

ICRIER

N E W S

VOL. XXI, JANUARY – JUNE 2009

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Board of Governors



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Anwarul Hoda



Rajiv Kumar

Letter from the Director

Dear Reader,

The highlight of this six-month period was the 3rd K.B. Lall Memorial Lecture held in memory of ICRIER's founder Chairman. The lecture was delivered on February 7, 2009 by Professor Andrew Sheng, who holds the prestigious Third Tun Ismail Ali Chair at the Department of Economics, University of Malaya, Kuala Lumpur and is also a Chief Advisor to the China Banking Regulatory Commission. The session was chaired by Dr. Isher Judge Ahluwalia and attracted a large and learned audience. Professor Sheng spoke on 'From Asian to Global Financial Crises: An Asian Perspective'. The lecture was greatly appreciated for its lucidity, clarity and deep insights into the causes of the current financial and global economic crisis and possible policy response by Asian economies.



ICRIER collaborated with The World Bank and Management Development Institute (MDI) to organise well-attended lectures by Professor Thomas C. Schelling, 2005 Nobel Prize Laureate in Economics, Distinguished University Professor, Department of Economics and School of Public Policy, University of Maryland on June 22, 2009 and Professor Oliver Blanchard, Economic Counsellor and Director of the Research Department of the IMF on February 12, 2009, respectively. Both lectures were on highly topical issues with Professor Schelling speaking on 'Organizing to Cope with Global Warming' and Professor Blanchard on 'Understanding the Global Financial and Economic Crisis and the Way Forward'. We, at ICRIER, appreciate these opportunities for organizing collaborative events as they enable us to fulfil one of our mandates for providing a forum for internationally renowned experts to interact with policymakers and opinion leaders.

The annual series of the Indo-Korean Strategic Dialogue continued this year with ICRIER and the Seoul Forum for International Affairs (ASFIA) co-organizing the Eighth Dialogue in Delhi on May 20-21, 2009. The theme this year expectedly was 'India, Korea and the Global Financial Crisis: Cooperation and Responses'. The dialogue brought together leading academics, policymakers, economists, defence and security analysts and corporate leaders from both countries. It focused on issues like political & security development, responses and implications of the global financial crisis, and opportunities and challenges for India-Korea trade and investment relations. This year ICRIER's coordinator for the Dialogue, Dr. Pravakar Sahoo, made a special effort at commissioning specially prepared papers by authors from both sides. I hope that he will be successful in bringing this out in a published volume.

Despite the active program of conferences and seminars, our focus on research has been maintained. The first half of the year saw nine new studies being launched with a total grant of Rs. 527.2 lakh. This is, to the best of my knowledge, a new high in terms of both the number of studies and revenues for any six-month period. Nine research studies were completed. The output from previously completed projects and studies was brought out in eight Working Papers and one book titled *Retail in India* authored by Mathew Joseph and Nirupama Soundararajan and published by the Academic Foundation, New Delhi.

ICRIER's website is fast becoming our principal source for disseminating our output. Apart from the Working Papers that are regularly loaded on the site, it also carries contributions by ICRIER researchers in the newly launched *Think Ink* series. This has now become quite popular and twelve pieces were

put out in this six-month period. The summary of ICRIER's working papers is put out on the site and distributed electronically as a new quarterly, *Research Digest*, that has also been well appreciated. I am happy to report the launch in this period of *Regional Insights*, a bi-monthly volume that carries articles from our regional desks along with special guest articles, the first one being contributed by Dr. Jahangir Aziz, Chief Economist at J.P. Morgan Chase, India.

Our program of seminars by visiting faculty and guests gathered even greater momentum in this period with the participation of eminent speakers like Professor David Naylor, President, University of Toronto; Professor Peter Drysdale, Professor of Economics, Crawford School of Economics and Government, Australian National University, Canberra; Dr. Beatrice Gorawantschy, Resident Representative to India, Konrad-Adenauer-Stiftung; Professor T. N. Srinivasan, Member, Board of Governors, ICRIER; and Professor Robert E. Horn, Visiting Scholar, Stanford University and Member, International Futures Forum.

During the past six months, ICRIER organised 32 research dissemination seminars, lectures and book releases in collaboration with, among others, the Institute for Financial Management and Research (IFMR), Chennai, Yale University, National Bureau of Economic Research (NBER), East Asia Bureau of Economic Research (EABER) of the Australian National University, Konrad-Adenauer-Stiftung (KAS), Sasakawa Peace Foundation, InWEnt Capacity Building International, Oxford University Press, National Council of Applied Economic Research (NCAER), Vodafone Group, DHL, Federation of Indian Chambers of Commerce and Industry (FICCI), Department of Commerce, Centre for WTO Studies, Petroleum Federation of India (PETROFED), University of Toronto, Academic Foundation, Seoul Forum for International Affairs (ASFIA), and Management Development Institute (MDI).

It is particularly satisfying to report that we have successfully addressed the space constraint by acquiring on rent additional space within the India Habitat Centre. This will enable us to expand our in-house staff required for new upcoming projects. We have further upgraded our IT infrastructure by increasing the internet bandwidth speed to 3 MBPS for each researcher.

Finally, I would like to express my sincere gratitude to the Chair and Members of the Board of Governors for their support and guidance. I would also like to thank the ICRIER team for their hard work and commitment in taking ICRIER to new heights. While the entire team has performed creditably, as reflected in the annual performance evaluation exercise completed in May, the administration and events team led by Mr. Manmeet Ahuja deserves special mention for its efficiency in streamlining and updating the database and organizing a large number of events, along with ongoing improvement in the content and quality of research. This has contributed to ICRIER's credibility and visibility.



Rajiv kumar

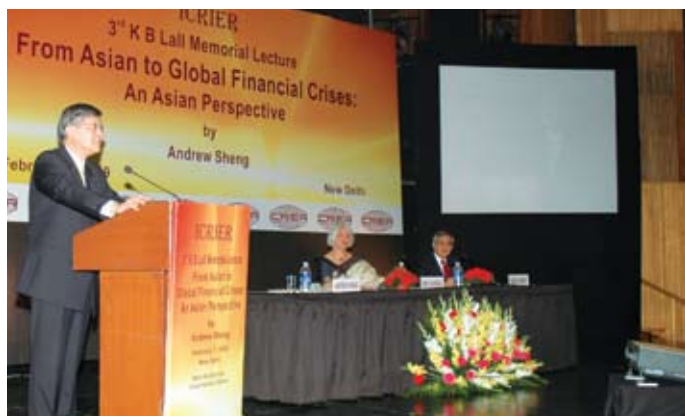
Lectures/Conferences/Seminars

K.B. Lall Memorial Lecture

3rd Dr. K.B. Lall Memorial Lecture: 'From Asian to Global Financial Crises – An Asian Perspective'

Professor Andrew Sheng, Third Tun Ismail Ali Chair at the Department of Economics, University of Malaya, Kuala Lumpur

February 7, 2009



L to R: Prof. Andrew Sheng, Third Ismail Ali Chair at the Department of Economics, University of Malaya, Kuala Lumpur; Dr. Isher Judge Ahluwalia, Chairperson, ICRIER and Dr. Rajiv Kumar, Director & CE, ICRIER

The third K.B. Lall Memorial Lecture was delivered by Andrew Sheng, third holder of the prestigious Tun Ismail Ali Chair at the Faculty of Economics and Administration, University of Malaya. In his lecture, 'From Asian to Global Financial Crises: An Asian Perspective', he highlighted the macro and micro origins of the crisis, lessons for Asia, the international financial order and international financial architecture. All financial crises have a common element: "money borrowed in excess and used badly." Four mega-trends led to the crisis: first, the emergence in 1989 of a 3-billion labor force that led to a global flood of cheap goods and low inflation; second, monetary policy responses to the Japanese bubble/deflation since 1990, leading to almost interest-free yen loans globally; third, the emergence of financial engineers; and fourth, global deregulation. These mega-trends created four arbitrages – wage arbitrage, financial arbitrage, knowledge arbitrage, and regulatory arbitrage – that led to four excesses – excess liquidity, excess leverage, excess complexity and excess greed. The four elements of financial innovation and deregulation together created toxic products that led to the current crisis: first, residential mortgages were securitized into mortgage-backed papers by government mortgage institutions; second, accounting and regulatory standards permitted such potential liabilities to be moved off the balance sheet; third, insurance companies and CDS markets were used to enhance the credit quality of the underlying paper; and fourth, the credit rating agencies were willing to give these structured products AAA ratings, for a fee. In Asia, the solution requires four steps – diagnosis, damage control, loss allocation and changing the incentive structure. Professor Sheng concluded that ultimately all financial crises are a crisis of governance, and it takes good governance, at the corporate, financial and social levels to generate long-run sustainable stability. He ended his lecture with a call for wholesale reform of the US financial sector.

Distinguished Visitors' Lectures

Organizing to Cope with Global Warming

Professor Thomas C. Schelling, Distinguished University Professor, University of Maryland

June 22, 2009

ICRIER organised a lecture in collaboration with The World Bank by Professor Thomas C. Schelling, 2005 Nobel Prize Laureate in Economics, Distinguished University Professor, Department of Economics and School of Public Policy, University of Maryland. Professor Schelling gave a talk on the indispensability of a concerted effort in coping with global warming. According to him, the best defence against climate change is continued economic development.

Professor Schelling suggested two organisational leads that should be discussed in December in the UN Climate Change Conference at Copenhagen: First, there should be agreement on how to concretely lower greenhouse gases; and, second, lowering these levels should not impede development, so developed countries should pay the costs of lowering CO₂ emissions for developing countries.



L to R: Prof. Thomas C. Schelling, Distinguished University Professor, University of Maryland; Dr. Shankar N. Acharya, Member, Board of Governors, ICRIER and Dr. Roberto Zaghera, Country Director for India, The World Bank

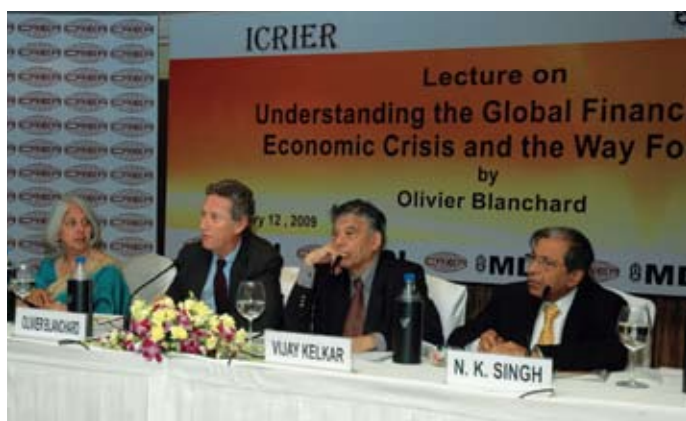
He concluded by hoping that the new US administration led by President Obama would take the lead in transforming these suggestions into reality, and that climate change would gain more popularity and serious participation in the near future.

Understanding the Global Financial and Economic Crisis and the Way Forward

Professor Olivier Blanchard, Economic Counsellor and Director of the Research Department, International Monetary Fund

February 12, 2009

ICRIER in collaboration with the Management Development Institute (MDI), organised a lecture, 'Understanding the Global Financial and Economic Crisis and the Way Forward' by Professor Oliver Blanchard, Economic Counsellor and Director of the Research Department of the IMF. Professor Blanchard admitted that IMF forecasts need to be revised as the world economy had taken a turn for the worse over the past three months. Policy challenges differ across advanced countries and emerging economies because the shocks are different.



L to R: Dr. Isher Judge Ahluwalia, Chairperson, ICRIER; Prof. Olivier Blanchard, Economic Counsellor and Director of the Research Department of the International Monetary Fund; Dr. Vijay Kelkar, Chairman, Thirteenth Finance Commission and Mr. N K Singh, Member of Parliament, Rajya Sabha

Depression in advanced countries is due to the loss of consumer and business confidence, fall in commodity prices, etc. and the policy challenges include improving the financial system via providing liquidity to financial institutions, getting rid of toxic assets, and generating confidence. In emerging economies, smooth policies, i.e., the use of reserves, depreciation of exchange rates, and fiscal policy can help to escape the slowdown. He stressed the need to understand systematic risks. This was followed by a discussion and remarks by the Chairman, Dr. Vijay Kelkar. This session ended with a vote of thanks by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER.

WTO Seminars

The monthly WTO seminar series has been held since August 2008 as part of ICRIER's ongoing research and dissemination on WTO-related issues. The objective of the seminar series is to identify and discuss critical WTO issues relevant for India in the ongoing Doha round and for the future. This would include deliberations on the current impasse and also on the possible changing contours of the WTO in future.

The WTO seminar on January 22, 2009 was delivered by Dr. Biswajit Dhar, Professor and Head, Centre for WTO Studies, IIFT, where he spoke about the objectives under the agreement on agriculture and discussed the problems in their implementation against the background of the US and EU farm bills. The February 17, 2009 seminar was delivered by Mr. Gopal Pillai, Secretary, Department of Commerce, on the future of the Doha round in the context of the new US administration. He emphasized the disagreement posed by WTO members on issues like SSM and sectoral negotiations and also outlined areas both where countries had agreed and disagreed. On March 17, Dr. Ashok Gulati, Director in Asia, IFPRI, discussed his views on agricultural negotiations from India's perspective and argued that India should be less defensive on agricultural negotiations. He further highlighted the need for institutional innovation in India as a domestic reform in order to facilitate international trade. The seminar on April 27 was delivered by Dr. Bibek Debroy, Professor, Centre for Policy Research, where he gave his views on the formation of coalitions among developing countries and emphasized the importance of having a decision-making core composed of the main developed and developing countries that might help

push through negotiations more easily. He also argued that though the multilateral trading system might be preferable given the situation, a push towards regional agreements might occur. Professor Rupa Chanda, IIM, Bangalore, delivered a seminar on May 29, where she interlinked the crisis, GATS and the financial services negotiations. She spoke about the protectionist measures taken by the US and the EU in the wake of the financial turmoil and their possible implications on India and other developing countries. On June 24, Professor Rajan S. Ratna, Centre for WTO Studies, IIFT, outlined India's stance at the NAMA negotiations in the WTO. He talked about the non-linear formula used to calculate the new tariff rate keeping in mind the interests of developing countries. He voiced his opinion on issues like flexibility and sectorals. On the former front, he argued that developing countries should protect their sensitive sectors by applying anti-concentration clauses, whereas in the case of sectorals the applied rates on products, such as industrial machinery, should come down to zero while simultaneously taking care of issues like NTB, TBTs and SPS.

International Conferences/Seminars

Tenth Annual NBER Neemrana Conference

January 10-13, 2009



L to R: Mr. N K Singh, Member of Parliament, Rajya Sabha; Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission and Dr. Isher Judge Ahluwalia, Chairperson, ICRIER

The 10th annual NCAER-NBER-ICRIER Neemrana Conference on Indian and Global Economic Developments was held at the Neemrana Fort Palace Resort in Rajasthan, India.

The conference brought together Indian policymakers, researchers, regulators and other professionals to interact with leading US and Indian researchers and policymakers. At the conference, the discussion focused around four themes that cover ongoing problems being faced by policymakers: (i) the global economic environment; (ii) the global economic downturn: analysis, prospects and implications; (iii) growth perspective; and (iv) poverty, inclusion and social protection.

Global Economic Downturn: Lessons and the Way Forward

February 9-10, 2009

The international conference on 'Global Economic Downturn: Lessons and the Way Forward' was organised by ICRIER in collaboration with Konrad-Adenauer-Stiftung, New



L to R: Dr. Takatoshi Ito, Professor, Graduate School of Economics, University of Tokyo, Japan; Dr. Takeo Hoshi, Pacific Economic Cooperation Professor in International Economic Relations at Graduate School of International Relations & Pacific Studies, University of California, USA; Dr. Rakesh Mohan, Deputy Governor, Reserve Bank of India; Mr. Jahangir Aziz, Chief Economist, South Asia, J.P. Morgan Chase, India; Dr. Mathew Joseph, Senior Consultant, ICRIER and Dr. Heribert Dieter, Senior Fellow, German Institute for International and Security Affairs, Berlin, Germany



Participants at the roundtable on "Accelerating Innovation: Collaborative Models"

Delhi and Sasakawa Peace Foundation, Japan. In the inaugural session, the opening comments were made by Ambassador Bernd Mutzelburg, Head of Mission, German Embassy in New Delhi. The inaugural address was delivered by Mr. Ashok Chawla, Secretary, Department of Economic Affairs, Government of India. Mr. Chawla put forward the proposition that the current crisis was similar to the Great Depression and emphasized the need for an effective role for the G-20 group in tackling the current global economic downturn. Guest speakers at the conference included Dr. Heribert Dieter, Senior Fellow, German Institute for International and Security Affairs, Berlin; Dr. Takatoshi Ito, Professor, Graduate School of Economics, University of Tokyo; Mr. Krishna Srinivasan, Advisor and Head of the Multilateral Surveillance Unit, IMF; Dr. Takeo Hoshi, Pacific Economic Cooperation Professor in International Economic Relations at the Graduate School of International Relations & Pacific Studies, University of California, San Diego; Dr. Ramgopal Agarwala, Senior Advisor, RIS; Professor Richard Higgott, Pro-Vice Chancellor for Research and Professor of International Political Economy, University of Warwick; Mr. Shigeo Kashiwagi, Senior Fellow, Policy Research Institute, Japan; Mr. Alok Sheel, Joint Secretary, Department of Economic Affairs, Government of India; Mr. Jahangir Aziz, Chief Economist, J.P. Morgan Chase, India; and Dr. Mathew Joseph, Senior Consultant, ICRIER.

Accelerating Innovation: Collaborative Models

March 12, 2009

Dr. Rajiv Kumar initiated the discussion by focusing on the need to stimulate greater industry-academia interface for taking 'innovations' forward and facilitating the commercialisation of R&D in the public sector. The key note address was given by Professor David Naylor, President University of Toronto. Other participants were Professor Amit Shovon Ray, Chair Professor, ICRIER; Professor Madhubala, JNU; Professor Rakesh Bhatnagar, JNU; Dr. Y.S. Rajan, CII; Mr. Nitin Desai, Honorary Professor, ICRIER; Mr. Rajdeep Sahrawat, NASSCOM; Dr. Anil Wali, IITD; and Dr. Judith Wolfson, Vice-President, University of Toronto. Issues discussed related to market failure in basic research, attitudinal differences between academia and industry, mismatch of expectations, and intellectual property rights issues that stall collaborations for taking innovations forward.

The roundtable closed with a vote of thanks from Professor Naylor on behalf of the University of Toronto and Dr. Kumar on behalf of ICRIER.

Current Developments in Indian Financial System

March 20, 2009

A policy dialogue by experts from academia, industry and the ministry was organised by ICRIER and InWEnt, Germany to review the impact of the global financial crisis on the Indian financial sector and to sketch policy prescriptions and perspectives for the way forward for India and other emerging economies. The panelists emphasized the importance of legal and regulatory institutions for a vibrant financial sector. Global macro-economic imbalances, especially discrepancies in international credit flows due to the failure of the international financial system to channel the surplus resources efficiently, seem to have caused the present crisis. Policy suggestions included an emphasis on stability, crisis management in banking sector regulation and a country-wise financial sector assessment program with the help of the IMF and other international financial institutions. In the discussion on recent sectoral policy and regulatory developments in the Indian financial sector, the panelists felt that the insurance industry and rural banking in India could be boosted with a coordinated and proactive regulator and legislative reforms. They also suggested a cautious approach to capital market reforms.

Food Security in SAARC

March 23, 2009

The international conference on food security in the SAARC region was organised jointly by ICRIER and Konrad-Adenauer-Stiftung, New Delhi. The objectives were to discuss issues relating to food security, critically evaluate initiatives and policies, and suggest measures to overcome the constraints so that more effective policies could be pursued in each of the South Asian countries.

Session I, chaired by Dr. Panjab Singh, Ex-DG, ICAR, described the changing nature of agriculture in the developing world marked by the entry of the corporate sector. Dr. Surabhi Mittal presented a synthesis paper, 'Food



L to R: Dr. P. A. Samaratunga, Sri Lanka; Dr. Dil Bhadur Rahut, Bhutan; Dr. Surabhi Mittal, Senior Fellow, ICRIER; Dr. Purushottam K. Mudbhary, Chief, Policy Assistance Branch, FAO Regional Office for Asia and the Pacific (RAP); Ms. Deepti Sethi, Research Assistant, ICRIER; Dr. Khim K. Sharma, Nepal and Mr. Subir Kanti Bairagi, Bangladesh



L to R: Amb. Santosh Kumar, Senior Consultant, ICRIER; Dr. Beatrice Gorawantschy, Resident Representative to India, Konrad Adenauer Stiftung (KAS); Mr. Shrawan Nigam, Senior Consultant, ICRIER and Amb. Vinod C. Khanna

security in South Asia: issues and options'. The status of food security in the SAARC countries was highlighted in terms of a matrix comprising food availability, accessibility, utilisation and vulnerability as indicators. Various initiatives undertaken by the SAARC countries for ensuring food security, such as the creation of a SAARC Food Bank, were also discussed.

The second session, chaired by Dr. Purushottam K. Mudbhary, began with panelists from Bangladesh, Sri Lanka, Nepal, Bhutan, India and Maldives presenting their country papers on food security. They described the challenges and difficulties in achieving food security and listed the policy measures undertaken by their respective governments to ensure food security.

The third session, chaired by Amb. Santosh Kumar, started with a brainstorming session on the way forward for ensuring food security in South Asia, in which the distinguished panelists described the problems faced by SAARC countries in achieving food security and suggested concrete measures to remedy the situation.

India's Relations with the Major Powers

May 8, 2009

A workshop on 'India's Relations with the Major Powers' was organised by ICRIER with the support of Konrad-Adenauer-Stiftung (KAS), New Delhi. Dr. Beatrice Gorawantschy, the new Resident Representative to India of KAS, who inaugurated the workshop, emphasized the need for countries to promote friendly relations in this rapidly integrating world.

Ambassador Vinod C. Khanna stressed that both China and India have an interest in greater access to world markets for the export and import of goods, services, and raw materials. However, since China has become India's largest trade partner, we need to strike a balance between competition and cooperation. Ambassador Santosh Kumar pointed out that India-US relations have seen ups and downs, with the India-US civil nuclear deal as one of the high points; economic ties between the two countries are likely to strengthen over the next decade. On security, there is a need to increase R&D investment and either develop future technologies or achieve better access to them.

On EU-India relations, there were two papers—one by Mr. Carlos Bermejo Acosta and Ms. Sanchita Chatterjee from

the Trade Division of the EC, and the other by Professor Arpita Mukherjee and Ms. Ramneet Goswami of ICRIER. Both papers emphasized the potential for trade between the two regions, mentioned the difficulties faced by firms, and analyzed the reasons for the slow progress of the EU-India FTA negotiations.

Commodore Sujeet Samaddar made a presentation on India-Japan relations that examined areas of potential co-operation between the two countries.

8th India-Korea Dialogue on India, Korea and the Global Financial Crisis: Cooperation and Responses

May 20-21, 2009



L to R: Amb. Young-Sun Paek, Ambassador of India, Embassy of the Republic of Korea; Dr. Dalchoong Kim, President, Seoul Forum for International Affairs, Seoul; Dr. Rajiv Kumar, Director & Chief Executive, ICRIER; Amb. Shashank, Former Foreign Secretary, GoI; Mr. N. S. Sisodia, Director General, IDSA and Mr. N. Ravi, Secretary, East, Ministry of External Affairs (at the podium)

ICRIER and the Seoul Forum for International Affairs (ASFA) organised the Eighth India-Korea Dialogue in New Delhi. The dialogue brought together leading academics, policymakers, economists, defence and security analysts and corporate leaders from both countries. Discussions focused on political & security developments, responses and implications of global financial crisis, and opportunities and challenges for India-Korea trade and investment relations.

Delegates said that the two countries need to speed up multi-lateralisation of the Chiang Mai Initiative and its expansion to cover the ASEAN+6 countries. Both countries are also expected to work together to make the multilateral trading system more transparent and to discourage major trading countries from resorting to protectionist policies.



the project to make it suit the needs of policymakers in the region. The consultants from India, Pakistan, Sri Lanka, Nepal and Bangladesh presented their country perspectives on trade facilitation in the context of bilateral and regional trade within South Asia. The consultants held intensive discussions to produce a focused agenda that would take the trade facilitation process forward.

Efficiency of Economic Policy Formation, Development and Implementation in Key South Asian Economies

June 29-30, 2009



Delegates agreed on better cooperation and collaboration in science and technology, particularly in R&D. Both the delegation heads, Amb. Shashank, former Foreign Secretary, Government of India and Dr. Dalchoong Kim, President, SFIA, urged an early signing of the Comprehensive Economic Cooperation Agreement (CEPA) for a mutually beneficial economic partnership. Dr. Rajiv Kumar, Director & CE of ICRIER, said that though prudent and efficient regulation in both countries is necessary to protect them from the global financial crisis, it should not lead to over-regulation, particularly in the financial sector. He emphasized the huge potential for cooperation between the two countries in the services and infrastructure sectors.

Trade Facilitation for Efficiency and Regional Integration in South Asia

June 26-27, 2009



An inception workshop for the project on 'Trade Facilitation for Efficiency and Regional Integration in South Asia', which is led by Professor Nisha Taneja, was held on June 26-27, 2009. The objective was to get input from the project advisory committee and initiate discussions between the network of consultants for the project. The Advisory Committee comprises top-rank officials from major ministries (including Commerce, External Affairs, Finance, and Railways), representatives from the ADB and World Bank, as well as academics. The committee members, acknowledging the need and importance of the study, gave valuable input on defining the contours of

The roundtable on 'Efficiency of Economic Policy Formation, Development and Implementation in Key South Asian Economies' was hosted by ICRIER in collaboration with the East Asia Bureau of Economic Research (EABER) of the Australian National University. This conference is the third in the EABER-SABER series.

Professor Peter Drysdale in his introductory remarks stated that as each economy has a unique social, political and economic background, and structural reform needs to be developed within this context. Regional cooperation should support the political economy of structural reform and help develop the institutions responsible for policy making.

In Session I, Dr. Philippa Dee presented a conceptual approach to improving policy efficiency in South Asia and stressed the importance of the policy process. She raised three questions: what institutional arrangements have helped ensure that reforms were implemented, whether these arrangements reviewed the barriers to good economic policy, and the scope for regional cooperation to strengthen the role of these institutions.

Other speakers presented papers on Indian reforms in the financial sector, trade policy, and capital flows & investment. Papers on economic reforms in Pakistan, Bangladesh and Sri Lanka were also presented.

The objective of this regional initiative is to provide identifiable technical solutions to governments for undertaking structural reforms by demonstrating their effectiveness and welfare-enhancing potential. It is hoped that this will facilitate their implementation. Such reviews that bring out the lessons from previous reforms experience help in achieving domestic acceptance for the reform process and also help to avoid mistakes. The finalized papers will be presented at an international conference in Canberra in February 2010.

Research Dissemination Seminars

Global Trading and Financial Systems: Multilateralism of the World Trade Organisation versus Regionalism

January 8, 2009

Professor T.N. Srinivasan and Dr. Vani Archana presented a paper, 'India in the global and regional trade: aggregate and bilateral trade flows and determinants of firms' decision to export' as part of an ongoing study by ICRIER and Yale University.

The paper examines two sets of questions. First, what is the impact of the various RTAs/PTAs that India has signed? Are these agreements trade-creating or trade-diverting? What is more beneficial for India: regional agreements or multilateral agreements? Second, why is it that only some firms export?

To answer the first set of questions, the researchers used the gravity model. The results indicate that greater distance reduces bilateral trade, a larger GDP and population of the trading country enhance trade, language is a significant determining factor, and the tariffs of the importing countries has a negative effect on India's export flows. An increase in the exchange rate in terms of INR increases India's imports significantly. The gravity model of export, import and total trade flows broadly indicate that the pursuit of preferential trade agreements towards which India is moving forward is counterproductive, hence India's superior policy option continues to be unilateral and multilateral trade liberalisation.

The second part of the study uses firm-level data from CMIE's PROWESS database (1995 to 2006) and CII database (2004 to 2005). Firm heterogeneity is seen in the decision to export; the exporting firms are large, more R&D-intensive, low-wage intensive and more profitable than non-exporting firms. The probability of survival of new firms in export market is less as compared to those who have been exporting in the prior years. A primary survey of 400 firms across 11 sectors confirms these results.

India: The Impact of Mobile Phones

January 19, 2009



L to R: Mr. Vittorio Colao, CEO, Vodafone Group; Mr. Siddhartha Behura, Secretary, Department of Telecommunication; Dr. Rajat Kathuria, Professor, ICRIER; Dr. Rajiv Kumar, Director & CE, ICRIER and Dr. Diane Coyle, OBE, Enlightenment Economics and chair of Vodafone SIM Panel

The final report from the project 'India: The Impact of Mobile Phones' led by Professor Rajat Kathuria, funded by



L to R: Dr. Rajat Kathuria, Professor, ICRIER; Prof. Rekha Jain; Professor, Indian Institute of Management, Ahmedabad; Dr. Surabhi Mittal, Senior Fellow, ICRIER; Dr. Diane Coyle, OBE, Enlightenment Economics and chair of Vodafone SIM Panel and Dr. Mahesh Uppal, Director, Com First (India) Private Ltd.

the Vodafone Group's Public Policy Division, was launched by Mr. Siddhartha Behura, Secretary, Department of Telecommunications (DoT) at an impressive opening session on January 19. Mr. Behura, in his inaugural address, agreed that India's telecommunications policy needed to be reviewed. Other panelists at the session included distinguished names such as Mr. Vittorio Colao, CEO Vodafone Group, Dr. Diane Coyle, OBE and Chairperson of Vodafone Advisory Panel, and Dr. Rajiv Kumar, Director & CE of ICRIER.

The launch was followed by a technical session in which researchers presented their findings. The report indicates a clear causal relationship between teledensity and economic growth: states with 10% higher mobile phone penetration have grown 1.2% faster. The session focused on the empirical basis for how access to telecommunications acts as a catalyst for productivity and efficiency improvements, thereby sharing the benefits of economic growth among a greater proportion of the population. Constraints to further growth and policy implications of the study were highlighted.

Stakeholder Consultation on India-EU FTA in Services

February 16, 2009



L to R: Dr. Arpita Mukherjee, Professor, ICRIER; Mr. Amit Yadav, Director – TPD, Ministry of Commerce & Industry Mr. Chetan Bijesure, Senior Assistant Director, WTO & FTA, Federation of Indian Chambers of Commerce & Industry.

The stakeholder consultation for the ongoing India-EU Broad-based Trade and Investment Agreement in three service sectors – R&D, IT/IT-enabled services and health services – was jointly organised by ICRIER, the Department of Commerce, Centre for WTO Studies and FICCI at Bangalore. Presentations were made by Professor Arpita Mukherjee,

ICRIER on 'India-EU BTIA: Implications for the services sector and R&D services' and Professor Rupa Chanda, IIM Bangalore and Consultant, ICRIER on the research findings for IT/IT-enabled and health services. The objective of the consultation was to present the research conducted by ICRIER and get feedback from academics and industry. The discussions focused on India's current and future trade and investment potential in these three services sectors, and barriers to trade in the EU member states. The consultation was attended by senior representatives from the Commerce Ministry, state government officials, academics, and industry, among others.

Stakeholder Consultation on 'Energy Services' for India-EU Broad-based Trade and Investment Agreement

February 27, 2009

A stakeholders' consultation on 'Energy Services' for India-EU Broad-based Trade and Investment Agreement was jointly organised by ICRIER, the Department of Commerce (Government of India), PETROFED and the Centre for WTO Studies. The objective of the consultation was to get feedback from industry on their experiences in the EU market in the energy services sector. It was attended by senior government officials, industry, associations, sector experts and individual companies.

The session was chaired by Ms. Bharathi S. Sihag, Joint Secretary, Department of Commerce, Government of India and the introductory remarks were given by Mr. Amit Yadav, Director, Department of Commerce. Professor Arpita Mukherjee provided an overview of the services sector in both regions – India and the EU – and gave a presentation on 'India-EU BTIA: implications for the services sector'. Professor Mukherjee and Ms. Smita Miglani gave a joint presentation on 'India-EU BTIA: prospectus for energy services', in which they highlighted recent trends, trade possibilities for Indian companies, and barriers in the EU market.

Workshop on Technology Policy

March 4, 2009

ICRIER in collaboration with Konrad-Adenauer-Stiftung (KAS) organised a Workshop on Technology Policy. Three research papers were presented at the workshop. The paper by Professor Amit Shovon Ray and Mr. Sabyasachi Saha focused on India's experience with innovations and technology generation, both in the industrial and the institutional sectors. They concluded that India's rich pool of research talents and ideas in public funded institutions could be effectively harnessed to make a successful transition to knowledge driven economy. Professor Amitav Mallik, in his paper, emphasised on the need to maintain technological superiority (both strategic and industrial) over other nations, as a matter of foreign policy to safeguard national interest. Dr. Rajeev Anantaram discussed India's potential to emerge as a global R&D hub by leveraging its strengths in human capital and technological capability. Japanese FDI in India: Experiences and Lessons

Japanese FDI in India: Experiences and Lessons

March 18, 2009



L to R: Mr. Kensaku Konishi, President and CEO Canon India; Mr. Shrawan Nigam, Senior Consultant, ICRIER; Mr. Takao Sato, General Manager Mizuho Corporate Bank, New Delhi and Dr. Srabani Roy Chaudhury, Associate Professor, Jawaharlal Nehru University (JNU)

ICRIER organised a one-day seminar jointly with Sasakawa Peace Foundation (SPF), Japan on 'Japanese FDI in India: Experiences and Lessons' at New Delhi. The objectives were to portray India as an attractive investment destination for FDI from Japan, to attain assessments from Japanese companies on their individual experiences in India and their strategies in response, and to support comprehensive economic cooperation between India and Japan. In the inaugural session, Mr. Masashi Mizukami, DCM, Embassy of Japan, New Delhi read out a special message from Ambassador Hideaki Domichi. Mr. Masayuki Yamamoto, President, Japan Chamber of Commerce and Industry in India (JCCII) delivered the Inaugural Address. Dr. Srabani Roy Choudhury, Associate Professor, Centre for East Asian Studies, JNU and Dr. Geethanjali Nataraj, Senior Economist, National Council of Applied Economic Research (NCAER) presented the findings of their studies specially commissioned by ICRIER under its Japan Project. Other guest speakers at the seminar included Mr. Naoyoshi Noguchi, Director General, JETRO, New Delhi; Mr. Arjun Asrani, former Indian Ambassador to Japan; Dr. Masanori Kondo, Senior Associate Professor, International Christian University, Japan; Mr. Kensaku Konishi, President and CEO, Canon India; Mr. Takao Sato, General Manager, Mizuho Corporate Bank, New Delhi; Mr. Vishnu R. Dusat, Managing Director, Nucleus Software Exports Ltd.; and Mr. Yuichi Sagawa, Representative for Sagawa Yuichi Consultants.

Book Launches

Food for Policy: Reforming Agriculture

January 5, 2009

The book launch for *Food for Policy: Reforming Agriculture* was jointly organised by the Institute for Financial Management and Research (IFMR), Chennai, and ICRIER in Chennai. The editors of the book, Dr. Surabhi Mittal and Professor Arpita Mukherjee, presented insights from the book. Faculty, researchers and students of IFMR, policymakers from different government departments, corporates and the media were present at the event.

This book pulls together critical issues in the Indian agriculture sector. A distinguishing feature of this volume is that it focuses on private-public partnership in agriculture to help the rural poor. The articles identify key areas of concern in Indian agriculture and make recommendations to address them. If implemented, these policy measures would help the sector attain high growth rates, enhance productivity levels and achieve global competitiveness. The book is published by Foundation Books (Cambridge University Press).

Monetary Policy in a Globalized Economy: A Practitioner's View

February 10, 2009



L to R: (first row) Dr. C. Rangarajan, Chairman, National Institute of Public Finance and Policy (NIPFP); Dr. Rakesh Mohan, Deputy Governor, Reserve Bank of India (RBI); Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission; Dr. Bimal Jalan, Member of Parliament, Rajya Sabha; Dr. D. Subba Rao, Governor, Reserve Bank of India (RBI).
L to R: (second row) Dr. Rajiv Kumar, Director & CE, ICRIER; Mr. Manzar Khan, Managing Director, Oxford University Press and Mr. Suman K. Bery, Director General, National Council of Applied Economic Research (NCAER).

The book, *Monetary Policy in a Globalized Economy: A Practitioner's View*, by Dr. Rakesh Mohan was formally released by Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission. The event was organised by ICRIER in association with Oxford University Press (OUP) and the National Council of Applied Economic Research (NCAER).

Mr. Manzar Khan, Managing Director, Oxford University Press made the introductory remarks. This was followed by a discussion by panelists that included Dr. C. Rangarajan, Chairman, National Institute of Public Finance and Policy (NIPFP), Dr. Bimal Jalan, Member of Parliament, Rajya Sabha, and Dr. D. Subba Rao, Governor, RBI.

All three panelists complimented the author on the high quality of the book which would fill a gap in the existing literature and be invaluable to both academics and policymakers. Dr. Rangarajan stressed that the central bank should try to stimulate growth with its monetary policies as it would be easier in the current scenario with falling prices. Dr. Jalan was a little sceptical of the RBI's growth-promoting role under the present conditions; he wanted policymakers to concentrate on institutional reforms and find ways to harmonize competing and overlapping institutions. Dr. Subba Rao felt that it is not possible to have a clear road map for any central bank in this time of financial crisis and explained how the RBI has been quite aggressive in promoting growth and relaxing the monetary conditions as against the allegation that is often made.

India and Global Crisis

April 7, 2009



L to R - Mr. Rituraj Kapila, Director, Academic Foundation, Prof. Shankar N. Acharya, Member, Board of Governors of ICRIER & Chairman, Kotak Mahindra Bank, Mr. Sanu Kapila, Academic Foundation, Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Dr. Rajiv Kumar, Director & CE, ICRIER, Dr. Surjit S. Bhalla, Managing Director, Oxus Investments Private Limited

On 7th April 2009, Dr. Shankar Acharya's book, *India and Global Crisis*, was released at the Gulmohar Hall in the India Habitat Centre. The event was organised in collaboration with Academic Foundation. The book is a compilation of articles that have already been published in *Business Standard*. The book release was chaired by Dr. Montek Singh Ahluwalia, Dr. Rajiv Kumar and Dr. Surjit Bhalla were the two distinguished discussants at the book release. Dr. Shankar Acharya started the proceedings by giving an overview of the book. He asserted that this financial crisis, which has spread its tentacles across the globe, would be the most devastating crisis after the Great Depression. Dr. Surjit Bhalla gave his projections regarding the Indian economy; he was optimistic and asserted that by the end of the year the Indian economy would be back on a higher growth track.

Dr. Rajiv Kumar asserted that the authorities have to introduce further reforms to take India on a higher sustainable growth path, and banking reforms should be one of their paramount concerns. After comments by the discussants, Dr. Ahluwalia summarized and argued that more expansionary policies like further fiscal stimulus can be exercised to bring the economy back on track. He stressed that the prudence shown by the Indian government has helped India remain one of the least affected countries in this financial crisis.

Guest Lectures

The Political Economy of ICT Growth and Development in India

January 16, 2009

ICRIER organised a presentation, 'The Political Economy of ICT Growth and Development in India', by Dr. Anthony P. D'Costa, Professor in Indian Studies, Copenhagen Business School. The seminar was chaired by Professor Amit Shovon Ray, Chair Professor of Trade, Technology and Competitiveness, ICRIER.

Dr. D'Costa gave a critical analysis of the transformative capability of the Indian IT industry and presented a possible

mechanism for this transformation. The most important constraining factor is the concentration of IT industries in specific regions (mainly the four southern states), so the spill-over effects are regional. Another limitation is the small multiplier effect because of the skill bias. He also emphasized certain distortions: Indian IT industries are not diversified in terms of exports, since more than two-third is exported to the US; IT industries invest very little in R&D; and, technocrats have migrated to the rest of the world. In the long run, it will be difficult for the Indian IT sector to sustain its performance, unless these concerns are addressed.

Long Term Sustainability: Policy Choices on the Path to 2050

February 4, 2009

Robert E. Horn, Visiting Scholar, Stanford University and Member, International Futures Forum spoke on 'Long Term Sustainability: Policy Choices on the Path to 2050'. He highlighted the 'complex' and 'wicked' problems of global warming and sustainability. His work is based on a comprehensive set of informals and diagrams for complex issues to aid understanding, analysis and negotiations. This approach, based on info-murals, is found to be effective in influencing policy decisions. He said that current initiatives are presently on the 'business-as-usual pathway' and there is a need to identify early warning signals to move towards clean energy. He elaborated on the climate tipping point and warned of chaos and catastrophe in the event of a tipping point cascade. He spoke about the World Business Council for Sustainable Development's (WBCSD) 'Vision 2050', its backcasting approach and the subsequent governance dilemmas. He pointed out the weaknesses of UN agencies and international treaties like the Kyoto Protocol. In conclusion, he said that there is an urgent need to enhance understanding of these complex issues.

Towards a Global Compact for Managing Climate Change

February 24, 2009

The lecture, 'Towards a Global Compact for Managing Climate Change', was delivered by Dr. Ramgopal Agarwala, Senior Consultant, Research and Information System (RIS). The speaker pointed out that there are basic differences in the perspectives on climate change policies between developed and developing countries and presented an approach to reconcile these perspectives. He emphasized that a credible global compact for climate change must satisfy five criteria: of being comprehensive, equitable, realistic, efficient and effective. Based on these criteria, the target of 50% reduction in CO₂ emissions by 2050 is unrealistic; a more realistic target is stabilisation of CO₂ emissions until 2050 and a 50% reduction by 2100. In light of the massive resource requirements, he concluded by suggesting innovative ideas, such as the use of seigniorage, for funding the cost of adaptation measures and promoting technology to fight climate change.

Europe's Position in the World

February 27, 2009

In his seminar on 'Europe's Position in the World', Dr. Ernst Stetter, Secretary General, Foundation for European

Progressive Studies (FEPS) was of the view that the key questions in the 21st century and in the long run are: (a) What is the ultimate objective facing the EU? (b) What is the place of the Union in the global context? and (c) What are its territorial limits?

He emphasized that the key obstacle in addressing these questions is the phenomenon of suspicious nations, with the final say in decision making still at the national level. Therefore, the outcome is always the least common denominator and foreign policy still remains a policy of national interest. He was, however, hopeful that the European Union will present a success story by creating a single market and a single currency. This can be achieved by promoting multilateralism, and creating a genuine policy for co-development and a common migration policy.

Financial and Economic Crisis: Impact on Trade and Trade Policy

March 24, 2009

The seminar on 'Financial and Economic Crisis: Impact on Trade and Trade Policy' was delivered by Mr. Gaspar Frontini, Chief Trade Economist, European Commission. The seminar was chaired by Ambassador Santosh Kumar, Senior Consultant, ICRIER.

The speaker provided an overview of the crisis and listed the reasons for the widespread impact on trade flows. Since production and supply chains are interlinked, the crisis spread from developed to developing countries especially through channels such as trade, tourism, remittances and foreign investment.

To improve the situation, a representative forum like the G-20 is required and attempts should be made to prevent countries from resorting to protectionism. This situation has increased the value of finalizing the package on offer in the Doha Development Agenda (DDA) and successfully concluding the Doha Development Round. He ended by listing measures to tackle the financial crisis.

Recruitment Seminars

- 'EU-US agricultural support policies: An assessment of likely implications for WTO negotiations' by Ms. Poornima Varma, Researcher, Centre for Economics Studies and Planning, School of Social Sciences, Jawaharlal Nehru University, February 2, 2009.
- 'Employment and growth under capitalism: Some critical issues with special reference to India' by Mr. Subhanil Chowdhury, Economist in Economic Research Foundation, March 9, 2009.
- 'Did productivity converge in manufacturing sector across Indian states?' by Dr. Badri Narayan Rath, Associate Fellow (Macro Unit), National Council of Applied Economic Research (NCAER), March 13, 2009.
- 'Analyzing macro-econometric models of forecasting money supply in India-1961-2004' by Dr. Rituparna Das, March 16, 2009.
- 'Implication of labour migration on rural economy: A case of Indo-Gangetic plains of India' by Dr. Nisha Varghese, National Centre for Agricultural Economics and Policy Research (NCAP), April 8, 2009.
- 'A macro-econometric model for India with focus on changes in public investment and its effect on macro economy' by Ms. Alamuru Soumya, University of Hyderabad, May 18, 2009.

Recent ICRIER Publications

Book

Retail in India

by Mathew Joseph and Nirupama Soundararajan,
Academic Foundation, New Delhi



Working Papers

NO.	TITLE	AUTHOR(S)	MONTH(S)
237	DO LABOR INTENSIVE INDUSTRIES GENERATE EMPLOYMENT? EVIDENCE FROM FIRM-LEVEL SURVEY IN INDIA	DEB KUSUM DAS GUNAJOIT KALITA	JUNE 2009
236	THE EMPLOYMENT POTENTIAL OF LABOR INTENSIVE INDUSTRIES IN INDIA'S ORGANISED MANUFACTURING	DEB KUSUM DAS DEEPIKA WADHWA GUNAJOIT KALITA	JUNE 2009
235	THE TWO WAVES OF SERVICE-SECTOR GROWTH	BARRY EICHENGREEN POONAM GUPTA	MAY 2009
234	INDIAN ECONOMIC OUTLOOK 2008-09 AND 2009-10	RAJIV KUMAR MATHEW JOSEPH DONY ALEX PANKAJ VASHISHT DEBOSREE BANERJEE	MARCH 2009
233	ADVERSE SELECTION AND PRIVATE HEALTH INSURANCE COVERAGE IN INDIA: A RATIONAL BEHAVIOUR MODEL OF INSURANCE AGENTS UNDER ASYMMETRIC INFORMATION	SUKUMAR VELLAKKAL	FEBRUARY 2009
232	INDIA IN THE GLOBAL AND REGIONAL TRADE: DETERMINANTS OF AGGREGATE AND BILATERAL TRADE FLOWS AND FIRMS' DECISION TO EXPORT	T.N. SRINIVASAN VANI ARCHANA	FEBRUARY 2009
231	TRADE IN ENERGY SERVICES: GATS AND INDIA	ARPITA MUKHERJEE RAMNEET GOSWAMI	FEBRUARY 2009
230	THE MISSING MIDDLE	ANNE O. KRUEGER	JANUARY 2009

<http://www.icrier.org/publication/thinkink.html>

TITLE	AUTHOR	DATE
FALLING ACCESS TO TRADE FINANCE DURING THE FINANCIAL CRISIS	SHRAVANI PRAKASH	JUNE 15 , 2009
MOBILES CAN BUILD A MORE INCLUSIVE FINANCIAL SYSTEM	MAMTA	JUNE 01 , 2009
AGRICULTURAL EXTENSION: ROLE OF MOBILE PHONES	GAURAV TRIPATHI	MAY 15 , 2009
IMPLEMENTATION OF SPS MEASURES IN INDIA	RASHMI RASTOGI	MAY 04 , 2009
WHY SUBSTITUTION ACCOUNT FAILED AND THE WAY FORWARD	LOKNATH ACHARYA	APRIL 21 , 2009
GUARANTEED WAGE EMPLOYMENT PROGRAMME – NREGS	SHIKHA JUYAL	APRIL 01 , 2009
INDIA AND IFRS: CAN WE BRIDGE THE GAAP?	SIRJJAN PREET	MARCH 15, 2009
WILL IT BE 'DÉJÀ VU' FOR GLOBAL STEEL INDUSTRY?	DEEPIKA WADHWA	MARCH 1, 2009
INTERIM BUDGET: POINTER TO BIG TROUBLES AHEAD	MATHEW JOSEPH	FEBRUARY 18, 2009
FUTURE PROSPECTS FOR RENEWABLE ENERGY IN INDIA	RAMNEET GOSWAMI	FEBRUARY 01, 2009
REAL SECTOR RESILIENCE: THE CASE OF BANGLADESH	TANU M. GOYAL	JANUARY 15, 2009
DEBT SUSTAINABILITY IN INDIA	DONY ALEX	JANUARY 07, 2009

Journals

TITLE	AUTHOR	JOURNAL'S NAME	MONTH/YEAR
FEASIBILITY CHECK FOR DIVERSIFYING TOWARDS HORTICULTURE PRODUCTION	SURABHI MITTAL	AGRICULTURE ECONOMIC RESEARCH REVIEW	JAN-JUNE 22(1), 2009
TO CONTRIBUTE OR NOT TO CONTRIBUTE: MICRO-THEORETICAL MODELS OF THE OPEN SOURCE SOFTWARE (OSS) DEVELOPMENT	AMIT SHOYON RAY SUBHASIS BERA	CITD DISCUSSION PAPER	APRIL, 2009
TOWARDS A COMMUNITY PRIVATE-PUBLIC PARTNERSHIP PARADIGMS FOR UNIVERSAL HEALTH INSURANCE IN INDIA: RATIONALE AND ISSUES	SUKUMAR VELLAKKAL	JOURNAL OF INSURANCE AND RISK MANAGEMENT	VOL-VII, ISSUE 14 JUNE, 2009

ICRIER Welcomes

Sl. No.	Name	Designation
1.	Mr. Francis Xavier Rathinam	Fellow
2.	Dr. Badri Narayan Rath	Fellow
3.	Mr. Subhanil Choudhury	Fellow
4.	Ms. Shravani Prakash	Research Associate
5.	Ms. Sukanya Natarajan	Research Associate
6.	Ms. Neha Malik	Research Assistant
7.	Ms. Monisha Grover	Research Assistant
8.	Ms. Parvathi Jayamohan	Research Assistant
9.	Ms. Ritika Tewari	Research Assistant
10.	Mr. Shraman Banerjee	Research Assistant
11.	Ms. Amrita Gupta	Consultant
12.	Mr. Raj Kumar Shahi	IT System Administrator

ICRIER in the News

- ◆ June 29 *The Statesman*. **India-China scuffle: Missing the Woods for the Trees at ADB Meeting.** ADB has approved "India Country Partnership Strategy" that involves ADB lending of US\$2.9 billion to India until 2012 and includes US\$60 million for a watershed development project in Arunachal Pradesh, despite opposition by China. The state which has the potential for generating 50,000 MW of hydroelectricity ranks first in the country in terms of untapped hydroelectric power. India should focus on the optimum absorption and utilization of the aid available to her.
- ◆ June 13 *The Economic Times*. **For a comprehensive inflation index.** ICRIER researchers brought out that the Wholesale Price Index (WPI) has been acknowledged as incomplete since it includes only goods. In order to give a complete picture of inflation, the need for a services-based index has already been recognized among policymakers. It is important to note that the Producer Price Index (PPI) in the US, the near counterpart of WPI in India, introduced services in 1995 and has been regularly updated by the inclusion of new services.
- ◆ June 9 *Business Standard*. **Experts tell FM to step up spending in infrastructure.** Leading economists today asked Finance Minister Pranab Mukherjee to have provisions in the Budget to step up public investment in infrastructure to boost the economy reeling under the impact of the global financial meltdown. "Fiscal stimulus while necessary... Economy requires extended public expenditure on physical infrastructure," economic think-tank ICRIER's Director Rajiv Kumar told reporters when asked about suggestions put up for consideration by the Finance Minister.
- ◆ June 4 *The Economic Times*. **Bumpy Ride Ahead: Health Insurance Needs Proper Diagnosis.** Indian health care market is a lucrative one for the insurance companies not only because it has enormous potential to expand but also due to the fact that IRDA has licensed many third party administrators

- (TPAs). The FDI cap in the insurance sector is set to be increased to 49% from the current 26% through the second insurance bill. But the path ahead also poses some serious challenges; one of the biggest challenges is that the insurance companies have to convert the huge out-of-pocket health spending (72% of the total health expenditure and 98% of the total private health expenditure) into formal risk pooling mechanism to which people have never been exposed before. It is high time that insurance companies apply appropriate and innovative marketing strategies to overcome all the impending challenges and hurdles in the path of progress for this sector of the Indian economy.
- ◆ May 20 *Business Standard*. **Don't roll back tax sops, focus on tax reform: Experts to Govt.** The new UPA government should not roll back tax cuts but focus on tax reforms like starting GST from the next fiscal and putting in place a new direct tax code to replace the Income Tax Act to boost the economy, analysts have said. "Reduction in excise duty, just let them be. They should not be rolled back," economic research body ICRIER Director Rajiv Kumar told PTI.
 - ◆ May 20 *Livemint.com*. **Reforms: the road ahead.** India has emerged the clear winner in this election. This extraordinary verdict needs a policy response that will reinforce this victory. Nobody had expected the result to be so unambiguously and clearly in support of rapid, sustained and inclusive economic growth. Indian people have used their constitutional right to declare with stunning clarity and unexpected unanimity that they appreciate governments that pursue developmental goals.
 - ◆ May 19 *Moneycontrol*. **Revision of GDP growth targets premature: Shankar Acharya.** Dr. Shankar Acharya of the Indian Council for Research on International Economic Relations (ICRIER) said the expectations from this government are higher as this government is more empowered than the previous Congress-led United Progressive Alliance (UPA) coalition.
 - ◆ May 17 *Business Standard*. **Next budget should take care of jobs, investment.** With the new UPA Government expected to come out with the full Budget for 2009-10 within 45 days of its formation, economists want it to bring in measures to generate employment opportunities and to boost investment. While leading economist Meghnad Desai said stimulus packages provided by the Government were not enough, former Chief Economic Advisor Nitin Desai said there is no fiscal space for another package.
 - ◆ May 8 *Business Line*. **Toxic assets, institutions.** It is now over six months since the collapse of Lehman Brothers, and a similar time period since the Troubled Assets Relief Program (TARP) with a budget of \$700 billion was put in place in the US. TARP was created to buy out the mortgage-linked toxic assets of the financial institutions, thereby removing these non-performing loans from their balance sheets. The recapitalization of banks needs to be just enough to keep them viable but they should not be made too big to fail, thereby making them globally toxic institutions.
 - ◆ April 28 *Business Line*. **The Economic Impact of Mobile Telephony.** The rapid spread of mobile telephony in India is the most obvious manifestation of the benefit of telecom sector liberalization. At the current level of accretion of over 10 million wireless subscribers per month, there will be over 540 million subscribers by 2010.
 - ◆ April 27 *Business Standard*. **India can do little on US Visa proposal: Experts.** Even as India reacted strongly against the proposed changes in the US visa regime, trade experts said the country could do little in multilateral forums like the World Trade Organization (WTO) to appeal against implementation of such measures. The proposed changes, anchored by Senators Chuck Grassley and Dick Durbin in the US Senate, will adversely impact Indian infotech companies like Wipro and Infosys. That is because firms cannot hire employees under H-1B and L-1 visas if more than half their workforce holds these two work visas.
 - ◆ April 27 *The Economic Times*. **Protect Trade from Protectionism.** Heads of the G-20 at their recent London retreat pledged to abstain from imposing any trade protectionist measures. Although they were reiterating what they had already committed to last November in Washington, 17 of these 20 countries were reported by the World Bank as having imposed trade restrictive measures since then.
 - ◆ April 8 *The Financial Express*. **Strengthening Food Security in South Asia.** South Asia has the highest number of people who live under the poverty line and who are malnourished. Although the economies are growing at a much faster pace than in the past, food security remains the biggest challenge in the region.
 - ◆ March 26 *The Financial Express*. **Wealth effect in health insurance.** Why is health insurance coverage still at a very low level in India? My recent study (ICRIER Working Paper No 233) addressed the issue of the low level of insurance coverage in detail by

examining the role of insurance agents in scaling-up the process. Selling health insurance is a less profit-oriented business for them compared to life and other forms of insurance, because it involves just one-year term schemes that have to be renewed every year.

- ◆ March 25 *Business Line*. **GDP growth rate to be 4.8-5.5% in 2009-10.** The country's GDP growth rate for 2009-10 might be in the range of 4.8 to 5.5 per cent, the Indian Council for Research on International Economic Relations (ICRIER) has said, reflecting the likely intensification of the domestic economic slowdown. In a working paper, Indian Economic Outlook 2008-09 and 2009-10, the economic policy think-tank has attributed the lower forecast for the next fiscal, when a new Government assumes office, to the impact of the worst economic downturn since the Great Depression.
- ◆ March 25 *Business Spectator*. **Crawl before you walk.** There is a flurry of international activity as we approach the G-20 London Summit on April 2. The G-20 process started in 1998, as an informal gathering of finance ministers and central bank governors in the wake of the Asian crisis. The first Summit in Washington on November 15 seemingly transformed it overnight into the principal global institutional mechanism for addressing practically all that currently ails the world.
- ◆ March 19 *The Economic Times*. **Why Labour reforms are a must for job creation.** The sluggish industrial growth of recent months implies structural rigidities in the economy, as per a recent ICRIER working paper labeled 'The Missing Middle'. For broad-based, read 'inclusive economic growth', what's suggested is rapid increase in relatively unskilled, labour-intensive manufacturing.
- ◆ March 17 *The Economic Times*. **Be there for ASEAN to gain in the long run.** Those in India denouncing protectionism in the US would do well to look inwards. The signing of the India- ASEAN free-trade agreement has been apparently delayed at India's request. On the other hand, at the just concluded 14th ASEAN summit in Hua Hin, Thailand, the grouping has signed a free trade deal with Australia and New Zealand, approved the road map for an ASEAN economic, politico-security and socio-cultural community by 2015, called for expediting the \$120-billion emergency forex pool agreed between ASEAN +3 (China, South Korea and Japan) and resolved to stand firm against protectionism.
- ◆ March 12 *Business Standard*. **A Cloudy Outlook.** History never quite repeats itself. But there are some disquieting similarities between now and 1997. That was the year when the Asian Financial Crisis struck, the decisions on the Fifth Pay Commission blew a big hole in India's public finances and political uncertainty ratcheted up. As a result, the growth of investment and exports fell sharply and GDP growth collapsed to 4.3 per cent in 2007/8 from 8 per cent in the previous year.
- ◆ March 9 *Business Standard*. **Will the Rural-Urban Telecom divide widen?** A further reduction in termination rates would seriously impact mobile operators' plans to expand in rural areas, say Rajat Kathuria and Mahesh Uppal. The recent extraordinary growth in telecommunication connections in India, which topped 15 million per month in January 2009, has understandably grabbed the headlines. These huge numbers, however, disguise a disturbing reality which is the enormous variation within India.
- ◆ February 23 *Outlook*. **Organised Retailers will not Fall Under.** Dr. Mathew Joseph, team leader of ICRIER's much-debated report on the impact of modern retail on the kirana store, spoke to Outlook on the sector's woes.
- ◆ February 19 *Business Standard*. **Solving the food conundrum.** This is a collection of papers emerging from a seminar organised by the Indian Council for Research on International Economic Relations (ICRIER) at the behest of the External Affairs ministry. The aim was to address two issues — agricultural reform and prospects of business investment under the aegis of the USA-India Agricultural Knowledge Initiative.
- ◆ February 10 *Moneycontrol.com*. **See FY09 GDP growth at 6.5-7%: Shankar Acharya.** Dr. Shankar Acharya, Honorary Professor, Indian Council for Research on International Economic Relations (ICRIER) and Member of Board of Governors, has said the government's forecast of 7.1% GDP growth for FY09 is reassuring, but added that "it looks a little on the higher side compared to the consensus, which was about 6.7%-6.8%."
- ◆ January 30 *The Hindu*. **India has Potential in Energy Trade.** Given the availability of highly skilled manpower at competitive rates, India has the potential of providing energy-related consultancy services, an ICRIER study said.
- ◆ January 26 *Hindustan Times e-paper*. **Isher Judge Ahluwalia receives Padma Bhushan.** Dr. Isher Judge Ahluwalia (Literature & Education), wife of Montek Singh Ahluwalia, has done exemplary work in economics, having authored several books.
- ◆ January 20 *Financial Times (FT.Com)*. **India warned to**

boost internet. Rajiv Kumar, Director of the Indian Council for Research on International Economic Relations, Vodafone's research partner, warned that India's "very low" penetration of internet would be a drag on the country's global competitiveness.

- ◆ January 20 *Business Standard*. **Teledensity determines states' growth rates: ICRIER.** The research outlines the benefits for small businessmen and those living in urban slums. It found that mobile phone-users were able to cut down on their travel costs drastically and reduce the time taken to do a piece of work by 52 per cent.

- ◆ January 20 *Live Mint.Com*. **Teledensity determines states' growth rates: ICRIER.** A report titled India: The Impact of Mobile Phones, published by the Indian Council for Research on International

Economic Relations, or ICRIER, a New Delhi-based think tank, says states with 10% higher mobile phone penetration than others have grown 1.2% faster.

- ◆ January 5 *Economic Times*. **India can withstand 'export shock'.** The market for India's output is largely within the geography of the country — this would seem a grim reality in normal times but at the current juncture, maybe, something to celebrate, rather than rue.

- ◆ January 4 *Business Line*. **Stimulus not sufficient to boost growth, say economists.** This (stimulus package) is in the right direction, but not sufficient," economic think-tank ICRIER's Director, Dr. Rajiv Kumar said when asked whether the steps announced by the government and the RBI on Friday would be able to revive industry and exports.

About ICRIER

ICRIER – established in August 1981 – is an autonomous, policy-oriented, not-for-profit economic policy think tank. ICRIER's main focus is to enhance the knowledge content of policy making by undertaking analytical research that is targeted at improving India's interface with the global economy. We have nurtured our autonomy by establishing an endowment fund, income from which enables us to pursue our priority research agenda. ICRIER's office is located in the prime institutional complex of India Habitat Centre, New Delhi.

ICRIER's founding Chairman was Dr. K.B. Lall, who led the organisation from its inception till 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**. ICRIER's founding members included Dr. Manmohan Singh, Dr. C. Rangarajan, Dr. M.S. Swaminathan, Dr. Jagdish Bhagwati, Mr. M. Dubey, and Dr. Deepak Nayyar.

To effectively disseminate the research findings, ICRIER organises workshops/ seminars/ conferences to bring together policymakers, academics, Union Cabinet Ministers, Members of Parliament, senior government officials and industry representatives and media persons to try and create a more informed understanding on issues of major policy interest. ICRIER invites distinguished scholars and policy makers from around the world to deliver public lectures on economic themes of interest to contemporary India.

ICRIER's highly qualified in-house team of about 50 researchers includes several Ph.D.s from reputed Indian and foreign universities. In addition, we have 23 External Consultants working on specific projects. The team is led by **Dr. Rajiv Kumar**, D.Phil in Economics from Oxford University and Ph.D. from Lucknow University.

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