

# ICRIER *news*

VOL-II, JULY-DECEMBER, 1999

## LETTER FROM THE DIRECTOR



Dear Reader,

I am happy to bring you an update on ICRIER activities in the second half of 1999. Dr Parthasarathi Shome, Dr Ajit Ranade, and Dr Basudeb Guha-Khasnabis joined our senior faculty in July 1999.

ICRIER continued to provide an active forum for debate and discussion on crucial issues of national and international importance. Apart from arranging research seminars on work-in-progress at ICRIER, we arranged seven public policy workshops and six public lectures by eminent personalities. In doing so, we collaborated with chambers of commerce and industry as well as with financial institutions, government ministries, and universities.

In keeping with our aspiration to perform a national role, ICRIER reached out to other towns in India. A joint seminar with the CII was organised at Chennai in August 1999, and with the UTI at Mumbai on December 16, 1999. ICRIER also collaborated with the M S University of Baroda for a seminar at Baroda in November 1999.

The process of reaching out to wider audiences gathered momentum with the launch of our website at [www.icrier.res.in](http://www.icrier.res.in) in October 1999. We are now only a click away from our friends around the world.

With best wishes,

*Isher*  
Isher Judge Ahluwalia

## THE SEATTLE MINISTERIAL CONFERENCE

### ROAD AHEAD FOR DEVELOPING COUNTRIES



Within weeks of the collapse of the trade talks at the Third Ministerial Conference at Seattle, a panel discussion was held at ICRIER, jointly with the Delhi School of Economics, on December 13, 1999. The discussion was aimed at getting different perspectives on why the talks failed and what lies ahead for the developing countries.

Mr N K Singh, Secretary, Prime Minister's Office, who accompanied the Commerce Minister of India in the official delegation to Seattle, spoke of his perception of why the talks collapsed and how to break the logjam. Prof. T N Srinivasan of Yale University, author of the much-acclaimed book *Developing Countries and the Multilateral Trading System*, felt that the failure of the talks did not signify a permanent damage to the WTO system. He attributed the setback to the timing of the Seattle meeting which coincided with the political campaign for the US Presidential Elections.

*Contd. on pg 4*



Mr N K Singh, Secretary, Prime Minister's Office, participating in the Panel Discussion on The Seattle Ministerial Conference. Prof. T N Srinivasan, Prof. Badal Mukherji, Dr Isher Judge Ahluwalia, Prof. Anne Krueger and Mr B K Zutshi are seated from left to right.

a forum for sharing information

# Public Policy Workshops

## THE EMERGING GLOBAL FINANCIAL ARCHITECTURE AND ITS IMPLICATIONS FOR INDIA

Montek Singh Ahluwalia

What exactly is meant by the term global financial architecture and does it impinge on India's efforts and ability to integrate financially with the rest of the world? This question assumes critical importance in the wake of the severe financial crises affecting different parts of the globe in Asia, Latin America and Russia.



Dr Shankar Acharya, Chief Economic Advisor, Department of Economic Affairs, Ministry of Finance, Mr Montek Singh Ahluwalia, Member, Planning Commission and Mr N K Singh, Secretary, Prime Minister's Office, at the workshop on The Global Financial Architecture and Its Implications for India.

ICRIER organised a public policy workshop on July 12, 1999 where discussion centred around a paper prepared by Mr Montek Singh Ahluwalia, Member, Planning Commission. The paper – "The Emerging Global Financial Architecture and its Implications for India" – addressed the issue of what is required on the part of Indian policy makers to work towards crisis prevention as well as crisis resolution in the context of the emerging global financial architecture. Mr Ahluwalia explained how, in the wake of the financial crises of the 1990s,

the international financial community is likely to place much more emphasis on making financial markets work more efficiently. He was of the view that the new rules of the game were likely to be much more intrusive than before in the sense of emphasising closer scrutiny of internal economic policies, especially the health of the financial sector. Mr N K Singh, Secretary, Prime Minister's Office, chaired the session, and Dr Shankar Acharya was the principal discussant. Other participants included Members of Parliament, senior policymakers, and representatives from the academia and the media.

## THE THIRD MINISTERIAL CONFERENCE OF WTO: AGENDA FOR INDIA

A V Ganesan

To facilitate brainstorming on India's stand at The Third Ministerial Conference of the WTO at Seattle in November-December 1999, ICRIER organised a public policy workshop on August 28, 1999. Mr A V Ganesan, Advisor to ICRIER on WTO matters and Former Commerce Secretary to the Government of India, presented a Discussion Paper titled "The Third Ministerial Conference of WTO: Agenda for India" which generated an informed debate on the issues involved in setting India's agenda for the Seattle meeting. Mr Ganesan's preferred option for India was to press for a limited agenda, which would confine the future work programme of the WTO to mandated reviews and negotiations, industrial tariffs, rollover of no customs duties on e-commerce, transparency in government procurement and the ITA-II agreement. The question, he emphasised, was not whether India should opt for open trade and investment policies but whether India should enter into legally binding commitments on these in the WTO without receiving sufficient *quid pro quo*. Mr Ganesan's presentation was followed by a stimulating discussion among the participants. The seminar was chaired by Commerce Secretary, Mr P P Prabhu. Other participants included Special Secretary, Ministry of Commerce, Mr N N Khanna, other senior government officials, Members of Parliament, and representatives of the academia and media.



Mr A V Ganesan, former Commerce Secretary, Government of India, and Advisor to ICRIER on WTO matters, spoke at a workshop on The Third Ministerial Conference.

## MANAGING EXTERNAL ECONOMIC CHALLENGES IN THE 90s: LESSONS FOR THE FUTURE

Shankar Acharya

As the Indian economy opens up to greater integration with the world economy, the new economic opportunities bring with them new challenges. This was the theme of the public policy workshop organised by ICRIER on September 19, 1999. Dr Shankar Acharya, Chief Economic Advisor, Department of Economic Affairs, Ministry of Finance, presented a paper titled “Managing External Economic Challenges in the 90s: Lessons for the Future”. The paper identified the major external economic challenges faced by the Indian economy in the 1990s and addressed the issue of managing these challenges while exploiting new opportunities. The paper was originally delivered at the 18<sup>th</sup> Anniversary Lecture of the Centre for Banking



*Dr Isher Judge Ahluwalia, Dr Shankar Acharya, Mr S Venkitaraman and Mr S Tarapore at the seminar on Managing External Economic Challenges in the Nineties.*

Studies, Central Bank of Sri Lanka in August 1999 and served as a discussion paper at the workshop.

## FUTURE ISSUES ON IPRs IN THE WTO

Jayashree Watal

The TRIPS Agreement under the WTO has many gaps and ambiguities which have forced developing countries to demand a weakening of the Agreement and incorporation of their concerns on bio-diversity, geographical indications, financial and technical assistance and transfer of technology. Evaluating the future issues in this area, Jayashree Watal presented a paper titled “Future Issues on IPRs at the WTO” at a public policy workshop held at ICRIER on October 14, 1999. She perceives little movement on TRIPS in the foreseeable future. However, she believes the situation is likely to change once the review of developing country implementation of TRIPS is completed by 2002-3. The seminar was chaired by Mr Tejendra Khanna, Chairman, Ranbaxy Laboratories.



*Dr Isher Judge Ahluwalia, Mr Tejendra Khanna and Jayashree Watal at an ICRIER workshop.*

## NATIONAL SECURITY IN AN OPEN ECONOMY

Sanjaya Baru

As far-reaching changes are taking place in the world economic and security environment and as India liberalises her economy and becomes increasingly open to global economic forces, it is important to examine afresh the notion of “economic security”, self-reliance and national interest. This was the thrust of the paper titled “National Security in an Open Economy” prepared by Dr Sanjaya Baru, Professor, ICRIER, and Member, National Security Advisory Board, for a public policy workshop organised by ICRIER on August 6, 1999. Dr Shankar Acharya, as the lead discussant, called for a “holistic” view of national security that recognises the fact that any weakening of the economy would imply a weakening of national security. He also stressed the need for discussing the classic “guns vs butter” choice that governments often face in dealing with security issues. The participants in the discussion included several strategic policy analysts and senior officials from the ministries of finance and external affairs. The seminar was chaired by Ambassador N N Jha, Convenor, Foreign Policy Cell, Bhartiya Janata Party.



## Public Policy Workshops (Contd.)

### GLOBALISATION AND HUMAN DEVELOPMENT – UNDP



Dr Isher Judge Ahluwalia making the initial presentation at the India launch workshop of the UNDP's Human Development Report 1999.



ICRIER hosted the India launch workshop on UNDP's Human Development Report, 1999 on July 14, 1999. The report aims to place human concerns at the heart of the globalisation process, recognising the synergies between the processes of globalisation and human development, but remaining apprehensive on several scores and pleading for much stronger global governance. In particular, the Report expresses concern at South Asia's inability to derive the full benefits of globalisation because of its low

human development performance. However, India's recent improvement in the Human Development Index ranking, made possible both by an improvement in human development indicators like literacy and economic indicators like GDP growth, is noted.

Dr Brenda Gael McSweeney, Resident Representative, UNDP, and Dr Isher Judge Ahluwalia, Director & Chief Executive, ICRIER, made initial presentations, followed by discussants' comments by Prof. S R Hashim, Member, Planning Commission, and Dr Sanjaya Baru, Professor, ICRIER. Mr K C Pant, Deputy Chairman, Planning Commission, was in the chair. Mr Pant emphasised the need for continued policy focus on social development. He also underscored the value of State-level HDRs in India and indicated that the Planning Commission has initiated a process of developing a suitable HDI for India, which can complement UNDP's own indices.

### GLOBAL ECONOMIC PROSPECTS AND DEVELOPING COUNTRIES: 2000

A public policy workshop on the World Bank's report on "Global Economic Prospects and Developing Countries: 2000" was held at ICRIER on December 10, 1999. Dr Ashoka Mody from the World Bank made the presentation of the main findings of the Report. There was strong opposition to the forecasts on growth and poverty in South Asia. The principal discussants, N Chandra Mohan, Surjit Bhalla, Sudhir Mulji and Arvind Virmani, submitted their formal presentations challenging the World Bank forecasts.



Dr Ashoka Mody of the World Bank at the GEP seminar at the ICRIER Conference Hall.

Contd. from pg 1

### ROAD AHEAD FOR DEVELOPING COUNTRIES

Prof. Anne Krueger of Stanford, who has recently edited the book *The WTO as an International Organisation*, also spoke about the impact of US domestic politics on the outcome of the multilateral trade talks. She was extremely critical of the role of NGOs in the WTO process and suggested that voters who exercise their right in electing national

governments should have the ultimate say in any decision-making process and not the demonstrators on the street. Mr B K Zutshi, India's chief negotiator at the First Services Round of the WTO and chief co-ordinator of an ICRIER project on services, spoke about the dangers of intrusion of non-trade issues such as labour and environment into the WTO. A lively Q & A session followed the initial presentation.

# Seminars and Working Papers

Work-in-progress of the research projects at ICRIER was discussed at seminars organised during the second half of 1999. Each seminar was followed by the publication of the research work in the form of working papers.

## MOVEMENT OF NATURAL PERSONS

Rupa Chanda



Developing countries have significant potential for exporting many services through temporary movement of professionals as well as semi-skilled and unskilled workers. The General Agreement on Trade in Services (GATS) thus far has limited implications for liberalising service trade through the movement of natural persons. This paper by Dr Rupa Chanda suggests ways to strengthen the overall GATS framework through greater transparency and specificity in the commitments on movement of natural persons. It also proposes the introduction of multilateral guidelines on regulations that restrict service trade through the movement of natural persons. The paper was prepared as part of a research project at ICRIER for the Ministry of Commerce. The paper was also selected for presentation at the Global Development

Network Conference in Bonn in December 1999.

## CAPITAL FLOWS, FINANCIAL REPRESSION AND EXCHANGE RATE IN INDIA

Kenneth Kletzer and Renu Kohli



This paper attempts an analysis of exchange rate behaviour of the rupee dollar rate in a monetary framework. The monetary model is adapted to include financial

repression via capital controls in an optimisation framework and implies that reserves inflows will respond to the degree of financial repression. Limited empirical tests on the model, using both monthly and annual data for 1983-1998 show the model to be unstable, particularly after 1990. Further work in this area is continuing and is addressing some of the questions raised during the presentation of the study.

## COMPETITION POLICY, THE WTO, AND ECONOMIC DEVELOPMENT: KEY ISSUES FOR DEVELOPING COUNTRIES

Ajit Singh



This paper by Prof. Ajit Singh stresses the importance of having a competition policy for developing economies in the light of the privatisation, deregulation and liberalisation that has

occurred in their domestic economies. The US and UK type of competition policies are found to be inappropriate in countries at low levels of development and with meagre institutional capacity as well as semi-industrial countries with greater institutional capabilities. Prof. Singh also suggests new economic concepts in place of those used in the current WTO/OECD/UNCTAD discourse on the subject. The paper was originally prepared for the South Centre, Geneva.

## SAVING-INVESTMENT CORRELATION AND CAPITAL MOBILITY IN DEVELOPING COUNTRIES WITH SPECIAL REFERENCE TO INDIA

Benu Schneider

This paper by Dr Benu Schneider examines the evidence on saving-investment correlations in developing economies to gauge the degree of capital mobility in and out of these economies. An error correction model is used to capture the dynamics of the saving-investment relationship and the current account. A non-stationary current account and low saving-investment correlations provide evidence of capital mobility. The role of official foreign borrowing is explored by adding foreign borrowing to savings and studying the correlations. The analysis shows that for majority of the countries the results for capital mobility

do not change even after taking foreign borrowing into account. The role of unrecorded capital flows in India is separately examined in the study. The evidence suggests that unrecorded capital flows do perform arbitrage operations between domestic and foreign financial markets.

## SIZE EFFICIENCY AND FINANCIAL REFORMS IN INDIAN BANKING

Pradeep Srivastava

This paper addresses the question of optimal size of banks in India through an econometric analysis of scale and scope of economies in the banking industry for 1995-96. The results indicate that most banks in India operate at sub-optimal scales and substantial cost-effective gains are positively associated with size.

## Discussion Seminars

- **The Russian Economy in Transition**  
Charles Frank, Vice President, EBRD, London  
December 22, 1999
- **Indian Highways: A Framework for Commercialisation**  
Gajendra Haldea, former Joint Secretary  
Ministry of Finance  
December 20, 1999
- **The Role of Social Security and Pension Funds in Capital Formation**  
Martin Feldstein, President and  
Chief Executive Officer, NBER  
December 16, 1999
- **Fiscal Reliance on Extra-Budgetary Fees in China**  
Richard Eckaus, Professor, MIT  
October 4, 1999
- **Indo-US Relations**  
Marshall Bouton, Vice President, Asia Society  
July 30, 1999



*Dr Bimal Jalan, Governor, RBI, at an interactive session with the Faculty at ICRIER, New Delhi on August 9, 1999.*



*Professor T N Srinivasan and Prof. Suresh Tendulkar at a seminar on India in the World Economy at ICRIER, New Delhi on September 4, 1999.*



# Public Lectures

## STRENGTHENING THE INTERNATIONAL FINANCIAL ARCHITECTURE

Barry Eichengreen

Responding to a strong desire to understand the problems associated with the international financial architecture, ICRIER, jointly with the Oriental Bank of Commerce, hosted a public lecture by Prof. Barry Eichengreen titled “Strengthening the International Financial Architecture: The Role of Emerging Markets” on December 13, 1999. Eichengreen was of the view that such architecture has to be supportive of economic growth particularly in emerging markets with full recognition that financial crises will continue to recur in the future and that moral hazard may never be eliminated from international financial markets. His vision of the new international financial architecture was centred around four pillars, ie, international standards, managed capital account liberalisation, greater exchange rate flexibility and



*Mr Dalbir Singh, Mr Montek Singh Ahluwalia, Mr N K Singh, and Dr Shankar Acharya at the public lecture by Prof. Barry Eichengreen on Strengthening the International Financial Architecture, as Director, ICRIER, introduces the subject and the speaker.*

collective action clause in loan contracts to create an alternative to IMF bailouts. Mr N K Singh, Secretary, Prime Minister’s Office, chaired the seminar, and Mr Montek Ahluwalia, Member, Planning Commission, and Dr Shankar Acharya, Chief Economic Advisor and Secretary, Ministry of Finance, were the principal discussants. (Text available at [www.icrier.res.in](http://www.icrier.res.in))

## ARE FINANCIAL CRISES THE NECESSARY CONSEQUENCE OF CAPITAL ACCOUNT CONVERTIBILITY?

Kenneth Kletzer

In the wake of the Asian financial crisis, many observers have argued that international capital market integration may have been more detrimental than beneficial for developing countries. These concerns have given rise to several proposals for protecting domestic economies from the consequences of sudden reversals of international capital flows. These proposals have ranged from slowing the pace of capital account liberalisation to reforming the international monetary system. The lecture by Prof. Kenneth Kletzer, Visiting Professor at



*Prof. Kenneth Kletzer, Visiting Professor at ICRIER from the University of Santa Cruz, California, delivering the lecture. With him are Mr Sudhir Mulji and Dr Isher Judge Ahluwalia.*

ICRIER from the University of Santa Cruz, California, “Are Financial Crises the Necessary Consequence of Capital Account Convertibility?” on December 21, 1999 discussed the frequency, consequences and causes of financial crises in emerging markets and argued

that inappropriate macroeconomic policies or domestic financial management played a key role in recent episodes.

The lecture concluded that temporary protective measures can help reduce the risk and social cost of crises during periods of liberalisation, although macroeconomic policies need to be consistent with the choice of the exchange rate regime. History shows that financial crises do occur frequently during capital account liberalisation, but they need not be a necessary consequence of capital account convertibility. Sound macroeconomic management, possibly combined with measures to discourage speculative short-term capital flows, can protect national economies from costly financial crises.

## ECONOMIC REFORM: CONTENT, PROGRESS, PROSPECTS

John Williamson

**E**conomic Reform: Content, Progress and Prospects was the theme of the lecture delivered by Prof. John Williamson, Senior Fellow, Institute of International Economics, Washington, DC, at a joint session organised by The Maharaja Sayajirao University and ICRIER at Baroda, on November 23, 1999. The session was part of the Golden Jubilee celebrations of the Economics Department of the M S University of Baroda

during November 22-26, 1999. Williamson's lecture provided an insightful review of policy reform in the past half century and a discussion of the contemporary reform priorities. The man who coined the term 'Washington Consensus' wondered if the consensus was dead today. (Text available at [www.icrier.res.in](http://www.icrier.res.in))

## DOES INDIA NEED NEW POLITICS?

Lord Meghnad Desai

**L**ord Meghnad Desai spoke on "Does India Need New Politics?" at a seminar jointly organised by The Maharaja Sayajirao University of Baroda and ICRIER on November 22, 1999 at Baroda. In his typical provocative style, Lord Desai spoke about the broader political framework in which development is taking place in India and offered some speculations on what framework would be most conducive for India's economic and social development. Lord Desai expected India to fashion a pluralist multi-layered ideology of nationhood. He was of the view that if India went ahead boldly with economic reforms followed by achieving high growth rates, some of the tensions plaguing the current Indian system would wither away. (Text available at [www.icrier.res.in](http://www.icrier.res.in))



▲ Mr N R Narayana Murthy, Chairman and CEO, Infosys Technologies Limited delivering a lecture on Corporate Governance organised by the CII and ICRIER at the India Habitat Centre, New Delhi, on October 22, 1999.

Lord David Currie, Deputy Dean for External Relations, Professor of Economics and Governor, London Business School, delivering a lecture on Privatisation and Liberalisation: An International Perspective at a seminar organised jointly by ASSOCHAM and ICRIER, on November 26, 1999.





# Across the Nation

## MUMBAI



Prof. Barry Eichengreen speaking at an ICRIER seminar in Mumbai.

ICRIER organised a seminar jointly with the Unit Trust of India (UTI) at Mumbai on December 16, 1999 where Prof. Barry Eichengreen of the University of California, Berkely, delivered the RS Bhatt Memorial Lecture. Prof. Parthasarathi Shome, RBI Professor at ICRIER, was the discussant.

Shome, RBI Professor, ICRIER, spoke on "Tax Reforms and Private Sector Growth: International Experience", elaborating on significant international trends in taxation focussing on OECD and Latin American countries and lessons for India. Dr Isher Judge Ahluwalia, Director and Chief Executive, ICRIER, provided an overview of tax reforms in India in the 1990s and discussed the prospects for further reforms. The half-day seminar was chaired by Dr Shankar Acharya, and was very well attended with a lively follow-up question and answer session.

## CHENNAI

At a seminar organised jointly by the CII and ICRIER at Chennai on August 10, 1999, Dr Parthasarathi



Prof. Parthasarathi Shome, RBI Professor at ICRIER, speaking at an ICRIER seminar on Tax Reforms and Private Sector Growth at Chennai.

## BARODA

ICRIER organised a Panel Discussion on "Reforming in a Global Economy", jointly with the M S University of Baroda, in Baroda on November 23, 1999 as part of the Golden Jubilee celebrations of the University. Dr I G Patel, Chairman, ICRIER, chaired the session. Prof. John Williamson, Lord Meghnad Desai, Mr Montek Singh Ahluwalia and Prof. Ajit Singh were the panelists. The panel discussion was followed by a technical session on "Role of Financial Markets in Economic Development". Dr Isher Judge Ahluwalia, Director & Chief Executive, ICRIER chaired the session, and papers were presented by Professor G S Gupta, Dr Dilip Kumar Bhattacharya, Dr M Y Khan, and Dr T R Bishnoi. Two public lectures by Prof. John Williamson and Lord Meghnad Desai were also jointly organised by M S University of Baroda and ICRIER.

# Trade in Services

## OPPORTUNITIES AND CONSTRAINTS – A PROJECT SPONSORED BY THE MINISTRY OF COMMERCE

Services contribute more to India's GDP than both agriculture and manufacturing put together. While trade in services covers a large number of sectors, it is a highly under-researched area largely because of paucity of data and the complexity of the issues involved.

The Second Round of Services negotiations at the WTO is now beginning. In preparation for India's stand at this Round, the Ministry of Commerce had assigned to ICRIER a major research project focussing on selected service sectors which are of considerable importance for India in the WTO negotiations on trade in services. The project titled "Trade in Services: Opportunities and Constraints" is now almost complete under the guidance of Mr B K Zutshi who is the Chief Co-ordinator of the project.

A series of reports have been prepared on Financial Services, Software, Telecommunications, Maritime Transport, Health Services, Consultancy Services (including accounting and auditing, legal services, and construction and engineering), Tourism, and Air Transport services. Extensive networking with industry leaders in these sectors was a crucial input in preparing these reports. Mr N R Narayana Murthy of Infosys, Mr N Vaghul of ICICI, Mr Cyrus Guzder of Air Freight, all helped in the preparation of the reports. Extensive discussions on initial drafts of the reports were held with representatives from the government, the industry and the researchers. Eight of the eleven reports have been submitted to the Ministry of Commerce.



a forum for sharing information

## South Asia Network of Economic research Institutes (SANEI)

The First Conference of the South Asia Network of Economic Institutes (SANEI) was held at ICRIER from September 1-3, 1999. The work-in-progress of the 10 research proposals funded by SANEI was presented at the conference. The conference was attended by members of the Research Advisory Panel, members of the Steering Committee of SANEI, researchers working on the current SANEI projects and a number of representatives from economic research institutes of the countries in the region. Members of various existing and potential donor agencies were also present as observers. Dr Lyn Squire represented the Global Development Network (GDN) at the conference. The participants at the conference explored the potential for collaborative research and ways of strengthening the capacity of the region in doing research on international issues.



*Steering Committee members of SANEI.*



*The First SANEI Conference in progress.*

## India-Korea Dialogue



The Third India-Korea Dialogue was hosted by ICRIER in New Delhi from December 17-18, 1999. The Seoul Forum for International Affairs was the co-ordinator at the Korea end of the dialogue. A high-level Korean delegation consisting of Korean intellectuals, former policy makers and businessmen actively participated in the dialogue. The Korean delegation was led by Dr Seung-Soo Haan, former Deputy Prime Minister and Minister of Finance of the Republic of Korea,

and the Indian delegation was led by Mr A N Varma, Member, Governing Body, ICRIER and former Secretary to the Prime Minister. Dr Isher Judge Ahluwalia, Director, ICRIER and Dr Sanjaya Baru, Professor, ICRIER were the participants from ICRIER.

# International Networking

Dr Isher Judge Ahluwalia was appointed member of the Commission on Macroeconomics and Health (CMH). The Commission has been set up by the World Health Organisation and is chaired by Prof. Jeffrey Sachs of the Centre for International Development, Harvard University.

A major networking initiative by ICRIER was the organisation of the First Conference of the South Asia Network of Economic research Institutes (SANEI) at New Delhi during September 1-3, 1999 (See opposite page).

The Global Development Network (GDN) initiative was launched by the World Bank in 1999 to encourage networking of regional research institutes across the world. As part of this initiative, a Global Research Project (GRP) titled “Explaining Growth” was launched during the year. A Conference was held in Cairo, Egypt, from October 28-29, 1999, to present the research findings of this project. Dr Isher Judge Ahluwalia chaired and co-ordinated the Cairo Workshop on “Explaining Growth in South Asia: A Global Research Project.” Dr Ajit Ranade of ICRIER and Dr Rehana Siddiqui of Pakistan Institute of Development Economics presented their findings “Microeconomics of Growth in South Asia”, while Dr Basudeb Guha Khasnobis of ICRIER and Faisal Bari of Lahore University of Management Studies presented their paper on “Sources of Growth in South Asia”.

SANEI was represented at the First Global Development Network (GDN) Conference organised by the World Bank in Bonn from December 5-8, 1999. Participants from ICRIER included Dr Isher Judge

Ahluwalia, Dr Parthasarathi Shome, Dr Ajit Ranade, Dr Basudeb Guha-Khasnobis, Dr Rupa Chanda, Ms Nisha Taneja and Ms Adirupa Sengupta. Dr Isher Judge Ahluwalia chaired the plenary session titled ‘Opening Policy Knowledge to Societal Participation’ where Mr Johannes Rau, President of Germany, delivered the keynote address.

Papers presented at international seminars by ICRIER faculty included:

1. Dr Basudeb Guha Khasnobis: “A Hallmark of India’s New Economic Policy: Deregulation and Liberalisation of the Financial Sector” at the 23<sup>rd</sup> Conference of the American Committee for Asian Economic Studies (ACAES) at the Seoul National University, Seoul, Korea, December 15-17, 1999.
2. Dr Basudeb Guha Khasnobis: “Trade and Investment Liberalisation in South Asia” at the Conference on Competitiveness organised by USAID in Colombo, November 17-19, 1999.
3. Dr Sanjaya Baru: “The Role of Economics in Indo-US Relations” at a seminar on “Future of India-U.S. Relations” at the University of California, San Diego, September 7-8, 1999.
4. Dr Sanjaya Baru: “India’s Outward-Oriented in the 1990s and its ‘Look East’ Policy” at the India-Singapore Colloquium held at the National University of Singapore, August 18, 1999.
5. Dr Sanjaya Baru: “India and BIMSTEC: Towards a Bay of Bengal Community” at the BIMSTEC Academic Round Table organised by the Ministry of Foreign Affairs, Bangkok, Thailand, September 23-24, 1999.



## NEW FACULTY

ICRIER has inducted a number of high quality professionals into its Faculty during the second half of 1999. Dr Parthasarathi Shome, former Director, National Institute for Public Finance & Policy (NIPF&P) joined ICRIER as Reserve Bank of India (RBI) Professor from July 1, 1999. Dr Shome received his PhD from Southern Methodist University, USA in May 1975. After teaching for seven years, Dr Shome joined the International Monetary Fund (IMF) where he held the position of Assistant Director, Fiscal Affairs Department. Dr Ajit Ranade joined ICRIER as Professor in July, 1999. Dr Ranade, a Doctorate in Economics from Brown University, USA, was formerly with the Indira Gandhi Institute of Development Research (IGIDR). Dr Basudeb Guha-Khasnobis, former Director, Eximius

Centre, Export Import Bank of India, and a Doctorate in Economics from the University of Rochester, USA, also joined ICRIER as Professor in July 1999. ICRIER bid farewell to two of its Professors, Dr Pradeep Srivastava and Prof. Benu Schneider during this period.

ICRIER inducted a number of Research Fellows over this period, ie, Jayati Srivastava, Sunil Ashra, Rajeev Ahuja, and Anoop Singh. Adirupa Sengupta joined ICRIER in October 1999 as a consultant after completing her M Phil degree from the University of Cambridge, UK.

Prof. Kenneth Kletzer of the University of California at Santa Cruz visited ICRIER for a period of two weeks in December 1999, to pursue collaborative research with Dr Renu Kohli at ICRIER.

## NEW PUBLICATIONS

### Working Papers

- Capital Flows, Financial Repression and Exchange Rate in India, Kenneth Kletzer and Renu Kohli, December 1999 (No. 52)
- Movement of Natural Persons and Trade in Services: Liberalising Temporary Movement of Labour under the GATS, Rupa Chanda, November 1999 (No. 51)
- Competition Policy, Development and Developing Countries, Ajit Singh, November 1999 (No. 50)
- Size, Efficiency and Financial Reforms in Indian Banking, Pradeep Srivastava, July 1999 (No. 49)
- Saving-Investment Correlations and Capital Mobility in Developing Countries with Special Reference to India, Benu Schneider, July 1999 (No. 48)

### Summaries of Public Policy Workshops

- Global Economic Prospects and the Developing Countries 2000, December 10, 1999 (No. 10)
- Future Issues on IPRs in the WTO: Jayashree Watal, October 14, 1999 (No. 9).
- Managing External Economic Challenge in the Nineties: Lessons for the Future: Shankar Acharya, September 20, 1999 (No. 8).
- The Third Ministerial Conference of WTO: Agenda for India: A.V. Ganesan, August 28, 1999 (No. 7)
- Economic Policy and National Security: Sanjaya Baru, August 6, 1999 (No. 6)
- Human Development Report 1999 Globalisation and Human Development, July 14, 1999 (No. 5)
- The Emerging Global Financial Architecture and its Implications for India: Montek Singh Ahluwalia, July 12, 1999 (No. 4)

### Public Lectures

- Are Financial Crises the Necessary Consequence of Capital Account Convertibility?, Kenneth Kletzer, December 21, 1999.
- Strengthening the International Financial Architecture, Barry Eichengreen, December 13, 1999.
- Economic Reform: Content, Progress, Prospects, John Williamson, November 23, 1999.
- Does India Need New Politics?, Meghnad Desai, November 22, 1999