

ICRIER

N E W S

VOL. XXII, JULY - DECEMBER 2009

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Board of Governors



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Anwarul Hoda



Rajiv Kumar

Letter from the Director

Dear Reader,

For the first time since ICRIER was established, a clearly articulated medium-term strategy that provides the broad direction for ICRIER's expected evolution in the coming decade was approved by the Board in August and brought out in the beginning of October. ICRIER's objectives, as spelt out in the vision statement, is to contribute to rapid and inclusive growth in India by enhancing the knowledge content of policy making. This will be achieved by fostering collaboration with research institutions globally and facilitating informed discussion between policy makers, industry representatives, academia, legislators at the central and state levels and foreign experts.



In line with the vision statement, the medium-term strategy aims to deliver outcomes in three areas: research and related activities, public policy discourse and training and capacity building. The strategy document outlines seven broad thrust areas for research:

- i. Macroeconomic Management in an Open Economy
- ii. Trade Openness, Restructuring and Competitiveness
- iii. Financial Sector Liberalisation and Regulation
- iv. WTO related issues
- v. Regional Economic Co-operation with focus on South Asia
- vi. Strategic Aspects of India's International Economic Relations and
- vii. Environment and Climate Change

Apart from providing a focus for ICRIER's research activities, these also provide flexibility to ensure that the actual research undertaken under each of these broad thrust areas is in line with evolving policy priorities.

Over the past six months, ICRIER has bagged projects worth Rs.291 lakh for seven new research projects, taking the overall research grants received by the Council in 2009-10 to Rs.567.90 lakh. Besides, eight research studies were completed, one volume of research works has been published and six studies were brought out as ICRIER Working Papers. We expect ICRIER's annual revenue to touch Rs.10 crore in fiscal 2009-10 – an increase of almost 30 per cent over the last fiscal.

ICRIER has also relaunched its Policy Brief series during this period. These briefs focus on the policy implications of the research done at ICRIER. The series is designed to disseminate our findings and conclusions among a wider audience and trigger serious debate on policy issues.

In the six-month period, July to December 2009, 32 events including special lectures and international conferences, had been organised. The importance of these events as facilitation and dissemination exercises cannot be overemphasised. However, we will try and further ensure that events arranged by ICRIER are increasingly directed towards disseminating the findings of research done at ICRIER.

Another highlight of the past six months has been the acquisition of land in the Saket Institutional Area to build ICRIER's premises. After taking over possession of the land in January 2010, we expect to be able to complete the construction of our premises within the next two years. This will be a state-of-the-art, green building for which guidance will be given by the recently constituted Building Committee of the Board.

In the meantime, ICRIER has leased additional premises at the India Habitat Centre to accommodate the expansion of our research and administrative staff over the year. This growth is reflected in the expansion of our in-house research staff – two professors, one senior fellow, four consultants, two research associates and 6 research assistants have been added to the ICRIER team during this period. The work of upgrading our IT infrastructure to bring it on par with the best globally also continued apace with a generous grant from the State Bank of India.

Not much of this could have been achieved without the guidance and support of our Chairperson, Dr. Isher Judge Ahluwalia and of the Board of Governors. I would like to express my sincere gratitude to them.

Wishing you all a very happy 2010.

A handwritten signature in black ink, appearing to read 'Rajiv Kumar'.

Rajiv kumar

Conferences/Seminars/Lectures

International Conferences

Impact of the Global Financial Crisis on South Asia

July 2, 2009



L to R: Ms. Deirdre Boyd, UNDP, Dr. Rajiv Kumar, Director & CE, ICRIER, Prof. Kaushik Basu, Cornell University, Mr. Ajay Chhibber, Director, UNDP, Dr. S. Gangopadhyay, India Development Foundation (IDF).

ICRIER in partnership with the United Nations Development Programme (UNDP), India, organised a panel discussion on the “Impact of the Global Financial Crisis on South Asia” which was held on July 2, 2009. Prof. Kaushik Basu, who chaired the seminar, pointed out that the financial crisis, which started with the sub-prime mortgage lending in the US, was exacerbated by a combination of complex and opaque financial products like credit default swaps (CDS) and loose regulation of the financial market. He stressed the need for restructuring the financial sector (especially in the developed economies) with sound regulation to ensure that such episodes are not repeated. Dr. Chhibber, Director, Asia Pacific Bureau of UNDP, pointed out that the myth that emerging (especially Asian) economies were relatively insulated from happenings in developed countries had been exploded by the synchronised collapse seen in the Asia Pacific region due to the financial crisis. Dr. Rajiv Kumar, Director and Chief Executive of ICRIER, provided an analysis of the transmission channels through which the crisis impacted India and how various sectors were affected by the crisis. The impact of the crisis on social indicators and GDP growth in South Asia, particularly India, was the focus of the paper presented by Dr. Subhasis Gangopadhyay, Director, India Development Foundation.

Gender, Development and Food Security: Addressing Policy Coherence

July 17, 2009

A seminar on “Gender, Development and Food Security: Addressing Policy Coherence” was presented by Dr. Basudeb Guha-Khasnobis, Senior Economic Advisor at UNDP’s Regional Bureau for Africa, Malawi, on July 17, 2009. He spoke of the role of women in ensuring food security in South Asian countries on the basis of the findings of an econometric analysis he had conducted using data from the Pakistan Integrated Household Survey conducted by the World Bank and the Federal Bureau of Statistics of Pakistan.

The analysis threw up two important results: a) that an improvement in women’s status enhances the probability of increasing resource allocation to women and children and b) that there was a positive relation between women’s intra-household status and children’s food security. This suggests that steps to empower women could also help in reducing child malnutrition in Pakistan. The finding would also be applicable to other developing countries. The measures Dr. Guha-Khasnobis suggested to raise the status of women included a reduction in the ‘education gap’ between wives and husbands, removal of the ‘gender gap’ in wages for those in employment and the provision of micro-credit to women.

First Round Table on Japan

August 11, 2009

The First Japan Round Table was held on August 11, 2009. The objective of the round table was to enhance understanding of the economic as well as strategic motivations of both countries in working towards a Comprehensive Economic Partnership Agreement (CEPA). The focus was on Indian and Japanese perspectives on contentious issues in the negotiations and the future of Indo-Japanese economic engagement. The meeting was chaired by Amb. Santosh Kumar (Retired), Senior Consultant, and Director, National Interest Project, ICRIER. Participants in the roundtable included representatives from Indian business associations, Indian think tanks, the Indian commerce ministry, high ranking officials of several Japanese companies and former diplomats.

Mr. Keizo Takewaka, Minister (Economic Affairs) in the Embassy of Japan, New Delhi, who initiated the discussion with a presentation on the India-Japan Comprehensive Economic Partnership Agreement (CEPA) said that while the agreement could only play a limited role in redressing the trade balance between the two countries, it would encourage trade. The significance of the CEPA, according to him, lay in the broader context of a strategic partnership between the two countries. Discussants at the seminar pointed out that despite several rounds of negotiations, little progress had been made on issues such as technical barriers to trade and stringent sanitary and phyto-sanitary conditions which act as non-tariff barriers to Indian exports, particularly exports of pharmaceuticals and chemicals. Similarly, there had been little progress in the area of services where the major hurdle was the lack of mutual recognition agreements (MRA).

India’s Relations with its Neighbours

August 18, 2009

A seminar was organised by ICRIER on August 18, 2009, in collaboration with the Konrad-Adenauer-Stiftung on “India’s Relations with its Neighbours”. The focus of the seminar was on whether India could develop a policy which will ease tensions in its neighbourhood. Even 62 years after Independence, India has not yet developed a modus vivendi to ensure cordial relations with her neighbours. Papers were presented on India’s relations with Myanmar, Bangladesh, Pakistan, Nepal,



L to R: Mr. Shrawan Nigam, Senior Consultant, ICRIER and Dr. Beatrice Gorawantschy, Resident Representative, Konrad Adenauer Stiftung (KAS)

Afghanistan and Sri Lanka. The speakers offered a critical review of India's relations with these countries and outlined measures that needed to be adopted to ensure better relations between India and her neighbours. Speakers included former ambassadors, army personnel and academics.

Interaction with CIPPS Delegation from Japan

August 25, 2009

An interaction with The Centre for International Public Policy Studies (CIPPS) Mission to India was organised on August 25, 2009 in New Delhi. The CIPPS delegation was led by Mr. Kazuo Tsukuda, Chairman, Mitsubishi Heavy Industries and included Hiroshi Okuda, Chairman CIPPS and Senior Advisor, Toyota Motor Corporation and Naoki Tanaka, noted economic policy analyst and President, CIPPS. In the first session, the delegation held discussions with Dr. Rajiv Kumar, Director and CE, ICRIER and ICRIER Board Members on India's medium to long-term economic prospects, the UPA government's economic strategy and India's role in emerging global governance. The second session focused on India's FDI strategy and perspectives on infrastructure development and financial sector reform in India. Japanese industry representatives from the insurance, banking and infrastructure sectors made three presentations – *Supporting Logistics Infrastructure in India* by Yasushi Takada, *India: World's Hottest Market* by Katsuhiko Kaneyoshi, and *Liberalisation of the Banking Industry and Challenges in India* by Takashi Muraoka. Senior representatives of government, the diplomatic corps, industry, banks and think tanks were among the speakers from India. The participants exchanged views on sector specific bottlenecks and put forward suggestions for improving the investment environment in India. They also underlined the significance of further financial sector and education reforms for India to achieve a sustained growth rate of over nine per cent.

Second Round Table on Japan

September 9, 2009

The second Japan Round Table, held on September 9, 2009 on "A New Era in Japan?" saw an analytical discussion on the significance of the massive mandate that the Democratic Party of Japan received in the recent elections, ending five decades of almost uninterrupted rule by the Liberal Democratic Party.

The discussion focused on the likely impact of the election results on Japan's economic recovery strategy, its alliance with the United States, its regional relations particularly with China, South Korea and India and its global role. The DPJ's dependence on a coalition with the Social Democratic Party and the People's New Party to control the upper house of the Diet, it was felt, would shift the focus of the new government towards domestic welfare plans and administrative reform despite the emphasis laid by the DPJ on foreign relations in the run up to the elections. The prognosis for India-Japan relations was ambiguous. It was felt that India first needed to establish direct political contact with the new government in Japan in order to ensure that bilateral relations do not evolve merely as a postscript to Japan's relations with the United States and China.

International Co-operation in Times of Global Crisis: Views from G20 Countries

September 14-15, 2009

A two day conference was organised by Bruegel-ICRIER-CEPII in collaboration with Konrad Adenauer Stiftung, IMF, World Bank, France Diplomatie, Ministry of External Affairs (MEA) BNP Paribas and Banque De France on 'International Co-operation in Times of Global Crisis: Views from G20 Countries' in New Delhi on September 14 and 15, 2009. In the wake of the global crisis, the G20 has largely substituted the G7 as the key forum for international economic co-operation. However, G7



L to R: Dr. Edwin M. Truman, Peterson Institute for International Economics, USA, Dr. Dietrich Jahn, German Ministry of Finance, Prof. Jean Pisani-Ferry, Director, Bruegel, Belgium, Prof. Andrew Sheng, University of Malaya, Dr. D. Subbarao, Governor, Reserve Bank of India, Dr. Rajiv Kumar, ICRIER, Dr. Peter Draper, South African Institute of International Affairs, South Africa and Dr. Tim Callen, Advisor, International Monetary Fund (IMF)

and non-G7 members of the G20 come to G20 meetings with different priorities. Developed countries have taken a direct hit on their banking and financial systems as a result of the crisis and they accordingly give priority to strengthening financial regulation and supervision. Emerging economies have been primarily affected by the collapse of trade and (mostly in emerging Europe) the outflow of capital. Their priority is thus to ward off the re-emergence of protectionism in trade and finance. As newcomers, the emerging countries are also focused on the distribution of power and they adamantly claim that they need more say in international institutions. So far, the G20 agenda has been dominated by the management of the global turmoil, the provision of financial resources to countries in crisis, and the rebuilding of financial regulation

– a rather G7-like agenda. Meanwhile, it has been silent on the issue of global imbalances, where it could have made a difference. In the future, the G20 agenda will have to evolve and better reflect the variety of concerns of its members.

South Asian Financial Systems at a Crossroad: Promoting Stability and Growth

November 11-12, 2009



L to R: Mr. Ashok Chawla, Secretary, Ministry of Finance, Dr. Rajiv Kumar, ICRIER, Dr. Günther Taube, InWEnt and Dr. Benno Graw, Financial Counsellor, Embassy of the Federal Republic of Germany

The Indian Council for Research on International Economic Relations (ICRIER) and InWEnt, Germany jointly organised a conference on “South Asian Financial Systems at a Crossroad: Promoting Stability and Growth”. The conference, held over the November 11 and 12, 2009, brought together central bankers, policy makers and financial practitioners from the region with selected representatives from international organisations and academia for a dialogue on four related sets of questions. First, what are the strengths and flaws in current financial systems and how would a new approach of judicious liberalisation with more effective regulation facilitate growth with stability? Second, what would institutional and regulatory infrastructure that is conducive to improving regulatory surveillance and bringing about greater cohesion in the financial system look like? Third, how could monetary policy best deal with the impact of the global financial crisis on credit crunch, volatile exchange rates and growth? Fourth, how could the pre-crisis flaws of the international financial architecture be overcome?

The conference suggested that the focus should be on setting up an optimal institutional structure of regulatory bodies to strike a balance between the development of markets and financial stability measures such as greater transparency, increased disclosure and more standardisation. There was broad consensus that multi-pronged co-ordination, in particular by the G20, the Financial Stability Board (FSB) and the IMF, was a precondition to revive growth. Concern was expressed over the possibility that, despite the crisis holding lessons for the future, the declining impact of the crisis would result in a tendency to go back to business as usual. Participants, therefore, stressed the importance of implementing already agreed upon reforms in a consistent way and continuing to strive for improved international co-operation.

Symposium “Towards Copenhagen”

November 30, 2009

A Symposium “Towards Copenhagen” was organised by the Japan Project at ICRIER on 30th November. Mr. Shyam Saran, Prime Minister Manmohan Singh’s Special Envoy on climate change delivered the keynote address at the meeting. The symposium focused on the following issues:

- What are the implications of Japan’s ambitious commitment to reduce carbon emissions for international climate change negotiations?
- What would be the cost of this commitment for the Japanese economy struggling to cope with the worst economic downturn since World War II?
- In tandem with the idea of an East Asian Community, does the ‘Hatoyama Initiative’ on climate change signal a foreign policy shift in Japan with regard to Asia?
- What is the likely impact of Japan positioning itself as a “bridge” among countries with varied interests for international economic and trade issues?
- What should be India’s approach to securing its national interest in international climate change negotiations?



L to R: Dr. R. V. Anuradha, Partner, Clarus Law Associates, Dr. Joichi Kimura, Japan Bank for International Cooperation (JBIC), Dr. Rajat Kathuria, Professor, ICRIER, Dr. Prodipto Ghosh, Distinguished Fellow, TERI, Dr. R. S. Ratna, Professor, Indian Institute of Foreign Trade (IIFT) and Prof. Lalima Varma, School of International Studies, Jawaharlal Nehru University (JNU)

Mr. Anwarul Hoda, Professor, ICRIER, chaired the symposium. The key guest speakers were Mr. Joichi Kimura Chief Representative JBIC, Dr. Lalima Varma, Professor of Japanese Studies JNU, Dr. Prodipto Ghosh, Distinguished Fellow, TERI, Prof. R.S. Ratna, Professor Centre for WTO Studies, IIFT and Ms. R.V. Anuradha, Partner Clarus Law Associates.

Global Economic Prospects and the Indian Economy

December 3, 2009

The Organisation for Economic Co-operation and Development (OECD) and the ICRIER co-hosted a symposium on “Global Economic Prospects and the Indian Economy” on December 3, 2009. The main objective of the symposium was to facilitate a dialogue between the OECD, ICRIER and Indian governmental and non-governmental stakeholders

on key emerging priorities in the global economy and India. The symposium examined, inter alia, macro-economic developments and prospects for change in the world economy in the aftermath of the current crisis, trade-related and economic effects of responses to the crisis, international co-operation against protectionism, the effect of the crisis on India's economy and India's perspective on the global economy.

Seminars

Union Budget 2009-10: Reform and Development Perspectives

July 11, 2009

A seminar on "Union Budget 2009-10: Reform and Development Perspectives", was held on July 11, 2009. The seminar was jointly organised by the Centre for Policy Research,



ICRIER, India Development Foundation, National Council for Applied Economic Research and the National Institute of Public Finance and Policy. Expressing some concern about the high level of budget deficits, the heads of the five institutes, who were also the discussion panelists, felt that the budget was on the right track but needed careful monitoring and review to ensure results and minimise potential downside risks. Many of them also pointed out that the government needed to introduce a second round of reforms rather than just concentrate on pump priming the economy.

Doha Development Agenda – EC views on the way forward

July 15, 2009

Mr. Denis Redonnet, Head, Directorate General for Trade in the European Commission, spoke on "Doha Development Agenda – EC views on the way forward" at a seminar

organised by ICRIER on July 15, 2009. The proximate cause of the stalemate that the round ended in, according to him, was India's insistence on agricultural modalities and special safeguard measures (SSMs) to preserve the livelihood of the poor. He argued for sealing the deal. He pointed out that this would lead to an injection of confidence and help the world economy move out of the financial crisis by acting as a global stimulus. He spoke about the remedial measures taken by EU, which include reducing internal subsidies and providing greater market access in agriculture. The speaker emphasised that the way to move forward is to build trust among members, set out a clear timeframe for negotiations and strike the right balance between ambition and fairness. The speaker concluded by arguing that there should be a proper balance between the non-agricultural market access (NAMA), agriculture and services negotiations.

Trade Policy, Inequality and Performance in Indian Manufacturing

July 31, 2009

Dr. Kunal Sen, Institute for Development Policy and Management, University of Manchester, presented a seminar on "Trade Policy, Inequality and Performance in Indian Manufacturing" on July 31, 2009. The seminar was chaired by Professor K. L. Krishna. Dr. Sen's presentation, based on his recent book of the same name, examined the efficiency and equity outcomes with respect to the trade policy changes that have occurred in the Indian economy since the late 1970s, with particular reference to the Indian manufacturing sector. The most notable findings of the research was i) trade reforms had a strong positive impact on total factor productivity, at least in part because of the increased access to specialised capital and intermediate goods because of the removal of quotas and other import liberalisation measures ii) increased competition from abroad had a strong negative impact on domestic market power iii) a fall in the elasticity of employment with respect to imports and exports and iv) a steady rise in wage inequality in the Indian manufacturing sector in the 1990s due to technological change and the consequent requirement for more skilled manpower. Trade policy, however, does not appear to have played a significant role in influencing regional industrialisation patterns.

Deepening of the Securities Market and Financial Inclusion in India

August 20, 2009

A joint one-day conference was organised by ICRIER and MCX Stock Exchange on "Deepening of the Securities Market and Financial Inclusion in India" to provide a forum for academicians, practitioners and policy makers to deliberate on ways to expand access to finance, the hurdles in accessing finance and the required policy changes. The conference took place on August 20, 2009.

The conference addressed questions such as the need for innovative products, competition among stock exchanges to deepen the securities market and the policy and regulatory changes to expand access to it. There was consensus among



L to R: Mr. N. K Sengupta, Chairman, Board for Reconstruction of Public Sector Enterprises, Mr. Shrawan Nigam, ICRIER, Mr. Paul Joseph, MCX Stock Exchange and Mr. Atul Kumar Rai, IFCI Ltd.

The study points out that the business environment for the industry has been vitiated by the multiplicity of agencies that regulate the sector at various levels of government. It suggested regulatory and other reforms in areas such as the postal bill, ground handling policy, customs regulations, infrastructure and inter-state movements of goods for improving the productivity and efficiency of this sector and the Indian economy as a whole. The seminar was attended by representatives from different departments of central and state ministries, the express industry, embassies, global express delivery councils and associations.

Negotiations in Climate Change: Challenges and Opportunities

August 27, 2009

The WTO Seminar for the month of August was delivered by Ms. Anuradha R. V. on the topic "Negotiations in Climate Change: Challenges and Opportunities". The presentation focused on issues and concerns facing developed and developing countries with particular reference to India. These included the issue of carbon emissions in the developed and developing world, transfer of clean technology and financial transfers from developed to developing countries to help them meet the cost of tackling greenhouse gas emissions. She then spoke of unilateral carbon border adjustment measures proposed by most developed countries and concerns regarding WTO compatibility of these measures. She also highlighted the problems caused by the difficulty in measuring CO₂ intensity. Dealing with India's problems in tackling climate change, the speaker said that legal and foreign exchange problems have prevented it from tapping the full potential of clean technology. But she felt that lifestyle changes among the rich could help India reduce carbon emission levels considerably.

High-level closed door stakeholder consultation

August 28, 2009

As a precursor to the WTO mini-ministerial being organised in Delhi, a high-level, closed door stakeholder consultation was held by the ministry along with ICRIER. The objective was to obtain inputs on what India's priorities should be in terms of the negotiations. Mr Rahul Khullar, commerce secretary and Mr D.K Mittal from the Ministry of Commerce and Industry were among the participants. Mr. Khullar explained the three-pronged approach being taken by Indian negotiators – first, negotiators were making efforts to explain the status and intricacies of the negotiations to Indian stakeholders; second, stakeholder consultations were being held on sensitive issues to obtain inputs; and three, India was trying to garner international support through informal meetings with other members. Though he did not stress much on technical issues, he did say that the outcome of the ministerial should be such that agriculture, non-agricultural market access (NAMA) and services should move together as a single undertaking – an observation that was met with scepticism. Responding to this, Mr. Khullar pointed out that without an agreement on trade in services, it would be difficult to wind up the negotiations by 2010.

speakers and panelists that competition among stock exchanges would reduce transaction costs and improve access to equity investments, besides covering a much larger population. The speakers and panelists cited the tremendous growth in the telecom, banking and aviation industry, which resulted from greater competition and drew parallels with the current initiatives to improve access to finance. The possibility of new stock exchanges for small and medium enterprises (SMEs) to increase competition among exchanges and reduce firms' transaction costs and listing fees was also discussed. It was also proposed that a financial literacy and education programme should also be accorded high priority by the government, regulators, stock exchanges and other securities market institutions.

Facilitating Trade and Global Competitiveness: Express Delivery Sector in India



L to R: Dr. Steven R. Okun, UPS, Prof. Arpita Mukherjee, ICRIER, Prof. Anwarul Hoda, ICRIER, Ms. Kiran Puri, Ministry of Commerce & Industry and Mr. T.C.A. Srinivasa Raghavan, Hindu Business Line

August 26, 2009

ICRIER organised a seminar on "Facilitating Trade and Global Competitiveness: Express Delivery Sector in India", on August 26, 2009. The findings of a primary survey-based study, conducted jointly by ICRIER and IIM (C) for the Express Industry Council of India, were presented at this event. The study analysed the contribution of this sector to the economy, trade and employment, apart from assessing its growth potential. It also discussed trade barriers and suggested policy reforms for enhancing India's global competitiveness.

The State of the Theory and Practice of Macroeconomic Policy after the Global Crisis

September 16, 2009

Prof. David Vines (Oxford University) presented a seminar on the “The State of the Theory and Practice of Macroeconomic Policy after the Global Crisis”, on September 16, 2009. The talk was a critical overview of the state of macro economics, post the global financial crisis. Dr. Vines pointed out that the Keynesian framework was based on ad-hoc assumptions that had an inadequate microeconomic foundation. Neo-classical economics sought to correct for this weakness by giving Keynesian economics a rigorous analytical framework. However, in the process, they replaced ‘truth with beauty’ by providing good mathematical rigour but basing it on faulty economic assumptions. This was one of the main reasons behind the failure of economists to foresee the global crisis. Prof. Vines said that to ensure more realistic economic models, finance should be incorporated in new macro economic models to take note of some of the developments in the banking sector such as originate to distribute banking, leverage ratios and mark to marketing accounting. However, he felt that these should be introduced into the Keynesian framework which, according to him, still remained the best macroeconomic analytical framework.

The State of the Macro Economy

October 14, 2009

A seminar on the state of the macroeconomy was jointly by ICRIER and the Centre for Monitoring the Indian Economy On October 14. Dr. Mathew Joseph, who made a presentation on the outlook for the Indian economy, said that despite the signs of recovery from the global financial crisis, the GDP growth rate for the Indian economy is likely to be between 5.8 to 6.1 per cent in 2009-10, below the 6.7 per cent recorded in fiscal 2008-09. While there has been an improvement in Indian industry, particularly the manufacturing sector, the adverse impact of the fall in kharif production due to a rainfall deficiency will



L to R: Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister, Dr. Mahesh Vyas, CMIE, Dr. Mathew Joseph, ICRIER, Prof. Shankar N. Acharya, ICRIER Dr. Surjit S. Bhalla, Oxus Investments Private Limited and Dr. Subir V. Gokarn, Standard & Poor's

act as a drag on the overall growth of the economy. In the current financial year, the major policy challenges for the government will come from the rather sharp rise in inflation and deteriorating public finances. The balance of payments situation may also require policy attention despite a narrowing of the current account deficit and a considerable capital account surplus because of the appreciation of the rupee.

Dr. Mahesh Vyas, who made a presentation on behalf of CMIE, projected a growth rate of six per cent for 2009-10. He said that there had been growth in demand which has boosted investment in the economy. Referring to concerns about rising inflation in the economy, he pointed out that much of the inflation could be attributed to rising prices of supply-constrained food items that could not be controlled by monetary policy measures such as raising interest rates. He also cautioned that a rise in interest rates could slow down the economy and actually fuel inflation by constraining an increase in supplies.

Patenting Public Funded Research: International Experience and an Indian perspective

October 29, 2009

In a seminar on “Patenting Public-funded Research: International Experience and an Indian perspective”, Prof. Amit Shovon Ray presented the findings of his study on patenting of public-funded research in India, focusing on the drivers of academic research in India in the wake of The Protection and Utilisation of Public Funded Intellectual Property Bill, 2008 that was recently introduced in the Rajya Sabha. The bill is aimed at energising public-funded research and its commercialisation in India. This bill is supposed to have been inspired by the US Bayh-Dole Act of 1980, which transferred intellectual property ownership of federally funded research to US universities and institutes. He presented evidence from literature on the subject to show that even if the US law helped in increasing university patenting in the US, it did not necessarily lead to commensurate increases in licensing or commercialisation. Moreover, revenue generation from licensing of public-funded research has been rather limited and has remained highly concentrated in a few fields and institutes in the US. In order to draw meaningful lessons from the US experience, Professor Ray pointed out the clear differences between the two countries and presented his own research, based on econometric evidence, of the drivers of academic research in India. He concluded that streamlining intellectual property rights in the case of public-funded research in India may prove to be important and effective, once the quality and level of university-industry interface in India reaches a particular threshold level. Otherwise, it might end up being a case of putting the cart before the horse.

South Africa after 15 years of Democracy: Achievements and Challenges Ahead

November 11, 2009

At a seminar on “South Africa after 15 years of Democracy: Achievements and Challenges Ahead” organised by ICRIER on November 11, 2009, Dr. Ann Bernstein, founding executive director of the Centre for Development and Enterprise (CDE), South Africa pointed out the remarkable strides South Africa has made towards political stability and economic progress in the fifteen years since apartheid ended in 1994. April 2009 saw the third peaceful, free and fair general election of the democratic era. In it, although the ANC's dominance

was confirmed with a close to two-thirds majority nationally, the opposition Democratic Alliance (DA) won an outright majority in the Western Cape Province and has formed a regional government there, to complement its leadership of the governing coalition in the city of Cape Town. Especially for those who believe that prolonged one-party dominance threatens the decay of democratic institutions and practices, the DA's progress moves it up a gear from watchdog opposition to competitor in governance.

Despite South Africa's political and economic progress, many pressing and daunting challenges remain. All the country's challenges are challenges of economic growth. None is greater than unemployment. The official unemployment rate has fallen to a still appalling 23 per cent, but this figure excludes 'discouraged work seekers'. Young people bear the brunt of this, with 60 per cent of those under thirty unemployed in some areas. According to Dr. Bernstein, the key to addressing these problems is to unlock opportunities for enterprise and employment by improving access to markets and equipping the multitudes of people who lack access to the quality education needed to participate effectively in these markets.

Environmental Goods and Services Negotiations in the Doha Round - An Indian Perspective

November 25, 2009

The WTO seminar for the month of November was delivered by Mr. Jayant Dasgupta, Secretary, Economic Advisory Council to the Prime Minister, on November 25, 2009. Talking on "Environmental Goods and Services Negotiations in the Doha Round - An Indian Perspective", Mr. Dasgupta pointed out that the Doha negotiations mandated the reduction or elimination of tariff and non-tariff barriers on environmental goods and services (EGS) trade. As far as environmental services trade negotiations were concerned, he said India had already responded to most requests made under multilateral negotiations. It has also made requests for further liberalisation. By 2008, India opened six out of the seven lines under environmental services. However, negotiation in the case of environmental goods has been bogged down by the lack of a consensus in defining environmental goods. The main reasons for the inability to reach a consensus on this issue, according to Mr. Dasgupta, were the following. First, trade gains from liberalisation of environmental goods were not clear. Second, there was no discussion on transfer of technology, financial assistance or capacity building. And finally, developing countries fear that negotiations in EGS would be an attempt by developed countries at pushing through sectoral negotiations in non-agricultural market access (NAMA).

India KLEMS - Labour Input- Quantity and Quality by Industry

December 5, 2009

On December 5, 2009, the first workshop to discuss the labour account aspect of India KLEMS project was organised in ICRIER. The participants in the workshop comprised of people from academia, government statistical departments and research agencies. Prof. K.L. Krishna chaired the session and

introduced the India KLEMS project as an exercise to create a comprehensive data base on productivity growth using a growth accounting approach based on the Jorgenson (1987) methodology. Representing the India KLEMS labour account, Dr. Suresh Aggarwal presented the proposed methodology to calculate both the quantitative and qualitative aspects of labour input. The two main objectives of the labour account as laid down in the presentation are (a) to make a time series of labour input from 1980 to 2004-05, which is consistent with national accounts statistics (NAS) and (b) prepare a labour quality index from 1980 to 2004-05.

Emerging From The Global Financial Crisis - Challenges Ahead

December 11, 2009

ICRIER organised a seminar on "Emerging From The Global Financial Crisis - Challenges Ahead" by Dr. David A. Dodge, Former Governor, Bank of Canada, on December 11, 2009. In his presentation, Dr. Dodge said that the global economy is now rebounding from the crisis of 2008-2009, driven by expansionary fiscal policy, low interest rates and reversal of the inventory cycle. But global growth of private investment and household demand is likely to remain weak in the decade ahead. To limit the unsustainable rise of public debt, Dr. Dodge said that fiscal expansion needs to be reversed after 2011 in most countries. While monetary policy can remain accommodative to offset fiscal drag, structural policies to facilitate growth of household demand over the next decade will be required, particularly in emerging Asia. He also said that global co-operative action on macroeconomic policies and exchange rate mechanisms were essential to achieve sustained non-inflationary growth of global demand, facilitate adjustment and reduce domestic pressures for protectionist measures.

Comparing Growth Miracles of India and China: Are service-led growth and manufacturing-led growth converging or diverging?

December 15, 2009

What is the service revolution? Can the services sector be as dynamic as manufacturing? Can late comers to development take advantage of the globalisation of the services sector? Can services be a driver of sustained growth, job creation, and poverty reduction? Is service-led growth in India and manufacturing-led growth in China converging or diverging? What kind of policies and institutions do countries need to benefit from service-led growth? Dr. Ejaz Ghani, Economic Adviser, South Asia PREM, The World Bank, Washington D.C., USA, addressed some of these questions at a seminar on December 15, 2009. The growth experience of India suggests that a service revolution – rapid income growth, job creation, gender equality, and poverty reduction led by services – is now possible. Dr. Ghani pointed out that the services sector tends to create more jobs for women, which in turn creates a virtuous cycle. The promise of the service revolution is that countries do not need to wait to get started with rapid development.

Banking Crisis and Liquidity in a Broad Perspective

December 21, 2009

ICRIER's monthly open economy macro and financial sector seminar for the month of December was presented by Dr. Gurbachan Singh, Associate Professor at the Centre for International Trade and Development, Jawaharlal Nehru University on December 21, 2009. Dr. Singh attempted to address the issue of how to ensure liquidity in the case of a banking crisis. He pointed out that fiscal policy can be used in conjunction with traditional (inflation targeting) monetary policy to prevent a systemic crisis.

Talk on "Look West: The Evolution of U.S. Trade Policy Toward Asia"

December 22, 2009

A seminar titled "Look West: The Evolution of US Trade Policy Towards Asia" was presented by Mr. Vinod K Aggarwal, Director and Professor, Berkeley APEC Study Centre, University of California, on December 22, 2009 at ICRIER.

The main theme of this seminar was the evolution of US trade policy towards Asia over the last 50 years, reflecting not only changes in its vision of engaging Asia but also in the general American approach to trade negotiations. Since the 1950s, the US policy reflected belief in the desirability of free trade with non-communist countries and multilateralism. In the late 1980s, the US turned away from its former deep commitment to multilateral trade negotiations and began to pursue a strategy of "competitive liberalisation." This shift has been marketed as an innovative approach to trade negotiations, and includes the pursuit of bilateral and minilateral arrangements as well as sectorally-based market opening. These have been followed at the turn of the millennium by the active pursuit of bilateral trade agreements with countries such as Chile, Morocco, Singapore, Australia, and South Korea. The seminar centred on four major questions relating to US trade policy. First, how can we categorise the patterns of US trade arrangements over time? Second, what are the driving forces behind the evolution of US trade policy towards Asia? Third, what are the implications, both domestically and internationally, of this changing US trade strategy? And finally, what is the likely direction of future US trade policy?

Modelling Productivity Effects of Trade Openness: A Dual Approach

December 24, 2009

Prof. Satya Paul, Professor of Economics, University of Western Sydney presented a seminar on using a cost function approach to model the productivity effect of trade openness in terms of cost saving on December 24, 2009. He pointed out that the idea of 'cost saving' is closer to the entrepreneur's view of productivity. An entrepreneur would expect a reduction in the cost of production if trade openness brings any benefits to his firm. The output-enhancing (primal) productivity effect of openness is obtainable from the cost-saving (dual) productivity effect through the cost output link. The cost function framework also enables us to investigate whether trade openness induces firms to adopt a technology that is

biased towards the use or saving of any factor of production. He also presented an empirical exercise based on time-series data for the Australian, two-digit manufacturing industries, which revealed that trade openness had significant cost-saving and output-enhancing productivity effects. Trade openness is biased towards the saving of labour and the use of capital. These results are quite insensitive to the choice of alternative measures of openness.

Guests Lectures

Climate Change, Mitigation and Developing Country Growth

Nobel Laureate Prof. Michael Spence, Senior Fellow at the Hoover Institution and Philip H. Knight Professor Emeritus of Management in the Graduate School of Business at Stanford University

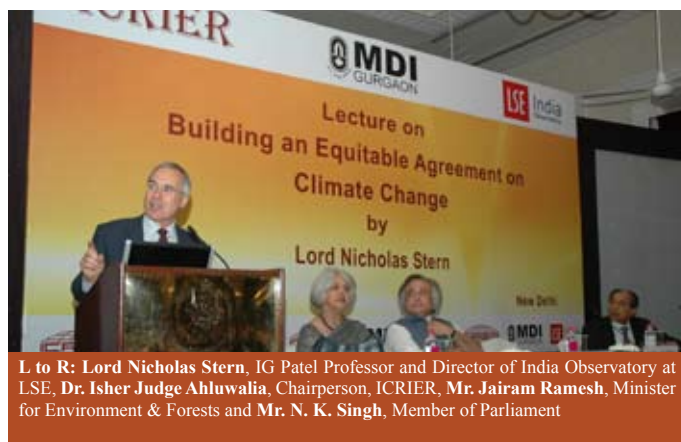
September 7, 2009

The Chairman of the Commission on Growth and Development and Nobel Laureate Prof. Michael Spence delivered a special lecture on "Climate Change, Mitigation and Developing Country Growth" organised by ICRIER on September 7, 2009. Prof. Spence said that developing countries had as important a role to play as developed countries in reducing greenhouse gas emissions. He contended that while the growth rate of emissions from developing countries had accelerated, emission levels in the developed world had reached a plateau. He suggested the adoption of an integrated approach, involving co-operation between advanced and developing countries for effective mitigation that involved a carbon credit trading system (CCTS) for advanced countries, and cross-border measures (CBM) as an optimum solution.

Building an Equitable Agreement on Climate Change

Prof. Nicholas Stern, IG Patel Professor and Director, India Observatory Chair, London School of Economics

November 9, 2009



ICRIER, the Management Development Institute and the London School of Economics jointly organised a special lecture on climate change by Prof. Nicholas Stern, IG Patel Professor and Director, India Observatory, London School of

Economics and Political Science, on November 9, 2009. Prof. Stern described the risks arising from the change in the global climate due to excessive greenhouse gas (GHG) emissions over the past 150 years of industrialisation. At the present growth rate of emissions, global temperatures may rise by as much as 5° C over that in the pre-industrial era by the year 2100. Talking of the need for urgent measures to help prevent so sharp a temperature rise, he said that it would be necessary for developed and developing countries to work out a global deal that would be effective in terms of reducing GHG emissions, efficient in terms of cost and equitable in terms of imposing higher target reductions on developed countries along with significant funding by them for mitigation and adaptation in developing countries. He also stressed the need to share green technologies.

Book Launches

Launch of ICRIER's study report on CGHS-ECHS report

November 5, 2009

An ICRIER study titled "Towards a Sustainable Public-Private Partnership under CGHS and ECHS" was released on November 5, 2009 by Mr. Amarjit Sinha, Joint Secretary, Ministry of Health and Family Welfare, Government of India, at the 6th CII-INDIA Health Summit, New Delhi. The study report was prepared by Dr. Sukumar Vellakkal, Mr. Ali Mehdi and Ms. Shikha Juyal. The study examined the issues and concerns of various stakeholders, viz., beneficiaries, empanelled healthcare providers and officials in CGHS and ECHS under the private public partnership model and suggested policy measures for streamlining the working of these two schemes and achieving an outcome that balances the interests of the government, private providers and beneficiaries. The study was funded by the Confederation of Indian Industry (CII), New Delhi.

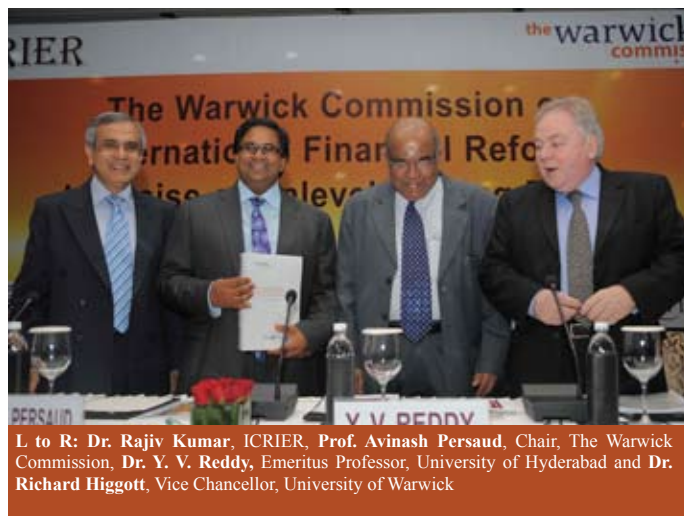
Launch of the Warwick Commission Report on International Financial reform

November 27, 2009

The launch of the Warwick Commission on International Financial Reforms was co-hosted jointly by the University of Warwick and ICRIER on November 27, 2009. The occasion brought together senior Indian government officials, civil society, academia, business, industry and the media.

The current international financial crisis asks us to rethink our answer to an important question: what are our financial systems for? The Warwick Commission on International Financial Reform provides an answer by bringing together a range of world-class economists, political scientists, and lawyers to explore how we can best enhance international financial stability through regulation that is sensitive to variations in what countries want from their financial systems. The Commission has identified key reforms for a well-regulated

financial system. These include a stress on dealing with boom-bust cycles, introducing macro-prudential regulation, recognising the need for a better allocation of risks among financial institutions, dealing with issues of regulatory capture,



and bolstering national rules with international co-ordination to promote international financial stability. The recent experience of India's own resilient economic management was one guiding factor in the Commission's conclusions, as were the opportunities and risks finance poses for many poor and vulnerable countries.

Recent ICRIER Publications

Working Papers

NO.	TITLE	AUTHOR(S)	MONTH(S)
243	JAPAN'S FOREIGN DIRECT INVESTMENT EXPERIENCES IN INDIA: LESSONS LEARNT FROM FIRM LEVEL SURVEY	SRABANI ROY CHOUDHURY	DECEMBER 2009
242	INDIA-KOREA TRADE AND INVESTMENT RELATIONS	PRAVAKAR SAHOO, DURGESH KUMAR RAI, RAJIV KUMAR	DECEMBER 2009
241	THE STATE OF THE INDIAN ECONOMY 2009-10	MATHEW JOSEPH, KARAN SINGH, PANKAJ VASHISHT, DONY ALEX, ALAMURU SOUMYA, RITIKA TEWARI RITWIK BANERJEE	OCTOBER 2009
240	FOOD SECURITY IN SOUTH ASIA: ISSUES AND OPPORTUNITIES	SURABHI MITTAL DEEPTI SETHI	SEPTEMBER 2009
239	AGGREGATE PRODUCTIVITY GROWTH IN INDIAN MANUFACTURING: AN APPLICATION OF DOMAR AGGREGATION	DEB KUSUM DAS GUNAJIT KALITA	JULY 2009
238	SOUTH-SOUTH FDI VS NORTH-SOUTH FDI:A COMPARATIVE ANALYSIS IN THE CONTEXT OF INDIA	SUBHASIS BERA SHIKHA GUPTA	JULY 2009

Think Ink

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

TITLE	AUTHOR	DATE
IT'S NOT THE FACT BUT TYPE OF REGULATION THAT MATTERS!	FRANCIS XAVIER RATHINAM	DECEMBER 15, 2009
SERVICES SECTOR GROWTH IN INDIA	ALAMURU SOUMYA	NOVEMBER 17, 2009
DON'T THROW THE BABY OUT WITH THE BATH WATER!	SIRJJAN PREET	NOVEMBER 01, 2009
IS DOLLAR THE NEW CARRY CRAZE?	NEHA MALIK	OCTOBER 15, 2009
IS IT TIME TO WITHDRAW FISCAL STIMULUS IN THE USA?	SUBHANIL CHOWDHURY	OCTOBER 01, 2009
WFISCAL DEFICIT AND ECONOMIC GROWTH IN INDIA	MANJEETA SINGH	SEPTEMBER 15, 2009
WHAT AILS PUBLIC-FUNDED RESEARCH IN INDIA? A DIAGNOSIS	SABYASACHI SAHA	AUGUST 15, 2009
INDIAN HIGHER EDUCATION: YET ANOTHER 'TWO BOX DISEASE'	PAWAN AGARWAL	AUGUST 01, 2009
DOES R&D INTENSITY MATTER FOR TRADE PERFORMANCE IN CASE OF INDIAN PHARMACEUTICAL INDUSTRY?	BADRI NARAYAN RATH	AUGUST 01, 2009
IMPACT OF NONSTOP SERVER IN INDIA	RAJ KUMAR SHAHI	JULY 15, 2009
FOOD SECURITY ACT: WOULD IT BE BETTER AS AN ACT?	DEEPTI SETHI	JULY 01, 2009

Macro Perspectives and Updates

<http://www.icrier.org/macro/index.html>

TITLE	AUTHOR	DATE
SERVICES LED GROWTH IN INDIA: MORE GOODS OR HIGH INFLATION?	ALAMURU SOUMYA	DECEMBER 11, 2009
TRANSATLANTIC REDISTRIBUTIVE PREFERENCE AND THE INDIAN CONTEXT	RITWIK BANERJEE	NOVEMBER 30, 2009
IS CHRONIC FISCAL DEFICIT HARMFUL TO GROWTH?	ALAMURU SOUMYA	NOVEMBER 01, 2009
RBI'S MONETARY POLICY: EXPECTATIONS INTACT	DONY ALEX	OCTOBER 27, 2009
THE IMPACT OF MONSOON FAILURE ON GDP GROWTH 2009-10	MATHEW JOSEPH KARAN SINGH	SEPTEMBER 17, 2009
MONETARY POLICY DILEMMA	DONY ALEX	AUGUST 24, 2009
MONETARY POLICY: INFLATION THE MAJOR CONCERN?	KARAN SINGH MATHEW JOSEPH	AUGUST 04, 2009
GLOBAL CRISIS AND INDIA'S BALANCE OF PAYMENTS	MATHEW JOSEPH RITIKA TEWARI	JULY 20, 2009
UNION BUDGET 2009-10: WILL IT REVIVE THE ECONOMY?	MATHEW JOSEPH	JULY 13, 2009

Journals/ Newspapers

TITLE	AUTHOR	JOURNAL'S NAME/ NEWSPAPERS	MONTH/YEAR
ARE LABOUR-INTENSIVE INDUSTRIES GENERATING EMPLOYMENT IN INDIA? EVIDENCE FROM FIRM LEVEL SURVEY	DEB KUSUM DAS AND GUNAJIT KALITA	THE INDIAN JOURNAL OF LABOUR ECONOMICS	VOL. 52, NO. 3, 2009
INSTITUTION IN TECHNOLOGY TRANSFERS	SAON RAY	COMMODITY VISION	VOL. 3 NO. 3, 2009
GLOBAL CRISIS: INDIA'S RESPONSE	MATHEW JOSEPH	REVIEW OF MARKET INTEGRATION	VOL. 1 NO. 2, 2009
DIFFERENT ANGLE --THE GAME CHANGING TAX	RAJIV KUMAR	MINT	DECEMBER 30, 2009
CAN NAGPUR DELIVER THE GOODS AS A GLOBAL HUB?	ARPITA MUKHERJEE PARTHA PRATIM PAL SUBRATA MITRA	BUSINESS LINE	DECEMBER 29, 2009
DIFFERENT ANGLE— MINIMIZING UNCERTAINTY	RAJIV KUMAR	MINT	DECEMBER 16, 2009

TITLE	AUTHOR	JOURNAL'S NAME/ NEWSPAPERS	MONTH/YEAR
BE CAUTIOUS ABOUT THE QUALITY OF CAPITAL FLOWING IN	DONY ALEX	ECONOMIC TIMES	OCTOBER 13, 2009
DIFFERENT ANGLE--REVIVING MANUFACTURING	RAJIV KUMAR	MINT	DECEMBER 2, 2009
PAKISTAN: A FAILED ECONOMY?	AMB. SANTOSH KUMAR AND NEHA MALIK	BUSINESS LINE	NOVEMBER 24, 2009
OLD WINE IN NEW BOTTLE	RADHIKA KAPOOR	ECONOMIC TIMES	NOVEMBER 20, 2009
CHINA'S INVESTMENT STORY	RAJIV KUMAR	MINT	NOVEMBER 18, 2009
THE MANY FUTURES OF INDIA	RAJIV KUMAR	MINT	NOVEMBER 4, 2009
WILL THE IIM GLOBAL FORAY BE EASY?	RAJAT KATHURIA	BUSINESS STANDARD	OCTOBER 28, 2009
CHANGE, BUT NOT YET WHOLESALE	RAHSMI RASTOGI	FINANCIAL EXPRESS	OCTOBER 28, 2009
CRYING OUT FOR SPEEDY REFORMS	RAJIV KUMAR	FINANCIAL CHRONICLE	OCTOBER 22, 2009
IS INDIA'S TELECOM SECTOR IN TROUBLE?	RAJAT KATHURIA	BUSINESS STANDARD	OCTOBER 21, 2009
IMPACT OF MOBILE PHONES ON FARMERS	GAURAV TRIPATHI	ECONOMIC TIMES	OCTOBER 12, 2009
A MONTH TO REMEMBER?	SHANKAR ACHARYA	BUSINESS STANDARD	OCTOBER 8, 2009
CONTOURS OF GLOBAL GOVERNANCE	RAJIV KUMAR	FINANCIAL CHRONICLE	SEPTEMBER 17, 2009
WHOSE SIDE ARE WE ON?	RAJIV KUMAR	TIMES OF INDIA	SEPTEMBER 9, 2009
ENERGISING DOHA TRADE TALKS	ANWARUL HODA	BUSINESS LINE	SEPTEMBER 2, 2009
PUMPING NEW LIFE INTO DOHA ROUND	RAJIV KUMAR	MYDIGITALFC.COM	SEPTEMBER 2, 2009
A PRELUDE TO CHANGE IN JAPAN	SANJANA JOSHI	THE STATESMAN	AUGUST 30, 2009
FOOD SECURITY ACT: IS IT WELL THOUGHT OUT?	SURABHI MITTAL	ECONOMIC TIMES	AUGUST 26, 2009
LOOK SOUTH EAST POLICY	VANI ARCHANA	INDIAN EXPRESS	AUGUST 22, 2009
INDIA-NEPAL CO-OPERATION — TOWARDS A NEW ECONOMIC PARADIGM	NISHA TANEJA AND SUBHANIL CHOWDHURY	BUSINESS LINE	AUGUST 21, 2009

TITLE	AUTHOR	JOURNAL'S NAME/ NEWSPAPERS	MONTH/YEAR
BOLD AND INNOVATIVE APPROACH NEEDED TO PROMOTE EXPORTS	RAJIV KUMAR	FINANCIAL CHRONICLE	AUGUST 20, 2009
EXPORTS – A NEW WAY FORWARD	VANI ARCHANA	ECONOMIC TIMES	AUGUST 13, 2009
ARE WE ISOLATED ON CLIMATE CHANGE?	RAJIV KUMAR	FINANCIAL CHRONICLE	AUGUST 6, 2009
THE SAD TALE OF INDIA'S RETAIL	RAJIV KUMAR AND NIRU-PAMA SOUNDARARAJAN	MINT	AUGUST 5, 2009
THE BUDGET: GIVE IT THE BENEFIT OF DOUBT	RAJIV KUMAR	FINANCIAL CHRONICLE	JULY 9, 2009
BIG BANG REFORMS THE KEY TO INDIA'S RECOVERY	MATHEW JOSEPH	BUSINESS LINE	JULY 3, 2009
HOW GREEN ARE SPRING SHOOTS OF ECONOMIC RECOVERY?	RAJIV KUMAR MATHEW JOSEPH PANKAJ VASHISHT	ECONOMIC TIMES	JULY 2, 2009
BOOK REVIEW			
TITLE	REVIEW BY	NEWSPAPER'S NAME	MONTH/YEAR
THE IDEA OF JUSTICE BY AMARTYA SEN	RAJIV KUMAR	BUSINESS STANDARD	OCTOBER 7, 2009
TRADE AND GLOBALISATION BY DEEPAK NAYYAR	RAJAT KATHURIA	BUSINESS STANDARD	AUGUST 21, 2009
THE GOOD OL' ART OF GOING BROKE BY LIAQUAT AHAMED	RAJAT KATHURIA	BUSINESS WORLD	AUGUST 22, 2009

Sl. No.	Name	Designation
1.	Prof. Anwarul Hoda	Professor
2.	Dr. Poonam Gupta	Professor
3.	Prof. Dayanand Arora	Visiting Fellow from the University of Applied Sciences, Berlin
4.	Dr. Saon Ray	Senior Fellow
5.	Dr. Alamuru Soumya	Consultant
6.	Mr. Michael Dickerson	Consultant
7.	Mr. Partha Sarathy Sarkar	Consultant
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20.	Mr. Sunil Sarpal	Private Secretary
21.	Ms. Shivani Chawla	Private Secretary
22.	Ms. Sonia P. Chauhan	Office Assistant
23.	Mr. Jeet Singh	Office Attendant

ICRIER in the News

- ◆ December 29 *Moneycontrol.com*. Commenting on India's overall economic picture, Shankar Acharya, Member-Board of Governors from the New Delhi-based think tank ICRIER, said that FY10 gross domestic product (GDP) target of 7 per cent was quite reasonable. "Any number over 7 per cent would be optimistic," he added. He was of the view that FY11 GDP growth might exceed 8 per cent. However, owing to past experience of fiscal stimulus playing a part in FY10 GDP growth, Acharya felt that fiscal deficit remained a big problem. "One per cent fiscal deficit will cut, not destroy growth. FY11 Budget should make way for stimulus exit," he added. Further, commenting on his expectations from the Reserve Bank of India on the issue of interest rates, Acharya said that the central bank would tighten policy in four-six weeks.
- ◆ December 30 *The Hindu*. A recent survey by the Indian Council for Research on International Economic Relations (ICRIER), along with the Indian Institute of Management, Calcutta, of 133 express companies, 90 clients and 25 freight forwarders was aimed at understanding the feasibility of Nagpur as an EDS hub. The survey found that the EDS industry prefers operating on a "hub and spokes" model. Asked what determined the choice of hubs, express companies pointed out that volume of traffic was the most important factor.
- ◆ December 20 *Economic Times*. In an article titled "Indo-China's convergence of interests in turbulent times", Dr Rajiv Kumar, the director and chief executive of ICRIER says that contentious issues between the two countries are not seen as stumbling blocks to increased trade and economic relations even though experts caution against allowing protectionist tendencies to set in. "We need to make our manufacturing sector globally competitive. Being protectionist is not the right response at this juncture. India's services sector has already been doing well, and it can tap the market in China too".
- ◆ December 1 *Moneycontrol.com*. Positively surprised by the growth figures released recently, Shankar Acharya, Member of the Board of Governors and Honorary Professor, ICRIER, says FY10 GDP growth are expected to be 6.5-7 per cent as against the earlier estimate of 6-6.5 per cent. However, he feels, "The sustainability of these extraordinary high levels of fiscal deficit of 10-11-12 per cent on a combined basis – centre and states – is simply not sustainable and is putting pressure on the level of interest rates for medium and long-term money."
- ◆ November 28 *Milwaukee-Wisconsin Journal Sentinel*. India's "consuming class" is expected to swell from 370 million two years ago to more than 600 million by 2012, according to ICRIER. "The middle classes in India, the ones who have buying power, they're only going to grow," said Matthew Joseph, a senior consultant with the research council. "A significant portion of this group is interested in and can afford global premium brands."
- ◆ November 21 *Financial Express*. Reacting to the suggestion of Dr. Vijay Kelkar, Chairman, 13th Finance Commission for reshuffling public sector assets to create new environmental assets through disinvestment of half the government's stake in public sector enterprises, Rajiv Kumar, director and CE of ICRIER said, "The important thing is to first... privatise the loss- making PSUs as they are haemorrhaging government finances. Then profit-making PSUs should be listed to raise funds. But the government is going the other way as it needs money."
- ◆ November 19 *India Knowledge Wharton*. "Fiscal deficit can be financed through domestic borrowing, external borrowing or by printing money," according to a paper by Alamuru Soumya, a consultant at ICRIER. "Excessive domestic borrowing may put upward pressure on interest rates and external borrowing may result in an external debt crisis. Printing money may lead to high inflation."
- ◆ November 15 *PR Newswire (International Chamber of Commerce)*. The economic impact of mobile access to the internet has been most significant in some of the most rapidly developing parts of the world, according to research published by ICRIER. For example, the use of mobile technology in a fishing village near Pondicherry now allows fishermen on land to access optimal fishing zone information, which they use to alert their colleagues out at sea - increasing the day's catch up to 10-fold. Meanwhile, the radio taxi industry across urban India has experienced 50 per cent annual growth in the past few years, as a direct result of equipping drivers with mobile phones and using GPS to track cars, according to the ICRIER report.
- ◆ November 11 *The Hindu*. An ICRIER study on the impact of mobile phones on farmers across several Indian districts highlights the key role played by mobiles in lowering transaction costs and raising the income-levels of farmers, by efficiently addressing their immediate agricultural-information requirements. At a time when the government agricultural extension services are unable to adequately fulfil

their responsibility of providing information on scientific modern technology for farming to all the farmers, mobile phones along with mobile-enabled services present us with a ray of hope for uplifting our agricultural extension system.

- ◆ October 23 *Reuters*. An article by Reuters that focuses on India's push towards free trade arrangements with countries in South East Asia, contains a few words of caution regarding regional and country specific trading arrangements by Dr. Rajiv Kumar, head of ICRIER. Though he felt that FTAs conferred real benefits in terms of making India more open and less protected, he said they were "no substitute for the multilateral trade agenda."
- ◆ September 14 *Business Standard, The Hindu*. In a study titled "Food Security in South Asia: Issues and Opportunities", published by ICRIER, authors Surabhi Mittal and Deepti Sethi said, "At the regional level, increased agricultural trade between South Asian countries will play a far more important role in achieving food security than initiatives like the setting up of the SAARC Food Bank, which is essentially a mechanism to handle emergency situations." The authors pointed out that trade among SAARC countries is at present impeded by fairly high tariff and non-tariff barriers.
- ◆ August 26 *Business Standard*. On the eve of the announcement of the trade policy for the year, Business Standard quoted Dr. Rajiv Kumar, well-known economist and Director of think tank ICRIER, as saying that Indian exports suffer from a structural problem. Procedural complexities and high transaction costs were the key issues which the government needed to address. "As per our study of 400 exporters, 20 per cent said they don't make use of fiscal incentives, 70 per cent said they have to incur additional costs to get hold of the schemes," he said.
- ◆ August 19 *Voice of America*. Two trade pacts signed recently between India and the Association of Southeast Asian Nations and India and South Korea are expected to promote economic integration of one of the world's fastest growing regions. Rajiv Kumar, head of ICRIER in New Delhi, points out that Asia's share in India's exports has risen steadily in the last four years. "We know the global economic gravity is slowly but steadily shifting towards the Pacific basin and to Asia; and it will be good for India to be connected and integrated with that," said Kumar.
- ◆ August 9 *Economic Times*. An analysis by Sunday ET and CARE on the exposure of developing countries to US treasury bonds revealed that India has the lowest exposure among the BRIC countries. Reacting to fears expressed of the possibility that a crash of the dollar could deplete overall investments, Dr. Rajiv Kumar, Director and CE, ICRIER was quoted as saying that any fear of losing value of reserves held by different countries is premature as the dollar is unlikely to crash.
- ◆ August 6 *Financial Express*. **Policy Vacuum, supplies behind vegetable inflation.** In the context of rising vegetable and food prices, the Financial Express quoted Dr. Arpita Mukherjee, Professor, ICRIER as saying, "All our studies show that of late some artificial shortage of vegetables have been created in the mandis, which is pushing up prices, mostly in domestically produced commodities. Prices of imported commodities, like some exotic varieties of fruit, have remained fairly stable. This proves that at some level, there is something missing."
- ◆ August 7 *India Today*. Economists at the Indian Council for Research on International Economic Relations (ICRIER) have accomplished what the government has been claiming it is unable to do for decades - construct a workable aggregate index for consumer prices in India. Their method is beautifully simple. They took the four existing consumer price indices for different kinds of consumers, and assigned weights to each on the basis of the ratio of types of households given in a 2004-05 survey by the National Sample Survey Organisation (NSSO). That gave a roughly 75: 25 break-up between rural and urban households. This was used to compute an aggregate consumer price index.
- ◆ August 4 *UPIAsia.com*. **The dragon walks into India's backyard.** India takes a keener interest in participating in its neighbours' political and ethnic problems rather than in developing a robust economic relationship, according to Dr. Nisha Taneja, a professor with ICRIER. "The point that needs to be highlighted is that the South Asian countries do not complain about the unfavourable trade balance with China but it has been a burning emotive issue with India," said Taneja. "Perhaps India needs to understand what China does right and learn lessons from China."
- ◆ July 15 *Livemint*. **Government may scrap some norms to strengthen trade in services.** Arpita Mukherjee, a professor at ICRIER, said three things needed to be done in the services sector – open up certain sectors, streamline regulations and come up with innovative rules that are in line with global norms. As examples, she cited the post and express delivery industry in the country that is still governed

by an archaic 1892 Act, the direct marketing industry where foreign companies are allowed wholesale but no retail activities and the education sector where India does not have mutual recognition agreements with other nations. Mukherjee pointed out that if an entrepreneur were to open a retail operation, there are 47 different licences that are currently required.

♦ July 15 *Thaindian News*. **No plans to open up retail sector further.** Minister of State for Commerce Jyotiraditya Scindia enclosed a study by ICRIER when replying to a question posed in the Rajya Sabha. The study says the country's retail trade industry will grow 10 per cent per annum from \$10 billion in 2006-07 to \$496 billion in 2011-12.

♦ July 12 *Zeenews.com*. **Public expenditure alone will not revive economy: ICRIER Chief.** The government is overestimating growth and public expenditure alone would not revive the economy, according to Dr. Rajiv Kumar, Director, ICRIER, and the country could

fall into a debt trap. "The government is estimating 6.5 to 7 per cent growth this fiscal. My estimate is 6 per cent. I think the government is over-estimating manufacturing and also agriculture given the monsoon situation," Kumar told a news agency here. Further, he expects the fiscal deficit to be worse than the government's projection of 6.8 per cent of the GDP because of the lower GDP growth rate.

♦ July 8 *Moneycontrol.com*. **Organised Retailers will not Fall Under.** Reacting to a statement by Finance Minister Pranab Mukherjee that the government would do all it could to reduce the fiscal deficit to 4 per cent of gross domestic product by 2012, Dr. Shankar Acharya, Member, Board of Governors, Indian Council for Research on International Economic Relations (ICRIER) said fiscal deficit of 6.8 per cent presented high risk and it would be tough for the government to compress deficit by 2.8 per cent in 2 years.

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 receives other financial support from a number of sources including grants from the Government of India, multilateral international institutions, bilateral agencies and the private sector.

A medium-term strategy that spells out ICRIER's vision and focus areas can be found on its website www.icrier.org. ICRIER has its own code of conduct for undertaking research.

To effectively disseminate its research findings, ICRIER organises workshops/ seminars/ conferences to bring together political leaders, policy makers, academicians, industry representatives and media persons to try and generate 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 founding Chairman was Dr. K.B. Lall who led the organisation since 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 until his demise in July 2005. Amongst ICRIER's founding members are Dr. Manmohan Singh, Dr. C. Rangarajan, Dr. M.S. Swaminathan, Dr. Jagdish Bhagwati, Dr. R. J. Chelliah, Mr. Muchkund Dubey, Prof. Deepak Nayyar etc. ICRIER's current Chairperson is Dr. Isher Judge Ahluwalia.

ICRIER's highly qualified in-house team of about 50 researchers is led by Dr. Rajiv Kumar, D.Phil in Economics from Oxford University and Ph.D from Lucknow University. The team includes several Ph.Ds from reputed Indian and foreign universities. In addition, we have around 25 external consultants working on specific projects. ICRIER's office is located in the prime institutional complex of India Habitat Centre, New Delhi.

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