

ANNUAL REPORT

2006-07

25
years of
ICRIER
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ECONOMY

ICRIER



INDIAN COUNCIL FOR RESEARCH ON
INTERNATIONAL ECONOMIC RELATIONS

Indian Council for Research on International Economic Relations

**ANNUAL REPORT
2006-07**

40 years of
ICRIER

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FOREWORD BY THE CHAIRPERSON



ICRIER celebrated its 25th anniversary in 2006-07. Research at **ICRIER** continued to be of high quality and great relevance for policy in areas such as South Asian economic cooperation, competitiveness of Indian industry and agriculture, and WTO - and other trade-related issues, which are of great importance as the Indian economy continues its integration with the world economy. The research program at **ICRIER** was substantially expanded. A significant initiative during the year was the launch of a financial sector research program under the guidance of a Steering Committee, which included a number of policy makers, practitioners in the private sector and researchers.

The Silver Jubilee Conference, organized in November 2006, was inaugurated by the Hon'ble Prime Minister, Dr. Manmohan Singh, who shared his ideas about the importance of high-quality research in informing the policy debate in his inaugural address. He also paid tribute to our founder Chairman, the late Dr K B Lall, for his wisdom and foresight in creating an institution which has acquired a central place in knowledge creation and knowledge management in India's international economic relations. The Hon'ble External Affairs Minister, Mr Pranab Mukherjee, delivered the valedictory address in which he emphasized the increasing importance of economic policy research in the formulation of foreign policy.

The Silver Jubilee year also saw Prof. Lawrence H Summers, former Treasury Secretary of the USA and former President, Harvard University, deliver the 2nd KB Lall Memorial lecture on Global Warming and Global Finance. The lecture was attended by Board members and members of the General Body of **ICRIER**, researchers at **ICRIER** and many others including media personalities. The lecture received wide media attention.

Research activity at **ICRIER** has remained focused on the six thrust areas outlined in the Annual Report. The year just ended has seen a more diversified set of sponsors for the research projects. The Government of India has assigned a number of important projects to **ICRIER** including the highly topical ones studying the efficacy of fiscal incentives for export promotion including the Special Economic Zones (SEZs) and the impact of allowing larger-scale modern retail on the unorganized sector. State governments have come forth with projects to help in articulating their development strategy, e.g. for Punjab and Uttarakhand. Corporate sponsorship of research projects has also increased substantially. Research work has also continued under our program funded by the Sir Ratan Tata Trust. A joint study by Prof. Anwarul Hoda, formerly of

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ICRIER, and now Member, Planning Commission, and Dr Ashok Gulati, Director (Asia), International Food Policy Research Institute (IFPRI) has been accepted for publication by John Hopkins University Press and is expected to be released shortly. An edited volume on the WTO's influence on Indian economic policy making was also completed this year. Increased interaction between research faculty at **ICRIER** and the Ministries of Commerce, Finance and External Affairs is also very heartening to note. **ICRIER** was selected by the Ministry of Finance as the Indian agency together with its counterpart institution, the Institute of Public Policy Studies of Peking University in Beijing, China, to launch a joint study on the "Development Experiences of India and China". The study, the first of its kind, where a group of Indian researchers study aspects of the Chinese Development Experience and vice versa, is being supported by a grant from the Asian Development Bank.

Revenues during the year 2006-07 increased more than two-fold, compared with the previous year, reflecting the increased confidence in **ICRIER**'s ability to deliver high-quality output. A campaign to raise the endowment at **ICRIER** from Rs. 13 crore to Rs. 25 crore during the year was successfully concluded. The recruitment drive also yielded very good results with a significant expansion in the research faculty.

I would be failing in my duty if I did not commend Dr Rajiv Kumar, Director & CEO, **ICRIER**, who has ably and with enthusiasm guided the expansion and consolidation of **ICRIER** during the year. He has been able to create a collegial atmosphere in which researchers are motivated to give their best. This is crucial if **ICRIER** is to build further on its strengths in creating a knowledge base for policy makers and other stakeholders in the Indian economy.

Finally, I thank my colleagues on the Board, who have all along engaged in the evolution of the research strategy at **ICRIER**, helped in working towards making **ICRIER** financially autonomous and kept diligent oversight to ensure that the institution does not become complacent but strives to emulate the best management practices for think tanks round the world.



(Isher Judge Ahluwalia)
Chairperson

**BOARD OF
GOVERNORS**

**AS ON
MARCH 31, 2007**

Chairperson

Dr. Isher Judge Ahluwalia
32 Aurangzeb Road
New Delhi-110 011

Elected Members

Dr. Shankar Acharya
Honorary Professor, ICRIER &
Chairman, Kotak Mahindra Bank Ltd
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Ms. Janaki Kathpalia
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New Delhi-110 065

Dr. Vijay Kelkar
Chairman
IDFC Asset Management Company
617, Vasanti Mansion, 3rd Floor
Dinshaw Wacha Road
Churchgate
Mumbai - 400 020

Mr. Uday S. Kotak
Vice Chairman & Managing Director
Kotak Mahindra Bank Ltd
Bakhtawar, 2nd Floor
229, Nariman Point
Mumbai - 400 021

Dr. R. A. Mashelkar
CSIR Bhatnagar Fellow
National Chemical Laboratory, Pasham Road
Pune-411 008

Mr. Aman Mehta
4/7, Shanti Niketan
New Delhi-110 021

Dr. Rakesh Mohan
Deputy Governor, Reserve Bank of India
Central Office, Mumbai-400 021

Dr. Kirit S. Parikh
Member Planning Commission
Yojana Bhawan
Samad Marg
New Delhi - 110 001

Dr. Swati A Piramal

Director- Strategic Alliances & Communications
Nicholas Piramal India Limited
Nicholas Piramal Tower
Ganpatrao Kadam Marg
Lower Parel
Mumbai - 400 013

Mr. N. Ravi

Editor
The Hindu
Kasturi Buildings
859-860, Anna Salai
Chennai - 600 002

Co-opted Members

Mr. Nitin Desai
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(First Floor)
New Delhi-110 024

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Suite 2/10, Halley Road
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New Delhi-110001

Ms. Chanda Kochhar
Deputy Managing Director
ICICI Bank Ltd.
ICICI Bank Tower
Bandra-Kurla Complex
Mumbai - 400 051

Overseas Member

Dr. Arvind Panagariya
Professor of Economics & Bhagwati Professor of
Indian Political Economy
Columbia University
School of International & Public Affairs
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New York NY 10027

Member-Secretary

Dr. Rajiv Kumar
Director & Chief Executive
ICRIER
Cone 6-A, 4th Floor
India Habitat Centre
Lodhi Road
New Delhi-110 005



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25 YEARS OF MANAGEMENT COMMITTEES

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AS ON MARCH 31, 2007

FOUNDER MEMBERS

1.	Mr. Montek Singh Ahluwalia	40.	Late P. K. Dave
2.	Dr. Jagdish Bhagwati	41.	Late Manu R. Shroff
3.	Mr. K. K. Bhargava	42.	Late P. K. Kaul
4.	Mr. I. S. Chadha	43.	Late I. G. Patel
5.	Dr. R. J. Chelliah	44.	Late Anand Prakash
6.	Mr. K. L. Dalal	45.	Late Sukhamoy Chakravorty
7.	Mr. B. S. Das	46.	Late Khub Chand
8.	Mr. Ashok V. Desai	47.	Late B. K. Chatterjee
9.	Mr. Nitin Desai	48.	Late J. Rameshwar Rao
10.	Professor P. N. Dhar	49.	Late P. Chennal Rao
11.	Mr. M. Dubey	50.	Late H. N. Ray
12.	Mr. R. S. Gae	51.	Late Y. T. Shah
13.	Dr. S. P. Gupta	52.	Late S. R. Sen
14.	Mr. R. M. Honavar	53.	Late L. K. Jha
15.	Mr. B. D. Javal	54.	Late A. M. Khusro
16.	Mr. S. V. S. Janeja	55.	Late Raj Krishna
17.	Dr. Rami Kothari	56.	Late Lovraj Kumar
18.	Mrs. Anna R. Malhotra	57.	Late Suresh Kumar
19.	Mr. S. S. Marathe	58.	Late K. B. Lall
20.	Dr. Surman K. Modwel	59.	Late Sanjaya Lall
21.	Mr. P. K. Nanda	60.	Late R. N. Malhotra
22.	Mr. Govind Narain	61.	Late Freddie A. Mehta
23.	Mr. N. C. B. Nath	62.	Late B. K. Nehru
24.	Mr. P. C. Nayak	63.	Late Prakash Tandon
25.	Dr. Deepak Nayyar	64.	Late Mohd Yusus
26.	Dr. V. R. Panchamukhi	65.	Late Malcolm S. Adisesiah
27.	Mr. Vijay G. Pande	66.	Late M. C. Bhatt
28.	Mr. R. D. Pradhan	67.	Late Brij Bhushan
29.	Mr. Vinay Bharat Ram	68.	Late Sharat Ram
30.	Mr. S. S. Ramphal		
31.	Dr. C. Rangarajan		
32.	Mr. S. S. Rao		
33.	Mr. N. K. Sengupta		
34.	Mr. Harbans Singh		
35.	Dr. Manmohan Singh		
36.	Mr. R. V. Subrahmanian		
37.	Dr. M. S. Swaminathan		
38.	Mr. T. K. N. Unnithan		
39.	Dr. Charan D. Wadhwa		

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LIFE MEMBERS

- 1 Dr. Isher Judge Ahluwalia
- 2 Mr. J. S. Bajaj
- 3 Dr. Bimal Jalan
- 4 Mr. Shiv S. Kapoor
- 5 Dr. Vijay Kelkar
- 6 Dr. Deepak Lal
- 7 Mr. Raghunandan D. Malusde
- 8 Dr. Arvind Panagariya
- 9 Dr. Y. V. Reddy
- 10 Mr. Prakash Shah
- 11 Mr. N. K. Singh
- 12 Professor T. N. Srinivasan

New Members enrolled during the year

- 13 Dr. Shankar Acharya
- 14 Mr. Mukesh D. Ambani
- 15 Mr. Gopi K. Arora
- 16 Mr. Jagmohan Lal Bajaj
- 17 Mr. Surjit S. Bhalla
- 18 Mr. Y. C. Deveshwar
- 19 Mr. Jamshyd Godrej
- 20 Ms. Lalita D. Gupte
- 21 Mr. Anwarul Hoda
- 22 Mr. K. V. Kamath
- 23 Mr. Uday S. Kotak
- 24 Dr. Darshan Lal
- 25 Dr. Rajiv B. Lall
- 26 Mr. Arun Maira
- 27 Dr. R. A. Mashelkar
- 28 Mr. Aman Mehta
- 29 Dr. Rakesh Mohan
- 30 Mr. N. R. Narayana Murthy
- 31 Dr. Kirit S. Parikh
- 32 Dr. Swati A. Piramal
- 33 Mr. N. Ravi
- 34 Mr. Parth J. Shah
- 35 Dr. Kiran Mazumdar Shaw
- 36 Mr. Surendra Singh
- 37 Mr. Pramath Senha
- 38 Mr. C. M. Vasudev



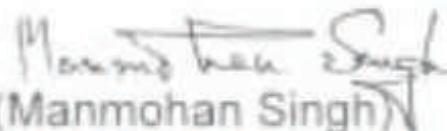
प्रधान मंत्री

Prime Minister

MESSAGE

I am delighted to learn that ICRIER is celebrating its Silver Jubilee. ICRIER was conceived as an institution that would undertake research on policy oriented issues arising from the opening up of the Indian economy to the rest of the world. This was an early recognition of the growing economic interdependence of the world economy. I pay tribute to Shri K.B. Lall and the founders of ICRIER for their foresight and commitment to research-based policy formulation. I am happy that over the years ICRIER has undertaken and disseminated high quality research, built a network for interaction with researchers worldwide, and contributed to informed debate on policy issues in India. I congratulate all those who have participated in this very successful effort and built ICRIER into one of our foremost policy think tanks.

I wish ICRIER many more years of fruitful and creative research.


(Manmohan Singh)

New Delhi
September 5, 2006

DIRECTOR'S REPORT



It has been a special year for ICRIER. The Silver Jubilee Conference, held at Vigyan Bhawan on November 6 and 7, 2006 was inaugurated by Hon'ble Prime Minister Dr. Manmohan Singh, who is one of ICRIER's founder members. His inaugural address, reproduced later in this report, touched on some of the most important policy issues and provided a blue print for future research. The valedictory session was addressed by the Foreign Minister, Mr. Pranab Mukherjee, who used the occasion to outline the future policy thrusts for India's external relations. The Conference brought together a number of top-ranking international and national experts across six thematic issues. The Conference volume, bringing together the specially commissioned papers, is expected within this year.

Another highlight of this year was the 2nd K B Lall Memorial Lecture, delivered by Professor Lawrence H. Summers, the former US Treasury Secretary and former President of Harvard University. The session, chaired by Mr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, and another ICRIER founder member, saw high-level participation by policy makers, industry representatives and academics. Professor Summers' lecture on the topical issue of 'Global Warming and Global Finance' attracted wide media attention and discussion. We hope to organize the K. B. Lall Memorial Lecture every alternate year in the future.

The year 2006-07 has also seen a significant increase in research activities, seminars and conferences, as reflected in the increase in research grants to about Rs. 3 crore in 2006-07.

Our efforts at mobilizing additional contributions to the Endowment Fund of ICRIER, led by the Chairperson, Dr. Isher Judge Ahluwalia, and with the active support of ICRIER's Board of Governors, received very generous response from the corporate world. We received commitments of Rs. 12.50 crore, which will take the corpus to more than Rs. 25 crore, exceeding the target set by us for our Silver Jubilee Year. This reflects ICRIER's rising credibility and acceptability as the country's leading independent applied economic research organization and policy think tank. The resultant increase in investment income would help in initiating more self-financed research activities and achieve a better balance between self-generated and sponsored research.

ICRIER's research activities in 2006-07 covered a wider range of issues under the six thrust areas and were supported by a more diversified group of sponsors. The sixteen new projects initiated during this year addressed policy issues relating to the International Competitiveness of Indian Industry; Non-Tariff barriers facing Indian Exports; India's Bilateral Relations with Other countries; Financial Sector Reforms; the Impact of Organized Retailing, and the Costs and Benefits of Tax Exemptions and Special Economic Zones.

ICRIER prepared a Vision Document for Punjab at the invitation of the CII, which was presented to the newly elected Chief Minister of Punjab in March, 2007. We have been approached to prepare a similar document for Uttarakhand. This represents a promising opening for ICRIER to work with State Governments on their reform agenda. While encouraging diversification of research sponsorship, we have taken care to ensure that intellectual property rights remain with ICRIER and research remains focused on ICRIER's thrust areas.

India's relationship with its neighbours and issues of regional cooperation in South Asia have been an important thrust area for ICRIER. The study on 'Non-Tariff Barriers in India's Trade with Pakistan' received wide recognition. ICRIER has now been asked by the Ministry of Commerce to undertake three other studies for examining the constraints on trade expansion

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within South Asia. In addition, ICRIER researchers were commissioned to prepare papers on different aspects of SAARC by the ADB and the Commonwealth Secretariat and for the IDSA/ICRIER international conference. ICRIER's work on regional cooperation is now expanding to cover pan-Asian economic cooperation and also to examine thematic issues like the introduction of the Asian Currency Unit, for which a conference is planned in October 2007.

ICRIER's work on WTO related issues, supported by the Sir Ratan Tata Trust, has produced a number of studies. A volume titled "India's Liberalisation Experience : Hostage to the WTO?" is being published later in the year. The two issues of WTO News & Views and several newspaper articles by ICRIER researchers on topical issues in the Doha Development Round have ensured that our work on WTO issues remain on track and has contributed to policy discussions. The current phase of SRTT is now drawing to a close and we hope that this will be revived in 2007-08 with a wider coverage on trade policy and regional cooperation issues.

ICRIER's leadership position in the area of trade in services continues to receive its due recognition with the Government entrusting the studies on the service component of FTA negotiations to ICRIER. We were awarded the study on services for the India-Brazil-South Africa (IBSA) regional cooperation agreement and also a major study on services trade potential and India's interests in a future India-EU FTA by the Ministry of Commerce.

Given the importance of pushing forward the reform agenda in the financial sector, ICRIER has established a financial sector research program (FSRP). This is being undertaken under the direction of a Steering Committee comprising Professor J. R. Varma, Dr. Jaimini Bhagwati, Dr. K. P. Krishnan, Dr. Ajay Shah, Mr. Sanjay Nayar, Mr. Gunit Chaudhury and Professor Shankar Acharya. As part of the FSRP, a monthly seminar series on financial sector issues was started in October 2006. The ten seminars that have been held so far have attracted some of the best experts in the financial sector. Two of the four research topics, identified by the steering committee, are now being implemented. These are Financial Inclusion in India and Availability of SME Finance. ICRIER has finalized an MoU with the InWent Corporation, a German Government entity, for undertaking joint work in the financial sector. The first major activity under this initiative will be an international conference on 'Central Banking and Financial Sector Developments in South and Central Asia' scheduled for November 2007 to be held in Delhi.

International climate change and its likely impact on economic growth, livelihood and food security prospects in developing countries emerging as an important aspect of international economic relations. ICRIER contributed to the research and policy discussion by providing a forum for senior experts like Professor Jagadish Shukla, Professor Nicholas Stern and Professor Lawrence H. Summers to speak and interact with their Indian counterparts. We hope to undertake substantive research in this area in the coming year.

From its inception, ICRIER's research effort has focused on determinants of and constraints on international competitiveness of Indian industry. This has provided the micro and empirical foundations for our macro policy recommendations. This aspect of our research has been further strengthened with studies on sectors such as automobiles, textiles, iron ore, plastics, preventive health care and labour intensive export-oriented industries. I expect some of these studies to have significant policy implications. The studies on cost-benefits of special economic zones and the economic impact of fiscal incentives for export promotion have a direct bearing on improving the competitiveness of Indian industry.

International seminars, conferences and special lectures have been an integral and important component of ICRIER's policy supportive work program. Over the years ICRIER has also built up substantial brand equity for the analytical content and quality of its academic events. Important international conferences and seminars organized during the year included: Growth Issues in India and the World Economy in collaboration with the World Bank and the London School of Economics; Regional Integration in South Asia in collaboration with the International Trade Center, Geneva; International Financial Integration of China and India, in collaboration with the World Bank; Economic Cooperation for Security and Development in South Asia, jointly with the Institute of Defence Studies and Analysis; and the Sixth Indo-Korea Dialogue with support from the Ministry of External Affairs. We are now in the enviable position of having to choose from a number of proposals from potential partners.

The Special Lecture program in 2006-07 saw some outstanding personalities visiting ICRIER and using its forum to interact with the policy community and academics. The program included sessions with two Nobel Laureates viz. an interactive session on 'Global Development Experiences' with Professor Michael Spence; and 'Making Globalization Work for India' with Professor Joseph Stiglitz. Other sessions that attracted significant interest were: 'The Doha Development Agenda: Prospects and India's Role' by Mr. Kansal Nath, Minister of Commerce and Industry; 'Employment and Development: Good Jobs, Bad Jobs' by Professor Francois Bourguignon, Chief Economist, World Bank; Sir Nicholas Stern's 'Review on the Economics of Climate Change'; and 'Global Warming: The Known, The Unknown, and the Unknowable' by Professor Jagadish Shukla, Distinguished Professor, George Mason University and President, Institute of Global Environment & Society.

ICRIER also organized two seminars in Mumbai. The first was a post-budget discussion on the 'State of the Economy', in collaboration with the Nehru Center, in March 2007, and the second was on the 'World Economic Outlook', jointly with the Bombay Chamber of Commerce & Industry on 18 April 2007. We hope to organize seminars / workshops in other cities to expand ICRIER's foot-print outside Delhi.

The Indo-Korea Bilateral Dialogue has by now become a regular feature in the ICRIER calendar. The sixth, was held on 11 December 2006 in Delhi and the next is scheduled for October 2007 in Seoul. It will be our endeavour to work closely with the Ministry of External Affairs to start similar bilateral or regional track two interactions in future. In this regard it is noteworthy that ICRIER has been nominated by the Government as one of the members of the Private Sector Advisory Group (PSAG) to support the Indo-US Bilateral Trade Dialogue. The PSAG is co-chaired by Dr. Isher Judge Ahluwalia and Mrs. Carla Hills. ICRIER staff was nominated by the Government to the Indian delegation for Track Two initiative on the East Asia Community, invited to the brainstorming session in preparation for the SAARC summit and to several Planning Commission working groups for the Eleventh Plan. Going by the number of projects in the pipeline, our relations with the MEA, MOC and other ministries are expected to become even stronger in coming years. The sharp increase in research and related activities, during 2006-07, as briefly reported above, has necessitated significant increase in our research and administrative staff strength. In this, I have been greatly helped by the support received from the Board, which readily permitted a significant raise in salary scales and sanctioned a Group Medical Insurance Scheme that has since been implemented. In addition, the revision of domestic travel allowance rules has further added to improved working conditions. This has provided the necessary basis for attracting new talent at ICRIER and a more than a doubling of our in-house research staff and substantial increase in the number of visiting and external faculty. A Chair on Japanese and East Asian Studies has been established with support from the Sasakawa Peace Foundation and it will be filled shortly. Efforts to further strengthen our research faculty, particularly at senior levels, continue and we hope to be successful with support from the Board.

The rising staff strength has necessitated a restructuring of workspace within ICRIER. It was decided to shift completely to a computer-based library system in ICRIER and use the space for increasing the number of work stations. This restructuring and renovation of ICRIER's facilities were completed by the end of August 2007. Nonetheless, it is now time that ICRIER addresses the question of a significant expansion in the years ahead.

Finally I must express my sincere thanks to the researchers and administrative staff, who have given me their unstinted cooperation and shown commendable initiative in taking ICRIER forward. We at ICRIER are fortunate to have such a strong Board that guides and supports our work. I thank the Board members and specially the Chairperson for putting ICRIER on a higher growth trajectory for the coming 25 years.



Rajiv Kumar
Director & Chief Executive, ICRIER



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**SPECIAL
EVENTS**

**40
years of
ICRIER**

25
years of
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ICRIER's Silver Jubilee Conference

India and the Global Economy

6-7 November 2006

ICRIER is celebrating its Silver Jubilee in 2006-07. On this occasion, an international conference on "India and the Global Economy" was organized on November 6-7, 2006 at Vigyan Bhawan, New Delhi. The Hon'ble Prime Minister of India, Dr. Manmohan Singh inaugurated the conference and the Valedictory Session was addressed by Mr. Pranab Mukherjee, Hon'ble Minister of External Affairs.

The conference brought together some of the leading experts, international and national, working on India's economic development. The deliberations at the conference contributed to the discussion on the policies and institutions needed to exploit the growing opportunities offered by India's integration with the world economy.

PM's address at ICRIER's Silver Jubilee Conference Research Agenda for economic think tanks outlined

November 6, 2006



"I am truly delighted to be here at the Silver Jubilee function of ICRIER. This is for me a home coming of sorts because I had the privilege of being associated with ICRIER's creation as a founder-member of the General Body. I would like to begin by paying my tribute to the memory of Mr. K. B. Lall, ICRIER's founder and builder. Till his very end, he took keen interest in ICRIER's work and even after he had ceased to be the Chairman of Board of Governors, would often visit the library and participate in seminars.

Mr. K. B. Lall was a fine representative of a generation of visionary civil servants that India was fortunate to have in the early years after our Independence. They worked with the political leadership to create and sustain great institutions. It is

significant that ICRIER was conceived of in the early 1980s, when Smt. Indira Gandhi was the Prime Minister. There was already a realization that we had to pay greater attention to our economic relations with the outside world. Many of you will recall that in the late 1970s the Government had constituted several committees of experts to re-examine many aspects of our industrial and trade policies. Some of the distinguished personalities who authored these reports are present and I mention in particular, the name of Dr. Vijay Kelkar. This was also the time when China had initiated its Four Modernisations campaign and was becoming more open to the outside world.

Mr. K. B. Lall was convinced that India had to make the transition from being an excessively inward-oriented economy to becoming a more outward-oriented one. This required preparation and changes in domestic policy. This would require Indian firms to become more competitive. The founders of ICRIER



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chose to build this institution to study all these issues and guide policy. It was only appropriate that ICRIER was initially housed in the building of India International Centre.

I do believe that ICRIER, under a succession of dedicated chairpersons and directors, has lived up to the expectations of its founders. In this context, I would like to record with deep appreciation the outstanding contributions made by Mr. R. N. Malhotra, who was succeeded by Dr. J. G. Patel as Chairman of the Board of Governors, and Dr. Isher Ahluwalia in her many capacities of association with ICRIER in the transformation of this think tank as a leading forward looking institution on international economic relations. ICRIER's research work has covered many issues pertaining to trade policy, industrial policy, exchange rate and balance of payments management, the international financial system, capital flows, migration and labour policies, and in all these areas, ICRIER has made a profound impact on contemporary thinking on these issues. I do think that ICRIER must continue with its focus and emerge as one of the foremost think tanks not only in India but in the world as a whole.

I have often said in recent months that I do believe that there are today no binding external constraints on India's economic growth. Most constraints we face are inherently internal. This does not mean that external developments or trends may not re-emerge as constraints on our growth processes. Nor does it mean that we have taken full advantage of all the opportunities that are available to us. What it means is that the global environment is more benign today for India's development than at any other time in recent history. However, we must remain prepared at all times to deal with any external challenges to our development process, develop the necessary analytical tools to forecast and anticipate global trends and their implications for us and design policy response systems which are rapid but flexible enough for our needs. This requires, among other things, a continuous study of the global economic scenario and a contextualisation of this for our policy design purposes. This should be in my view the focus of ICRIER's work.

At the present time there is a great deal of optimism about India not only in seminar halls but also in board-rooms across the world. This optimism needs to be sustained and converted to tangible decisions that benefit our economy. For this, there is much we need to do at home. While the focus of Government's policies will remain on domestic economic issues, institutes like ICRIER must continue to scan global economic developments and explore new opportunities so that our development goals are effectively met. ICRIER must chart for itself a clear research agenda that enables it to become the first stop and the last word on India's relations with the evolving global economy.



Prime Minister Dr. Manmohan Singh inaugurating ICRIER's 25th Anniversary Brochure.

In addition to developing expertise on multilateral negotiations, particularly in the context of WTO, ICRIER must also create internal expertise on our understanding of the regional economies, especially regions that matter to us. We need more expertise in India on what is happening in our own neighbourhood in South Asia. Considering the rise of China on the global economic scenario, there must be a sharper focus on development trends in China and their implications for our development. ICRIER should consider acquiring a deeper understanding of China which would be of immense value to our economic planners, diplomats and the polity at large. And in this context, I listened with interest and approval the steps that ICRIER is taking to study developments in China.

We also need expertise on economic trends in East and South-East Asia, West and Central Asia, Africa, Latin America, Europe and North America. An issue that could come up in the near future is that of India's membership of the Asia Pacific Economic Cooperation. As APEC is set to invite new members, we need to study the costs and benefits of APEC membership. We need to look at the effects of a pan Asian Economic Community or a Pan-Asian Free Trade Area. We need to examine the effects of the large number of Free Trade Agreements we are entering or planning to enter into. We also need a better understanding of the geo-political dynamics which are giving rise to a new range of economic relationships. Their costs and benefits need to be compared to those of a simpler multilateral system. ICRIER can guide policy makers in government with informed analysis.

An area of trade which is relatively less researched and understood is trade in services, particularly financial services. Much of the literature and data on external economic relations remains largely focused on merchandise trade. In popular discourse, we often refer to India performing below its potential in merchandise trade. However, the situation is quite different in services trade, including trade in labour services. The study of services trade is still in its infancy and much more needs to be done, particularly in India, on this important area. In the last decade, services trade and inward remittances have not only outperformed merchandise trade but have kept our balance of payments in a comfortable zone. We cannot therefore under estimate the importance of this for our macroeconomic management.

We need to know the extent to which principles that drive liberalization in goods trade apply to services trade particularly trade in financial services. We need to have a deeper knowledge of our relative strengths in many services such as entertainment, business services, retailing, finance and banking, construction, education and health. What should our policies be and what international regimes should we seek to promote in order to benefit our interests in the global service economy? We need to have a better understanding of this whole complex area, particularly in view of its employment potential and our inherent strengths in some areas of services.

As the Indian economy modernizes and grows we should expect a reverse migration of talent, especially from within the diaspora. What I would call a "reverse brain drain" is in the making. How can we encourage this? What domestic policy changes should we make to encourage this? What are the likely implications for various sectors and regions of such a 'reverse brain drain'. These and similar other questions must engage the attention of ICRIER's researchers.

An area which is of increasing importance is trade in natural resources, particularly energy. India is not well endowed with natural resources on a per capita basis. We have to be therefore a major trading nation to overcome this natural resource constraint. However, trade in natural resources and energy is not governed entirely on a pattern similar to industrial goods. It is more complex and is closely dependent on geo-political relationships. We need to study far more deeply the characteristics driving trade in natural resources particularly the energy resources; the impact of international economic relationships on this trade; the perceived drive by some countries for securing sources of energy and minerals in third countries and the implications of this for free markets in these goods; and, policy guidance for our own planners and diplomats to secure our own economic future in this vital area.

With the opening up of the economy to capital flows from abroad, new issues arise regarding the optimum course for macro-economic policies, particularly of fiscal and monetary policies, for a viable internal and external balance. We need to have a better understanding of the safe limits for capital flows from abroad. With a more open capital account, the management of the exchange rate also raises several new issues. Overall, the behaviour of international financial markets merits in-depth analysis.



Analysis of competitiveness has been a traditional research area in ICRIER. As global economic inter-relationships change rapidly, we need to improve our understanding of competitiveness in various sectors including the industrial organization, the progress of technology and the structures that are needed for a more integrated world. At the same time, technology is rapidly changing past modes of production, marketing, financing and service delivery with enormous implications for the growth of Indian firms. This needs greater analysis too.

I also believe that a think tank must engage public opinion at home and abroad and shape thinking on issues of interest to our country. For example, I have not seen adequately informed discussion at home on the pros and cons of the recent restructuring of voting rights within the IMF. Nor on the Asian Monetary Union that is being discussed in some circles. Nor even more importantly, on India's place in the new evolving global order.

Think tanks like ICRIER must participate actively in the public debate on India's place in the world and the consequences of increased global inter-dependence. I am often disappointed by the lack of adequate appreciation in our country, including among our political leaders, of the changing nature of our relationship with the world, and indeed with the region around us. Very often, we adopt political postures that are based in the past, indeed in the distant past and are out of line with our current interests as an increasingly globalised and globally integrated economy. India, I sincerely believe, is destined to be more globally engaged. We are destined to be more integrated with our own region. Even today, our energy security is closely inter-twined with our political relationship with a wide range of countries around the globe. Our food security, our technological security, indeed our national security, are closely linked to developments around the world.

However, one feels at times that there is inadequate recognition at home about the increasing inter-dependence between India and the world, and the consequences thereof for our domestic policies. Think tanks like ICRIER must therefore invest in informing and shaping public opinion and policy making in all these vital aspects.

It is this challenge that ICRIER should take up as it prepares for its next twenty-five years. I once again compliment all those who have been associated with ICRIER's growth and development. You have served the country with great distinction in these twenty-five years but I venture to think that the best is yet to come. With these words, I wish you all many more years of productive and creative research in the service of our people".

Speech of Dr. Isher Judge Ahluwalia, Chairperson, ICRIER

November 6, 2006

Respected Prime Minister Dr. Manmohan Singh ji, my colleagues on the Board of ICRIER, distinguished guests, and members of the ICRIER family. It is my proud privilege to welcome you all on this occasion of the Silver Jubilee celebrations of ICRIER. We mark the occasion with this International Conference on "India and the Global Economy".

I would like to begin by extending a special welcome to the Prime Minister. I know I speak for all of us here in expressing our thanks to you, Sir, for taking time from your very busy schedule to be with us today. It gives us particular pleasure since you, Sir, were one of the founder members who, along with our Founding Chairman Dr. K. B. Lal established ICRIER 25 years ago.

In retrospect, the establishment of ICRIER in 1981 was indeed an act of perfectly timed farsightedness. The founders clearly recognised that the Indian economy was about to enter into a new phase with much greater interaction with the rest of the world, which required detailed examination of policy options that would arise in the new environment. We have tried to live up to this broad mandate. I must acknowledge the enormous debt ICRIER owes to the late Dr. I. G. Patel who taught us to set high standards of excellence and strive hard to achieve them.

The 25 years since ICRIER was founded have seen a sea change in the policy regime in India. The process began in a cautious and limited way in the 1980s followed by a much more decisive movement after 1991, when you, Sir, as Finance Minister, launched our country on the reform trajectory. Twenty five years ago, India was generally

viewed as a laggard economy. By contrast, today we are acknowledged as one of the fastest growing economies of the world, well set to become a major player on the global stage. As researchers working on policy options relevant to this transformation, we feel proud to have been witness to the process, and we may be indulged if we feel that we were also part of the process, contributing through our research results which we hope were of use to policy makers.

ICRIER's research agenda focusses directly on areas relevant to India's new concerns and policy challenges. The five thrust areas of our research are (i) trade, openness, restructuring and competitiveness, (ii) WTO related issues, (iii) regional and bilateral issues, (iv) financial liberalization and integration, and (v) macroeconomic management in an open economy. More recently, we have been engaged in preparing a research agenda on strategic aspects of India's external relations. As a first step, we are about to start work on a study jointly with Tsinghua University of China aimed at developing a better understanding of the development experiences of India and China by each other. We are also supplementing our work on multilateral trade negotiations with detailed research inputs into bilateral and regional Free Trade Agreements that India is entering with different countries or regions.

In addition to doing research, we disseminate our research findings through seminars and policy oriented workshops. In this way we seek to engage with policy makers, academicians, media representatives and other stakeholders in India's development.

In a globalising world research institutions must build global linkages. Like all research organisations we keep in touch with researchers in other countries and participate in international conferences.

There is one initiative which I would particularly like to mention, and that is the establishment of the South Asia Network of Economic Research Institutes (SANEI). ICRIER played a lead role in the setting up of the network which has participation from 50 or so economic research institutions in India, Pakistan, Bangladesh, Sri Lanka and Nepal. Besides ICRIER, other members of the Governing Board of SANEI are Pakistan Institute of Development Economics, Bangladesh Institute of Development Studies, Institute of Integrated Development Studies in Nepal and Marga Institute in Sri Lanka. SANEI has a rotating secretariat. After 5 years at ICRIER, the secretariat was transferred to the Pakistan Institute of Development Economics in Islamabad two years ago. It will move to a third country after three more years. Annual conferences of SANEI provide a valuable opportunity to researchers from South Asia to meet in the region and discuss the results of their empirical studies on issues of common interest, often done in a collaborative framework.

The key to preserving credibility in research is independence and this is only possible if research institutions can develop a measure of financial independence. Our founding Chairman Dr. K. B. Lall was responsible for launching ICRIER and mobilising support initially as a sequence of grants from various sources. We owe to our second Chairman Mr. Ram Malhotra further building of the corpus and the acquisition of our premises in the India Habitat Centre. Since then we have worked hard to expand our corpus. Before our 20th anniversary, our corpus was only Rs. 4 crores. On the occasion of the 20th anniversary we were able to raise it to Rs. 11 crores. For our 25th anniversary, we launched a second major drive, and I am happy to say that as of today we have commitments which raise our corpus to Rs. 25 crores. We are still working to build it further.

I would like to take this opportunity to thank our major donors who have contributed Rs. 1 crore each. These are the State Bank of India, HDFC, ICICI Bank, Citibank, Infosys, Reliance, Sterlite Industries, ITC and Tata Consultancy Services. Others who have contributed generously to our endowment include Standard Chartered Bank, Ranbaxy, Fortis, Deutsche Bank, Kotak Mahindra Bank, DSP Merrill Lynch and IDFC. We truly appreciate the generosity of our donors and assure them that ICRIER will continue to strive to maintain the highest standards in relevant policy-oriented research.

We hope to play a much larger role in future analyzing the linkages between economic policy and foreign policy, and studying the strategic role of India in world affairs. As demand for ICRIER's services increases, we are gearing up to deliver through a combination of in-house research and the use of external consultants. However, we face space constraint in our present facilities, which are otherwise simply splendid. We have applied to the Government of India for giving us a suitable institutional site that will help us expand our activities over the next 25 years.

With these words let me once again, on behalf of the staff and faculty of ICRIER and indeed the entire ICRIER family thank you all for joining us on this occasion.



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Second K. B. Lall Memorial Lecture on Global Warming and Global Finance

17 April 2007



L to R : Mr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, and Professor Lawrence H. Summers, former US Treasury Secretary

The prestigious second K. B. Lall Memorial Lecture, organized by ICRIER, was delivered by Professor Lawrence H. Summers, former US Treasury Secretary in New Delhi.

Although the problem of global warming due to emission of greenhouse gases is recognized worldwide, unanimous consensus and clarity as to what could be the right approach to tackle this has so far also not crystallised amongst economists. How long the earth can sustain the same levels of emissions without having any major economic impact is a matter of debate.

The international treaty of the Kyoto Protocol aims at capping the emission of carbon dioxide and five other greenhouse gases and engage in emissions trading. The reluctance of developing countries to accept any formal capping on emissions has restricted the efficacy of the Kyoto Protocol.

Any roadmap to tackle the problem has to involve both developed and developing countries, with the thought leadership coming from within the developing countries.

The laying down of transparent policy commitments by all is the need of the hour. The approach of simply measuring and capping emissions will reward recession and penalize economic growth. Instead, an international mechanism which encompasses trade, long-term policy on efficient utilization of energy, adoption of sophisticated technology, creative thinking, elimination of energy subsidies, well-defined financial commitments and indeed the entire efforts of a nation need to be established and considered in totality for global measuring, monitoring, reporting and accounting.

RESEARCH ACTIVITIES

Major thrust areas of research in ICRIER

**Trade, Openness,
Restructuring and Competitiveness**

Regional and Bilateral Issues

Financial Liberalization and Integration

Macroeconomic Management in an Open Economy

WTO-Related Issues

Strategic Aspects of India's External Relations



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A Trade, Openness, Restructuring and Competitiveness

Ongoing Projects (8)

A 1 Can Horticulture be a Success Story for India?

Surabhi Mittal and Geetika Tripathi

This study examines whether India can become more integrated in global agro-trade by exporting high-value horticultural products and importing staple cereals in which the country may not have a comparative advantage. It analyses recent cropping pattern shifts, and past trends in production and exports. It uses secondary data sources from the National Horticulture Board and the Directorate of Economics and Statistics. The SAFAL case study is analysed with a view to assessing the impact of changes in the Agricultural Produce Marketing Commission Act. The study also attempts to identify modalities for successful diversification of Indian agriculture.

A 2 Impact of Preventive Healthcare on Indian Industry and Economy

Alka Chaudhary, Garima Malik and Ali Melodi

The objective of this study is to examine how corporates practise preventive healthcare and to assess the impact of this on their profitability and competitiveness. This was done with the help of an online survey of firms in manufacturing and services. The questionnaire asked the firms the type of prevention activities offered by them. The study suggests solutions for effective delivery of healthcare by stressing the importance of prevention through a system of vouchers issued by the employers for the benefit of employees.

A 3 Competitiveness of the Plastic and Polymer Industry

Garima Malik and Ruchi Jain

The study is examining the current status of the plastics and polymer industry in India. Its aim is to make recommendations that will make the industry internationally competitive. A comprehensive comparison with the international plastics industry has been attempted.

A 4 Impact of Organized Retailing on Unorganized Retail Sector

Mathew Joseph, Sanghamitra Sahu, Manisha Gupta and Nirupama Soundararajan

Divergent views have been expressed on the impact of future growth of large-scale retailing. On the one hand, concerns have been raised that it may have an adverse impact on the small retailers in the unorganized sector. On the other hand, it has been argued that the growth of organized retailing will yield efficiencies in the intermediate stages, enabling higher prices and/or access to markets to producers

(including farmers and small producers) and/or lower prices to consumers. This study analyses all these issues. It is based on perhaps the largest country-wide field survey and focuses on the impact of organized retail on: Unorganized retailers including push-cart hawkers, consumers, intermediaries, farmers and large and small manufacturers.

A 5 Determinants of Competitiveness and Global Integration of the Indian Auto Industry

Rajiv Kumar, Balaji Narayanan G. and Pankaj Vishtupti

This study is in two phases. The first phase analyses the prevailing policy regime to assess the investment climate for and global competitiveness of the Indian automobile industry. It tries to identify the strategies required by the industry as well as the government to help India emerge as a global automobile hub. The second phase involves a comparison of Indian automobile manufacturers with international players in China, Malaysia, South Korea, South Africa, Thailand and Taiwan. A preliminary draft of the first phase of this project has been submitted. The final report is expected by September 2007.

A 6 Labour Intensity and Employment Potential of Indian Manufacturing

Deb Kauran Das, Deepika Wadhwa and Gurajit Kalita

The study analyses the employment potential of organized manufacturing by evaluating the factors that stimulate employment generation in labour-intensive manufacturing industries. It covers the period 1990 - 2003. The study is in two parts. The first part focuses on the identification of labour-intensive industries within organized manufacturing. In the second part, a survey of 245 firms across the five selected labour-intensive industries – apparel, leather, bicycles, sports goods, gems and jewellery is undertaken to identify and understand the potential and bottlenecks in these sectors regarding employment generation.

A 7 Puzzles in Manufacturing Productivity, Employment and Labour Share

Arvind Virmani and Dheeraj A. Hashmi

This study applies the constant elasticity of substitution theorem to Indian manufacturing for analyzing its employment elasticity with respect to output. It estimates productivity in Indian manufacturing by allowing for non-unit elasticity of substitution and non-constant returns to scale for the majority of industries.

It addresses the following issues: whether the increase in growth of employment is sustainable; how the increased employment can be related to the declining share of labour; value addition in manufacturing and what implications this has for long-term employment policy; how the shifts in real wage rates and factor biased technical change have affected employment over the years and what could be the lessons for employment policy.

A 8 National Mineral Development Policy in an open Economy: A case study on Indian Iron Ore

A.S. Firdoz

This study examines whether iron ore should be conserved for the globally competitive steel industry in India or if market forces should be allowed to play freely for the optimum allocation of resources between domestic use and exports. It concludes that the government, as well as the minerals industry, must realize the need for urgent reforms in order to attract investments and modern technology in the iron ore and steel industry and allow the full play of competitive forces to determine the nature of exports.



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Projects Completed (5)

A 9 Effects of Global Agricultural Trade Liberalisation on Agricultural Production and Poverty in India

Suresh Mittal

This study estimates the impact on world prices of the removal of OECD trade distortions. It also estimates the effects of changes in world prices on domestic prices in India through a price transmission model. Finally it estimates the impact of this on small farmers in India. It has found that if subsidies are eliminated in the OECD countries it will result in world crop prices increasing. India's domestic price response to this world price change is very small for rice and wheat and slightly better for cotton and sugar. On the production front, with reduction in subsidies and rise in world prices, the production in OECD countries could decline. But it is not very clear if this would have a discernible effect on India's production because of the low price transmission elasticity.

A 10 Governance in the Provision of Public Goods in South Asia

Arvind Virmani, Sanghamitra Saha and Suchitra Tambar

This study develops an index of governance based on data on public goods and examines the role of governance in the development process of India, Pakistan, Sri Lanka and 15 States of India. It has used the Principal Component Analysis (PCA) and OLS regression method to construct the governance index over the period 1980-81 to 2003-04 as well as to assess the impact of governance on economic development.

The findings indicate that governance in Kerala, Gujarat, Tamil Nadu, Himachal Pradesh outweighs States like Bihar, Madhya Pradesh, Orissa, and Uttar Pradesh. Similarly, among the countries considered, Sri Lanka has the best governance and Pakistan ranks the lowest. The study also found a positive relationship between the quality of governance and development outcomes.

A 11 Emerging Trends in the Indian Textile and Clothing Sector: Post-MFA

Mrunu Tewari and Manisha Gupta

This study assesses India's emerging position in the textile sector after the elimination of quotas. While several studies have used trade statistics to analyse shifts in the patterns of sourcing and supply in the global apparel industry after the abolition of MFA, few studies have tracked the actual responses of buyers and suppliers to the elimination of quotas, and the implications of these responses for policy supports and industry competitiveness. This study is one of the first few to provide primary evidence on emerging patterns in the Indian textile industry in a comparative international context.

A 12 Cost-benefit analysis of tax exemption

Aradhna Aggarwal and Sidkumar Mukhopadhyay

This study evaluates the efficiency of six major export promotion schemes in terms of their overall economic impact, namely, welfare gains vis-à-vis investment, foreign exchange and employment and revenue loss. The schemes selected for the analysis are: Special Economic Zones (SEZ) policy, Export-oriented Units (EOU) scheme, Software Technology Park scheme (STPI), Duty Entitlement Pass Book (DEPB), 100 per cent Export

Oriented Units (EOUs), and Export Promotion Capital Goods Scheme (EPCCG). It quantifies the costs and benefits of these schemes and draws important policy implications. The study on SEZs makes a detailed analysis of various scenarios to estimate the overall economic impact of SEZs.

A 13 Towards a Competitive Manufacturing Sector

Rajit Kumar and Abhijit Sen Gayta

This study analyses the existing state of the Indian manufacturing sector and identifies the core determinants of its competitiveness. It focuses on some key industries and identifies the constraints affecting their growth, employment-generating potential and export performance. It also explores India's potential for transforming itself into a hub for mass manufacturing and singles out the main constraints. The study has found that the Indian manufacturing sector exhibits a great deal of regional variation and a marked dualism between the organized and the unorganized segments in terms of both productivity and wage levels. The level of labour absorption in the organized manufacturing sector has been weak as reflected in the declining labour intensity in this sector. Although there have been significant changes in the composition of exports in the last 20 years India remains a very small player at the global level, especially in knowledge-intensive and advanced technology products. The main constraints to transformation to a hub for mass manufacturing are low levels of R&D, relative lack of skilled personnel, and relatively low FDI levels.



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B Regional and Bilateral Issues

Ongoing Projects (8)

B1 Preferential Trading Agreements in Asia: Towards an Asian Economic Community

Amrita Batra

- The focus of this study is on the existing and potential preferential trading arrangements among ASEAN, India, China, Korea and Japan. The report, on the completion of the first phase, was submitted to IDRC in March 2005. The first workshop on "Preferential Trading Agreements in Asia: Towards an Asian Economic Community" was held on March 30, 2006. The second phase is expected to end in September 2007 with a paper to be submitted to the IDRC.

B2 Entry Barriers in China's Financial Sector

Khan Marwood Khan and Shahid Ashraf

The study examines the regulatory structures in banking, capital markets, insurance, specialized financial institutions and money markets in India and China. The objective is to ascertain the constraints related to market access and the implications for Indian firms of national treatment in this sector in China. It highlights the changes in the policy and regulatory mechanisms that the Government of India can specifically request and for commitment from the government of the People's Republic of China in these areas.

B3 Competition Clauses in Bilateral Trade Treaties - Analysing the Issues in the Context of India's Future Negotiating Strategy

Sanghamitra Sahu and Neha Gupta

This study provides an assessment of the competition provisions in free trade agreements and their relevance for India. It also explores the feasibility of including competition-related provisions in India's future trade treaties. It has mostly relied on secondary literature. However, to understand the effectiveness and impact of these provisions, intensive discussions were held with academicians and key government officials from the Government of India, Government of Singapore and Competition Commission of Singapore.

The analysis suggests that the trade agreements generally fall into two broad categories: EU-style and US-style agreements. The EU-style agreements place greater importance on cooperative mechanisms for enforcement activities and technical assistance while the US-style agreements are oriented towards substantive rules on transparency, monopolies, and state enterprises. The study suggests that India could benefit by including competition provisions in the trade agreements with developed countries through technical assistance and cooperation mechanism provisions.

B4 Trade in Services for the Proposed India-EU Free Trade Agreement

Arpita Mukherjee

This project, initiated in July, examines the feasibility of enhancing trade in 13 service sectors under the India-EU FTAs. It identifies the trade barriers and suggests how these can be addressed under the FTA. It also analyses the commitments made by the EU and India in the WTO and other bilateral/regional agreements. It lists the reforms needed to improve the productivity and global competitiveness of the respective sectors to enable them to meet the challenges and opportunities arising from the FTA. The study, based on secondary data and interviews, is expected to provide critical inputs for the ensuing Indo-EU negotiations.

B5 India's Trade and Cooperation in Services with MERCOSUR and SACU

Amit Srivastava, Amitendu Palit, Manisha Gupta and Sharmistha Naumini

This study examines the feasibility of increasing services trade between India and the MERCOSUR and SACU group of countries by analysing the national services markets in these countries, including existing regulations and autonomous liberalisation effected by each country as reflected by domestic policies. The objective is to develop a roadmap for broader economic cooperation stretching beyond existing country-specific commitments, requests and offers. The suggested roadmap will take into consideration the opportunities that exist for different Indian services for making inroads into MERCOSUR and SACU markets. The study is also identifying existing barriers to services exports from India's perspective. It is relying entirely on interviews and field visits due to lack of secondary data.

B6 Privatisation & Internationalisation of Higher Education in the Countries of South Asia: An Empirical Analysis

Pritam Agarwal and Farhan Qamar

Higher education in South Asia has evolved in different ways in different countries with the result that there are now significant differences amongst them. This study undertakes an empirical mapping of the present status of higher education in the South Asian countries in the context of growing privatisation and internationalisation of higher education worldwide. The project is being undertaken as part of the SANEI network.

B7 Emerging Asian Regionalism – Ten years after the Asian Financial Crisis – South Asian Integration Prospects and Lessons from East Asia

Ramesh Chandra and Rajiv Kumar

The objective of this paper is to assess the prospects of cooperation in South Asian economies and to draw lessons from East Asian regional experiments for South Asian regionalism. The study was presented at an ADB workshop in Bangkok on 19-20 July 2007.

B8 Studies on the implementation of SAFTA

Nishu Taneja, Purnamita Dasgupta, Aparna Sardesai and Rakesh Mallatru

As current chair of SAARC, India is committed to promoting progress under SAFTA. In this context, ICRIER is undertaking three separate studies on various aspects of implementation of SAFTA.



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B 8.1 Rationalisation of NTMs/PTMs Imposed by India*Nisha Taneja and Ranshu Malhotra*

The objective of the study is to identify genuine NTMs/PTMs that obstruct market access for South Asian neighbours into the Indian market. The study will suggest measures to rationalize such measures. The recommendations are expected to serve as inputs to the Task Force set up by the Commerce Ministry to examine the perceived NTMs by our neighbouring countries.

B 8.2 Implications of Bilateral Agreements in South Asia on SAFTA*Purnamita Dasgupta*

This study analyses the implications of bilateral FTAs for SAFTA of the SAARC member countries. It will examine the key features of various bilateral FTAs in terms of the extent of tariff concessions, time span for phasing out tariffs, negative lists, rules of origin and dispute settlement. It will also evaluate the gains accruing to partner countries engaged in various bilateral FTAs and under SAFTA. It will be carried out using both qualitative and quantitative techniques.

B 8.3 Pruning India's sensitive list for the South Asian least developed countries*Aparna Sardesai*

The study examines the price competitiveness of the South Asian LDCs and of other exporters to India in the current sensitive products with respect to the Indian domestic sector. The study also factors in domestic industry/market structure and producer concerns for determining the competitiveness aspect.

Projects Completed (3)

B 9 Non-Tariff Barriers: India's Trade with Pakistan

Nisha Taneja

The study focused on non-tariff barriers faced by exporters in India and Pakistan. A working definition of non-tariff barriers adopted included six major categories, namely, quantitative restrictions, trade facilitation and customs procedures, technical barriers to trade and sanitary and phytosanitary measures, financial measures, para-tariff measures and visas. The study was based on an extensive survey conducted in several cities in India and Pakistan.

It found that even though the two countries have liberalized their import regimes, Pakistan continues to follow a positive list approach towards Indian imports. It found the ways in which this policy impedes India's exports and recommends the dismantling of the positive list and identified problems related to transportation, customs procedures, rules of origin certification and valuation and suggests measures to address them.

The imposition and application of standards in India was perceived as a major non-tariff barrier by Pakistani exporters. The study found that even though the TBT and SPS measures are not discriminatory, Pakistani exports to India are affected by these measures because the two most important items in which Pakistan has an export interest are textiles and agricultural products. It is these items where import restrictions/standards are most rigorously applied by India. It also found that India and Pakistan follow an extremely restrictive visa regime. As a result only selected traders have access to trade-related information. Thus lack of transparency, market imperfections and information asymmetries of this kind raise transaction costs and restrict market access for several other aspiring traders.

B 10 Revitalizing SAARC Trade

Aparna Satishmeey and Nisha Taneja

This study identifies barriers to intra-SAARC trade and suggests measures that India can take to rejuvenate it. Based on existing studies and prevalent trade policies, it provides an analytical framework for identifying barriers to intra-SAARC trade. Some of the barriers identified in the study relate to para-tariffs, negative lists under SAFTA, prevalence of specific duties in the textile sector, transport infrastructure, testing facilities at the border, port-specific entry restrictions and the regulatory regime for imports.

The study recommends that India adopt unilateral liberalization to signal its commitment to the regional integration process and also to dispel uncertainty among its SAARC trading partners. By addressing the barriers to goods trade liberalization, India could regain the trust of other Member countries - a precondition for any further widening and deepening of the integration process in South Asia.



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B11 Indo-US Trade in Services - Prospect of the ICT sector under a possible Free Trade Agreement*Arpita Mukherjee, Paramita Deb Gupta and Premi Aluja*

This study examined the possibilities of enhancing trade between India and the U.S. in the ICT sector if the two countries enter into an FTA. Four sector studies were conducted: telecommunication services, audio-visual services, IT-enabled services/BPO services and software services. The sector studies were based on secondary data analysis and interview of Indian and US companies operating in each other's market. Each sector study analysed the recent trends and developments in the sector in the US and India, discussed the pattern of India-US trade, identified the trade barriers and suggested how these can be removed/reduced if the two countries enter into an FTA. These studies found that India and the U.S. have significant trade complementarities in the ICT sector, which should become a priority sector in the FTA negotiations. Various other areas of Indo-US collaboration were also identified. Although there are no major market access barriers, Indian companies are facing domestic regulation-related barriers in the US, which can be raised under an FTA. The study emphasised the need for reforms in these sectors to improve global competitiveness and enable India to gain from bilateral liberalization.

C Financial Liberalization and Integration

Ongoing Projects (I)

C1 Financial Inclusion in India

Mamata Sarmia

This study aims to analyse the problem and extent of financial exclusion and its implications in India. In particular, it attempts to understand the 'unbanked' segment of the economy from the demand as well as the supply side.

This study is being carried out in two phases: Phase I consists of a survey of the relevant literature and an analysis of secondary data. The literature survey is aimed at understanding the core issues and identifying gaps in the literature. The secondary data analysis is aimed at understanding the extent of financial exclusion in India and the socio-economic, regional and geographical profile of those who are financially excluded. This analysis will also help identify study areas for field survey(s) to be carried out in Phase II of the project. Phase I is expected to be completed by December 2007.

In Phase II of the project, survey-based studies in the most unbanked and the least unbanked states in India will be carried out. In each of the study areas, two sets of sample surveys will be conducted, one for the bankers operating in the area and the second one for the financially excluded households, to understand the supply and demand sides of the problem of financial exclusion in India.



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Projects Completed (2)

C2 Capital Adequacy Regime in India - An Overview

Mandira Sarma and Yuktika Nokaloo

This study reviews the capital adequacy regime in India and India's preparation towards the revised regime. Using secondary data on India's banking sector, it finds that with respect to the present regime, the Basel I, the Indian banking system is performing reasonably well, with an average capital to risk-weighted asset ratio (CRAR) of about 12 per cent, which is higher not only than the internationally accepted level of 8 per cent but also India's own minimum regulatory requirement of 9 per cent. Further, the CRAR of the Indian banking system compares well with many emerging countries such as Korea, Malaysia and South Africa. As the revised capital adequacy norms, Basel II, are being implemented from March 2008, several issues emerge. The study examined these issues from an Indian perspective.

C3 Vaidyanathan Committee Report on Short Term Rural Cooperative Credit Structure - A Review

Mandira Sarma and Rajiv Kumar

The Government of India, in 2006, initiated the implementation of a revival package of the rural short-term cooperative credit structure in India. The package is based on the recommendations of the task force on revival of RSTCCS, known also as the Vaidyanathan Committee. In December 2006, the Asian Development Bank offered India a loan of US\$ 1 billion for implementation of the revival package. Apart from this, KfW, the German Bank for Reconstruction and Development, and the UK Government have also offered financial assistance. This is the first instance where the rural cooperative sector in India will get funds from multilateral and foreign agencies. It is in this context the recommendations of the Vaidyanathan Committee are reviewed here as they form the basis of the revival package. The review points out gaps in the Vaidyanathan Committee Report.

D Macroeconomic Management in an Open Economy

Ongoing projects (I)

D1 The Cost of Holding Excess Reserves

Abhijit Sen Gupta

This study evaluates the cost of holding more foreign exchange reserves than is deemed necessary for emerging markets. It also focuses on the Indian case and highlights the cost of holding excessive reserves by looking at various alternative uses of resources that were employed for reserve accumulation. Based on the findings of the empirical analysis, it develops a comprehensive benchmark of reserve adequacy and uses this benchmark to highlight the volume of excess reserves in various emerging economies.

Preliminary findings indicate that countries like India, China, Korea and Singapore have accumulated significantly more reserves than warranted by their macroeconomic environment. The study also concludes that in the Indian case the cost of holding these reserves is high.

Projects Completed (I)

D2 Does Capital Account Openness Lower Inflation?

Abhijit Sen Gupta

This study reviewed the degree of capital account liberalization in developed and developing economies during the last 25 years and analysed the impact on inflation rates in these economies. It developed a theoretical model which argued that an increase in capital account liberalization would lead to lower inflation. The study also tested the predictions of the theoretical model by using empirical methods involving static and dynamic panel data analysis.

The study found that widespread capital account liberalization during the last two decades appears to have contributed to the worldwide disinflation observed during the same period. The threat of capital outflow in the face of loose monetary policy acts as a strong deterrent for such policies. Focusing specifically on the Indian case, it concluded that financial integration since the mid 90s has exercised some degree of "disciplinary effect" and helped to curb inflation.

The research on WTO-related issues has been undertaken with generous support from the Sir Ratan Tata Trust since 2000. Phase II of the SRTT Grant came to a close in April 2007. Four issues of WTO News and Views and several newspaper articles by ICRIER researchers has kept the WTO-related work on trade. It is our hope that the SRTT support will be continued in 2007-08 with wider coverage on trade policy and regional cooperation issues.



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E WTO Related Issues

Projects Completed (5)

E1 India's Liberalization Experience: Hostage to the WTO?

Rajit Kumar, Bibek Debroy and Suparna Karmakar

It has been the practice amongst Indian academics, the media and even policy making circles to 'blame' the multilateral organizations like the WTO for perceived negatives of economic liberalisation since the early nineties. This practice has resulted in an exaggerated perception of the role played by these organizations in shaping India's policy environment and specially the nature, pace and direction of economic reforms. It is, therefore, apposite to examine the extent to which India's interaction with other trading partners under the aegis of the WTO has also influenced policy formation.

The present volume comprises contributions from experts on India's liberalisation experience in the last decade, and attempts to provide some new thinking for policy makers. The papers examine whether the liberalisation measures were indigenously designed and implemented or these could have resulted from the implementation of WTO obligations. The volume also reviews how India has coped with obligations under WTO Agreements and benefited from the rights granted under different protocols.

Different chapters in this book highlight the fact that India's reforms and the consequent liberalisation experience in several of the sectors analysed have been mostly autonomous, except for a few sectors where the multilateral obligations have been instrumental in bringing about the changes.

E2 Doha Development Round Negotiations on Market Access in Agriculture: Implications for India: Issues in Special Products

Parthapratim Pal and Deepika Wadhwa

Special Products (SPs) are part of the WTO's special and differential (S&D) provisions. In the current round of negotiations on agriculture, it has been decided that all developing country members will have the flexibility to designate an appropriate number of products as SPs, based on the criteria of food security, livelihood security and rural development needs. These products will be eligible for more flexible treatment, that is, they will attract lower levels of tariff reduction commitment as compared with other agricultural products. In this context, the paper looks into the reasons that prompted developing countries to demand this provision in agricultural negotiations, identify universal applicability for developing countries to designate SPs, and, most importantly, develop a specific methodology for India to identify and designate an appropriate number of special products.

E3 GATS: Domestic Regulation versus Market Access

Sigurna Karmakar

Developing countries are increasingly emerging as cost-efficient providers of key business and professional services and thereby becoming key players in the services supply chain. However, international trade in services is often hampered by non-tariff barriers that originate in national regulatory requirements for service firms or service providers. Since most service trade differs from manufacturing trade given its requirements of the direct interface between the service provider and the customer, meeting national regulations become mandatory and often involve additional costs for complying with market-entry norms which become de facto entry barriers. The proposed Disciplines on Domestic Regulation (DR) under GATS are aimed at redressing the above. A primary survey and interviews with key stakeholders in Indian Professional Service sectors was also undertaken to evaluate their assessment of costs and benefits from stricter disciplines on DR in order to reinforce the analytical exposition of potential impact of strict DR Disciplines. The study found that most industry stakeholders in India were in favour of the Disciplines, albeit with adequate S&DT provisions. A key conclusion is that with the alternative being increased litigation to redress developing country concerns, it is critical that the Members weigh their options carefully before taking sides in the ongoing deliberations on DR Disciplines.

E4 Trade in Energy Services under GATS

Arpita Mukherjee and Ramneet Goswami

This study examined India's opportunities and constraints to trade in energy services within the GATS framework, recommended possible negotiating strategies for the government, and suggested reforms that would improve productivity and efficiency of the sector. It was based on secondary data and a survey of Indian and foreign companies operating in different segments of energy services.

The study found that India has both export and import interest in energy services and this should be a key area in India's international engagements. Indian companies are facing various barriers in markets of export interest, which may not be addressed adequately through the plurilateral requests in Modes 4 and 5. India should negotiate them bilaterally. Although India is trying to attract private investment in the energy sector, investors are facing various operational barriers. The study suggested reforms which would make the operational environment competitive and enable the country to gain from liberalisation undertaken unilaterally or under the WTO.

E5 Non-Tariff Market Access Barriers on Pharmaceutical and Electrical Machinery Exports from India

Sigurna Karmakar, Shiravani Prakash and Sumitra Ganguli

The most visible manifestation of globalisation in the last few decades has been in the hugely increased trade flows between countries, mostly in merchandise trade. However, a large number of barriers to free flow of trade still exist; non-tariff measures are increasingly being used creatively by trade partners to restrict access to legitimate imports from developing countries. India's exports in particular face a large number of NTBs in most destinations.



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The objective in this project was to create a database to facilitate market access by reducing transaction costs through eliminating information gap and compile trade data and related non-tariff information. The portal would be a free-access database and exporter helpdesk and be a practical hands-on tool for Indian exporters on the different non-tariff barriers prevalent in target markets.

The pilot project was an in-depth study covering the NTMs being faced by the Indian pharmaceutical sector and the electrical machinery industry in their exports to the EU, the US and GCC. This phase, in effect analysed NTBs faced by Indian exporters in 32 countries on 154 tariff lines at HS 6 digit level, in the above mentioned three regions that in turn consist of 32 individual countries. The research methodology used was primary surveys, secondary information from existing research papers and third country databases.

F Strategic Aspects of India's External Relations

Ongoing Projects (2)

F1 Resource Constraints in an Open Economy with Due Consideration to National Security

Rajiv Kumar and Purnamita Dasgupta

This study is an input for the work done by the Working Group on Feedstock, Fuel and other Supply Side Constraints, constituted by the Planning Commission. It will provide a conceptual framework for policy for effective intervention for addressing the resource constraints faced by a rapidly growing manufacturing sector. The study will consider supply side constraints attributable to domestic policy distortions, while keeping in mind considerations of national security and the country's comparative advantage in an open economy framework.

F2 The National Interest Project

Sarosh Kumar

In consonance with ICRIER's plan to build up capabilities and contribute towards strategic research and thinking, it has taken up the new project – The National Interest Project – the objective of the project is to carefully define the national interest so that it can serve as a more effective benchmark for foreign policy and a basis for building a stable national consensus on the conduct of external relations in this era of coalition politics and rapid socio-economic transformation.

A multi-disciplinary review of India's external relations in the national-interest framework will throw up conclusions and recommendations for the government in different short and long-term perspectives, say up to 2030. India's security concerns, the external inputs needed for the country's economic growth and the foreign policy tools which could be used for achieving the national interest would be examined. The correlation of national interests with countries like the US, Pakistan, Nepal, Bangladesh, Myanmar, Sri Lanka, China and energy rich countries like Russia, the Gulf countries and Central Asia should make possible a foreign policy matrix. Possible measures for the augmentation of national power would be examined, like participation in the collective security system and international forums, engaging with like-minded middle powers and utilizing MNCs, NGOs and other civil society organizations. The project would also suggest responses to such 'wild card scenarios' as instability or regime changes in neighbouring countries like Pakistan and Nepal.



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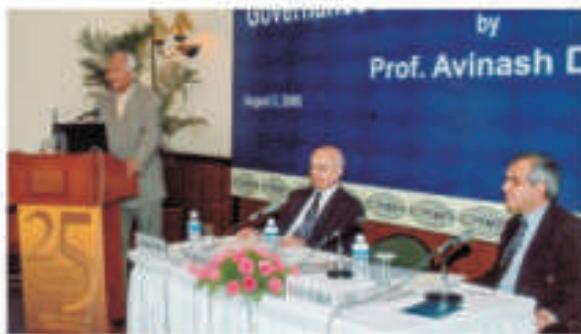
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25 SEMINARS 40 YEARS OF ICRIER

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Governance and Economic Development 3 August 2006 Avinash Dixit



Dr. R. A. Mashelkar, Secretary & Director General, CSIR
Professor Avinash Dixit, University of Princeton and
Dr. Rajiv Kumar, Director & CEO, ICRIER

Dr. Avinash Dixit, Professor of Economics at Princeton University and a Fellow of the National Academy of Sciences in the US, explained the nuances of the term "economic governance." The models discussed ranged from the highly developed ones involving a lot of arbitration and government intervention — such as those prevailing in the United States and other developed economies — to those controlled by the mafia and tribes as prevailing in African and Latin American countries.

According to Dr. Dixit, the economic governance systems in Asia were based more on human relations and societal arbitration and less on organized governmental mechanism. In contrast, those of the United States and Europe depended heavily on organized governance. He said the need of the hour was to devise a system which allowed a greater role for organized governance because this alone reduced uncertainty and which had a positive economy-wide impact.

The Doha Development Agenda: Prospects and India's Role

8 August 2006

An interactive session with Mr. Kamal Nath, Minister for Commerce and Industry, Government of India was jointly organized by ICRIER and FICCI. The Minister addressed the issues of India's current and future role in the process of strengthening the multilateral trading system. He said that the Indian economy was growing very rapidly and has great interests and support for a "rule based multilateral system" that took into account developmental needs and goals.



Dr. Rajiv Kumar, Director & CEO, ICRIER, Mr. Kamal Nath, Minister for Commerce and Industry, Govt. of India, Mr. Suresh Kumar Poddar, President, FICCI, Dr. Harish Singh, DDCI, WTO and Dr. Amit Mitra, Secretary General, FICCI



Prof Eizo Hiraki, Hosei University, Dr. Rajiv Kumar, Director & CEO, ICRIER as chair and audience

India-Japan Political and Economic Development 24 August 2006 Eizo Hiraki, Hiroki Miwa

Eizo Hiraki, Professor, Hosei University, and Hiroki Miwa, Instructor, University of Tsukuba, Japan, discussed Indian and Japanese experiences. Professor Hiraki in his lecture on "The Rising Indian Economy" said that the 1990s marked the beginning of private and service sector-led, secular and

high economic growth. Until then growth had been public sector-driven with emphasis on traditional industries. This has led to the growing affluence of the Indian elite and an expanded market for consumer goods. Professor Esho concluded that the Indian middle-class is still not as big as it is believed to be. Due to the imbalance, which limits the purchasing power of the local market, Professor Esho was of the opinion that Indian businessmen should focus on export markets to expand revenues.

Professor Miwa spoke on party politics in India, which has become fragmented and has developed along regional and religious lines. He put this in the context of the framework developed by the Japanese scholar Sartoriuss, who had said that when the number of parties is large, it is extreme pluralism; otherwise it is limited pluralism. Similarly if there are too many ideological differences, it is polarized pluralism; otherwise it is moderate pluralism. He said extreme pluralism goes hand-in-hand with polarized pluralism and limited pluralism is linked to moderate pluralism.

FDI in Developing Countries: Special Reference to India and China 4 September 2006 V.N. Balasubramanyam

Professor Balasubramanyam, University of Lancaster, UK spoke on FDI flows into India and China. He pointed to the differences between India and China and argued that countries require 'optimum' levels of FDI and that as far as India and China were concerned, India was yet to reach the optimum while China is likely to have crossed it. His argument was based on the factor endowments and capital labour ratios in two countries as well as the human capital resources. The upshot was that India probably required less FDI than China. He also indicated that India should focus more on technological collaborations rather than FDI.



Prof. V.N. Balasubramanyam, University of Lancaster, UK; Prof. K.L. Krishnan, Dr. Rajeev Kumar, Director & CEICRIER and audience

Anti-Dumping and Access Injury Margins in the European Union: A Counter Factual Analysis 19 September 2006 P.K.M. Tharakan

P.K.M. Tharakan, Professor at the University of Nottingham and an advisor on Anti-Dumping measures to the WTO spoke about the over-estimation of domestic injury caused by dumping and the consequent imposition of higher duties by the European Union during 1980-1995. He highlighted the simplistic nature of the method adopted by the European Union and said it failed to give a true picture of the impact of dumping. He sought to correct this inconsistency by applying a counterfactual analysis.



Prof. Michael Spence, Chairman, Commission on Growth and Development, World Bank

Interactive Session with Michael Spence 21 September, 2006

Michael Spence

Professor Spence, Nobel laureate for 2001, said that no economy could achieve high growth rates by being cut off from the rest of the world. He cited 11 economies in the post-World War II period (8 of which were from Asia) that experienced sustained growth with increasing integration with the rest of the world. In his opinion growth could be initiated only if domestic peace, sound political leadership and dynamic strategies and policies were in place. On the



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question of inequality associated with rapid growth, he said that the focus should be on generating more employment and making public services more inclusive. Citing the growth experience of China, he said that as more and more people moved into the manufacturing sector, income inequalities would decline. Domestic demand, he said, had a great role to play in the growth process. He concluded by stating that in case of developing countries, economic theory should not be blindly followed. In such circumstances one needs to be pragmatic in experimenting with different forms and pace of liberalization.



Dr. Ajay Shah, former Consultant, Ministry of Finance, Govt of India

Is the Indian Stock Market 'too volatile'? And what can we do about it? 3 October 2006 Ajay Shah

Dr. Ajay Shah, former consultant at the Ministry of Finance spoke on India's stock market volatility. He elaborated on several factors that lead to volatility in the stock markets and showed how the stock market in India has been moving over the last 27 years. It appears that the volatility in recent years is not appreciably higher than in the past and was in fact lower than in the mid-1990s. He observed that an efficient market which responds rapidly to new information and prices is of essence to the efficient functioning of a stock market. In that sense stock market

volatility within bounds is desirable. He also made some recommendations for reducing stock market volatility in India such as encouraging more rational investors in the market, including global and local hedge funds, shifting from FII framework to "foreign individual investor" framework, improved regulation of banks, insurance companies and pension funds, increasing position limits in the derivatives markets and improved information disclosure by firms.

Roundtable Discussions with the Global Foundation Mission 2006 4 October 2006

CII and ICRIER jointly organized roundtable discussions with The Global Foundation, Australia at New Delhi in order to explore the ways in which Australia can make a contribution to regional prosperity in the Asia-Pacific in the areas of education, science and technology, especially in the context of key global issues that may engage both Australia and India in the next decade or two. The Global Foundation undertook its second mission to India to continue its evolving Australia-India dialogue in energy, infrastructure, and financial services. Looking forward to opening up discussions and debates with Indian counterparts, think-tanks and academia, the Global Foundation participated in the roundtable on the initial topics of education, science and technology and the imperative of the Asia Pacific Regions in these areas. The first roundtable focused on the issues related to sustained excellence of standards in knowledge cultures, the role of the government and the private sector in quality education provisioning.

India's Long-term Growth Experience: Lessons and Prospects 9 October 2006 Sadiq Ahmed

Dr. Sadiq Ahmed, Sector Director, Poverty Reduction and Economic Management Unit, South Asia Region, World Bank outlined the story of Indian economic growth by dividing it into two phases 1960-80 and 1980 onwards. During the second phase, Dr. Ahmed pointed out that the services sector has outdone the



Dr. Sadiq Ahmed, Sector Director, Poverty Reduction and Economic Management Unit, South Asia Region, World Bank; Dr. Rajiv Kumar, Director-CE, ICRIER; and the participants

manufacturing sector. He also said that wages in the formal manufacturing sector have remained high compared to the informal sector. Consequently, employment in the formal manufacturing sector has remained stagnant. According to Dr. Ahmed, proper education, training and improving the health standards of the people will create a better living standard for the underprivileged.

Discussion via Videoconference on "The Rise of China and India: Implications for the United States and the International Order" 11 October 2006

ICRIER and the Asia Society India Centre held a discussion where the survey results from the 2006 Chicago Council on Global Affairs Public Opinion Study were presented. The Chicago Council's biennial public opinion studies are among the most comprehensive and widely cited surveys of American attitudes towards US foreign policy and international relations. The survey includes polling undertaken by the Chicago Council, in cooperation with Asia Society in the US, China, and India, with parallel surveys carried out by partner organizations in South Korea and Australia.

The study compares international attitudes on how the emergence of China and India as economic dynamos and claimants to great power status will affect the global economy, international security, and politics. It assesses public opinion in the surveyed countries on a variety of challenges, including international terrorism, nuclear proliferation, conflict in the Middle East, the rising economic and political power of Asia, economic competition from other countries, and threats to energy supplies and the environment. The study also presented Chinese and Indian views on international challenges and opportunities and their respective roles as emerging economic powers.



Dr Rajiv Kumar, Director @ ICRIER with other participants



Prof Francois Bourguignon, Chief Economist, World Bank; Mr. Arvind Kejriwal, Minister of State for Industry and Dr Rajiv Kumar

Employment and Development: Good Jobs, Bad Jobs 13 November 2006 Francois Bourguignon

Professor Francois Bourguignon, Chief Economist of the World Bank Unit in South Asia Region redefined the concepts of employment and unemployment in order to analyse labour market conditions. He said that in some of the fastest growing economies, economic growth was accompanied by a growing inequality in the earnings and household income that prevented the benefits of growth from percolating to all the layers of the society. So it was essential to shift focus from the number of jobs being created to the level of earnings at which they are being employed. In that sense, he said, the unemployment rate and participation rate are not meaningful concepts for analysing the labour market conditions that required the use of extended set of indicators.

He introduced the concept of "Working Poor" defining it as a person who has a decent level of earnings but supports a large family, with very few of its members participating in the labour force. He cited examples of Sub-Saharan Africa and South Asia, where the number of working poor exceeded those unemployed.



Policy Responses to the Failure of Formal Banking Institutions to Expand Credit Delivery for Agriculture and Non-Farm Informal Sectors 14 November 2006 S. L. Shetty



Dr. S.L. Shetty, Director of EPW Research Foundation and Dr. Ravi Kumar

Based on the premise that bank credit distribution in favour of agriculture, non-farm informal sectors and small borrowers have a pivotal role to play in stimulating a more rapid and inclusive growth process, Dr. S. L. Shetty presented a record of branch banking and credit distribution by scheduled commercial banks after bank nationalisation and contrasted it with their post-reform performance. He also put forth a series of measures that needed to be adopted to make amends for past failures.

The Changing Competitiveness Landscape among Emerging Economies: The Role of China and India 16 November 2006 Bart Van Ark

Professor Bart Van Ark, University of Groningen (The Netherlands) pointed out that the contribution of productivity growth in GDP in India and China was higher than in the advanced countries. However China was ahead of India in productivity growth as opposed to employment growth in enhancing GDP levels. Dr. Ark also discussed the "Global Competitiveness Index" of the World Economic Forum, ranking countries on a scale of zero to one hundred and twenty, with zero being the most competitive country. He found a strong if imperfect relationship between labour productivity levels and the global competitiveness index of most emerging economies with the exception of India and China. An important observation in this regard was that India was ahead of China in terms of competitiveness, despite its lower productivity. But he said that large variations in the underlying indicators of competitiveness made productivity a better basis for comparison. He also said that the total factor productivity in China was slowing down primarily due to too much investment relative to GDP. While in India the role of investments has increased only slightly and total factor productivity has remained practically unchanged.



Prof. Bart Van Ark, University of Groningen, Netherlands Prof. Ram Gopal Agarwal, Dr. Dr. Kanan Das and Prof. B N Golden

Interactive Session - Sir Nicholas Stern's Review of the Economics of Climate Change 4 December 2006 Nicholas Stern



Dr. Fisher Judge Aburada, Chairperson, ICRER and Sir Nicholas Stern, Advisor to the UK Government on the Economics of Climate Change & Development

Professor Stern said that climate change presents a very serious global risk and demands urgent global response. According to him carbon trading is vital because that is the only way the world can work out the market price which, in turn, provides a mechanism to fund clean-up activities. He cited efforts being made by state governments in the United States, in particular California and the growing awareness in the European Union and their promise to mitigate the problem by 2050. He urged for concerted international action in this field.

Professor Jayashree Roy, Professor of Economics and Coordinator of Global Change Programme at Jadavpur University, gave the South Asian perspective. She said that it is important to integrate development policy options with climate policy options. She gave an overview of the impact of climate change and the economic costs on each household.

Dr. Jyoti Parekh of Integrated Research and Action for Development spoke about mitigation, adoption and adaptation. Professor P. R. Shukla of IIM, Ahmedabad argued for better understanding on the issue taking into account the economic costs. Mr. Ajay Mathur, Director General of the Bureau of Energy Efficiency, said that almost all the discussion of climate change up to now has been about "mitigation" - in other words, how to prevent it from happening. He proposed new concepts that could help to integrate an analytical approach, domestic policy action international collective action.

Dr. Isher Judge Ahluwalia chaired the discussion.

Basel II: a Critical Appraisal from an Indian Perspective 5 December 2006 Dilip M. Nachane

Professor Dilip M. Nachane, Professor at IGIDR, Mumbai discussed international harmonisation of financial regulation through the two successive Accords Basel I and II, and discussed the challenges posed by Basel II for the banking system in India. Three major concerns were dealt with in the seminar. First, the application of IRB (Internal Ratings Based) approach of Basel II is costly and discriminates against the smaller banks. Secondly, capital requirements, unless adjusted for cyclical fluctuations, are very likely to exacerbate these fluctuations. Thirdly, a problem of adverse selection arises, for only those banks likely to benefit from IRB will adopt the approach, other banks will hold on to the standardised approach. Overall the amount of banking capital is liable to decrease below the safe limits. Additionally, as pointed out by the Reserve Bank of India (RBI), in its comments on the Second Consultative Document, Basel II would involve a shift in direct supervisory focus away to the implementation issues, and that banks and the supervisors would be required to invest large resources in upgrading their technology and human resources to meet the minimum standards. Basel II is thus likely to pose profound challenges for the Indian banking system. Some of these consequences could force considerable internal adjustment on banks, a realisation which has been gradually dawning among banking circles in India.



Mr. Sultan Hafeez Rahman, Asian Development Bank and Dr. Rajiv Kumar, Director & CEO, ICRIER

Regional Cooperation and Integration in South Asia

13 December 2006

A brainstorming session was organized by ICRIER in New Delhi. Several experts put forward their perspectives. The session was moderated by Dr. Rajiv Kumar, Director and CEO of ICRIER. Initiating the discussion, Mr. Sultan Hafeez Rahman from the Asian Development Bank, underlined the need to not only strengthen the regional economic cooperation between the SAARC countries but also integrating their economic activities through free trade. The session endorsed the view expressed by a participant that South Asia seems to be focusing more on trading with the rest of the world than within itself. Due to several constraints the transaction costs of trading with neighbours, ironically, are much higher than with other countries. The problem areas that were identified were transportation hurdles, tariff and non-tariff barriers, checks on FDI flows, and lack of transparency in

liberalization policies among SAARC countries. The experts felt that every country gains out of the open trade, though initially the smaller countries, namely Bangladesh and Sri Lanka, may reap higher gains in the short run. A concerted effort and reciprocity among SAARC countries will help enhance the potential in sectors like energy, health services, climate change and tourism. It was also suggested in this context that each country in the region should champion a particular sector.



Dr Joseph Stiglitz, Nobel Prize winner in Economics in 2001 and Professor at Columbia University with Mr Kamal Nath, Minister of Commerce & Industry and Dr Rajiv Kumar

Making Globalization Work for India Joseph Stiglitz

19 December 2006

An interactive working session organized by ICRIER. Dr. Joseph Stiglitz, Nobel Prize winner in economics in 2001 and Professor at Columbia University. Professor Stiglitz provided a rare insight into how the bilateral, multilateral and WTO plus trade agreements can help India to grow tremendously in global markets. Professor Stiglitz said that though subsidies are not desirable, food importing countries will be worse off if subsidies are eliminated. He also said that developing countries should push for a large development agenda at global trade conferences. If strong measures are taken it would help

the Indian agriculture sector to grow at a targeted growth rate of 4 percent per annum instead of the current growth rate of 2 per cent.

Outlook for Asia: Will the US Slowdown Spoil the Party?

21 December 2006 Joshua Felman

Dr. Joshua Felman, the Senior Resident Representative of IMF in New Delhi presented the main messages of the recent World Economic Outlook that states that India and China would continue to boom in 2007 and perhaps even in 2008. Although the US economy is likely to slow down by about one percentage point from the current 3.5 per cent, this would not slow down India and China. He said many countries, including the European Union countries and Japan, may also not be impacted. "Once housing and food processing in the US show robustness, the overall economy will recover." Dr. Felman's presentation was characterised by an in-depth discussion of household savings behaviour in the US in current years and of the emerging trends in the US housing market. Both these factors critically impacted the US economic growth.



Dr. Joshua Felman, Senior Resident Representative, IMF in New Delhi

Risk Management at Indian Exchanges: Going Beyond Value at Risk 9 January 2007 J.R. Varma



Professor J.R. Varma, IIM, Ahmedabad

Professor J.R. Varma, IIM, Ahmedabad presented an overview of different risk management practices in stock exchanges such as SPAN, Value-at-Risk and Expected Shortfall. He elaborated how in recent years the theoretical literature on risk measurement has moved away from Value at Risk to coherent risk measures like expected shortfall. In a parallel advance, risk modelling has embraced fat tailed distributions with non linear dependence structures. The regulatory framework for risk management at Indian exchanges is still supposed to be based on

the 99% value at risk mandated by the L. C. Gupta Committee a decade ago. In practice, however, Indian exchanges and their regulators have adopted several features of a fat-tailed expected shortfall approach. Risk management practice has thus outgrown the regulatory mandated value at risk to which it still pays lip service. The time has come to formally discard value at risk from the regulatory lexicon and adopt a more modern vocabulary. This would provide an opportunity to spur new research on improving exchange risk management systems. For example, current global best practice in handling exposure to multiple underlying ("inter commodity spreads") in exchange risk management can only be characterized as crude and ad hoc. Research is needed on standardised and scalable copula based models for dealing with this problem.



Dr. Jagadish Shukla, Professor at George Mason University, Maryland

Economic Consequences of Global Climate Change for India 12 January 2007 Jagadish Shukla

Dr. Jagadish Shukla, Distinguished Professor, George Mason University, Maryland, U.S.A. led a brainstorming session organized by ICRIER. The session was well attended and assembled experts represented a truly multi disciplinary team engaged in research on climate change modelling and impact evaluation. Dr. Jagadish Shukla was the special invitee and initiated the discussion. The major concerns raised by the participants in the session are summarized here.

Multilateralism under Threat 29 January 2007 Anne Krueger

Professor Anne Krueger, First Deputy Managing Director, IMF & Visiting Professor, ICRIER (January 16-February 12, 2007) said that "Multilateralism has been the key to the huge economic successes of the past half century. However, the achievements of the multilateral economic system, especially that of the IMF, World Bank and the erstwhile GATT (now WTO), has been underappreciated as it is ever more taken for granted, while the need for a well-functioning multilateral international economic system is greater than ever as globalization proceeds." She was of the firm view that these institutions need to be reformed and strengthened rather than abandoned.



Professor Anne Krueger, First Deputy Managing Director, IMF

Differences in School Participation Patterns by Socio-economic Status in India 1 February 2007

Anita Chudgar



Dr. Anita Chudgar, Postdoctoral Researcher, College of Education, Michigan State University

Dr. Anita Chudgar, Postdoctoral Researcher, College of Education, Michigan State University pointed out that a small increase in household head's literacy level, i.e. from being illiterate to primary level or less, increased the probability of the child going to school by a significant amount. However, looking at the economic status of the households, she found that even a significant increase in the economic status of the household did not increase the probability much of a child being in school.

Dr. Chudgar also focused in great detail on female-headed households and found that in rural areas female headed households were more likely to send their child to school than their male counterparts. The difference between the male and the female headed household was most striking when the household head's education marginally increased from illiterate to primary level or less.

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Anti Money Laundering Regime in India 6 February 2007 K. P. Krishnan

Dr. K. P. Krishnan, Joint Secretary (Capital Markets), Ministry of Finance, Government of India, discussed in detail the anti money laundering legislation in India, viz. the Prevention of Money Laundering Act (PMLA), 2002, and various rules and obligations brought about by this Act on financial sector entities.

Under the current regime, financial institutions are obliged to keep records of their customers' backgrounds, report all cash transactions of Rupees ten lakh or more and report any suspicious transaction to the Financial Intelligence Unit (FIU), one of the administrative arms under PMLA. Further, such records are to be maintained for a period of ten years from the date of cessation of the transactions with the client. While such norms may be necessary to curb money laundering, these also have implications for the financial excluded section of Indian society as such norms create stringent entry barriers for a large segment of the Indian population who are excluded from the formal financial system. Therefore, a balance needs to be created considering both the security aspect and the desirability of financial inclusion. Dr. Krishnan also discussed the international scenario with regard to Anti Money Laundering and Combating the Financing of Terrorism (AMLCFT). As many countries are adopting similar laws to prevent money laundering, India's AMLCFT compliance will be a determining factor in global expansion of its financial sector.



Dr. K. P. Krishnan, Joint Secretary (Capital Markets), Ministry of Finance, Govt. of India and Dr. Ravi Kumar

security aspect and the desirability of financial inclusion. Dr. Krishnan also discussed the international scenario with regard to Anti Money Laundering and Combating the Financing of Terrorism (AMLCFT). As many countries are adopting similar laws to prevent money laundering, India's AMLCFT compliance will be a determining factor in global expansion of its financial sector.

Seminar by Scholars from the India Study Group, Sasakawa Peace Foundation (SPF), Japan 20 February 2007

The seminar was chaired by Mr. Arjun Asrani, India's former Ambassador to Japan. Three Scholars from the India Study Group—Makoto Nagayoshi, Hajiro Sato and Dr. Takahiro Sato—made presentations on their ongoing research. Mr. Nagayoshi spoke on the determinants of work motivation with specific reference to Thai and Malaysian industries. He discussed various issues in this regard including organizational, behavioural, monetary and cultural factors. His findings pointed to differential impacts of these factors between the two countries. Mr. Hajiro Sato spoke on the development of the Indian steel industry following economic liberalization in the early 1990s. Pointing out that India's steel production is slowly getting close to that of Japan, Mr. Sato argued that the new economic policies have led to sharp increase in steel production and exports. He, however, felt that despite India having moved to a new model of integrated steel production, the industry still needed to close a technological 'gap'. The final speaker, Dr. Takahiro Sato, focused on the impact of decentralization on poverty alleviation programmes in rural India. Dr. Sato mentioned that female headed households and landless labourers continued to remain disadvantaged. However, he conceded that these groups might not have been the targeted beneficiaries in the first place. He felt that local socio-political circumstances played a key role in determining the success of poverty alleviation programmes.



Participants and Mr. Arjun Asrani, India's former Ambassador to Japan

Painful Geopolitics, Stellar Geo-Economics: Can Globalization Continue to Apply to One, But Not the Other?

22 February 2007 Bill Emmott

Mr. Bill Emmott, former editor of *The Economist* began by citing examples of the apparent lack of reaction on the part of global markets and businesses to 'disturbing' political developments. He explained this paradox by emphasizing the overall improvement in global political climate in terms of reduced intensities of armed conflicts. He also pointed out that the current global economic upturn was being driven by a virtuous political cycle since the end of the Cold War that encouraged liberalization and opening up across the world. He argued that high oil prices have helped the Middle East in growing robustly despite political uncertainties. Thus, rather than disrupting global growth, Mr. Emmott felt that high oil prices have helped in moderating adverse outcomes of the Iraq debacle. Referring to developments that are likely to affect the global economic outlook in the medium term, Mr. Emmott identified political instability in China as a key factor. He felt that growth of interstate conflicts in West Asia, escalation of terrorism, and rising protectionism in US and Europe, were the other probable roadblocks. He opined that political forces are unlikely to influence economic prospects except for a reversal of the stabilizing influence of global oil prices.



Mr. Bill Emmott, former editor of *The Economist*

State of the Economy 3 March 2007

ICRIER, in collaboration with the Nehru Centre, Mumbai organized a half day seminar on the State of the Economy. The seminar was chaired by Dr. Vijay Kelkar, ICRIER Board Member and consisted of a panel comprising Dr. Joshua Felman, Resident Representative, IMF, Dr. Ajit Ranade, Chief Economist, Aditya Birla Group, and Dr. Rajiv Kumar, Director & CEO, ICRIER.

Dr. Felman who was the principal speaker started by noting that reforms undertaken in the period after 1991 have provided the basis for rapid growth since 2003-04, to which exports and investments have made a major contribution. He also pointed out that over the last few years the economy has been completely transformed and there were clear signs that Indian economy could be taking off. He highlighted the need to quickly 'cool' the economy so that inflationary expectations do not become entrenched. He welcomed the fiscal and monetary policy measures that have been taken to restrain inflation and at the same time not compromise on growth.

Dr. Ajit Ranade was sceptical of the measures like the price control for cement and banning the export of food items taken to control inflation. He welcomed the increase in budgetary allocation for socialization but felt that it would have been better if these allocations had been done in conjunction with reduction in subsidies, which have been largely left untouched. He noted the positive trend in direct taxes becoming larger than indirect taxes, which promises a more progressive orientation to fiscal policy.

Dr. Kumar pointed to an on-going structural shift in the Indian economy that has resulted in a higher growth trajectory. He also referred to the latest employment data from the NSSO negates the argument about jobless growth. He was concerned about the on-going slow-down in exports as this may result in lower economic growth in 2007-08. His major criticism of the budget was that it did not emphasise structural reforms, which are necessary for sustaining high GDP growth rates.

Dr. Kelkar in his closing remarks welcomed this ICRIER initiative of holding events outside Delhi as these would help expand ICRIER's influence throughout the country.

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Agricultural commodities derivatives market in India 6 March 2007 Susan Thomas



Dr. Susan Thomas, Assistant Professor at IGIDR, Dr. Ravi Kumar and audience

Dr. Susan Thomas, Assistant Professor at IGIDR Mumbai elaborated on the development of agricultural commodities derivatives markets in India, which date back to as early as 1800s in some form or the other. However, the modern day derivatives trading—with a nationwide electronic platform and a clearing mechanism with innovation—began only since 1994 with the beginning of three national, multi-commodity exchanges competing with each other. Dr. Thomas then presented an analysis of the efficiency of these markets by analyzing the co-movement of the spot and futures prices of five commodities traded in the multi commodity national

exchanges: Guar seed, Wheat, Pepper, Channa and Jeera. The empirical analysis indicates that the market for Guar seed shows the best signs of low arbitrage opportunity and good hedging prospects while that of Wheat and Channa show the worst signs and poor hedging prospects.

Union Budget 2007-08: Reform and Development Perspectives – Panel Discussion by the Heads of ICRIER, IDP, NCAER and NIPFP 7 March 2007

ICRIER in collaboration with the World Bank organized the above panel discussion in which for the first time the heads of four of India's leading research organizations participated. The panel consisted of Mr. Suman Bery, Director General, NCAER, Dr. Subhashis Gangopadhyay, Director, India Development Foundation, Dr. Govinda Rao, Director, NIPFP and Dr. Ravi Kumar, Director & CEO, ICRIER. The discussion was moderated by Mr. Sunil Jain of the Business Standard.

IDSA-ICRIER joint two day seminar on Economic Cooperation for Security and Development in South Asia 16-17 March 2007

The underlying theme of the seminar focused on the interrelated issue of security and economic cooperation in the South Asian Region, underscoring the role and efficacy of economic cooperation as a means for achieving regional peace and development. The seminar covered four main themes namely, Changing Context of Regionalism in South Asia, Infrastructure Development & Economic Cooperation, Regional Security and The Way Ahead. The seminar, which brought together leading experts and scholars including media persons, senior policy makers from various South Asian Countries, as well as experts from key multilateral institutions such as the Asian Development Bank, UNODC and World Bank, highlighted the common regional challenges cutting across national boundaries. The seminar was organized ahead of the SAARC Summit which was held on 3-4 April 2007.

Regional Integration in Asia 28-29 March 2007

The expert meeting focused on the business implications of regional integration in Asia. Participants included representatives from business communities and government officials from several Asian countries including Afghanistan, Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Malaysia, Nepal, Pakistan,



Dr. Ravi Kumar, Director & CEO, ICRIER; Dr. Subhashis Gangopadhyay, Director, India Development Foundation; Mr. Sunil Jain, Associate Editor, Business Standard; Mr. Suman Bery, Director General, NCAER and Dr. M. G. Ramamurti, Director, NIPFP



Prof. T H Srinivasan, Professor of Economics, Yale University
Mr. Stephan Frezza, Deputy Executive Director, International Trade Centre, Geneva; Mr. Kapil K Pillai, Commerce Secretary, Govt. of India; Dr. Ranjeet Kumar Dinkar & C.E., ICRIER and Ms. Aisha Pervaiz, Director, International Trade Centre, Geneva are sitting on the Dais.

Philippines, Sri Lanka, Thailand and Vietnam. Asian academics and researchers from Australia, India, Sri Lanka, UK and US also shared their perspectives on the various questions raised. The discussions dealt with the emerging business environment resulting from the proliferation of free trade agreements, and the relationship between regionalism and multilateralism. Effective regionalism involves increased trade and investment among the economies of the bloc, but South Asian researchers and analysts pointed out, high transaction costs have inhibited a smooth flow of goods, services and financial capital across their region. Unlike South-East Asia, where supply chain linkages across borders have enhanced investment and trade in intermediate goods, businesses in South Asia complained of the lack of an enabling environment for commerce.

Financial Flows of the Rural Poor: A Study in Dungarpur District, Rajasthan 3 April 2007 M. S. Sriram

Professor M. S. Sriram of IIM, Ahmedabad discussed some of his survey's preliminary findings regarding the financial structure of rural poor and the scope of business opportunities for banking system. The survey analyses the assets base, sources of finance and the expenditure pattern (especially on health and transportation) of the rural population in the region. The preliminary findings explain that people rely more on internal financing and money lenders in the region. His findings also suggest that banks have not been able to cater the demand of credit and loans in the region, thereby most of the surveyed population is technically financially excluded. Therefore, his study suggests the need of change in products and services offered in terms of savings and loans by the banks and potential market size for the formal sector in rural areas.



Professor M. S. Sriram, IIM, Ahmedabad and participants

Access Issues in UK Higher Education: Lessons for India 11 April 2007 Heather Egging



Professor Heather Egging, Visiting Professor at the Institute for Access Studies at Staffordshire University (UK) sitting on Dais.

Professor Heather Egging, Visiting Professor at the Institute for Access Studies at Staffordshire University (UK) gave a brief outline of the size and structure of UK higher education and its growth over the years. She raised aspirational, structural and financial issues faced by higher education there and pointed out trends like spiralling costs of higher education, shifting the cost from the public exchequer to students and parents, and growing inequities in access amongst various socio-economic groups.

She described different strategies adopted by the Government to address these issues in a holistic manner giving specific reference of the Aim Higher Programme and Income Contingent Loan arrangement initiated by the UK Government recently. Professor Furqan Qamar from Jamia Millia Islamia gave an Indian perspective of the access issues. Mr. Pawan Agarwal, Visiting Scholar at ICRIER pointed out that issues of access in India need to be addressed by taking in a holistic manner and new and innovative approaches are required to address its multifaceted problems.



Coming in for a Soft Landing? Prospects and Risks for the Global Economy, 20 April 2007 Charles Collyns



Dr D'Souza, Secretary, Economic Advisory Council to the Prime Minister of India; Dr Charles Collyns, Deputy Director IMF; Dr Rajiv Kumar, Director & CEO, ICRIER; and Dr Prakash Sen, Chief Statistician and Secretary Govt. of India.

investment and exports, in India it was more broad-based and was led by consumption as well. Although the global outlook was more optimistic now than in September 2006, there was no room for complacency because the financial conditions could change at short notice.

Dr. Charles Collyns, Deputy Director, IMF, made two presentations on the recent World Economic Outlook Report. The first presentation "World Economic Outlook" took place in Mumbai on 18th April 2007 and the second "Coming in for a Soft Landing? Prospects and Risks for the Global Economy" in Delhi.

Dr. Collyns said that, despite the bumps on the runway, outlook for global growth during 2007-08 remained robust, and the world economy was poised for a soft landing. The main reasons for this were that the spillovers from the US slow-down to the world economy had been limited, labour market remained relatively strong, and inflation and oil prices had come down. While in China growth was led by

US-India Agricultural Knowledge Initiative 30 April 2007

The purpose of the seminar was to explore the core issues faced by the Indian agricultural sector in the context of the AKI agenda. The initiative was launched in 2005 by President Bush and Indian Prime Minister Manmohan Singh to strengthen the Indian agricultural knowledge system in areas of mutual interest. The issues identified under the initiative are: Human resources and institutional capacity building, agro processing and marketing, biotechnology and water management. The discussion in the seminar focused on policy imperatives and the specific areas in which the AKI could make a difference in terms of strengthening Indian agriculture, facilitating vigorous investments into priority areas within Agri-business and integrating the sector with the global economy. The seminar was conducted in two sessions: Strengthening Indian Agriculture and Agri-business Investment. This is one of the first forays that ICRIER made into agriculture.



Arun Jaitley, Minister of State for External Affairs Govt. of India



Dr. Rajiv Kumar, Director & CEO, ICRIER and Ms. Meena Chaturvedi, Executive Director, PFRDA sitting on Disc.

Pension Reform Initiatives in India | May 2007 Meena Chaturvedi

Ms. Meena Chaturvedi, Executive Director, PFRDA discussed the demographic divide between the organized and unorganized workforce of the country and the access to pension cover facilities to them. Almost 87% of total workforce is not covered by traditional pension system in India. And, therefore, the primary objective of these reforms is to bring the uncovered workforce in unorganized, voluntary and self-employed sectors under the umbrella of new pension system. Further, Ms. Chaturvedi also discussed the initial architecture and operational framework for the New Pension System. She strongly emphasized on the need of role of regulatory authorities like PFRDA as an independent monitoring and decision-making body other than government.



Professor Rajas Parchure, National Insurance Academy, Pune setting up Disc

Post-liberalization Trends in Indian Life Insurance Market

5 June 2007 Rajas Parchure

Professor Rajas Parchure from National Insurance Academy, Pune explained the gradual shift from Traditional Insurance Plans to Customer Need Based Innovative Products (Unit Linked Insurance Plans) after liberalization. His estimates showed the extent of business opportunities lying for the new players in the Life Insurance Market (Estimated Middle Class Population: 300 Million, Insured Population: 110 Million). He also elaborated the reforms in recent years like IRDA Act, share of private players and some of the available insurance products like Traditional endowment and term plans, ULIP and Annuity.

insurance products like Traditional endowment and term plans, ULIP and Annuity.

Choice, Diversity and Educational Outcomes 29 June 2007 Steve Bradley

Professor Steve Bradley, Professor of Economics, Department of Economics, Lancaster University Management School, and Associate Dean presented an empirical analysis of England's secondary education policy, 1992-2005 in the seminar. After the fundamental reforms to state education provision during the final years of the Thatcher era, a quasi-market exists in so far as schools in the same district now have to compete with each other for pupils. The paper investigates the extent to which these quasi-market reforms have led to an improvement in educational outcomes. The empirical analysis, which is based on the application of panel data methods, indicates that the government and its agencies have substantially overestimated the benefits flowing from educational reforms. The distributional consequences of the policy, however, are estimated to have been favourable. But there is evidence that resources have not been allocated efficiently.



Professor Steve Bradley, Professor of Economics, Department of Economics, Lancaster University Management School, and Associate Dean running on Data

Professor Steve Bradley, Professor of Economics, Department of Economics, Lancaster University Management School, and Associate Dean running on Data

Do Central Banks React to the Stock Market? 10 July 2007 Martin Bohl



Professor Martin Bohl, Westfälische Wilhelms-University Münster, Germany

Professor Martin Bohl, Westfälische Wilhelms-University Münster, Germany, asked whether central banks react systematically to stock price movements, based on his empirical study for the German Central Bank, the Deutsche Bundesbank. In contrast to the results for the US, the empirical findings for the Deutsche Bundesbank, prior to the European Central Bank taking responsibility for monetary policy in 1999, show a generally weak relationship between German stock returns and short-term interest rates.



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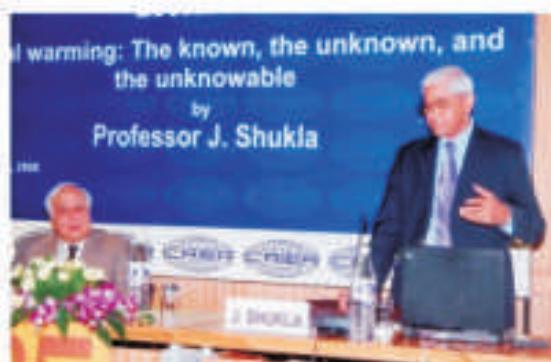
Dr. Rajiv Kumar, Director & CEO, ICRIER and Mr. Gopal K. Pillai, Special Secretary, Ministry of Commerce & Industry, Govt. of India sitting on Dais.

Suspension of DOHA Round and its Implications 31 July 2006

An interactive session was organized by ICRIER with a lecture by Mr. Gopal Pillai, Special Secretary, Ministry of Commerce & Industry, Government of India. The objective of the lecture was to brief the assembled participants about the developments at the 23-24 July G-6 meeting at Geneva that concluded inconclusively leading to the suspension of the Doha Round of negotiations.

Global Warming: The Known, The Unknown, and The Unknowable 6 October 2006

Professor Jagadish Shukla, Distinguished Professor at the George Mason University and President, Institute of Global Environment and Society, Maryland. He described global warming as a manifestation of the excess carbon dioxide and methane in the atmosphere. These gases trap terrestrial heat and generate instabilities in climatic conditions. Apart from the changes in the chemical composition of the atmosphere, there are natural variations—better known as hydrodynamic instabilities—that interact with the oceans and forests to produce large fluctuations in the climate from year to year. Global warming affects the equilibrium temperature of the earth. Changes such as a decline in the snow cover in the northern hemisphere, delayed freezing of lakes by at least six days, loss of mass in glaciers and ice caps, increase temperature of permafrost and frozen areas by 2 to 4 degrees etc. can be seen as examples of this phenomenon. Most importantly, he said, global temperature has increased by 0.75 degrees and sea level has been rising by about 2 mm per year for the last 50 years. He therefore emphasized the need to develop sophisticated models that would help reduce the uncertainty associated with the determination of global warming and its effects. Professor Shukla reiterated that the ability to make predictions about the weather over a short span of time was constrained primarily by the lack of high resolution models.



Mr. Kapil Sibal, Minister of Science & Technology and Professor Jagadish Shukla, Distinguished Professor at the George Mason University and President, Institute of Global Environment and Society, Maryland.

CONFERENCES/ WORKSHOPS

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ASSOCHAM and ICRIER jointly organized a conference on Globalization and Higher Education in India 1-2 November 2006



Sitting on the dais are (L-R) Prof. K. Venkateswaran, Mr. A. K. Mukherjee, Dr. Chandru & Krishan Gupta

The salient points that emerged from the discussions were:

- To increase the EER (eligible enrolment ratio) from prevailing 55% to ideal 100%, budgetary allocation to the sector must rise from 0.37% to at least 0.75% along with vigorous private sector participation, comprehensive fiscal management; and an enabling regulatory mechanism.
- Given the large unmet demand for quality education, private universities should be encouraged to grow, in line with the Mukesh Ambani Committee Recommendations.
- Financial outlay of Rs 12000 crore in the next ten years would be critical for the sector to increase access, training and skill enhancement of teachers as well as revision of remuneration to market determined levels. Funds may be generated by increasing user fees for those who can afford to pay while using the collections from the 2% education cess for quality provisioning to a wider user group.
- Multi-pronged approach to borderless learning:
 - attracting world class institutions to India
 - diversifying the range and modalities of PPP
 - making India an educational destination
 - devising an India window programme for internship and
 - promoting distance education through a hybrid model such as IT&ITES undertaking a "Brand India Education Mission" abroad
- SEZs for Universities for capitalization of knowledge along with mobilizing international access through a World Knowledge Bank recognizing credit transfers, favourable Foreign Education Providers Regime and institutions of collaboration.
- National qualification framework to remove intra-control barriers, overlap and gaps to bring India in line with International Agreements on Accreditation in Distance Learning.
- Dovetailing vocational education and diversifying it at secondary school level.
- Leveraging synergistic postgraduate research across universities.

India-Korea Bilateral Cooperation in the Era of Asian Economic Integration 11-12 December 2006

ICRIER jointly with the Seoul Forum for International Affairs (SFIA), Seoul organized the sixth India-Korea Dialogue in New Delhi. The dialogue brought together leading industrial representatives, defence and security analysts and economists from both the countries. Mr. Shashank, former



Dr. Kim Hoon-Pyo, Chairman of Committee on Education, Foreign Affairs and Trade of the National Assembly; Prof. Kwon Do-hyeong, Program Chair of the SFIA; Dr. Inder Jit Singh, Chairperson, ICRIER; Mr. Shashank, former Foreign Secretary & Mr. Choi Jong-il, Korean Ambassador to India

Foreign Secretary, Government of India led the Indian Delegation. Professor Kim Dalchoong, Program Chair, SFLA led the Korean Delegation. Discussions spread over a day and a half covered issues relating to bilateral economic relations between India and Korea, the rise of India and China and its implications for an integrated Asian economy, political and strategic issues with reference to Northeast Asia and South Asia as also bilateral cooperation in the areas of defence and human resource development. A joint statement was issued after the conclusion of the dialogue. Both sides reaffirmed the existing friendly relations between the two countries and acknowledged the great potential for further cooperation in various fields.

Conference on "Growth in India and the World" 14–15 December 2006



Prof. Timothy Besley, London School of Economics; Dr. Nripendra Misra, Chairman, TRAI and Dr. Rakesh Mohan, Deputy Governor, Reserve Bank of India and Member, Board of Governors of ICRIER

The conference was organized by ICRIER, in collaboration with the London School of Economics and World Bank's 'Microeconomics of Growth' research network. The first day of the event focused exclusively on India. Professor Angus Deaton (Princeton University) drew attention to methodological and coverage discrepancies in poverty statistics and felt that these inconsistencies were influencing research conclusions. Discussing regulation, Professor Timothy Besley (London School of Economics) underlined weaknesses of the judicial system as one of the main challenges. Addressing manufacturing issues, Professor John Sutton (London School of Economics) emphasized the importance of global supply chains and better business climates for enhancing productivity and capabilities.

Esther Duflo (Massachusetts Institute of Technology) emphasized the need for reforming secondary education for addressing needs of increasing number of primary students. Lant Pritchett (World Bank) called for a wholesale reform of the public health system to address people's needs. Professor Roger Gordon (University of California, San Diego), wondered whether structural reforms will be able to accommodate rising fiscal pressures. Professor Abhijit Banerjee (Massachusetts Institute of Technology) discussed the problems resulting from undercapitalization of small firms.

Professor Abhijit Sen, Member, Planning Commission; Dr. Nripendra Misra, Chairman, TRAI; Dr. Rajiv Kumar, Director & CEO, ICRIER; Dr. Pratap Bhanu Mehta, Director, CPR; Professor Ashish Bose, IEG; Dr. Ashok Lahiri, Chief Economic Adviser, Ministry of Finance; Professor Chang-Tai Sheh, University of California, Berkeley, chaired different sessions. Professor Mihir Rakshit, ICRA; Dr. Rakesh Mohan, Deputy Governor, Reserve Bank of India; Dr. Geeta Kingdon, University of Oxford; Professor Amit Shovon Ray, JNU; Professor Govind Rao, Director, NIPFP, were the discussants.

The second day of the conference was an academic interaction with presentations by several distinguished economists, who included Xavier Gine (World Bank), Stefan Klonner (Cornell University), Eswar Prasad (IMF), Arvind Subramanian (IMF), Maitreesh Ghatak (London School of Economics), Kaivan Munshi (Brown University), David McKenzie (World Bank), Chris Woodruff (University of California, San Diego), Mark Rosenzweig (Yale University) and Andrew Foster (Brown University).



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International Workshop for the IDRC Research Project on Intra-Asian FDI Flows: Magnitude, Trends, Prospects and Policy Implications 25-26 April 2007



Dr. Rakeshwar Rajan, George Mason University, Mr. N. Ravi, Secretary (East), Ministry of External Affairs, Dr. K.C. Wong, University of California, Santa Cruz, Dr. Dilekayalp Mirla, Istanbul and Dr. Aradhna Patel, Visiting Fellow, ICRIER

The two day workshop was organized by ICRIER with participation by the ICRIER research team. The workshop was divided into six working sessions where members of the academia and professionals from foreign universities, international institutions and research organizations presented papers. The papers were on several aspects of intra Asian FDI flows, entitled "Intra-Asian FDI Flows: Trends, Patterns and Determinants", "Emerging Trends in FDI Flows to Asia", "Emerging Multinationals: Trends, Patterns and Determinants of Outward Investment by Indian Enterprises", "The Pattern and Magnitude of China's Outward FDI in Asia", "Japan's Outward FDI in Globalisation", "Korea's Outward FDI in Asia", "Outward Direct Investment from East Asia: Experiences of Hong Kong and Taiwan, Singapore and Thailand", "Foreign Direct Investment in Services: The Experiences of India and China", "Outward Foreign Direct Investment: The Malaysian Experience", and "Outward Investment Surge in the Midst of Weak Inward Investment: Perspectives from the Indonesian Experience".

The workshop was inaugurated by Dr. Ajay Dua, Secretary, Department of Industrial Policy & Promotion, Ministry of Commerce and Industry. The first and second working sessions were chaired by Mr. N. Ravi, Secretary (East), Ministry of External Affairs, Government of India and Dr. Rajiv Kumar, Director & CE, ICRIER.

Special Economic Zones and their Impact on Export Promotion 17 May 2007

ICRIER organized a Workshop on "SEZs and its impact on Export Promotion in India" on 17th May, 2007 to discuss research findings and seek comments of the key stakeholders on this important topic. This workshop is the final step of ICRIER's ongoing research on a Cost-Benefit Analyses of India's Export Promotion Schemes. The project was commissioned by the Ministry of Finance, and the researchers have attempted to evaluate the overall economic impact (welfare gains/loss vis-a-vis investment, foreign exchange and employment etc) of existing export promotion Schemes, including SEZs. Based on detailed quantitative analysis, the studies make relevant policy recommendations for the Government of India.



Dr. Aradhna Aggarwal, Head, Department of Business Economics, University of Delhi; Dr. Rajiv Kumar, Director & CE, ICRIER and Mr. Sukumar Mukhopadhyay, Former Member, CPEC.

Mr. Sukumar Mukhopadhyay presented the first paper entitled "Cost and Benefits of Tax Exemptions for Export Promotion Schemes". He talked about the Drawback, DEPB and EPCC schemes. Mr Mukhopadhyay's view was that it is worthwhile to continue with some of the schemes with modifications till the duties are lowered enough to make these schemes unattractive. Neutralization of Central Excise Duty is important and for that Rules 18 and 19 should continue. He argued that Drawback should remain and DEPB should be abolished.

Dr. Aradhna Aggarwal presented a paper on "SEZs in India : A Quantitative Assessment of Costs and Benefits". The paper was then discussed by Mr. Vivek Mehra of Price water house Coopers. The paper was also discussed by Dr. Kavita Rao from NIPFP.

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Regional Cooperation Training Programme for Afghan Officials 11-23 June 2007



Mr. T C A Sriprakash Rangachari, Course Coordinator; Dr Gulshan Sachdeva, Team Leader, ADB TA Project on Regional Cooperation Ministry of Foreign Affairs Afghanistan; H.E. Dr Sayed Makhdoom Raheen, Ambassador of Afghanistan to India; Dr Abdurrahman Abdullah, Former Minister for Foreign Affairs, Afghanistan and Dr Rajiv Kumar, Director of CSE, ICRIER with Afghan Officials

In view of the recent admission of Afghanistan into SAARC, and India's close historical and cultural links with it, ICRIER, in collaboration with the Asian Development Bank, conducted a two week training programme on regional cooperation for officials of the Afghan government during June 11-23. The programme was inaugurated by the foreign secretary, Mr. Shiv Shankar Menon. The Afghan Ambassador, H.E. Dr. Sayed Makhdoom Raheen also spoke.

The participants were given lectures on political, economic, security, energy and other aspects of regional cooperation. Amongst the speakers were Sanjaya Baru Media Advisor to Prime Minister of India, Talmeez Ahmed, Director General, Indian Council of World Affairs, Preeti Saran, Joint Secretary (SAARC), TCA Rangachari, former Indian Ambassador to Germany and France, Hamid Ansari Chairperson National Commission for Minorities, Jaimini Bhagwati, Joint Secretary (Eurasia), Ministry of External Affairs, Government of India, Alka Acharya, Chairperson and Associate Professor, Centre for East Asian Studies, J.N.U., K. J. Chacko, Director, Indian Institute of Foreign Trade, Gulshan Sachdeva, Associate Professor, Centre for European Studies, School of International Studies, J.N.U., Bibek Debroy, Independent Economist, S. Varadarajan, Deputy Editor, The Hindu, J. K. Bhuyan, CEO, India Brand Equity Foundation and Deputy Director General, CII, Dilip Chenoy, Director-General, Society of Indian Auto Manufacturers, Vice Admiral Raman Puri (Rtd.), S. D. Muni, Former Professor, Centre for South Central and South East Asian Studies, School of International Studies, J.N.U., Varun Sahni, Professor, Centre for International Politics, Organisation and Disarmaments, School of International Studies, J.N.U., I. N. Mukherjee, Professor, Centre for South Asian Studies, J.N.U., Uday Bhaskar, Defence Analyst and former Director of Institute for Defence Studies and Analysis, Pronab Sen, Secretary, Department of Statistics, Government of India and several other eminent speakers.

ICRIER expresses its sincere thanks to Professor Gulshan Sachdeva and the ADB for their unstinting support for the programme.

SOUTH ASIA NETWORK OF ECONOMIC RESEARCH INSTITUTES (SANEI)

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South Asia Network of Economic Research Institutes (SANEI)

After completing its five year term at ICRIER, the financial and contractual arrangements of South Asia Network of Economic Research Institutes (SANEI) are now being managed by Pakistan Institute of Development Economics (PIDE). Dr. Isher Judge Ahluwalia, Chairperson, ICRIER and Dr. Rajiv Kumar, Director & CE, ICRIER attended the meeting of steering committee of SANEI on March 30-31, 2007 at Islamabad. ICRIER completed its study funded under SANEI seventh round. The eighth round study commissioned to ICRIER is in progress. The call for proposals of the SANEI ninth round has been sent out which has the theme of "South Asian Agriculture post Doha Round." The eighth annual conference will be held in Nepal on 31 August-1 September, 2007.

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RESEARCH FACULTY	Consultant Ms Manisha Gupta	Library Assistant Mrs Mridul Saxena
Director & Chief Executive Dr Rajiv Kumar	Research Associates Mr Ali Mehdvi Ms Nirupma Soundararajan Mr Ashutosh Kumar Tripathi	Accounts Executive Mr S. P. Chathli Mr Prem Chand Mathur
Honorary Professors Dr. Shankar Acharya Mr. Nitin Desai	Research Assistant Mr B. Karan Singh Ms Deepa Bhaskaran Ms Raimoet Goswami Ms Manjeeta Singh Ms Ruchi Jain Mr Gaurav Tripathi Mr Pankaj Vashisht Ms Surmitra Ganguli Ms Shounkse Navani Mr Gurajit Kalita Ms Neha Gupta Ms Raashi Malhotra Mr Durgesh Kumar Rai Ms Smita Miglani Ms Ritambhara Malaviya	Office Assistant Mr Anil Kumar Mr Sharad Natha Jha
Advisors to Director & CE Mr TCA/S. Raghavan		Jr. Office Assistant Mr Ram Autar Mr Siddharth Mishra
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Visiting Fellow Dr Amitendu Palit	Manager (Administration & Events) Ms Neema Bhatia	Office Attendant Mr R. M. Yadav Mr Jevinder Mr Deepak
Visiting Faculty Dr Poonam Gupta Dr Meenu Tewari	Private Secretary to the Director Mr Manmeet Ahuja Mr V. Muralikrishna	
	Assistant to Chairperson Ms Deepa Gopalan	

OTHER CONTRIBUTORS TO RESEARCH

EXTERNAL CONSULTANTS

Professor K. L. Krishna	
Professor Manmohan Agarwal	Professor, Jawaharlal Nehru University
Professor Amit Shovan Ray	Professor, Jawaharlal Nehru University
Professor BN Goldar	Professor, Institute of Economic Growth
Dr Bibek Debroy	Former Secretary General, FICCI Chamber of Commerce & Industry
Dr Khan Maseed Ahmed	Head, Deptt. of Economics, Jamia Millia University
Dr Rupa Chanda	Professor of Economic, IIM, Bangalore
Dr Aradhna Aggarwal	Reader, University of Delhi.
Dr Shahid Ashraf	Lecturer, Deptt. of Economics, Jamia Millia University
Dr Anupam Rastogi	Principal, Policy Group, Infrastructure Development Finance Co. Ltd.
Dr. Rajiv B Lall	CEO & Managing Director, IDFC Ltd.
Dr Deb Kusum Das	Reader, University of Delhi.
Dr Arup Mitra	Institute of Economic Growth, University of Delhi
Dr A. S. Firoz	Investment, Market and Strategy Consultant - Steel, Mineral and Coal
Dr Danish A. Hashmi	Former Consultant - CII
Dr Rajat Kathuria	Secretary & Registrar, International Management Institute
Dr Biswajit Nag	Indian Institute of Foreign Trade
Dr Partha Pratim Pal	Assistant Professor of Economic, IIMC, Kolkata
Dr Aparna Sawhney	Associate Professor, Jawaharlal Nehru University
Mr Anwarul Hoda	Member, Planning Commission
Mr Pawan Agarwal	IAS, Govt. of West Bengal
Ms Alka Chadha	National University of Singapore
Mr Samir Gandhi	Advocate, Economic Laws Practice
Ms Debjani Ganguly	Economist
Ms Rama Goyal	Editorial Consultant
Mr Sukumar Mukhopadhyaya	Former Member, Central Board Excise and Customs
Mr Ashis Banerjee	Consultant
Ms Shreemoyee Patra	Editorial Consultant



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RESEARCHERS WHO LEFT IN 2006-07

Dr Amita Batra	Senior Fellow
Mr Badri Narayanan G	Fellow
Ms Radha Chawla	Consultant
Mr Adithya Krishna Chintapanti	Research Associate
Ms Deepika Wadhwa	Research Assistant
Ms Shravani Prakash	Research Assistant
Ms Paramita Deb-Gupta	Research Assistant
Mr R. Srinivasulu	Research Assistant
Ms Suchitra Tanwar	Research Assistant
Ms Sarah Mujeeb	Research Assistant
Ms Vasundhara Ramachandran	Research Assistant
Mr Tarun Marjhi	Research Assistant
Mr Debabrata Pal	Research Assistant
Ms Souditi Mozumdar	Research Assistant
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Ms Anshu Gupta
Ms Rithika Mukherjee
Ms Meghna Brahmachari

ADMINISTRATION

Secretary

Mr Rajesh Rampal
Mr P. Unnikrishnan

Principal Private Secretary

Ms Kamala Krishnan

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Mr Vinod Shankar
Ms Krishna Kutnar

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RAJIV KUMAR

Appointed

- Member, National Security Advisory Board, August 2006
- Member, Advisory Board of the Institute for Indian Economic Studies, Waseda University, Japan and Indian Economic Forum Ltd., Japan, October 2006.
- Empanelment as an Advisor, UPSC, New Delhi, December 2006.
- Member, Bihar Development and Investment Council, December 2006.
- Member (part-time), Telecom Regulatory Authority of India, New Delhi, January 2007.
- Member, Track Two Study Group on Comprehensive Economic Partnership in East Asia (CEPEA), Ministry of Commerce & Industry, Govt. of India, New Delhi, March 2007.
- Member, Centre's Committee of the Centre for Studies in Science Policy of the School of Social Science, Jawaharlal Nehru University, New Delhi, April 2007.
- Chairman of the Selection Committee for Selection of Fellows, Competition Commission of India, New Delhi, April 2007.
- Member, Economic Affairs Committee of Federation of Indian Chambers of Commerce and Industry, New Delhi, May 2007.
- Member, Committee on Financial Sector Assessment Advisory Panel on Transparency Standards, Reserve Bank of India, June 2007.
- Member, Joint Task Force on "Shaping the Global Innovation Economy – Enhancing Cooperation in India-US Relations, Federation of Indian Chambers of Commerce and Industry, July 2007.
- Member, India-Indonesia Joint Study Group, Department of Commerce, Ministry of Commerce & Industry, Govt. of India, New Delhi, July 2007.

International Seminars/Conferences

- Chaired the Session on "Strengthening Inclusiveness and Social Protection" and also presented a paper at the Workshop titled "Emerging Asian Regionalism: Ten Years after the Crisis" organized by Asian Development Bank (ADB) at Bangkok from 19-20 July 2007.
- Participated in a high-level roundtable discussion of international trade issues, at the invitation of Centre for International Governance Innovation (CIGI) at Waterloo during 17-18 June 2007.
- Participated as a panelist in the panel on Infrastructure and the Economy of 8th Annual Conference on Indian Economic Policy Reform, organised by Stanford Centre for International Development, Stanford University, USA on 7-8 June 2007.
- Keynote Speaker in the Seminar on "Ethics and Economics" and "Indian Economy with Scotland Enterprises Association", invited by the Organisers: International Future Forums, held in Glasgow during 3-4 April 2007 and attended meetings convened in Edinburgh on 4-5 April 2007.

- Attended the Steering Committee meeting of the South Asia Network of Economic Research Institutes (SANEI), Lahore, Pakistan, 30-31 March 2007.
- Participated in the Workshop on "Issues of Industrial/ Innovation Policy" as a distinguished speaker, organised by Commission on Growth and Development, Washington D.C., USA, March 22-23, 2007.
- Invited as a Faculty Member for the Session on "China: The New Global Economic Engine?", Salzburg, December 5-10, 2006 and presented a paper on "Competition and Cooperation between India and China".
- Participated as a Discussant in Session "Strategic and Policy Developments in South Asia-East Asia" and delivered a lecture on "India's Experience with Asian FTAs" at the Conference on South Asia-East Asia Economic Cooperation and Pan-Asian Integration" organized by ADB, Singapore, November 29, 2006.
- Participated in the Session "Opening & Reforming the Financial Sectors in China & India: Next Steps & Effects on the International Financial System" at the 2006 Program of Seminars jointly organized by the IMF and the World Bank, Singapore, September 16, 2006.

Presentations/Lectures at Seminars/Conferences in India

- Delivered lecture on "Globalizing South Asia: The Challenge Ahead" at the School of International Studies, Jawaharlal Nehru University, New Delhi, September 18, 2006.
- Lead Discussant at the Session "Political Economy and Trade Offs" at the IFPRI-World Bank Consultation on 'World Development Report 2008: Agriculture for Development', New Delhi, November 2-3, 2006.
- Presented Issues Paper at the session on "Towards a Competitive Manufacturing Sector" at the ICRIER's Silver Jubilee Conference on "India and the Global Economy", New Delhi, November 6-7, 2006.
- Panelist at the session "Trade Liberalization: Creating a Level Playing Field" at the seminar based on book titled "Making Globalization Work" by Professor Joseph Stiglitz organized by Shri Ram Center for Industrial Relations and Human Resources, New Delhi, December 18, 2006.
- Presentation made on "Indian Manufacturing Sector: Issues" at the NBER-NCAER Neemrana Conference in Jaipur, January 22, 2007.
- Chaired the Session on "Regionalism and Multilateralism in Southeast Asia" during the 9th Asian Security Conference of Institute for Defence Studies and Analyses, New Delhi, February 9, 2007.
- Keynote Speaker at the Senior Management Meet on "Implications of the Union Budget 2007 on the Oil & Gas Sector", organized by Petroleum Federation of India in Mumbai, March 2, 2007.
- Speaker at the Session on "Changing Context of Regionalism in South Asia" of IDSA-ICRIER Joint International Seminar on Economic Cooperation for Security and Development in South Asia, New Delhi, March 16-17, 2007.
- Made a presentation at the International Seminar on India and Pakistan: Understanding the Conflict Dynamics, organized by Academy of Third World Studies, Jamia Millia Islamia, New Delhi, April 10-11, 2007.
- Principal Speaker on the Pakistani Economy at meeting organized by National Maritime Foundation, New Delhi, April 12, 2007.
- Address at the inaugural session of Education Summit organized by Confederation of Indian Industry, New Delhi, May 14, 2007.



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Publication

- ✖ Sustainability of Economic Growth in India" (2007). Working Paper No. 25, Centre for International Governance Innovation (CIGI), Canada, May 07/(Co-authored with Amitendu Palit and Karan Singh).
- ✖ India's Liberalization Experience - Hostage to the WTO? (Co-edited with Bibek Debroy and Supatna Karmakar: Sage India, forthcoming (September) 2007.

SHANKAR ACHARYA**International Seminars/Conferences**

- ✖ Discussant on "Sources of Growth" session at Brookings - NCAER India Policy Forum 2006, New Delhi , 31 July – 1 August, 2006
- ✖ Presented theme paper on "Agenda for Growth and Livelihood" at Commonwealth Finance Ministers' Conference at Colombo, Sri Lanka, September 12 – 13.
- ✖ Panelist at "Round Table on Macroeconomic Issues" at ICRIER Silver Jubilee Conference, New Delhi, November 6-7.
- ✖ Presented paper "India's Growth: Past Performance and Future Prospects", at Tokyo Club Foundation's Macro-Economy Research Conference on "India and China Rising", at Tokyo, December 6 – 7.
- ✖ Panelist on "Growth with Stability" at NCAER's Golden Jubilee International Conference, December 17, New Delhi.
- ✖ Presented main paper "India's Growth: Past and Future", at opening Plenary Session of the Eighth Annual Global Development Conference of the Global Development Network at Beijing, China, January 13–16, 2007.
- ✖ Presented paper, "Economic Growth: Some Issues", at World Bank / Sri Lanka College of Journalism Workshop in Colombo, Sri Lanka, February 7-9, 2007.
- ✖ Participated (as member of Indian Delegation) at 10th Meeting of the UK – India Round Table, at Ditchley Park, Oxfordshire, UK, and gave a presentation on the "Rise of China: How India and EU / UK can benefit", April 13 – 15, 2007.
- ✖ As Member, External Advisory Panel, reviewed interim report by World Bank's Independent Evaluation Group (IEG) on "Public Sector Reform Evaluation", Washington D.C., USA, June 12 – 14, 2007

Presentations/Lecture at Seminars/Conferences in India

- ✖ Delivered "Lecture series" at the beginning of Academic Session at Sri Venkateswara College on September 21, 2006
- ✖ Chaired discussion on "Union Budget 2007 - 08" organized by National Institute of Public Finance and Policy, India International Centre on March 2, 2007
- ✖ Delivered Lecture 'Growth Prospects In The Next 5 Years' to Citigroup India Equity Investor Conference, on Friday, March 16, 2007.
- ✖ Delivered special Lecture on 'Recent Macro Economic Trends and Reform Issues' at National Institute of Public Finance and Policy on June 22, 2007.

Publications

- ✖ "Economic Growth: Some Reflections" - Economic and Political Weekly, November 4, 2006.
- ✖ Can India Grow without Bharat, Academic Foundation, New Delhi, March 20, 2007.

MATHEW JOSEPH

- ✖ Panel discussant at the session on "Institutional Implications: How to reshape the global economic governance architecture?" in the Conference on 'Global Economic Imbalances: A Need for Global Governance beyond the G-8?' organized by Friedrich-Ebert-Stiftung, Berlin, 6-7 June 2007.

ARPITA MUKHERJEE

International Participation in Seminars/Conferences/survey and other official travels

- ✖ Conducted meetings and discussions on "Domestic Politics and Building Alliance for PTAs: The Case of Singapore" at Singapore for WTO, May 26-30, 2007.

Presentations/Lecture at Seminars/Conferences in India

- ✖ Presentation on "State of Play" at the session on "Market Access Negotiations in Services" at the ICRIER Ministry of Commerce and Industry-SKTT international conference on "WTO and Doha Round: The Way Forward" on April 6-7, 2006.
- ✖ Was a panelist at the session on "ICT in Retail Sector" at the seminar on ICT in Service Sector on April 22, 2006 organized by University School of Management Studies (Guru Gobind Singh Indraprastha University, Delhi) and Computer Society of India, Delhi Chapter.
- ✖ Presentation on "GATS: Movement of Natural Persons" at the Institute of Chartered Accountants of India on June 5, 2006.
- ✖ Presentation on India-GCC FTA: Trade in Services on May 1, 2006 at FICCI jointly organized by Ministry of Commerce and Industry and FICCI. Presentation on India-GCC FTA: Trade in Services on May 4, 2006 at CII, Mumbai.
- ✖ Presentation on "General Agreement on Trade in Services" at the workshop on WTO-related issues for government officials in the SAARC region organized by TERI May 1-3, 2006.
- ✖ Presentation on Role of Developing Countries in Services Negotiations: Offensive or Defensive : The Case of India at the international seminar on Developing Countries and Services Negotiations on June 6-7, 2006.
- ✖ Presentation on "Indo-US FTA: Prospects for IT-Enabled/BPO services" with Paramita Deb Gupta at IMR conference on "Global Competitiveness through outsourcing: Implications for Services and Manufacturing" organized by the Indian Institute of Management Bangalore July 13-15, 2006.
- ✖ Presentation on "SAARC Countries and Services" at the South Asian Regional Roundtable on "WTO Doha Agenda: The Way Forward" at FICCI on August 29, 2006.
- ✖ Presentation on "Evolution of Retail in India: Past and Prospects" at IFFPRI-IEG-Workshop on "From Plate to Plough: Agricultural Diversification and its Implication for Small Holders" September 20-21, 2006.
- ✖ Presentation on "India's Opportunities and Constraints to Trade in Consultancy Services" at The International Congress and Exposition on Trade in Services (SERVIN XPO 2006) organised by Ministry of Commerce and Industry and FIEO, Oct 4-6, 2006.



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- ✖ Presentation on "General Agreement on Trade in Services" at the Institute of Chartered Accountants of India on December 10, 2006.
- ✖ Presentation on "GATS: Movement of Natural Persons" at the Institute of Chartered Accountants of India on December 10, 2006.
- ✖ Presentation on "Who is Afraid of Walmart?" at International Franchise and Retail Conference 2006, on December 2-3, 2006.
- ✖ Presentation on "GATS: Uruguay Round & State of Play" at Indian Institute of Public Administration, New Delhi, February 7, 2007. Presented paper on Addressing Barriers to Trade in ITES: Indo-US Trade & Prospects under a possible FTA, on 27 February 2007, Jamia Millia.
- ✖ Discussant in the session on "Intra-Regional Services Trade in Asia" in the Expert Meeting on Regional Integration in Asia Fostering Trade through Private-Public Dialogue jointly organized by ICRIER UNCTAD-International Trade Centre on 28-29 March 2007 at New Delhi.
- ✖ Was the rapporteur in the session on "Services: Engine of Growth?" and the International Seminar on "Saving Doha and Delivering on Development" jointly organized by Government of India, UNCTAD, Carnegie Endowment for International Peace, Oxfam International, NCAER and CUTS International in New Delhi on 12-13 March 2007.
- ✖ Presentation on "Indo-EU Free Trade Agreement: Services: Issues for the Indian Oil and Gas Sector" at Petrofed, New Delhi, June 6, 2007.
- ✖ Was a Discussant on the paper of "Barriers to movement of healthcare professionals: A Case study of India" at a seminar organized jointly by CUTS International, Ministry of Health and Family Welfare and WHO.

PUBLICATIONS

Refereed Journal

- ✖ "Indo-US FTA: Prospects for IT-enabled/BPO Services" in IIMB Management Review, Vol. 19, No. 3, September 2007 (forthcoming).

Books/Chapter in Books

- ✖ "India's Trade in Distribution Services" in Rupa Chanda edited "Trade in Services & India", published by Wiley India, 2006.
- ✖ "Developing Country: the Case of India" in D. Barrowclough and Z. Koza-Wright (eds) Creative Industries and Developing Countries: Voice, Choice and Economic Growth, Routledge, (2007).
- ✖ "Evolution of Food Retail Chains in India" with PG Chengappa, Lalith Achuth, BNR Reddy, PC Ravi and Vijayalakshmi Dega in P.K Joshi, Ashok Gulati and Ralph Cummings Jr. (eds), Agricultural Diversification and Smallholders in South Asia, published by Academic Foundation, New Delhi, 2007.
- ✖ "Doha Round of Services Negotiations: Indian Perspective" in Deepika MG (ed) India and the WTO: The Development Agenda, ICFI University Press, 2006.
- ✖ "Domestic Politics and Building of Alliance for Preferential Services Liberalization - The Experiences of India and Singapore" in Martin Roy and Juan A. Manzetti Liberalizing Trade in Services: Bilateral, Regional, and Multilateral - Perspectives in the 21st century" by Cambridge University Press and the WTO (forthcoming 2007).

Working Papers:

- ✖ Indo-US FTA: Prospects for the Telecommunication Sector, ICRIER Working Paper No. 190, December 2006 with Preerna Ahuja. Prospects for IT- Enabled Services under a Indo-US FTA, ICRIER Working Paper No. 187, September 2006, with Paramita Deb-Gupta.
- ✖ Indo-US FTA: Prospects for Audiovisual Services, ICRIER Working Paper Number 192, February 2007 with Paramita Deb-Gupta and Preerna Ahuja.

Other Journals:

- ✖ Plurilateral Negotiations in Services: Implications for India, Lead Article in Focus WTO, Vol 8, No. 4 November-December, 2006, Indian Institute of Foreign Trade.

Newspaper Articles:

- ✖ "Fueling the Retail Boom" in Financial Express, June 29, 2006.

Important Appointments to Committees

- ✖ Member of the Working Group on 63rd Round (July 2006-June 2007) of NSS (National Sample Survey).

NISHA TANEJA

Presentations/Lecture at Seminars/Conferences in India

- ✖ Presentation made on "Trade Facilitation in South Asia" at the ADB-ICRIER Regional Cooperation Training Programme for Afghan Officials on June 20, 2007.
- ✖ Paper presented on "Indo-Pak Trade: Firm Level Evidence" at Pakistan Institute of Development Economics (PIDE), Islamabad on November 3, 2006.
- ✖ Paper presented on "Implications of Bilateral FTAs in South Asia on SAFTA" at a Roundtable on "SAFTA: An Enabler of South Asian Regional Integration" organized by the SAARC Chamber of Commerce and Industry (SCCI) in Bhurban, Pakistan, on April 17-18, 2007.
- ✖ Paper presented on "Revitalizing SAARC Trade" to Ministry of Commerce on February 20, 2007.
- ✖ Paper presented on "Rationalizing India's Non-Tariff Measures" to Members of the Task Force constituted by the Ministry of Commerce to rationalize Non-Tariff Measures on May 22, 2007.
- ✖ Discussant for session on "Infrastructure Development and Economic Co-operation" at the joint IDSA-ICRIER international seminar on "Economic Security for Peace and Development in South Asia" held in New Delhi on March 16-17, 2007.
- ✖ Discussant for session on "Transactions Costs and Trade Facilitation in South Asia" at the joint ICRIER-ITC Expert Meeting on Regional Integration in Asia on "Fostering Trade through Private-Public Dialogue" held on March 28-29, 2007, New Delhi.



Publications

- ✖ "Revitalizing SAARC Trade: India's Role at 2007 Summit" (2007) Economic and Political Weekly, March with Aparna Sawhney.

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- ✖ "India's Exports to Pakistan: A Transaction Cost Analysis" (2007) Economic and Political Weekly, January.
- ✖ "Formalizing Informal Trade Flows in South Asia" (2007) , Trade Insight, Volume 3, No. 1, South Asia Watch on Trade Economics and Environment, Nepal.
- ✖ "Trade Facilitation in the WTO" (2006) in Trade, Tariffs and Customs in South Asia edited by Imtiaz Alam, South Asian Policy Analysis Network, Pakistan.
- ✖ "Informal and Free Trade Arrangements" (2006)) in Trade, Tariffs and Customs in South Asia edited by Imtiaz Alam, South Asian Policy Analysis Network, Pakistan.
- ✖ "India-Nepal Informal Trade: Estimation and Qualitative Assessment" (2006), Artha Vijnana, Volume XLVIII No. 1&2, Pune, India.

Important Appointments to committees

- ✖ Member, Task Force on Rationalizing Non-Tariff Measures set up by the Ministry of Commerce & Industry.

SUPARNA KARMAKAR

National Seminars/Presentations

- ✖ Presentation to the Visiting IBSA Delegation on TBT Issues in India's Exports to Brazil and South Africa, at the CII organised "Workshop on SPS and TBT issues for IBSA", July 12, 2007, New Delhi.
- ✖ Presentation on Domestic Regulation Related Barriers faced by Developing Countries in Developed Country Markets in International Seminar on Developing Countries and Services Negotiations, organized by ICRIER and SRTT, supported by Ministry of Commerce and Industry at New Delhi, 6-7 June 2006.
- ✖ Presentation on Non-Agricultural Market Access Negotiations: State of Play in the International Conference on WTO and the Doha Round: The Way Forward, organized by ICRIER and SRTT, supported by Ministry of Commerce and Industry at New Delhi, 6-7 April 2006.

Publications

Refereed Journals and Books

- ✖ 'Disciplining Domestic Regulations under GATS and its Implications for Developing Countries: An Indian Case Study', Journal of World Trade, Vol 41(1), pp 127-158, February 2007.
- ✖ 'Services Trade Liberalisation and Domestic Regulations: The Developing Country Conundrum', Global Economy Journal, Vol. 7: Iss. 1, Article 3, The Berkeley Electronic Press, January 2007.

Books

- ✖ 'India's Liberalization Experience - Hostage to the WTO?', co-editor with Rajiv Kumar and Ilbuk Debroy, Sage India, forthcoming (September) 2007.
- ✖ 'The Economics of Globalisation: Newer Challenges and Opportunities', in Globalisation and Regional Security: India and Australia, Dennis Rumley and D. Gopal (eds), Shipra Publications, New Delhi, 2007.

Working Papers

- ✖ 'GATS: Domestic Regulations versus Market Access', ICRIER WTO Research Series No.7, May 2007.

Newspaper/Newsletter Articles

- ✖ 'Subsidies on Biofuel Crops: Farm Support or Industrial Subsidy', WTO News and Views, Vol.3, No.2, 2007.
- ✖ 'Subsidies on Biofuel Crops', The Economic Times, Editorial Opinion Column, Tuesday, June 19, 2007.
- ✖ 'Breaking the Doha logjam', The Economic Times, Editorial page Guest Column, Saturday, March 17, 2007.
- ✖ 'Private Standards on SPS and TBT: Non-Tariff Barriers or Regulatory Requirements?', WTO News and Views, Vol.3, No.1, 2007.
- ✖ 'Use of Antidumping Measures: Offense or Defence?', WTO News and Views, Vol.2, No.4, 2006.

Academic/Professional

- ✖ Consulting Member of the Gerson Lehrman Group Councils.
- ✖ Referee for IIM Bangalore Management Review (JMR).
- ✖ Managing Editor of WTO News and Views, A Quarterly Newsletter from ICRIER.
- ✖ Visiting Faculty on WTO Issues at Institute of Economic Growth, Management Development Institute - Gurgaon, Institute of Chartered Accountants of India, among others.

PURNAMITA DASGUPTA

International Assignments/Seminars/Conferences

- ✖ L.M. Singhvi Visiting Fellow at the Centre of South Asian Studies, University of Cambridge, UK (summer 2007).
- ✖ Seminar - interactions on Conservation and Poverty issues during summer 2007 - Centre of South Asian Studies, University of Cambridge, UK; University Of East Anglia, UK and International Institute of Environment and Development, UK.
- ✖ "Urbanisation, Slums and Poverty in India," Paper at the International Conference on The Multidimensions of Urban Poverty in India, October 2006 (with R. Kumar and Arup Mitra).
- ✖ "Q-Methodology for Mapping Stakeholder Perceptions in Participatory Forestry Management." Seminar presentation at the Conference of the International Society for Ecological Economics, December 2006 (with B. Vira).
- ✖ Invited expert / speaker at following seminars:
 - Global Event on Payment for Environmental Services, organised by the World Agroforestry Centre, RECOFTC, IFFPRI, etc, Lombok, Indonesia, January 2007.
 - Workshop on Payments for Ecosystem Services, ICRAF, Bogor, Indonesia, October 2006.
 - Economic Development and Environmental Sustainability: A Dialogue on India, organised by Initiative for Policy Dialogue, Columbia University, December 2006.



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Seminars/Conferences/Presentations at National Level

- ✖ Common Pool Resources as Development Drivers. NTFPS in H.P. – seminar presentation at national conference on 'Expanding Freedom: Towards Social and Economic Transformation in a Globalising World', Institute of Economic Growth, Delhi April, 2007.
- ✖ Panelist at the book launch session of "Comanagement of Natural Resources: Local learning for poverty reduction," (author Stephen Tyler), Delhi, Jan 22, 2007. Organised by Winrock International India and International Development Research Centre (IDRC), India.
- ✖ Invited expert / speaker at following seminars:
 - Impact of Climate Change in India, Indo-UK collaborative project workshop, organised by Department for Environment, Food and Rural Affairs (UK) and Ministry of Environment and Forests, India, January 2007.
 - National Workshop on Payments for Ecosystem Services, World Wide Fund for Nature, (WWF), Delhi, February 2007. oValuation and Accounting of Urban Air Pollution in India, IEG, Delhi, November, 2007.

Publications

- ✖ "Resource Constraints in an Open Economy Framework." Research paper for the Working Group on Feedstock, Fuel and other Supply Side Constraints, Planning Commission, Government of India, 2006. (with Rajiv Kumar). "Environmental Sustainability in India" - self-initiated Research Paper, 2007.
- ✖ "Conservation and Poverty Alleviation: Some recent evidence from Himachal Pradesh on the implications of interventions for rural women." forthcoming in an edited volume, Pearson Press and Council for Social Development, New Delhi.

Other Articles

- ✖ "Of Scholarships and Schooling," Economic Times, Monday April 16, 2007.
- ✖ "Resource Planning in an Open Economy," Economic times, February 7, 2007.
- ✖ "Greening Economic Growth" – ICRIER Think-ink article, May 15, 2007.

AMITENDU PALIT

Important Appointments to committees

- ✖ Planning Commission's Sub-Group on Inflow of Foreign Savings for the 11th FYP.
- ✖ Technical Advisory Committee on 'Growth of Micro and Small Enterprises' set up by ILO, Delhi.

Publications

- ✖ 'Outward Investment from India: Features and Drivers', (2007), Indian Foreign Affairs Journal, Vol.2, No.3, July-September, Cambridge University Press, Delhi.
- ✖ 'Sustainability of Economic Growth in India' (2007), Working Paper No. 25, Centre for International Governance Innovation (CIGI), Canada , May; <http://www.cigionline.org/> (co-authored with Rajiv Kumar and Karan Singh).

- ✖ Technological Capability as a Determinant of FDI Inflows : Evidence from Developing Asia and India (2007), Indian Council for Research on International Economic Relations (ICRIER) Working Paper, 193, April; See http://icrier.org/pdf/Working_Paper_193.pdf. (Co-authored with Shounakie Nawani).
- ✖ Role of Technological Capabilities in Enhancing FDI Flows in Developing Asia-Pacific Economies (2006); Policy Brief in Asia-Pacific Trade and Investment Review, Vol.2, No.2, December; Bangkok; Also Published as Policy Brief No.9, in November 2006 by the Asia-Pacific Research and Training Network on Trade (ARTNeT), UN-ESCAP; See <http://www.unescap.org/tid/artnet/pub/polbrief9.pdf>.
- ✖ Technological Upgradation through Global Value Chains: Challenges before BIMSTEC Nations (2006) in Towards BIMSTEC-Japan Comprehensive Economic Cooperation : The Benefits of Moving Together, Anthem Press (An Imprint of Wimborne Publishing Company), London & NY; November.

SURABHI MITTAL

International Networking

- ✖ Presented paper on "Agricultural Productivity Trends in India" at a symposium during the 26th International Association of Agricultural Economists (IAAE) conference, held at Gold Coast, Queensland, Australia from August 12-18, 2006.
- ✖ Presented final report on "Effects of Global Agricultural Trade Liberalization on Agricultural Production and Poverty in India" under the IMPACT workshop during the Eight Annual GDN conference held at Beijing, China from January 12-18, 2007.
- ✖ Presented a paper on "Successful Horticultural Supply Chains in India - Two case studies" at the National Horticultural Conference, Johor Bharu, Malaysia, March 12-15, 2007.

Presentation in Conference etc at National Level

- ✖ Delivered Seminar "Horticulture Sector Success in India" at Centre for Development Finance, IFMR, Chennai in their invited seminar series on July 18, 2007.
- ✖ Presented a Paper on "Strengthening Indian Agriculture- Need for Reforms" during a seminar on US India Agriculture Knowledge Initiative organised by ICRIER and Ministry of External Affairs on April 30, 2007 at New Delhi.
- ✖ Presented a paper on "Agriculture and WTO: Past, Present and Future" during the Panel Discussion on Current Developments in Doha Round: Agenda For Positive Outcomes and Implementation Issues at IIC, New Delhi, organised by IIIMS on April 7, 2007.
- ✖ Presented paper on 'Structural Shift in Demand for Food:Projections for 2020' at IFPRI-IEG workshop on 'From Plate to Plough: agricultural diversification and its implications for the small holders' organised by International Food Policy Research Institute and Institute of Economic Growth, New Delhi, September 20-21, 2006.
- ✖ Presented a paper on WTO and Agriculture at a Seminar on 'WTO and its implication for Indian Business' organised by FICCI and Uttrakhand Chamber of Commerce & Industry at Bhurbaneshwar, September 23, 2006.
- ✖ Participated as a resource person at ICIDR/USDA workshop on 'Economic Liberalisation and Farm supply response in India' at Mumbai on September 29, 2006.



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Publications

Refereed Journals and Articles

- ✖ What Affects Changes in Cereal Consumption? Economic and Political Weekly Vol 42 No. 5, February 3, 2007. Pp. 444-447.
- ✖ Agricultural Productivity Trends in India: Sustainability Issues. Agricultural Economic Research Review Volume 19, Pp. 71-88. (with Praduman Kumar, 2006).
- ✖ Why India needs more than OECD subsidy reform? Feature Commentary, Issue 13, June 2007. Subsidy Watch, Global Subsidies Initiative, IISD, Geneva, Switzerland.
- ✖ Will WTO Subsidy Negotiations help Indian Farmers? Lead Article, January- March, 2007 ICRIER-SRTT Quarterly WTO Newsletter- WTO News and Views, ICRIER, New Delhi, India.

Working Papers

- ✖ "OECD Agricultural Trade Reforms Impact on India's Prices And Producers Welfare". ICRIER Working Paper No. 195, July, 2007.
- ✖ "Domestic Market Integration". ICRIER Working Paper No. 183, July 2006. (with Arvind Virmani).
- ✖ "Structural Shift in Demand for Food: projections for 2020". ICRIER Working Paper No 184. August 2006.

Newspaper Articles

- ✖ Wheat imports: Beginning of a trend? Economic Times, Friday, April 28, 2006
- ✖ Do export bans help? Economic Times, Friday, February 9, 2007.
- ✖ Subsidy cuts sans reform of no use Economic Times, Wednesday, April 11, 2007.
- ✖ Are food coupons a good idea? Economic Times, Friday, July 6, 2007.

GARIMA MALIK

Presentations/Lectures/Seminars

- ✖ Presentation on January 18, 2007 at Reliance Industries Limited, New Delhi on "Competitiveness of Indian Plastic and Polymer Industry"

ABHIJIT SEN GUPTA

Presentations/Lectures/Seminars in India

- ✖ Lecture on "Indian Manufacturing: Some Issues" at the Institute for Economic Growth for Indian Economic Service Probationers Training Programme on August 6, 2007.
- ✖ Lecture on "The Open Economy: Indian Experience" at the Institute for Economic Growth for Indian Economic Service Probationers Training Programme on Jul. 21, 2007.
- ✖ Presentation on "Robust Monetary Policies in Small Open Economies" at Indian Statistical Institute, New Delhi, India on Jun. 15, 2007.

- ✖ Presentation on "FDI Funded and Export Oriented Mass Manufacturing in China", during the Scoping Workshop on "A Program of Studies on the Development Experience of China and India" at Asian Development Bank, New Delhi, India on May 29, 2007
- ✖ Discussant of the paper "Outward Direct Investment From East Asia: Experiences of Hong Kong and Taiwan" during the conference on Intra-Asian FDI Flows: Magnitude, Trends, Prospects and Policy Implications, at India Habitat Centre, New Delhi, India, organized by ICRIER on Apr. 129, 2007.
- ✖ Lecture on "Modern Trade Theories and their Present Day Applicability" at Management Development Institute, Gurgaon, Haryana, India on Feb. 16, 2007.

Publications

Chapter in Books

- ✖ Towards a Competitive Manufacturing Sector, (with Rajiv Kumar), India and the World Economy: Silver Jubilee Conference Volume (forthcoming).

Working Papers

- ✖ Determinants of Tax Efforts in Developing Countries, IMF Working Paper No. 184, Jul. 2007.
- ✖ Monetary Policy Design under Competing Models of Inflation Persistence" (with Solange Gouveia), Banco Central Do Brasil Working Paper No. 137, May 2007.
- ✖ Can Capital Account Openness Lower Inflation? ICRIER Working Paper No. 191, Jan. 2007.

Newspaper/Newsletter Articles

- ✖ "Hike FII Cap on Debt Investments?", Economic Times, Jul. 13, 2007.
- ✖ "Liberalization of Financial Services under GATS: The Indian Experience", WTO News and Views Vol.3 No. 2, Jul. 2007.
- ✖ "Invest Forex in Equities?" Economic Times, May 28, 2007.
- ✖ "Should RBI allow Rupee to appreciate?", Economic Times, March 26, 2007
- ✖ "Does Convertibility Lower Inflation?" Business Standard, March 2, 2007

MANDIRA SARMA

Presentations/Lectures/Seminars

- ✖ November 4, 2006 – Presented a seminar titled "Basel II and India: Issues and Opportunities" at the Institute of Comparative Economic Studies in Hosei University, Tokyo, Japan.
- ✖ November 6 – 7, 2006 – As India's representative delivered a speech titled 'Information and Indices to be shared in the Asia-Pacific Region' in the conference on 'Sustainable Growth in the Asia-Pacific Region: towards building an Economic Research Mechanism', co-organised by the Economic Affairs Bureau of the Ministry of Foreign Affairs, Japan and the Kyoto University in Kyoto University Katsura Campus, Japan.
- ✖ April 25, 2007 – Paper discussant in "International Workshop on Intra-Asian FDI Flows: Magnitude, Trends, Prospects and Policy Implications" organized by ICRIER.



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SANGHAMITRA SAHU

Presentations/Lectures/Seminars in India

- ✖ Presented the report on 'Competition Clauses in Bilateral Trade Treaties - Analysing the Issues in the Context of India's Future Negotiating Strategy' at the National Conference on State of Competition in the Indian Economy, organised by Competition Commission of India, New Delhi, March 14-15, 2007.

Newspaper Articles

- ✖ "Do We Need More Monetary Tightening?" in Face Off, Economic Times, June 4, 2007.

PUBLICATIONS

40

YEARS OF

ICRIER

25
years of
ICRIER

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PUBLICATIONS

Working Papers

NO.	TITLE	AUTHOR	MONTH/YEAR
195	OECD Agricultural Trade Reforms Impact on India's Prices and Producers Welfare	Surabhi Mittal	July 2007
194	Impact of Special Economic Zones on Employment, Poverty and Human Development	Aradhna Aggarwal	May 2007
193	Technological Capability as a Determinant of FDI Inflows: Evidence from Developing Asia & India	Amitendu Palit Shounakie Nawani	April 2007
192	Indo-US FTA: Prospects for Audiovisual Services	Arpita Mukherjee Paramita Deb Gupta Prema Ahuja	February 2007
191	Does Capital Account Openness Lower Inflation?	Abhijit Sen Gupta	January 2007
190	Indo-US FTA: Prospects for the Telecommunication Sector	Arpita Mukherjee Prema Ahuja	December 2006
189	An Analysis of the Special Safeguard Mechanisms in the Doha Round of Negotiations	Parthapratim Pal Deepika Wadhwa	October 2006
188	The Debate on the Poverty Estimates of 1999–2000	K.L. Datta	October 2006
187	Prospects for IT-Enabled Services Under a Indo-US FTA	Arpita Mukherjee Paramita Deb Gupta	September 2006
186	Asian Economic Integration ASEAN+3+1 or ASEAN+1s?	Amita Batra	September 2006
185	An Examination of the relationship between Health and Economic Growth	Garima Malik	September 2006
184	Structural Shift in Demand for Food: Projections for 2020	Surabhi Mittal	August 2006

Book-release

Can India grow without Bharat by Shankar Acharya - March 20, 2007

This book is a collection of essays, which clearly shows how limited the reforms have been, how far from outstanding economic performance remains and how much India needs to do it is to achieve rapid, sustained and broadly shared increase in prosperity.

The issues addressed include:

- Can we reap the "demographic dividend" of a young population?
- How should we revive industrial employment?
- Is the National Rural Employment Guarantee Act affordable?
- Why have reforms sputtered despite the "dream team"?
- How is growth so strong though reforms have stalled?
- How can populism be restrained?
- Can 8% growth be sustained?
- Should we deploy forex reserves to build infrastructure?
- What is the solution to the coming water crisis?
- Who are India's tax reformers?
- Can bilateral trade agreements substitute for the Doha Round?
- Should SAARC have a common currency?
- Is "fiscal responsibility" working?
- Does monetary policy work?
- Can we really aspire to China's economic league - or is it all hype?
- How good is our foreign policy?

This book gives provocative answers to all these key issues to all those who rightly worry about India is truly shining.

This book will interest students of macroeconomics, journalists, civil servants, and India watchers. Shankar Acharya was Chief Economic Advisor to the Government of India, member of Prime Minister's Economic Advisory Council, and Member of Twelfth Finance Commission. Currently he is Honorary Professor and Board Member, Indian Council for Research on International Economic Relations (ICRIER).



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AUDITED ANNUAL ACCOUNTS

40
years of
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25
years of
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ECONOMY

AUDITED ANNUAL ACCOUNTS

V. SAHAI & Co.

CHARTERED ACCOUNTANTS

G-68, Connaught Circus, New Delhi - 110 067
Tel 23124045, 23352449 (Direct) 41516091
Fax 23713823
E-mail: vsahai@anselbroadband.in

AUDITORS' REPORT

The Members,
Indian Council for Research on
International Economic Relations,
Core 6A, 4th 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, 2007, Balance Sheet as at March 31, 2007 and the Receipt and Payment account 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:-

- 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;
- Proper books of accounts have been kept by the Council so far as it appears from our examination of those books;
- The Council's Balance Sheet, Income and Expenditure account and Receipt and Payment 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:
 - in the case of the Balance Sheet of the state of affairs of the Council as at March 31, 2007; and
 - in the case of the Income and Expenditure account of the excess of Income over Expenditure for the financial year ending on March 31, 2007.



For V. Sahai & Co.
Chartered Accountants

(Mahesh Sahai)
Partner

Indian Council for Research on International Economic Relations

	Current Year (in Rs.)	Previous Year (in Rs.)
LIABILITIES		
Endowment Fund	208,944,468	132,985,743
Balance as at April 1, 2006	132,985,743	130,528,070
Donations received during the year	75,000,000	2,135,000
Life Membership Fee Received	850,000	-
Transferred from Income & Expenditure Account	308,728	302,673
 Earmarked Funds(SANEI)	 -	 348,784
Gifted Assets Fund (As per Schedule 1)	9,018	11,272
Gross Block	43,000	43,000
Depreciation Reserve	(33,982)	(31,726)
 Unspent Grants	 6,136,606	 3,995,855
 General Fund	 29,016,468	 33,186,987
Balance as at April 1, 2006	33,186,987	27,778,138
Transferred From Income & Expenditure Account	(4,170,519)	5,406,849
 Current Liabilities	 376,971	 83,471
 TOTAL	 244,483,532	 170,612,112

	ASSETS	
Fixed Assets (As per schedule 1)	18,934,308	18,468,176
Gross Block	43,554,930	41,083,267
Depreciation Reserve	(24,620,622)	(22,614,091)
 Investments (As per Schedule 2)	 204,155,927	 132,862,000
Long-term Investments	195,863,000	132,862,000
Less Investment Equivalisation Fund on Long term Investment	(1,500,000)	(1,000,000)
Short term Investment	10,000,000	<
Less: Investment Fluctuation Reserve on Short Term Investment	(207,073)	<
 Current Assets Loans & Advances	 18,506,753	 18,073,577
Cash in Hand	1,900	9,995
Balance with Mutual Funds	7,050,892	12,223,263
Balance with Bank in Savings Account	8,645,781	3,168,156
Balance with Bank in US Dollar Account	1,804,174	2,672,163
 SANEI Funds balance with bank	 -	 348,784
 Advances recoverable in cash or in kind or for value to be received	 2,888,544	 858,575
 TOTAL	 244,483,532	 170,612,112

Significant Accounting Policies and Notes (Schedule 3)

In terms of our separate report of even date

FOR V.SAHAI & CO

CHARTERED ACCOUNTANTS

Mahesh Sahai
(Partner)

Rajeev Kapil
(Addl. Secretary)

Rajiv Kumar
(Director & CEO)

Isher Judge Ahluwalia
(Chairperson)

Indian Council for Research on International Economic Relations
Income & Expenditure account for the year ended March 31, 2007

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
A. Income		
Grants	25,769,906	15,473,187
Received during the year	27,910,657	15,679,042
Grants brought forward from previous year	3,995,855	3,780,000
Grants transferred to Unspent Grants	(6,136,000)	(7,995,855)
Income on Investment	11,027,476	10,024,404
Received during the year	11,336,202	10,327,077
Transferred to Endowment Fund	(308,726)	(302,673)
Interest on Savings Bank Account	92,843	58,119
Other Income	100,434	649,068
TOTAL(A)	36,990,659	26,292,778
B. Expenditure		
Research Expenses	28,844,921	11,454,725
Salaries & Allowances	9,515,511	5,296,033
Consultancy Charges	3,966,081	1,526,840
Travel Expenses	1,863,941	384,937
Workshops, Seminars & Meetings	8,347,200	1,344,676
Publication Expenses	1,297,232	734,331
Communication Expenses	1,344,854	874,298
Library Expenses	2,590,102	1,343,610
Administrative Expenses	7,150,539	4,333,292
Salaries & Allowances	4,435,174	3,160,669
Professional Services	326,314	305,396
Office Expenses	2,389,051	887,237
Overheads	2,288,917	2,360,093
Utility & Electricity Charges	1,049,980	1,007,712
Repair and Maintenance	994,903	1,095,474
Fees and Subscriptions	28,000	38,832
Property Tax	216,974	216,974
Loss on Sale of Assets	-	149,668
Loss on Investment	221,134	-
Exchange Rate Fluctuation	80,389	98,404
TOTAL (B)	38,556,800	16,386,182
Surplus/(Deficit) before Depreciation	(A) - (B)	
Less: Depreciation	(1,666,241)	7,806,585
Less: Investment Equalisation Fund	2,004,278	1,897,747
Surplus/(deficit) after depreciation	500,000	500,000
Total	(4,170,519)	5,408,849
		26,292,778

Significant Accounting Policies and Notes (Schedule 3)

In terms of our separate report of even date

FOR V.SAHAI & CO
CHARTERED ACCOUNTANTS

Manesh Sahai
(Partner)

Rejnev Kapil
(Addl. Secretary)

Ravi Kumar
(Director & CEO)

Isher Judge Ahluwalia
(Chairperson)

Indian Council For Research On International Economic Relations
Receipts & Payment account for the year ended March 31, 2007

Receipt	Amount (in Rs)	Payment	Amount (in Rs)
Opening balance	18,073,577	Payments	
Receipts		Research Expenses	28,944,923
Grants	27,910,657	Salaries & Allowances	8,515,517
Income on Investment	11,322,140	Consultancy Charges	3,966,081
Other Income	100,434	Travel Expenses	1,863,947
Interest on Savings Bank A/c	92,843	Workshops Seminars & Meetings	6,347,200
Donations	75,000,000	Publication Expenses	1,287,232
Life Membership Received	650,000	Communication Expenses	1,344,854
Increase in current liabilities	293,500	Library Expenses	2,590,100
Investments matured during the year	45,500,000	Administrative Expenses	7,150,539
Sale of fixed Assets	23,700	Salaries & Allowances	4,435,174
		Professional Services	326,314
		Office Expenses	2,389,051
		Overheads	2,289,917
		Utility & Electricity Charges	1,049,980
		Fees and Subscriptions	28,060
		Repairs and Maintenance	994,903
		Property Tax	216,974
		Purchase of Fixed Assets	2,495,364
		Investment made during the year	117,501,000
		Increase in Advances recoverable	2,027,969
		Exchange Rate Fluctuation	50,389
		Closing Cash & Bank Balances	18,566,753
TOTAL	178,966,851	TOTAL	178,966,851

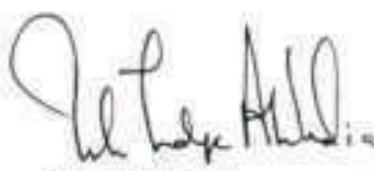
In terms of our separate report of even date
 FOR V.SAHAI & CO

CHARTERED ACCOUNTANTS


 Mahesh Sahai
 (Partner)


 Rajiv Kapil
 (Addl. Secretary)


 Rajiv Kumar
 (Director & CEO)


 Isher Judge Ahluwalia
 (Chairperson)



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INDIAN COUNCIL FOR RESEARCH ON INTERNATIONAL ECONOMIC RELATIONS
SCHEDULE OF FIXED ASSETS

Schedule F

	Rate of Dep.	Opening balance As at April 1,2006 Ordn.	Additions/Deletions during the year Ordn.	Total value as at March 31,2006 Addition/Deletions during the year Ordn.	Dep. Reserve in Value of Assets Open Gifted	Dep. Reserve Year Open Gifted	WDV of Assets 1,2,07 21,3,08
Air Conditioner	20%	-	-	43,000	0	2,254	31,952
Building	6%	22,098,097	-	22,098,093	8,715,421	10,324,358	14,781,823
Car	20%	532,211	-	522,211	43,554	10,4,442	12,282,662
Computer	20%	50,226,720	-	49,892,372	848,811	7,451,118	107,996
Electrical Fittings	15%	162,543	-	159,543	17,438	268,198	8,20,988
EPADe	12%	388,312	-	388,915	18,548	200,471	285,606
Fax	15%	160,210	-	160,210	5,058	523,180	111,937
Cell Phone	10%	-	-	75,390	2,990	126,718	31,482
Furniture and Fixtures	10%	5,114,118	-	5,870,481	2,990	2,990	26,981
Laser Printer	6%	719,862	3,400	716,462	268,017	1,181,916	2,417,916
Other Equipment	6%	532,424	194,100	746,926	73,477	264,940	461,017
Multimedia Presentation System	15%	107,831	-	107,831	9,285	64,978	81,253
Overhead Projector	25%	270,400	-	270,400	12,011	222,276	234,306
Photocopies	15%	45,500	-	45,500	2,021	37,462	39,427
Refrigerator	15%	1,167,238	-	1,167,238	47,497	839,892	871,089
Scanner	20%	14,500	-	14,500	4,138	11,132,50	11,580
Total		47,340,266	43,000	2,495,364	23,700	17,784	19,545
Previous Year		35,874,113	43,000	1,307,934	831,388	2,264,274	22,614,091
				3,786,721	41,203,237	2,254	24,626,622
					1,337,747	2,218	21,003,234
							18,465,176
							17,408,176

Note

1. Depreciation of Gifted Assets is apportioned from Gift Assets Fund.

2. WDV of the assets as at the year includes Rs. 5011 m gifted Assets (Estimated cost Rs. 42000; Less Depreciation of Rs. 23942)

Schedule 2

Statement of Financial Assets

			In Rupees		
Particulars		Rate of Interest	Date of Maturity	31.3.07	31.3.06
Endowment Fund				208944469	132985743
Financial Assets (A+B+C)				224,369,753	151,935,577
A	Long Term			195,863,000	133,862,000
1	ICICI Bank	8.64	27.11.2007	10,001,000	-
2	ICICI Bank	9.10	14.01.2008	10,000,000	-
3	ICICI Bank	9.37	22.01.2008	11,000,000	
4	ICICI Bank	11.50	07.04.2008	10,000,000	
5	ICICI Bank	8.00	28.08.2007	1,500,000	
6	ICICI Bank	8.82	25.12.2007	12,000,000	
7	ICICI Bank	7.00	04.03.2007		3,000,000
8	ICICI Bank	7.30	18.01.2007		21,000,000
9	IDBI Bonds	9.25	05.10.2007	2,500,000	2,500,000
11	IFCI Bonds	6.00	23.09.2008	2,500,000	2,500,000
12	Kotak Mahindra Bank	8.25	26.04.2007	10,000,000	
13	Kotak Mahindra Bank	8.50	28.11.2007	10,000,000	
14	Kotak Mahindra Bank	6.68	25.04.2008		10,000,000
15	UTI Bank	6.10	03.08.2006		1,500,000
16	UTI Bank	6.52	29.12.2006		10,000,000
17	SBI Fixed Deposit	9.25	02.02.2008	20,000,000	
18	SBI Fixed Deposit	11.00	11.03.2008	13,000,000	
19	Govt Securities	11.50	24.11.2011	13,362,000	13,362,000
20	GOI Bond	8.00	08.11.2011	10,000,000	10,000,000
21	GOI Bond	8.00	10.08.2011	10,000,000	10,000,000
22	GOI Bond	8.00	03.08.2011	22,500,000	22,500,000
23	GOI Bond	8.00	31.03.2011	25,000,000	25,000,000
24	GOI Bond	8.00	13.10.2010	2,500,000	2,500,000
B	Short Term			17,050,892	12,223,263
<i>Short Term Investments</i>				10,000,000	-
<i>Money Market Funds</i>				7,050,892	12,223,263
C	Cash/Bank Balances			11455861	5,850,314



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**Indian Council for Research on International Economic Relations
For The Year Ended March 31, 2007**

Significant Accounting Policies and Notes to the accounts

Accounting Policies

1. (a) Accounts are maintained on cash basis.
 (b) Capital advances for purchase of fixed assets are adjusted only after the assets are installed and their final bills received.
2. 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. Investment for fixed periods are shown at cost as long term investments and provision for diminution in the value is made only if in the opinion of the management, the fall is of a permanent nature.
3. Security deposits for installation of various facilities are charged as expenses and will be treated as income in the year of refund.
4. Capital items of limited life and small value up to Rs.5,000 are written off as an expense.
5. (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.
6. Depreciation is provided on the written down value method in the year in which assets are received. Depreciation for the entire accounting period is provided irrespective of the date of purchase of assets. The rates adopted and disclosed in the fixed assets schedule are consistent with the rates adopted in earlier years.
7. Donations received are carried forward in the Balance Sheet under Endowment Fund.
8. An LIC Policy has been taken to cover against future liability on account of gratuity payable to the staff. The premium when demanded and paid is charged to the Income and Expenditure Account.
9. 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.
10. Leave salary is accounted for on the basis of actual payment to the employees at the time of retirement/leaving.



Notes to the Accounts

11. A grant of Rs.14, 461,000 was received from The Ford Foundation in June, 2002 on the condition that unless the Foundation consents otherwise in writing, withdrawals from the Fund shall not exceed 75% of the interest and dividends earned each year. Consequently 25% of the income on account of interest and dividends amounting to Rs.3,08,726 has been transferred from the current years income to Endowment Fund.
12. Investment in 11.5 % Government securities amounting to Rs. 13,362,000 will mature in 2011 and the difference between the book value and maturity value will amount to Rs. 33.62 lacs. Though the market value of the Investments at year end was higher than the book value, an Investment Equalization Fund of Rs.10.00 lacs to absorb the eventual difference was created upto the end of the previous year and a further addition of Rs.5.00 lacs has been made this year. The Investment Equalization Fund will be progressively increased by Rs.5.00 lacs per year in the future to fully cover the difference between book value and realizable value on maturity.
13. On long term fixed deposits with banks tax has been deducted at source on interest which had accrued but was not due. To account for the deduction of tax which has already been deposited on our behalf and to facilitate its recovery Rs. 1,21,430/- has been shown as tax deducted at source. Interest income has been credited to this extent.
14. Schedules 1 to 3 form an integral part of the Balance Sheet and Income and Expenditure account.
15. Previous year's figures have been recast and regrouped wherever necessary to make them comparable with the figures for the current year.



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About ICRIER

ICRIER, established in August 1981, has successfully completed its 25 years, as an autonomous, policy-oriented, not-for-profit research institute. We have nurtured our cherished autonomy by establishing an endowment fund, income from which meets all our administration expenses. ICRIER's offices are located in the prime institutional complex of India Habitat Centre, New Delhi. The prime focus of all our work is to support India's interface with the global economy.

ICRIER's founding Chairman was Dr. K.B. Lall who led the organization from its inception from 1981 to 1992 when he handed over the Chairmanship to Mr. R.N. Malhotra (1992-1996). He was followed by Dr. I.G. Patel who remained Chairman from 1997 to 2005 until his demise in July 2005. ICRIER's current Chairperson is Dr. Isher Judge Ahluwalia.

Amongst ICRIER's founding members are: Dr. Manmohan Singh, Dr. C. Rangarajan, Dr. M.S. Swaminathan, Dr. Jagdish Bhagwati, Mr. Montek Singh Ahluwalia and Mr. Bharat Ram.

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