dialogue, October 25, 2013, New Delhi (ICRIER, Seoul Forum for International Affairs).
- Presentation on “India’s Resource Diplomacy,” HPAIR Asia Conference on “Extending Horizons: Charting Asia’s Flourishing Future,” organised by Harvard Project for Asian and International Relations (HPAIR), Dubai, August 22-26, 2013.

## Publications

### Books/Reports/Chapters in Books

- “The Geopolitical Context of Changing Japan-India Relations” Research Unit on International Security and Cooperation (UNISCI) Discussion Papers (No. 32, May 2013) brought out by the University of Madrid.

## **ALI MEHDI**

### **International Conferences/Presentations**

- Presentation, 12<sup>th</sup> India-Korea Dialogue, October 25, 2013, New Delhi (ICRIER, Seoul Forum for International Affairs, Ministry of External Affairs (GOI) and Confederation of Indian Industry).
- 14<sup>th</sup> GDN Annual Development Conference, June 19-21, 2013, Manila (Global Development Network).

### **Publications**

#### **Books/Reports/Chapters in Books**

- Appearing in two volumes: Vol.1 Development Failure and Identity Politics in Uttar Pradesh (Sage, 2014, edited by Roger Jeffery, Craig Jeffrey and Jens Lerche).
- India-Korea Dialogue 2013 (Academic Foundation, 2014).
- Articulating a Progressive Vision for the BRICS Development Bank (co-authored with Sirjjan Preet and Samidha Sapra).

## **SAON RAY**

### **International Conferences/Presentations**

- Presentation on “Exposure of Urban Production Networks to Climate Risk and Prospects for Adaptation,” Regional Studies Association and UCLA International Conference, Los Angeles, December 16-18, 2013 (with Meenu Tewari and Anant Sudarshan).
- Presentation on “Collaboration between India and Korea in R&D,” 12<sup>th</sup> Indo-Korea dialogue organised by ICRIER, New Delhi, October 24-25, 2013 (co-authored with Kavleen Chatwal).
- Presentation on “SAFTA: Achievements and Challenges” in South Asia Economic Integration: A Strategic and Economic Appraisal co-organised by the Regional Centre for Strategic Studies (RCSS), the Institute of Policy Studies (IPS), and the Regional Programme SAARC, Konrad-Adenauer-Stiftung (KAS) in Colombo, Sri Lanka, June 10-12, 2013.

### **National Conferences/Seminars/Workshops**

- Discussant, Energy session at the 2<sup>nd</sup> Annual Conference for Normalising Trade between India and Pakistan organised by ICRIER, New Delhi, January 21-22, 2014.
- Presentation on “Impact of Transaction Taxes on Commodity Derivatives Trading in India,” December 23, 2013. Report co-authored with Neha Malik.
- Participant, panel discussion on “Regulatory Challenges for ICT sector in India,” organised by Neeti Foundation, New Delhi, December 19, 2013.
- Presentation on “Economic Resilience of Cities in a Changing Climate,” Conference organised by ACCRN – TARU, New Delhi, December 10, 2013. Policy brief co-authored with Meenu Tewari, Sahana Roy Chowdhury, Indro Roy, Amrita Goldar, Zeba Aziz and Vidhya Unnikrishnan.
- Participant, panel discussion on “Green Investment,” 8<sup>th</sup> CII Sustainability Summit, New Delhi, October 14-15, 2013.
- Presentation on “Impact of American FDI In India,” stakeholder consultation for the study, “Impact of American FDI in India,” Hyderabad, May 27, 2013.
- Presentation on “Strengthening the Textiles and Clothing Sector in South Asia: India case,” to ICRIER Board of Governors, New Delhi, May 16, 2013.



## FELLOWS

### ***SAHAN ROY CHOWDHURY***

#### **Publications**

##### **Papers in Refereed Journals**

- Roy Chowdhury, S. (2013), Inequality and size of the informal sector during recession: A note, *Metroeconomica*, 64(4): 591-597 (Wiley-Blackwell).
- Roy Chowdhury, S. (2014), Skill mismatches in Indian labour market: Policy priorities & challenges ahead, *The Indian Journal of Industrial Relations*, Special Issue: Skill Development.
- Roy Chowdhury, S. (2013), "Recession and child labour: The poverty link revisited," column in *Ideas for India*, International Growth Centre blog.

### ***RADHICKA KAPOOR***

#### **International Conferences/Presentations**

- Presentation on "Towards an Inclusive and Innovative India," ADB's First Asian Think Tank Development Forum, Beijing, October, 2013.
- Presentation on, "Inequality Matters," Global Development Network, Manila, June, 2013.

#### **National Conferences/Seminars/Workshops**

- Presentation on "Manufacturing and Employment: The Indian Scenario," 15<sup>th</sup> Annual ICRIER-NBER-NCAER Conference, Neemrana, December 2013.

### ***INDRO RAY***

#### **International Conferences/Presentations**

- Presentation on "Climate Change and the Economic Competitiveness of Cities: Making the Business Case for Adaptation," (Rockefeller Foundation funded project) ICLEI South Asia conference titled, "Asian Cities Adapt: Learning Exchange," Kochi, December 30-31, 2013.

#### **National Conferences/Seminars/Workshops**

- Poster presentation on "Climate Change and the Competitiveness of Cities: Making a Business Case for Adaptation," National TARU-Rockefeller Foundation Conference on "Emerging Mechanisms and Responses of Cities to Climate Change," December 10, 2013.

#### **Publications**

- ACCCRN Policy Brief No. 6 titled, "Strategic framework for cities – linking economic performance and climate performance," or the National TARU-Rockefeller Foundation Conference on "Emerging Mechanisms and Responses of Cities to Climate Change," December 10, 2013.

## RESEARCH ASSOCIATES

### *DEBOSHREE GHOSH*

#### International Conferences/Presentations

- Contributed to the paper and presentation for ADB's Workshop on: Building National and Regional Growth Corridors in South Asia, Manila, October 16-17, 2013.

#### National Conferences/Seminars/Workshops

- Presented survey results of the report "Non-Alcoholic Beverage Sector in India: The Untapped Potential," to the principal secretary and other dignitaries of the Punjab Government, January 30, 2014 Chandigarh.

#### Publications

##### Books/Reports/Chapters in Books

- "Non-Alcoholic Beverage Sector in India: The Untapped Potential," co-author, Academic Foundation, December 2013. ISBN 13: 978-93-327-0113-7

##### Working Papers/Policy Series

- Mehrotra, Santosh & Ghosh, Deboshree (2013) Addressing the world's worst sanitation problem: a programme re-design to use not just build toilets, Institute of Applied Manpower Research, Occasional Paper Series. ISBN: 978-93-83133-12-3.
- Policy brief by Mehrotra, Santosh & Ghosh, Deboshree (2013). International Experiences in Financing Vocational Education: Lessons for India, Institute of Applied Manpower Research, Policy Paper Series. ISBN : 978-93-83133-13-0.

### *RAMNEET GOSWAMI*

#### National Conferences/Seminars/Workshops

- Presentation on "Exports of Audiovisual Services and India," for stakeholder consultation organised by Ministry of Commerce and Industry and Confederation of Indian Industry (CII), October 22, 2013, CII headquarters, Lodhi Road, New Delhi.
- Webinar on "Facilitating Investments between India and the EU: The Case of Bilateral Investments between India and Germany," jointly organised by ICRIER, Konrad-Adenauer-Stiftung (KAS), and Confederation of Indian Industry (CII), May 8, 2013, CII headquarters, Lodhi Road, New Delhi.

#### Publications

##### Books/Reports/Chapters in Books

- "Trade in Services between India and Taiwan," in "Enhancing Trade, Investment and Cooperation between India and Taiwan," edited by Parthapratim Pal, Arpita Mukherjee and Kristy Tsun-Tzu Hsu, Academic Foundation, September, 2013, Chapter 4, pp. 99-133 (with Kristy Tsun-Tzu Hsu, CIER, Taiwan).

##### Others

- Background paper on "Exports of Audiovisual Services and India," "Services Conclave: Promoting Services Exports from India – Challenges, Opportunities and Issues," organised by Ministry of Commerce and Industry, Centre for WTO Studies, Federation of Indian Export Organisation (FIEO) and Confederation of Indian Industry (CII), November 12-13, 2013, New Delhi (with Arpita Mukherjee).
- Co-authored a paper on "India as a Trading Partner: Issues in India-EU BTIA and Way Forward," in "The Long Road Towards an EU-India Free Trade Agreement," published by Directorate-General for External Policies of the Union, European Parliament, European Union, October 2013, pp. 22-43 (with Arpita Mukherjee and Tanu M. Goyal).

- Article on “Bilateral Economic Relations between India and Russia,” Special Report on India-Eurasia 2013, Diplomatist, September 2013, pp. 22-23.

## **TANU GOYAL**

### **International Conferences/Presentations**

- Participated in a workshop at the UK India Business Council on, “The Indian Retail and Logistics Opportunities,” at Addleshaw Goddard LLP, London on January 31, 2014.
- Presentation on “Promoting Regional Integration through Services Sector in South and South East Asia: Taking Case of India-Thailand Comprehensive Economic Cooperation Agreement,” at “Trade and Investment for Tomorrow: Promoting Asia-Pacific Regional Integration,” ARTNeT Research Workshop, organised by UNESCAP December 10-12, 2013, Macao, China.
- Co-presented the draft report titled, “Integrating South and East Asia: The Case of Liberalising Services under the India-Thailand CECA,” Manila, workshop titled, “Integrating South and East Asia: An Analysis of the Economic Effects of Intensified Regional Cooperation and Integration,” 3<sup>rd</sup> ADB, Manila, Philippines, September 4, 2013.

### **National Conferences/Seminars/Workshops**

- Co-presented with Prof. Arpita Mukherjee, ICRIER Stakeholders consultation organised in relation to the project titled, “Facilitating Investments between India and the European Union: The Case of Bilateral Investments between India and Germany,” funded by KAS, Chennai, July 25, 2013.
- Presentation on, “Movement of People between India and the EU: An Analysis of Mode 4 Commitments,” at “International Conference on India-EU Migration and Mobility: Prospects and Challenges,” organised by the India Centre for Migration under the Ministry of Overseas Affairs, October 17-18, 2013, New Delhi.
- Presentation on “Movement of People between India and the EU: An Analysis of Mode 4 Commitments,” ICRIER Tea Time Seminar, November 8, 2013, ICRIER, New Delhi.

### **Publications**

#### **Books/Reports/Chapters in Books**

- “Food Supply Chain in India: Analysing the Potential for International Business,” co-author with Arpita Mukherjee, Parthapratim Pal and Saubhik Deb, Academic Foundation, March 2014, New Delhi.
- Chapter on “Distribution and Retail Services,” in the book titled, “Enhancing Trade, Investment and Cooperation between India and Taiwan,” edited by Parthapratim Pal, Arpita Mukherjee and Kristy Hsu, Academic Foundation, New Delhi.

#### **Working Papers/Policy Series**

- “India as a Trading Partner: Issues in India-EU BTIA and Way Forward,” co-author with Arpita Mukherjee and Ramneet Goswami, workshop on, “The Long Road towards an EU-India Free Trade Agreement: How to boost EU-India Economic Relations?” Brussels, Belgium, Tuesday 24, September 2013.
- “Movement of Engineers and Architects between India and the EU,” co-author with Arpita Mukherjee, Indian Institute of Management, Bengaluru, Working Paper No. 403, and CARIM-India – Developing a knowledge base for Policymaking on India-EU Migration, Research Report 2013/20, April 2013.

#### **Papers in Refereed Journals**

- “The Political Economy of Retail Liberalization: The Case of India,” with Arpita Mukherjee, Journal of International Commerce, Economics and Policy, Vol. 5 No. 1, 2014.
- “FDI in Services and India,” with Arpita Mukherjee, FTR – IIFT, Volume 48, No. 3, August 2013.

## ***MANSI KEDIA***

### **National Conferences/Seminars/Workshops**

- Presentation on “A Study on Trade in Services in the Context of India-Thailand and India-Indonesia CECAs,” at Stakeholder Consultation organised by ICRIER and CII, New Delhi, August 3, 2011.
- Presentation on “Enhancing Trade in Services in Africa,” with Arpita Mukherjee, Management Development Programme on International Business for Officers and Diplomats from African Countries, Indian Institute of Foreign Trade, New Delhi, March 14, 2012.

### **Publications**

#### **Books/Reports/Chapters in Books**

- A study of India’s Investment Environment, Major FDI Inflows, and Suggestions for Taiwan’s Businessmen, TECC (with Dr. Rajat Kathuria).
- Chapter on “Information and Communication Technology” in the report on Enhancing Trade, Investment and Cooperation between India and Taiwan, Ministry of External Affairs (with Dr. Rajat Kathuria).
- Chapter on “Telecommunication in the India Rural Development Report,” IDFC (with Dr. Rajat Kathuria).

#### **Working Papers/Policy Series**

- “Deconstructing India’s Preferential Market Access Policy,” US-India Wadhvani Chair, ICRIER.
- “Mapping the Future of High-Value Manufacturing in India,” Study on Integrating South and East Asia (forthcoming with Dr. Rajat Kathuria and Uttara Balakrishnan).

## ***NEHA MALIK***

### **National Conferences/Seminars/Workshops**

- Seminar for the release of the report on “Impact of Transaction Taxes on Commodity Derivatives Trading in India,” December 23, 2013.

### **Publications**

#### **Working Papers/Policy Series**

- ‘Impact of Transaction Taxes on Commodity Derivatives Trading in India,’ (forthcoming as ICRIER working paper with Dr. Saon Ray, March 2013).

## ***VASUDHA WATTAL***

### **International Conferences/Presentations**

- Presented background paper (co-authored with Fiyanshu Sindhvani) for scoping workshop on “Drug Regulatory Reforms in India,” organised under ICRIER’s Health Policy Initiative, New Delhi, March 31, 2014.
- Presentation on “Determinants of Pharmaceutical Pricing in India,” Winter School organised by Delhi School of Economics, New Delhi, December 16-18, 2013.

## RESEARCH ASSISTANTS

### ***SAMRIDHI BIMAL***

#### **Publications**

##### **Books/Reports/Chapters in Books**

- “India-Pakistan: Trade Perception Survey,” Academic Foundation, January 2014 (co-authored).

##### **Working Paper/Policy Series**

- “Normalizing India-Pakistan Trade”, ICRIER Working Paper No. 267, September (co-authored).

##### **Papers in Refereed Journals**

- “India’s Role in a Regional Economic Union,” in South Asian Journal, April-June 2013, Lahore, Pakistan (with Nisha Taneja and Shravani Prakash).

##### **Others**

- “Allaying Agricultural Sector’s Concerns: Normalizing India-Pakistan Trade” with Nisha Taneja, in India-Pakistan Trade Newsletter, September 2013, ICRIER.

### ***ISHA DAYAL***

#### **Publications**

##### **Books/Reports/Chapters in Books**

- “India-Pakistan: Trade Perception Survey,” (Phase 1), Academic Foundation, January 2014 (co-authored).
- “Normalising India-Pakistan Trade”, in Nisha Taneja and Sanjib Pohit (eds.) “India-Pakistan Trade: Strengthening Economic Relations”, Springer, New Delhi, forthcoming (co-authored).

##### **Working Paper/Policy Series**

- “Normalising India-Pakistan Trade,” ICRIER Working Paper No. 267, September 2013 (co-authored).

##### **Papers in Refereed Journals**

- “Trade Facilitation: Issues Confronting South Asia at the WTO,” Trade Insight Vol. 9 No. 2 2013, SAWTEE, Kathmandu (with Nisha Taneja).

##### **Others**

- “Normalising India-Pakistan Trade: Opening up the Automobile Sector in Pakistan,” (with Nisha Taneja); article in India-Pakistan Trade Newsletter, January 2014.

### ***SHRADDHA SURESH***

#### **National Conferences/Seminars/Workshops**

- Presentation on “HPEC (2011) Report”, workshop on “Urban Water Supply,” Bhopal, February 17, 2014.



## Audited Annual Accounts

### V SAHAI TRIPATHI & CO CHARTERED ACCOUNTANTS

C-593, LGF, Defence Colony  
New Delhi - 1100 24  
Tel. : +91-11-24333823, 46612531-33  
Fax : +91-11-46540520  
E-Mail : vst@sahaitripathi.com

#### AUDITORS' REPORT

The Members,  
Indian Council for Research on  
International Economic Relations,  
Core 6A, 4<sup>th</sup> Floor,  
India Habitat Centre,  
Lodi Road,  
New Delhi

We have audited the accounts of your Council and certify that the annexed Income and Expenditure Account for the year ended March 31, 2014 and Balance Sheet as at March 31, 2014 for the year read with the Statement of Accounting Policies and Notes thereon have been correctly drawn from the books of accounts and vouchers examined and the information and explanations given to us.

It is further certified that: -

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) Proper books of accounts have been kept by the Council so far as it appears from our examination of those books;
- (c) The Council's Balance Sheet and Income and Expenditure account dealt with by this report are in agreement with the books of accounts and in our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view:
  - (i) in the case of the Balance Sheet of the state of affairs of the Council as at March 31, 2014; and
  - (ii) in the case of the Income and Expenditure account of the excess of Expenditure over Income for the financial year ending on March 31, 2014


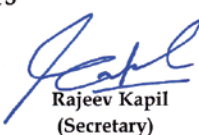

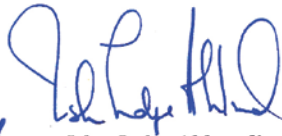



New Delhi  
Dated:

For V SAHAI TRIPATHI & CO  
Chartered Accountants  
Firm Regn No: 000262N

(Rajan Sachdeva)  
Partner  
M. No: 093081

**Indian Council for Research on International Economic Relations**  
**Balance Sheet as at March 31, 2014**

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
<b><u>SOURCES OF FUND</u></b>		
Endowment Fund	273,947,826	272,531,469
Opening Balance	272,531,469	261,471,469
Donations received during the year	-	12,500,000
Transferred from General Fund to RBI - Chair EF	1,416,357	1,060,000
IFCI Chair - Withdrawn	-	(2,500,000)
Unspent Grants	-	-
Building Fund	80,000,000	80,000,000
Opening Balance	80,000,000	80,000,000
Received during the year	-	-
Interest on Investment of Building Fund during the year	6,068,776	7,187,058
Transfer towards rent & maintenance paid to IHC	(6,068,776)	(7,187,058)
Fixed Assets Fund-Net Block	153,665	271,471
Fixed Assets Fund-Gross Block	4,000,000	4,000,000
(Depreciation Reserve)	(3,846,335)	(3,728,529)
General Fund	23,160,839	34,659,259
Opening Balance	34,659,259	27,155,322
Transferred From Income & Expenditure Account	(11,498,420)	7,503,937
Current Liabilities & Provisions(As per Schedule 3)	33,083,614	30,943,929
Current Liabilities	16,226,126	11,690,195
Provisions	3,441,668	12,458,603
Grant received in advance	13,415,820	6,795,131
<b>TOTAL</b>	<b>410,345,944</b>	<b>418,406,129</b>
<b><u>APPLICATIONS OF FUND</u></b>		
Fixed Assets (As per Schedule 1)	35,995,030	22,232,575
Gross Block	76,137,549	59,803,605
Depreciation Reserve	(40,142,519)	(37,571,030)
Investments	330,583,298	353,209,494
Long-term Investment	330,376,605	353,108,420
Investment Equalisation Fund	206,693	101,074
Current Assets, Loans & Advances(As per Schedule 2)	43,767,616	42,964,060
Cash and Bank	27,032,322	3,790,029
Loans & Advances	10,936,590	13,992,444
Grant Receivable	3,625,845	22,733,034
Prepaid Expenses	2,172,858	2,448,553
<b>TOTAL</b>	<b>410,345,944</b>	<b>418,406,129</b>
<p>Significant Accounting Policies and Notes (Schedule 6)</p> <p>In terms of our separate report of even date</p> <p><b>FOR V SAHAI TRIPATHI &amp; CO</b></p> <p><b>CHARTERED ACCOUNTANTS</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">   <b>Rajan Sachdev</b>  (Partner)  M. No. 093081 </div> <div style="text-align: center;">   <b>Rajeev Kapil</b>  (Secretary) </div> <div style="text-align: center;">   <b>Rajat Kathuria</b>  (Director &amp; CE) </div> <div style="text-align: center;">   <b>Isher Judge Ahluwalia</b>  (Chairperson) </div> </div> 		

Indian Council for Research on International Economic Relations Income & Expenditure account for the year ended March 31, 2014		
Particulars	Current Year (in Rs)	Previous Year (in Rs)
<b>A. INCOME</b>		
Grants	95,083,596	106,299,964
Received during the year	120,345,176	89,758,761
Receivable during the year	2,993,846	22,101,034
Received during the year for previous year	(21,571,034)	(3,068,684)
Grant return during the year	(63,703)	(61,594)
Brought Forward from Previous Year	6,795,131	4,365,578
Carried Forward for next year	(13,415,820)	(6,795,131)
Income/Profit on Investment	25,152,839	25,975,813
Interest on Investments for the year	31,221,615	33,162,871
Transfer to Building Fund	(6,068,776)	(7,187,058)
Transfer from Building Fund for Extra office space	6,068,776	7,187,058
Interest on Savings Bank Account	748,543	312,062
Exchange Rate Fluctuation	553,484	13,422
Other Income	846,163	508,192
<b>TOTAL (A)</b>	<b>128,453,401</b>	<b>140,296,511</b>
<b>B. EXPENDITURE</b>		
Research Expenses:-	110,149,476	106,024,725
Salaries & Allowances	43,306,504	34,713,764
Consultancy Charges	20,986,325	22,039,628
Travel Expenses	14,060,651	15,464,986
Workshops Seminars & Meetings	22,801,803	24,414,616
Publication Expenses	3,652,989	2,370,846
Communication Expenses	1,600,565	2,119,387
Library Expenses	3,740,638	4,901,498
Administrative Expenses:-	18,260,948	15,632,500
Salaries & Allowances	14,514,335	12,112,733
Professional Services	374,433	737,807
Office Expenses	3,280,243	2,725,030
Fees and Subscriptions	91,937	56,930
Bad Debts Written Off	95,357	240,000
Overheads:-	7,576,000	7,557,999
Rent/Utility & Electricity Charges	6,679,831	6,671,612
Repair and Maintenance	570,708	560,926
Property Tax	325,461	325,461
Exchange Rate Fluctuation	-	-
<b>TOTAL(B)</b>	<b>136,081,780</b>	<b>129,455,225</b>
<b>Surplus/(Deficit) before Depreciation (A-B)</b>	<b>(7,628,380)</b>	<b>10,841,286</b>
Depreciation	2,571,489	2,551,977
Transfer of Depreciation to Fixed Assets Fund Account	(117,806)	(274,627)
Transferred to RBI Chair Endowment Fund	1,416,357	1,060,000
Prior Period Adjustment	-	-
<b>Surplus/(Deficit) after depreciation</b>	<b>(11,498,420)</b>	<b>7,503,937</b>
<b>TOTAL</b>	<b>128,453,401</b>	<b>140,296,512</b>
<p>Significant Accounting Policies and Notes (Schedule 6)</p> <p>In terms of our separate report of even date FOR V SAHAI TRIPATHI &amp; CO CHARTERED ACCOUNTANTS</p>		
<p>Rajan Sachdeva (Partner) M. No. 093081</p> <p>Rajeev Kapil (Secretary)</p> <p>Rajat Kathuria (Director &amp; CE)</p> <p>Isher Judge Ahluwalia (Chairperson)</p>		



**Indian Council for Research on International Economic Relations**  
**Details of Fixed Assets (FY 2013-14)**

Schedule 1

Particulars	Rate of Depreciation (%)	Gross Block			Depreciation			Net Block	
		As at 01.04.2013 Own	Additions	Sales/ Written Off	As at 31.03.2014	For the Year Own	Deductions	Upto 31.03.2014	As at 31.03.2014
			Own						
Air Conditioners	15%	35,250	-	-	35,250	2,756	-	19,636	15,614
Building	10%	22,186,295	-	-	22,186,295	630,109	-	16,515,310	5,670,985
Car	15%	736,870	-	-	736,870	52,363	-	440,149	296,721
Computers	60%	9,216,114	453,977	-	9,670,091	909,077	-	9,034,377	635,714
Electrical Fittings	10%	1,063,525	-	-	1,063,525	44,419	-	663,751	399,774
EPABX	15%	388,195	-	-	388,195	9,583	-	333,893	54,302
Fax	15%	160,210	-	-	160,210	1,782	-	150,115	10,095
Cell Phone	15%	211,043	98,800	-	309,843	32,301	-	100,156	209,687
Furniture & Fixtures	10%	12,972,265	-	-	12,972,265	583,417	-	7,721,509	5,250,756
Laser Printer	60%	588,724	211,300	-	800,024	139,508	-	707,018	93,006
Misc. Equipments	15%	297,704	-	-	297,704	24,763	-	157,380	140,324
Multimedia Presentation System	15%	270,400	-	-	270,400	2,042	-	258,829	11,571
Overhead Projector	15%	221,770	-	-	221,770	12,418	-	151,401	70,369
Refrigerator	15%	14,500	-	-	14,500	6,877	-	8,020	6,480
Scanner	60%	26,700	13,275	-	39,975	8,002	-	34,640	5,335
<b>Total As at 31.3.2014</b>		<b>48,389,565</b>	<b>777,352</b>	<b>-</b>	<b>49,166,917</b>	<b>2,453,683</b>	<b>-</b>	<b>36,296,184</b>	<b>14,547,064</b>
<b>Total As at 31.3.2013</b>		<b>47,934,135</b>	<b>1,661,532</b>	<b>1,206,102</b>	<b>48,389,565</b>	<b>2,277,350</b>	<b>1,196,222</b>	<b>33,842,501</b>	<b>14,547,064</b>

**Funded Assets**

Particulars	Rate of Depreciation (%)	Gross Block			Depreciation			Net Block	
		As at 01.04.2013 Funded	Additions	Sales/ Written Off	As at 31.03.2014	For the Year Own	Deductions	Upto 31.03.2014	As at 31.03.2014
			Own						
Land*		2,246,820	-	-	2,246,820	-	-	-	2,246,820
Computers**	60%	3,655,612	-	-	3,655,612	98,263	-	3,590,104	65,508
EPABX**	15%	87,620	-	-	87,620	7,466	-	45,312	42,308
Laser Printer**	60%	168,050	-	-	168,050	4,517	-	165,038	3,012
Overhead Projector**	15%	88,718	-	-	88,718	7,560	-	45,881	42,837
<b>Total As at 31.3.2014</b>		<b>6,246,820</b>	<b>-</b>	<b>-</b>	<b>6,246,820</b>	<b>117,806</b>	<b>-</b>	<b>3,846,335</b>	<b>2,400,485</b>
<b>Capital Work-In-Progress*</b>		<b>5,167,220</b>	<b>5,983,344</b>	<b>-</b>	<b>11,150,564</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,150,564</b>
<b>Capital Advances</b>		<b>-</b>	<b>9,573,248</b>	<b>-</b>	<b>9,573,248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,573,248</b>
<b>Total As at 31.3.2014</b>		<b>5,167,220</b>	<b>15,556,592</b>	<b>-</b>	<b>20,723,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,723,812</b>
<b>Grand Total As at 31.3.2014</b>		<b>59,803,605</b>	<b>16,333,944</b>	<b>-</b>	<b>76,137,549</b>	<b>2,571,489</b>	<b>-</b>	<b>40,142,519</b>	<b>35,995,030</b>
<b>Grand Total As at 31.3.2013</b>		<b>59,342,967</b>	<b>1,458,480</b>	<b>1,206,102</b>	<b>59,803,605</b>	<b>2,551,977</b>	<b>1,196,222</b>	<b>37,571,030</b>	<b>22,232,575</b>

\* Against Building Fund  
\*\* Against Capital Grant





## Indian Council for Research on International Economic Relations

### Schedule 2

#### Current Assets, Loans & Advances

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
<b>A) Current Assets</b>	<b>27,032,322</b>	<b>3,790,029</b>
-Cash in Hand	109,425	155,546
-Balances with Bank in Saving Account	12,604,197	3,075,890
-Balances with Bank in US Dollar Account	14,318,700	558,593
<b>B) Loans &amp; Advances:-</b>	<b>10,936,590</b>	<b>13,992,444</b>
-Advances Recoverable in Cash or in Kind	7,432,334	9,202,198
-Interest Accrued	3,504,256	4,790,246
<b>C) Grants Receivable</b>	<b>3,625,845</b>	<b>22,733,034</b>
<b>D) Prepaid Expenses</b>	<b>2,172,858</b>	<b>2,448,553</b>
<b>Total</b>	<b>43,767,616</b>	<b>42,964,060</b>

### Schedule 3

#### Current Liabilities & Provisions

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
<b>A) Current Liabilities:-</b>	<b>16,226,126</b>	<b>11,690,195</b>
-Sundry Creditors	14,108,109	9,528,219
-Statutory Dues	2,076,041	2,161,976
-Retention Money - Builder	41,976	-
<b>B) Provisions:-</b>		
-Expenses Payable	3,441,668	12,458,603
<b>C) Grants Received in Advance:</b>	<b>13,415,820</b>	<b>6,795,131</b>
<b>Total</b>	<b>33,083,614</b>	<b>30,943,929</b>





#### Schedule-4

### **Indian Council for Research on International Economic Relations For the Year Ended March 31, 2014**

#### **Significant Accounting Policies and Notes to the accounts**

#### **(A) Accounting Policies**

1.
  - a. Accounts are maintained on accrual basis.
  - b. Grants are accounted for in the year in which they are received.
  - c. Grants recoverable are accounted for as income if either sanction orders have been received or the amounts have been recovered in the subsequent period.
  - d. In cases where projects for which the grants were received have not been completed the unspent grants are estimated and are carried forward as a liability. In subsequent years unspent grants are transferred to the Income and Expenditure Account to match them with related costs which they were intended to cover.
2.
  - a. Mutual Fund investments, which are readily encashable, are shown under current assets. Increase in net asset value at the end of the year over its cost/opening net asset value, as the case may be, is shown as income for the year and a reduction, if any, as an expense.
  - b. Investment for fixed periods is shown as long term investments at their cost. Provision for diminution in the value is made only if in the opinion of the management the fall in value is of a permanent nature.
3. The Council follows the written down value method for providing depreciation at rates provided in the Income Tax Act, 1961 except for assets below Rs. 5,000 which are fully depreciated in the year of purchase. On fixed assets added/disposed off during the year, depreciation is charged on a pro-rata basis from/upto the date that the asset is put to use or disposed off.
4.
  - a. Expenditure on books and publications is charged to the Income and Expenditure account but a separate record of items purchased is maintained.
  - b. Expense on computer software is fully charged to the Income and Expenditure account when the expense is incurred.
5. Donations received towards the corpus are carried forward in the Balance Sheet under Endowment Fund.
6. An LIC Policy has been taken to cover against future liability on account of gratuity payable to the staff. The actual amount paid to LIC is charged to the Income and Expenditure Account. An actuarial valuation is to be carried out to ascertain the correct Liability.
7. Gifted assets are valued by the management and shown as an addition to the fixed assets with a corresponding credit to a "Gifted Assets Fund" account. Annual depreciation on gifted assets is deducted from the cost as well as the 'Gifted Assets Fund' account.
8. Encashment of earned leave salary is accounted for on the basis of actual payment to the employees at the time of retirement/leaving.



- The above Accounting Standards have been generally followed, except to the extent stated otherwise.

1. During the year investments of Rs. 5.98 Lacs was made in Government securities the maturity value of which will be Rs. 6.30 Lacs after six years. The difference of Rs. 0.32 Lacs will be treated as interest income. During the year Rs. 0.05 Lacs was taken as interest income on proportion basis and the balance of Rs. 0.27 Lacs will be treated as income in five subsequent years on an equated basis.
2. Interest on Building Fund Investments amounting to Rs. 60.68 Lacs for this year has, as per decision of the Board will transfer to the income of the year to pay for the rent & maintenance for extra space taken from IHC.
3. Contingent liability on account of a labour dispute awaiting settlement in the Hon'ble Delhi High Court is estimated at Rs. 10.00 Lacs.
4. The Director General of Income Tax (Exemptions) has with effect from the financial year 2006-07 and onwards granted us exemption from income tax under sub-clause (iv) of section 10 (23C) subject to our fulfilling certain conditions including application of 85% of our income during the year and investment of our surplus funds in specified investments.
5. During the year Rs. 14.16 Lacs up to March 31, 2014 has been transferred to the Endowment Fund from the Income & Expenditure account on account the transfer of income on the Investments made out of the RBI- Chair Fund as per their Endowment Grant conditions.
6. Schedules 1 to 6 form an integral part of the Balance Sheet and Income and Expenditure account.
7. Previous year's figures have been regrouped where ever necessary to make them comparable with the figures for the current year.



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ICRIER cherishes its status as the country's premier autonomous and independent economic policy think tank. It has been able to nurture its treasured autonomy by establishing an Endowment Fund, the income from which helps to meet administration expenses and support research on important topics where project grant is not immediately available. Income from the endowment fund has also helped to enhance ICRIER's research capacity and networking.

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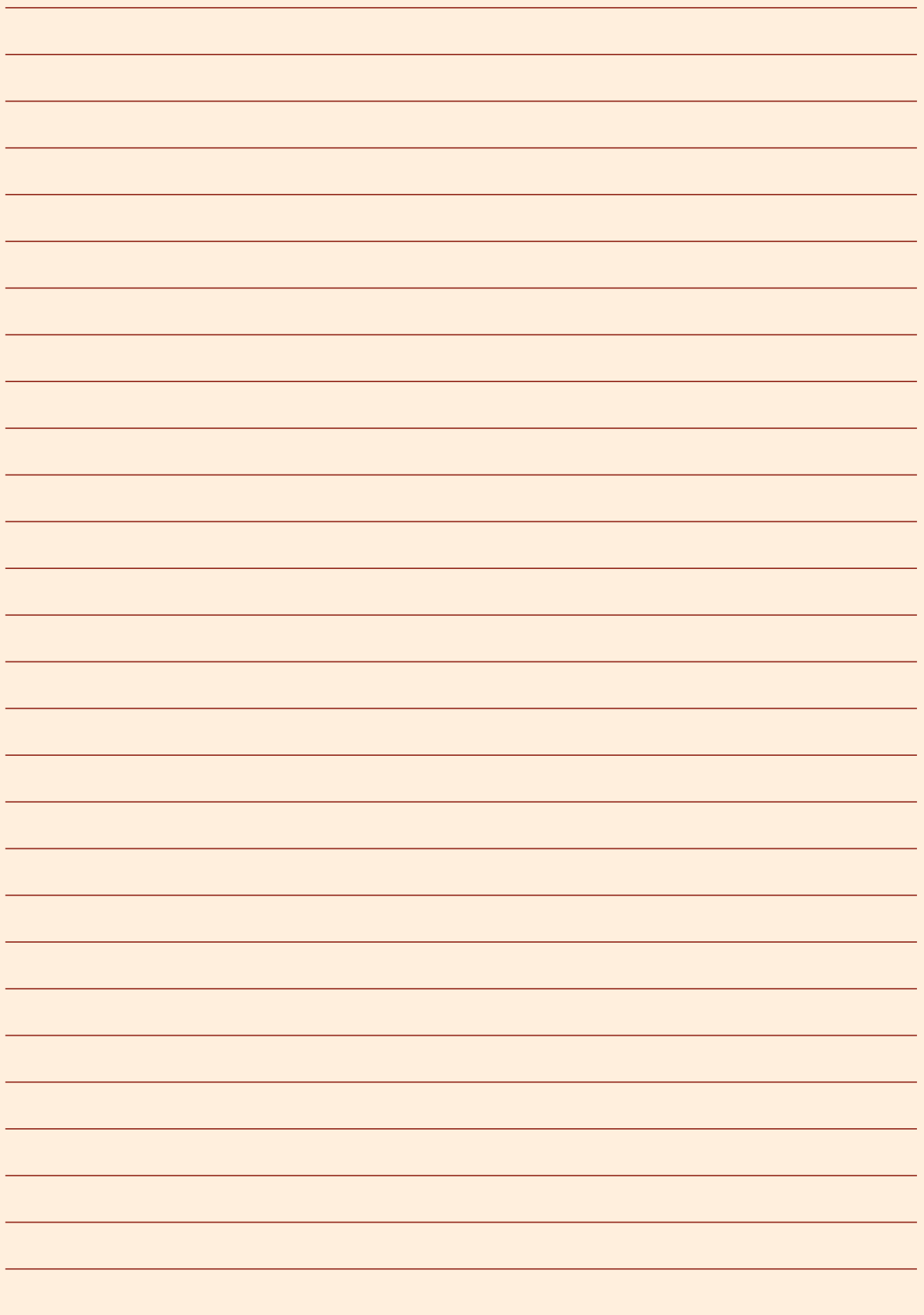
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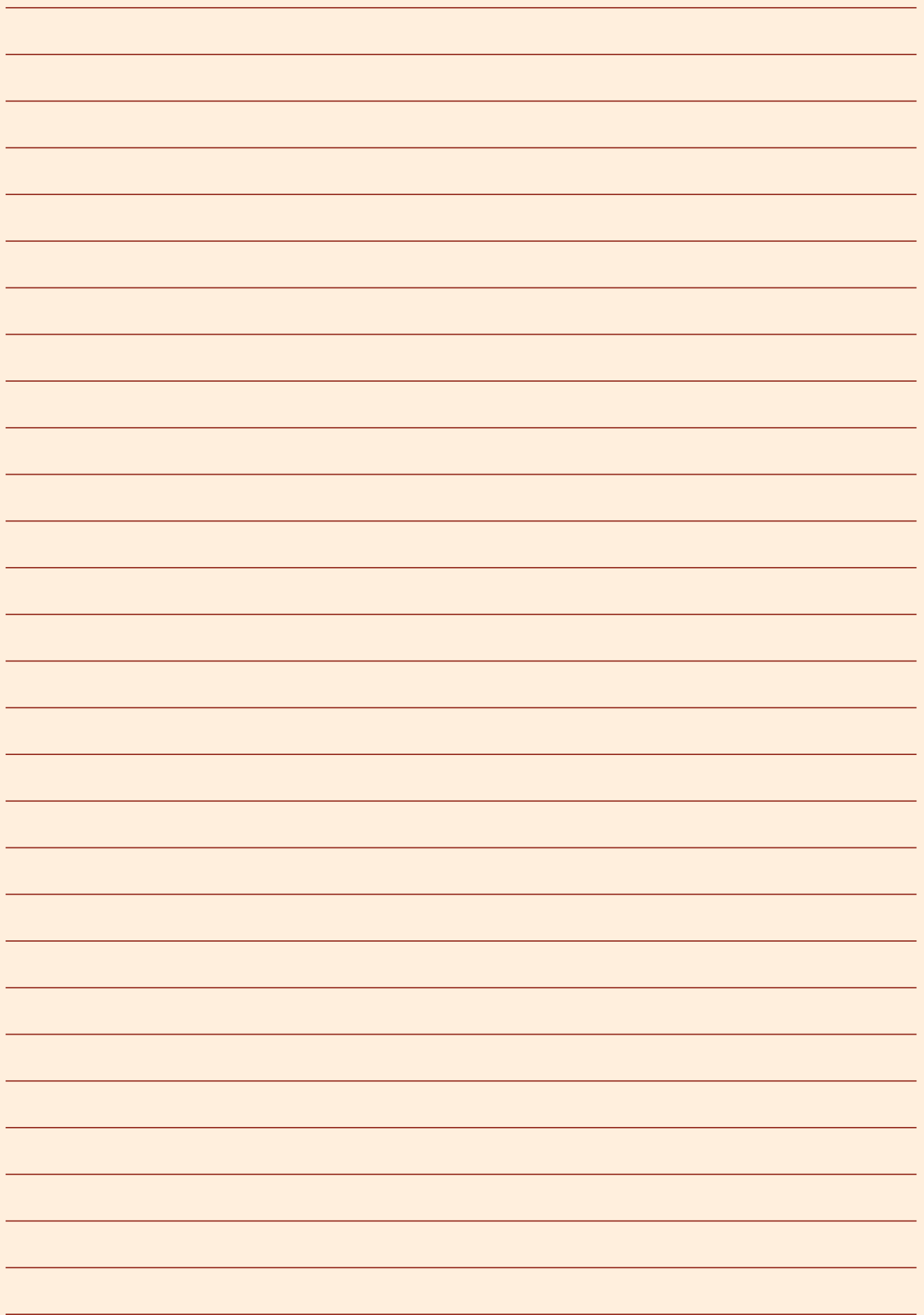
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