

# Annual Report 2008-09



Indian Council for Research  
on International Economic Relations



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# Foreword by the Chairperson



The year 2008-09 has been a year full of challenges and opportunities for ICRIER. In responding to the challenges and seizing the opportunities, ICRIER has further expanded its scope and influence on the quality of debate on policies which have impact on India's economic growth and development as well as the external environment facing the Indian economy. An important achievement during the year has been a successful completion of the strategy document for ICRIER (soon to be published) which has been endorsed by the Board of Governors at its meeting in August, 2009. The document has been prepared after extensive consultations with the faculty, the Board, outside experts and other stakeholders. It not only lays out the vision for ICRIER but also spells out the thrust areas for research, a strategy for encouraging partnerships, building capacity, and promoting outreach through effective dissemination of research. ICRIER can now focus on evolving a suitable human resource strategy in line with the Medium Term Strategy.

I am very happy to note that in three important areas of policy interest, i.e., retail modernisation, agricultural reforms and preferential trading agreements in Asia, books have been published during 2008-09, putting together the work of researchers at ICRIER as well as their partners outside. Mathew Joseph and Nirupama Soundararajan, Surabhi Mittal and Arpita Mukherjee, and Amita Batra have done a fine job of contributing to the three books and editing them.

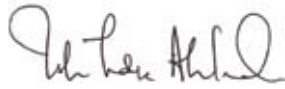
The scope of research has widened with the increase in the number of studies commissioned during the year, but this has been done without losing focus of ICRIER's core strengths and core interests. Studies on global competitiveness of textiles, multilateralism vs regionalism in trade, and a number of studies on South Asia are only some examples of continuing excellent work in the thrust areas of ICRIER. New areas being explored by ICRIER can be seen in its work on developing leading economic indicators of economic growth to enable regular macro-economic growth forecasting, the National Interest Project, and a study on efficient delivery of healthcare systems in India. In all of this, active interaction with policy makers and other stakeholders has ensured that the research remains relevant and focused on areas of policy interest. A significant initiative in the area of training is the grant from the MacArthur Foundation for organising training programmes for diplomats within South Asia.

ICRIER hosted a number of public policy workshops and seminars during the year including an interaction with Nobel Laureate Michael Spence on the impact of the global financial meltdown on the world economy with focus on the emerging economies. A lecture on climate change by another Nobel Laureate Prof. Thomas Schelling, organised jointly with the World Bank, also drew very high quality audience, given the interest in the subject and quality of the speaker.

The Third K. B. Lall lecture "From Asian to Global Financial Crises: An Asian Perspective" was delivered by Prof Andrew Sheng to a packed audience of senior policy makers, academicians, representatives of the private corporate sector, civil society and the media, stimulating an excellent interaction from the floor.

ICRIER has expanded its operations significantly over the past three years. Dr Rajiv Kumar, Director & Chief Executive has successfully built an excellent team of researchers and developed effective partnerships with research institutions in India and abroad to make this possible. This has been done while maintaining a very healthy financial balance sheet. Dr Kumar deserves our applause for accomplishing this task.

The time has come for us to plan and provide for the expansion of physical space and for larger financial resources to support the growing research activities at ICRIER. I have no doubt that we at the Board will find ways of supporting and sustaining the growth of ICRIER.



Isher Judge Ahluwalia  
Chairperson, ICRIER

# Board of Governors

## Chairperson

### **Dr. Isher Judge Ahluwalia**

32 Aurangzeb Road  
New Delhi - 110 011

## Elected Members

### **Dr. Shankar Acharya**

Honorary Professor, ICRIER &  
Chairman, Kotak Mahindra Bank Ltd  
Core 6-A, 4<sup>th</sup> Floor  
India Habitat Centre  
Lodhi Road  
New Delhi - 110 003

### **Mr. O. P. Bhatt**

Chairman  
State Bank of India  
Corporate Centre  
Madame Cama Road  
Mumbai - 400021

### **Mr. Anwarul Hoda**

Former Member  
Planning Commission  
C-107, Sector - 23,  
NOIDA - 201301

### **Ms. Janaki Kathpalia**

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

### **Dr. Vijay Kelkar**

Chairman  
13<sup>th</sup> Finance Commission  
Hindustan Times Building,  
4<sup>th</sup> Floor, 18-20 K. G. Marg,  
New Delhi - 110001

### **Ms. Chanda Kochhar**

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

### **Mr. Uday S. Kotak**

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

### **Dr. Rakesh Mohan**

Visiting Professor  
Centre for South Asian Studies  
Stanford University  
USA

### **Mr. Nandan M Nilekani**

Co-Chairman  
Infosys Technologies Limited  
44 Electronics City  
Hosur Road  
Bangalore - 560100

### **Mr. Malvinder Mohan Singh**

Group Chairman  
Religare & Fortis Healthcare  
1, South End Lane,  
New Delhi - 110011

### **Mr. N. K. Singh**

MP - Rajya Sabha  
House No. 7  
South Avenue  
New Delhi - 110 001

## Co-opted Members

### **Mr. Nitin Desai**

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

## Overseas Members

### **Professor T. N. Srinivasan**

Samuel C Park Jr Professor of Economics  
Yale University  
27, Hillhouse Avenue  
New Haven CT 06520 - 8269  
USA

## Member-Secretary

### **Dr. Rajiv Kumar**

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





# Management Committees

## **Executive-cum-Finance Committee**

Dr. Isher Judge Ahluwalia	:	Chairperson
Dr. Shankar Acharya	:	Member
Ms. Janaki Kathpalia	:	Member
Mr. N. K. Singh	:	Member
Dr. Rajiv Kumar, Director & CE, ICRIER	:	Member-Secretary

## **Investment Committee**

Mr. Uday S. Kotak	:	Chairman
Ms. Janaki Kathpalia	:	Member
Ms. Chanda Kochhar	:	Member
Dr. Rajiv Kumar, Director & CE, ICRIER	:	Member-Secretary



# Founder & Life Members of ICRIER

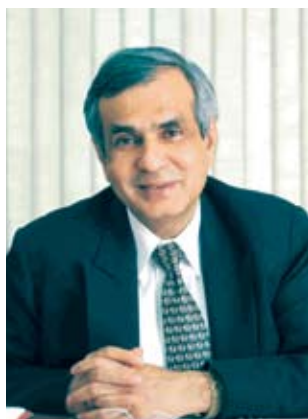
## Founder Members

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

## Life Members

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

# Director's Report



The year 2008-09 has been a tumultuous one for both the global and the Indian economy. A whole generation that was beginning to believe that business cycles were history was forced to review its understanding as the year saw the unfolding of the greatest crisis of global capitalism since the Great Depression. Global growth rates have had to be revised downwards thrice within six months. Manufacturing and services sector output growth has declined sharply in the wake of plummeting exports, reinforcing the realisation that the Indian economy is now inextricably linked to its external environment. India's GDP growth in 2008-09 slowed down to 6.7 per cent from an average of 8.9 per cent in the previous four years despite the increase in public spending announced in the budget in February 2008. The other side of the coin is that inflation reached double digit in February 2008 and turned negative by May 2009. Oil prices, that were forecast to cross \$200 per barrel in July 2008, came down to less than \$40 by December, before rising again to reach nearly \$70 per barrel in July. Central banks all over the world, including our own RBI made a sharp reversal in their monetary stance with several jurisdictions racing to the zero interest rate level in a record short time. This has been a roller coaster year for the global and the Indian economy.

The global economic downturn, the worst in the last sixty years, has had two important outcomes. First, it has encouraged the questioning of existing understanding on achieving macroeconomic stability and sound financial sector management in the context of an open economy. This is stimulating fresh and innovative thinking on how to incorporate financial sector and equity issues while promoting growth in emerging economies. Second, emerging economies including India are expected to play an increasingly important role in both sustaining global growth rates and coming up with new ideas to derive welfare gains from globalisation. Both these features have a direct bearing on ICRIER's immediate and medium-term work programme and require us to further reinforce our analytical capabilities.

I am happy to report that ICRIER has been able to effectively respond to these challenges and to the increasing demands for its services. This is reflected in a substantial expansion in the scope and coverage of our activities that are outlined in this report. We now have a team of four full time professors at ICRIER, apart from three others at that level attached as full time senior consultants. Apart from leading major research programmes, these seven senior faculty members are actively building research networks and mentoring junior researchers, a function that is getting better established at ICRIER and which contributes to the team spirit and the collegial environment.

ICRIER's annual revenues in 2008-09 were Rs. 757.7 lakh as compared to Rs. 682.3 lakh in 2007-08. This expansion has been possible only on the basis of continued attention to attracting fresh talent to ICRIER while retaining existing human resources. ICRIER's in-house research capacity with 47 full time researchers (46 in 2007-08) was supplemented by another 25 researchers who continue to be closely associated as external consultants.

We have been working at establishing a macroeconomic group in ICRIER for the last two years. This team is now established and its focus has so far been to develop a model of leading economic indicators for forecasting GDP growth. The results of this model, published in ICRIER working paper number 234, have been well received and the RBI has now included the team as one of the consultative groups for the preparation of their own forecasts. In addition, a comprehensive price index for the services sector has also been developed. We hope to further refine our work in this area and engage even more actively in public discussions on macroeconomic issues in the coming period.

The National Interest Project, supported by the Ministry of External Affairs, is now in its second and final year having received an extension grant from the Ministry. The notable feature of the project has been the rigorous peer review process and detailed discussion of each paper with the relevant officials in the MEA. Three related sets of published output are expected from this project. The first is a set of 20 papers on selected countries and thematic issues critical to India's national interest in the coming decade. The second is an edited synthesis volume that brings together the main findings from these papers. The third publication will be a net assessment of India's geo-strategic interests undertaken as part of the project. In addition, we are hoping to publish two volumes consisting of papers and proceedings of two workshops held in collaboration with the Konrad Adenauer Stiftung on selected issues of national interest.

Our work in support of the MEA has received a major push with a three-year grant from the MacArthur Foundation for building capacity among young Indian diplomats and establishing a network of diplomats within South Asia. The MEA has given us its support for the project which will be initiated in August 2009. With the successful completion of the National Interest Project and the implementation of the three-year MacArthur Grant, ICRIER's work programme on India's strategic international relations will be well established.

Mobile telephony has virtually exploded in India with total connections now well above 300 million. The study on the Impact of Mobile Telephony on different aspects of the economy was released by Secretary DOT and has received very significant attention both in the domestic and international media. Its output will soon be published in the ICRIER working paper series.

With the stalling of the Doha Round of WTO negotiations, attention has increasingly turned towards regional and bilateral trade negotiations. ICRIER researchers have worked on Ministry of Commerce projects for formulating India's negotiating positions for FTA discussions with the EU and Indonesia. ICRIER researchers focused on issues in the services sectors in both these negotiations. Other work in the services sector has also continued with major projects on the future prospects and policy framework for the express delivery industry, the direct retail sales sector and the retail fashion and sports goods sectors. We have also formulated a three-year research programme on long-term issues facing India in strengthening the multilateral trading regime and WTO.

ICRIER's focus on India's economic relations with its neighbouring economies has been sustained with projects on para-tariffs on Indian imports from South Asia sponsored by the Ministry of Commerce, a study on promoting Indo-Nepal bilateral trade and the initiation of a major, two-year, multi-country programme on measures for improving trade facilitation within SAARC.

Overall, the programme of research studies at ICRIER has remained focused on its thrust areas and has retained its policy-oriented focus. The research output in 2008-09 has been published in 3 books, 21 working papers and a number of articles in the business press and other media. We have also introduced two new products this year with the publication of a Research Digest that puts together short summaries of working papers brought out in the previous six months and Regional Insights which presents the output of

our regional desks. A new initiative on the ICRIER website is 'Think Ink', where ICRIER's younger researchers put out short pieces on issues of current interest.

The high point for the year's public lecture programme was the Third K. B. Lall Memorial Lecture that was delivered by Professor Andrew Sheng on February 7, 2009 titled 'From Asian to Global Financial Crises: An Asian Perspective'. The lecture attracted a large audience of senior policy makers, academicians, representatives of the industry and media. ICRIER also organised, jointly with the World Bank, a lecture on climate change by Nobel Laureate Professor Thomas C. Schelling, which was very well attended. Professor Michael Spence, another Nobel Laureate, also visited ICRIER in March to interact with policy makers and academics on the impact of the global financial sector meltdown on the world economy, specially the emerging economies. ICRIER has emerged as an important forum for international organisations and visiting experts, reflecting ICRIER's rising credibility as one of the country's leading think tanks. In 2008-09, three international conferences, fifty-six seminars and seven other events like workshops and lectures were successfully organised.

A medium-term strategy document for ICRIER has been prepared after a nearly year-long effort that included discussions with board members, policy makers, academics, industry representatives and substantial inputs from the Chairperson. This strategy, after its approval by the Board, will guide ICRIER's work programme in coming years and help us in mobilising more endowment resources.

A brainstorming session for the entire research team was organised on 3<sup>rd</sup> February, 2009. This was facilitated by the International Futures Forum (IFF), an Edinburgh based think tank. The IFF has developed unique and highly effective techniques for fostering creative thinking and team work. The brainstorming session was focused on drawing up research priorities for ICRIER. The strong and positive feedback from researchers encourages us to hold such a session every year. A second new initiative was to organise a workshop on enhancing professional effectiveness and team building of the administrative staff with the help of a professional facilitators' team. The session was spread over two days and included one-on-one interactions between the facilitators and each individual staff member. These efforts at team building and generating a creative and dynamic work environment have begun to yield results in the form of higher and better quality of output as well as in terms of fostering a friendly and conducive environment, which is ICRIER's strong attraction.

A new Board of Governors has come into place from August 2008. I sincerely thank the outgoing members for their advice and co-operation during the past three years that I have been here. It is a pleasure to work with the new members and I look forward to their guidance and help to take ICRIER further forward. The Chairperson continues to be a source of strength and counsel and I thank her for taking so much interest and finding the time for ICRIER.



Rajiv Kumar

Director & Chief Executive, ICRIER





# Research Activities

## **Major thrust areas of research in ICRIER**

- A. Macroeconomic Management in an Open Economy**
- B. Financial Sector Liberalisation and Regulation**
- C. Trade, Openness, Restructuring and Competitiveness**
- D. Regional Economic Co-operation with Focus on South Asia**
- E. WTO-Related Issues**
- F. Strategic Aspects of India's International Economic Relations**
- G. Environment and Climate Change**

## A Macroeconomic Management in an Open Economy

### Ongoing Projects (1)

#### A 1 GDP Forecasting Model for India

**Research Team:** *Rajiv Kumar, Mathew Joseph, Karan Singh & Pankaj Vashisht*

**Duration:** Ongoing

**Commencement:** September 2007

The study developed a model for GDP forecasting based on 'leading indicators'. The work began in late 2007 and was first presented at the IIC Seminar on "Mid-Year Review of the Indian Economy" in November 2007. The model had predicted a GDP growth rate of 9.2 per cent for 2007-08, which was very close to the actual growth rate of 9 per cent. Most other professional forecasters had predicted growth rates below 8.5 per cent for 2007-08. The model was further refined and used to forecast GDP growth for 2008-09. This was presented at the ICRIER-CMIE Seminar on "Outlook for Indian Economy" chaired by Prof. Suresh Tendulkar in September 2008.

After the global financial meltdown, the model was further modified to take into account the possible impact of 'external shock'. In March 2009, the 'shock-augmented leading indicator' model had projected a GDP growth rate of 6.3 per cent for 2008-09. This compared well with the quick estimates by CSO of a GDP growth rate of 6.7 per cent released towards the end of May 2009. The model has forecast a GDP growth of 6 per cent for 2009-10. The Macro Team's forecasts have been reported both by the RBI in its quarterly report and by the Thirteenth Finance Commission in its internal discussion paper on future GDP growth and revenue trends.

The GDP forecasts are part of the ongoing work at ICRIER of its Macro Group currently comprising Rajiv Kumar, Mathew Joseph, Dony Alex, Pankaj Vashisht and Ritika Tewari. The Macro Group's findings have been brought out in Working Paper No. 234.

### Completed Projects (1)

#### A 2 Macroeconomic Impacts of Trade Liberalisation

**Researcher:** *Surajit Deb (External Consultant)*

**Duration:** 17 months

**Commencement:** November 2007

**Completion:** March 2009

**Funded by:** SANEI, Pakistan

It is argued that the removal of trade barriers and trade distorting subsidies could potentially raise world agricultural trade volumes and thereby the economic prospects of developing economies. A number of studies evaluating the benefits from agricultural trade liberalisation on the basis of computable general equilibrium models have claimed that gains arise from channels like efficiency improvements, terms of trade effects, technology transfers and innovation. Consequently, it is hypothesised that an immediate outcome of trade liberalisation would be on the price levels in developing economies, when rising exports force the domestic prices to get equalised with world prices, viz., the price transmission effect. Therefore, it is believed that trade liberalisation could crucially impact the domestic (agricultural) terms of trade, which are commonly viewed as a fundamental instrument of incentives in developing economies.

This study attempts to examine the hypothesis whether the liberalisation process had led to changes in their domestic terms of trade. The examination is carried out employing data pertaining to the South-Asian economies, viz., Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka. The analysis involves

examining the degree of trade liberalisation and constructing comparable agricultural terms of trade indices for these economies.

The results point towards a high bound and applied tariff rates regime for agriculture in comparison to non-agriculture and also declining agricultural export share for the South-Asian economies. A comparison of the trade openness in agriculture vis-à-vis the economy also shows that the overall economy is more open to trade than the relevant agricultural sectors. The results reveal that although the agricultural terms of trade had turned favourable in India, Nepal and Sri Lanka, the evidence of significant causality from trade liberalisation to terms of trade is present only in India and Nepal.

## B Financial Sector Liberalisation and Regulation

### Ongoing Projects (3)

#### B 1 Financial Inclusion in India

**Researcher:** *Mandira Sarma*

**Duration:** 8 months

**Commencement:** February 2008

Financial inclusion is a policy priority in India. Despite several reforms in the Indian financial system since the 1990s, and despite the recent initiatives by the RBI and the Government of India, India ranks very poorly in financial inclusion. This was reported in ICRIER Working Paper No. 215 by Mandira Sarma (June 2008).

This study focuses on measuring the extent of financial inclusion in India. This is being done by developing a multi-dimensional index of financial inclusion especially for India. The study will use data on several dimensions of financial inclusion - such as the number of bank accounts per 1000 population, the number of bank branches and ATMs per 1000 population, the deposit to GDP (SDP) and the credit to GDP (SDP) ratios to compute the index of financial inclusion.

Using the index thus computed, this study will analyse the state of financial inclusion for all Indian states, as well as for the country as a whole, for a long period of time. Further, separate indices of financial inclusion will be computed for rural and urban areas for each state for the entire study period. The analysis, when completed, is expected to provide rich insights into the trend of financial inclusion in Indian states. Further, it will also provide important analysis on the rural-urban divide as far as financial inclusion is concerned.

#### B 2 Updating the information on India's compliance with International Standards and Codes and Business Indicators

**Research Team:** *TCA Srinivasa Raghavan (Consultant) & Sirjjan Preet (ICRIER)*

**Duration:** 8 months

**Commencement:** September 2008

**Funded by:** Westchester Group, US

The Asian crisis of 1997 emphasised the need for greater information exchange and international co-operation in financial supervision and surveillance. Finance ministers and central bank governors of G-7 nations convened a Financial Stability Forum (FSF) that came up with 12 key standards for sound financial systems. These now serve as an international benchmark for good practices that underlie a sound financial system. The major elements in this effort are strengthening the prudential oversight of capital, liquidity and risk management, enhancing transparency and valuation systems, changing the role and uses of credit ratings, strengthening the authorities' responsiveness to risks, and robust arrangements for dealing with stress in the financial system. Against this backdrop, this study involves a comprehensive assessment of the Indian financial sector covering banking, securities and insurance sectors. Such an assessment serves as an indicator of the financial system's stability and its resilience to macroeconomic crises and cross-border contagion, and helps in identifying early signs of economic or social crisis (if any) hidden behind impressive macroeconomic numbers. Thus, the purpose of the study is to gauge the vulnerabilities affecting the Indian financial system, measure the robustness of our institutional and market infrastructure, identify the risks and structural weaknesses, oversee action needed to address these and to verify if the regulatory and supervisory practices are consistent with international best practices.

### **B 3 Availability of SME Finance**

**Researcher:** *Ashok S. Rai (External Consultant)*

**Duration:** 12 months

**Commencement:** March 2009

The SME sector is a crucial part of the Indian economy. There are over 118 lakh SMEs in India, over half of which are in rural areas. The sector accounts for roughly half of the country's exports. There is growing evidence that SMEs in India have poor access to commercial bank credit. This project will provide recommendations to improve access to credit by the SME sector by analysing the formal and informal channels through which SMEs raise debt and equity and by critically reviewing government regulations that affect this sector. Data from some of the larger banks that lend to SMEs will be supplemented by field research in selected SME clusters. This project will use cross-country comparisons to place the Indian experience in an international context, recognising that the definition of SMEs in other countries may be different from that in India.

### **Completed Projects (1)**

#### **B 4 South-South FDI, Third World Multinationals and Development: South Africa, East Africa and India**

**Research Team:** *Subhasis Bera & Shikha Gupta*

**Duration:** 18 months

**Commencement:** September 2007

**Completion:** March 2009

**Funded by:** The EDGE Institute, Johannesburg, South Africa

ICRIER undertook the *India* component of this umbrella research project of the EDGE Institute. Highlighting the role of the South as a source of FDI is useful for several reasons. First, the growing importance of South-South FDI flows in the 1990s indicates that developing countries are more financially integrated with one another than previously believed. Second, South-South FDI may follow cycles different from the ones followed by North-South FDI. Third, the growing importance of South-South FDI indicates that investment promotion policies and agencies (in the South as well as the North) should target not only companies from the North, but also those from the South.

The objective of this study was to analyse the nature of South-South versus North-South FDI (both inwards and outwards) in the context of India. It begins with a thorough descriptive analysis of the trends and patterns of S-S versus N-S FDI in India, both at the aggregate and at the sectoral levels. We find that the predominance of the USA is declining both in the inward and outward FDI activities of India. The study went on to estimate econometric models of the determinants of India's N-S and S-S inward FDI and concluded that the two are, by and large, similar in character – both are attracted to sectors with large domestic markets, high export intensity and low import intensity e.g. chemical and chemical products. Interestingly, however, southern FDIs appear to flow more into the dynamic (growing) sectors of the economy e.g. services, industrial machinery and machine tools, while FDI from the North do not display any such features. The statistical and econometric analysis based on secondary data was supplemented by a firm-level survey of 93 firms, conducted by a market survey organisation to highlight some of the major deterrents to FDI activities in India, namely, excessive bureaucracy, corruption, competition policy and the standard of the financial/banking system.

## C Trade, Openness, Restructuring and Competitiveness

### Ongoing Projects (5)

#### C 1 Managing Openness for Inclusive Growth in India and the US

**Research Team:** Mathew Joseph, Rajeev Anantaram & Nirupama Soundararajan

**Duration:** 9 months

**Commencement:** May 2008

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

This study is part of the analytical work being done to support the working of the *Private Sector Advisory Group* which has been established by the US and Indian governments to promote bilateral economic ties. Other participating organisations are the National Manufacturing Competitiveness Council (NMCC), the Confederation of Indian Industries (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI). ICRIER was commissioned to prepare one of the three papers and also to co-ordinate activities on the Indian side. The Peterson Institute for International Economics, Washington DC is preparing some inputs and co-ordinating the work on the US side.

This study focuses on the opportunities and challenges for co-operation between private firms in India and the US in selected sectors that could contribute to accelerating sustained and inclusive economic growth. The study also identifies features in Indian economic policy that could act as impediments to realising the full benefits from such co-operation. It focuses on:

- (a) Bilateral investment between India and the USA
- (b) Investment and trading linkages in the manufacturing sector
- (c) India-US co-operation in R&D and innovation

The study will identify the potential for larger investment in manufacturing and infrastructure areas in India by US companies, the factors responsible for the poor performance of India's manufacturing sector in terms of its growth and export capacity to date, the areas of US investment in high-technology manufacturing having immense potential to raise India's manufacturing strength and the principal factors that hamper India's potential to be a major destination for global R&D. The study will make policy recommendations based on its findings.

#### C 2 Express Industry – Impact & Bottleneck Assessment

**Research Team:** Arpita Mukherjee, Souvik Dutta (ICRIER), Subrata Mitra & Parthapratim Pal (External Consultants)

**Duration:** 9 months

**Commencement:** July 2008

**Funded by:** Express Industry Council of India

A well-functioning express delivery service is crucial for the efficient operation of global production and supply chains. It facilitates trade through integrated door-to-door, just-in-time deliveries. As Indian companies are globalising and integrating their supply chains with the international markets, the demand for express delivery services is increasing. Until mid-2008, this sector was growing at a rate of 20-25 per cent. However, the global slowdown has adversely affected Indian exports and the logistics industry in particular. The logistics chain in India is highly fragmented and costs are much higher compared to other countries such as China. This affects the country's overall global competitiveness.

In the above context, this study, sponsored by the Express Industry Council of India (EICI), focuses on the macro concerns of the express delivery industry, identifies critical constraints and recommends policy reforms needed for its rapid and holistic growth. It also examines the global experience of the express delivery sector, highlighting the lessons for India. The regulatory regime in India is evolving and this study aims to provide regulatory inputs to both the central and state governments.

The study uses a combination of primary survey and secondary data analysis. A nation-wide primary survey has been conducted which covers service providers in the express and logistics sector, industries which use express services and government departments, among others. In-depth interviews have been conducted with international policy makers and sector experts.

### **C 3     An Evaluation of CGHS, ECHS and Role of Private Healthcare Providers: Issues and Concerns**

**Research Team:** Sukumar Vellakkal, Ali Mehdi & Shikha Juyal<sup>1</sup>

**Duration:** 15 months

**Commencement:** April 2008

**Funded by:** Confederation of Indian Industry

Several private hospitals/diagnostic centres have been empanelled under the Central Government Health Scheme (CGHS) and the Ex-Servicemen Contributory Health Scheme (ECHS) with the objective of providing high quality healthcare services to its beneficiaries. However, empanelled hospitals/diagnostic centres have faced a number of challenges in continuing with their deliveries under the existing terms of reference and working practices. As a result, several private providers have already withdrawn or are seeking to withdraw from the two schemes.

The objective of this study is to examine the issues and concerns of various stakeholders – beneficiaries, empanelled hospitals/diagnostic centres and policy makers – in the operation of the CGHS and ECHS and to give policy recommendations for achieving an efficient and sustainable public-private partnership. More specifically, the study will examine issues regarding the terms of reference for the empanelment of providers, and the feasibility of suggestions for reforming the schemes by privatisation, replacing with health insurance or increasing the financial contribution of beneficiaries. As part of its efforts to relate payment terms to the actual cost of delivering services, the researchers would construct a health sector specific price index for automatically linking the payments for different services to prevailing price levels. This health sector specific price index has already been submitted to the government.

The findings will be based on a primary survey of 1800 beneficiaries of CGHS/ECHS, 100 empanelled private hospitals/diagnostic centres and 100 CGHS/ECHS officials in 12 select cities in India. A high-level Advisory Committee that includes representatives from the government, private providers and senior experts in the field has been constituted to oversee the study.

### **C 4     Benchmarking the International Competitiveness of the Indian Textile and Apparel Industry**

**Research Team:** Meenu Tewari (External Consultant), & Manjeeta Singh (ICRIER)

**Duration:** 9 months

**Commencement:** November 2008

**Funded by:** Ministry of Textiles

Four years after the removal of global textile quotas, India does not seem to have done as well as its competitors in the global textile and apparel industry. The issue has gained special urgency in the context of

<sup>1</sup> Advisory Committee: Vineet Chawdhry, Bhupendra Nath, Ramesh Anand, B.S. Jain, Pradeep Halder, A. Srivastava, Rama Baru, Anil Gumber, Sanjay Rai, Karan Singh, M.C. Verma, Daljit Singh, Ajit K. Nagpal, Dilip Jose, Ambrish Kumar, Atul Kotwal, K. Hari Prasad, Niranjana Rai, Ajay Aggarwal, Arvind Lal, K. R. Malik, V. K. Kapoor, Sanjay Bhatt, D. Mohapatra, A. K. Naik.

the on-going downturn. These challenges have been exacerbated by a difficult global economic environment characterised by exchange rate volatility, falling demand in major markets, and a growing spate of buyer bankruptcies in key markets driven by a deepening recession and the sub-prime crisis.

This study seeks to shed light on questions such as the following. What do successful export strategies look like in this environment? Who is doing well in expanding and sustaining output and export shares under current conditions? What are the factors underlying their performance? The study will also examine the conditions under which India may sustain export growth by carrying out a benchmarking exercise that calibrates the international competitiveness of the Indian textile and apparel industry, especially in comparison with at least four key countries - China, Vietnam, Bangladesh and Pakistan.

The study will use a combination of secondary data, recent country assessments and collection of primary data through face-to-face interviews with firms and buyers, and field surveys to assess the global competitiveness of the Indian textile sector. A unique feature of this study is that it will focus on the full value chain model of benchmarking international competitiveness rather than be limited to the point of production as is standard in benchmarking studies that focus on narrow measures of productivity - production costs, machine and labour productivity. An additional focus on micro-level performance dynamics at the firm level will help generate grounded policy advice.

## **C 5 Drivers of Public Funded Research, Innovation and Technology Transfer in India: The Role of IPR**

**Research Team:** *Amit Shovon Ray & Sabyasachi Saha*

**Duration:** Ongoing

**Commencement:** August 2008

While India's advantage in high-end human capital may be primarily attributed to its long standing policy thrust on higher education (especially technical and scientific education) that created an extensive network of universities and institutions of higher learning, Indian academia has not contributed adequately to the process of technological learning and catching up by Indian industry. Even though universities and institutions have been quite active in their research pursuits, sometimes with immense potential for commercial applications, university-industry interface in this regard has remained sub-optimal. Therefore, avenues for harnessing the rich research potential of universities and research laboratories for industrial applications are being seriously considered in India.

It is in this context that new policy initiatives are being contemplated to institutionalise Intellectual Property Rights (IPR) in the academic sector to create dual incentives for innovations as well as their commercialisation along the lines of the Bayh-Dole Act of 1980 in the US, which for the first time allowed universities to retain patent titles and offer exclusive licenses on innovations generated out of federally-funded university research projects. Naturally, such a proposal, mooted by the Indian government, needs to be examined analytically to understand the nature of the drivers of academic research in India, not only in terms of the culture and environment but also in terms of faculty behaviour, performance and perceptions. This is what is being attempted in our present research.

The findings of the study will be brought out in the form of two ICRIER working papers. The first one will focus on a conceptual-empirical synthesis of the US and other country evidence on patenting public-funded research for technology transfer with lessons for India. The second one will present a small-sample, econometric study of the drivers of academic research in India and the role of IPR therein.



## Completed Projects (1)

### C 6 “India: The Impact of Mobile Phones”

**Research Team:** *Rajat Kathuria\**, *Surabhi Mittal*, *Mamta*, *Gaurav Tripathi (ICRIER)*; *Ankur Sarin*, *Rekha Jain*, *Mahesh Uppal & Sanjay Gandhi (External Consultants)*<sup>#</sup>

**Duration:** 9 months

**Commencement:** April 2008

**Completion:** January 2009

**Funded by:** Vodafone

Given the rapid diffusion of mobile telephony in India, a rigorous, quantified analysis identifying the socio-economic benefits of mobile phones and barriers to further growth of the industry has emerged as a topical issue. This study, led by Professor Rajat Kathuria, answers the following research questions:

- Does mobile telephony actually drive overall economic growth?
- Does mobile penetration have a greater impact on less developed states?
- Have mobile phones helped drive productivity of different population segments and what, if any, are the constraints in this process?

The study provides a balanced assessment by reviewing both state-level data and data from specific sectors of the Indian economy such as agriculture, small and medium enterprises (SMEs) and the urban poor. The results support the conclusion that there is a causal relationship between higher mobile tele-density and economic growth. There are important network effects which magnify the economic impact of mobiles on development when the level of mobile penetration exceeds a critical mass of around 25 per cent. Indian states with high mobile penetration rates can be expected to grow 1.2 percentage points faster for every ten per cent increase in the penetration rate as compared to those with lower mobile penetration rates. This finding underlines the urgency of increasing telecom investment across all states and especially in those areas that are yet to reach the 25 per cent threshold level. Three segments of the population investigated for the study – the agricultural sector, the SME sector and urban slum dwellers - demonstrate that access to telecommunications is an important catalyst to realising productivity and efficiency improvements that make it possible for the benefits of economic growth to be shared. The research findings will shortly be brought out as an ICRIER working paper.

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\* Lead Researcher

<sup>#</sup> Advisory Committee: *Diane Coyle*, *Howard Williams*, *Gough Neil*, *Joaquim Croca*, *Jim Donahue & Len Waverman*

## D Regional Economic Co-operation with Focus on South Asia

### Ongoing Projects (6)

#### D 1 Global Trading and Financial Systems: Multilateralism of the World Trade Organisation versus Regionalism

**Research Team:** *T. N. Srinivasan\**, *Vani Archana (ICRIER)*

**Duration:** 2 years

**Commencement:** July 2007

**Funded by:** Yale University, USA

The study has been carried out in two phases. Phase I of the project, which used secondary data, examined the impact of Preferential and Regional Trade agreements (PTA/RTAs) on India's trade flows. It found that in terms of bilateral trade flows, the overall effects of PTAs and RTAs are largely deleterious for India. In the second part of the paper, firm-level data was examined to identify the factors that influence the decision of Indian firms to participate in export markets. It showed that several different characteristics of firms (such as their size, productivity, profitability, etc.) are relevant, besides country level barriers, in the firms' decision to export.

In Phase II, a specially conducted firm-based field survey collected primary data from a sample of 400 firms in selected industry segments at different locations in the country. Besides exploring factors that could influence export capabilities of firms in a wide spectrum of manufacturing industry in India, the survey addresses a range of issues that affect the export performance of Indian firms. The study has identified several firm level characteristics and environmental constraints that could affect the firms' total factor productivity. Institutional bottlenecks like uncertainty of regulatory policies, political instability, customs and trade regulations are also found to affect firms' productivity and export behaviour. The findings of the study were presented at the Workshop on International Trade (Economic Growth Centre) in Yale University.

#### D 2 China and India's Economic Engagement in SAARC: Lessons for India

**Research Team:** *Nisha Taneja, Sneha Bakshi (ICRIER) & Pravakar Sahoo (External Consultant)*

**Duration:** 6 months

**Commencement:** June 2008

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

Historically, India has been one of the major trading partners of its neighbouring countries - Bangladesh, Pakistan, Sri Lanka and Nepal. In recent years, China has increased its trade and investment in India's South Asian neighbourhood considerably. In this context, the objective of the present study is: (i) to investigate China's growing trade and investment ties with SAARC member nations (ii) to identify factors that determine competitiveness of Chinese exports vis-à-vis India in these countries and (iii) to analyse motives and pattern of Chinese investment in the region. The study also examines the provisions in various bilateral and regional trade agreements among these countries to assess how these provisions could have contributed to China's trade and investment linkages in the South Asian region. The analysis is conducted with a view to drawing lessons for India to increase its trade and investment in its South Asian neighbourhood.

The study uses both secondary data and data from primary field surveys. A semi-structured questionnaire was canvassed in India, China, Nepal, Sri Lanka and Bangladesh. The response group comprised of exporters, importers, academicians and policy makers in these countries. Secondary data was

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\* Lead Researcher

used to compute trade indices such as revealed comparative advantage and trade complementarity indices. While these indices help in identifying sectors where China has been more competitive than India, the field survey sheds light on the reasons for China's growing presence in certain sectors. Preliminary findings suggest that China's business friendly model, liberal trade policies in recent years, substantial reduction in both qualitative and quantitative barriers, improved political relations between China and these countries and increased investment in infrastructure for the purpose of facilitating trade are some of the factors responsible for its growing presence in South Asia.

### **D 3 Trade Facilitation for Efficiency and Regional Integration in South Asia**

**Research Team:** Nisha Taneja\*, Shravani Prakash, Rashmi Rastogi (ICRIER), Shaheen Rafi Khan, Chinpal Rauniar, Mohammed Rahmatullah, Amal S. Kumarage, N.C. Magedaragamage, Nilanjan Banik, Parthapratim Pal, Sanjib Pohit, Gurudas Das, & Aparna Sawhney (External Consultants)<sup>#</sup>

**Duration:** 24 months

**Commencement:** January 2009

**Funded by:** DHL India Private Limited

Despite consistent efforts made by South Asian countries at liberalising trade, intra-SAARC trade continues to be just three to five per cent of the region's total trade. A major factor responsible for the low trade is the high cost of moving goods across borders – emanating from cumbersome customs procedures, poor infrastructure, restrictive regulatory regimes that govern cross-border trade and transport in the region and non-transparent and unpredictable administrative procedures.

In recognition of the fact that improved trade facilitation can significantly contribute to gains in intra-SAARC trade, this project aims to (i) identify impediments to intra-regional trade related to transport and logistics, customs, trade and transport regulatory regimes, business mobility and security (ii) estimate transaction costs in terms of money and time along a logistic chain (iii) evaluate the trade facilitation measures taken so far and (iv) identify the procedures and practices that prevent the implementation of these measures.

The study will be carried out through a primary survey in India, Bangladesh, Sri Lanka, Pakistan and Nepal. A network of external consultants, consisting of 11 experts from the region, has been put in place to undertake different national components of the study. A common questionnaire has been prepared in consultation with experts and is ready for canvassing. Based on the findings of the study, short-term and long-term measures will be suggested to take the trade facilitation process forward. A major dissemination programme of the findings in all South Asian countries is an integral part of the project.

### **D 4 Foreign Direct Investment in Infrastructure Development: Evidence from Select South Asian Countries.**

**Research Team:** Rajeev Anantaram (ICRIER) & Pravakar Sahoo (External Consultant)

**Duration:** 1 year

**Commencement:** November 2008

**Funded by:** SANEI-Asian Development Bank (RETA 6417)

This study examines the pattern of foreign direct investment (FDI) in the telecommunications and power sectors of four countries of South Asia — India, Pakistan, Sri Lanka and Bangladesh. The focus is on the opportunities available to and the challenges faced by foreign investors in these sectors. In particular, the focus is on policy reforms relevant to the power and telecom sectors enacted in each of these countries over the past two decades to facilitate greater private, and in particular foreign multinational, participation.

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\* Lead Researcher

<sup>#</sup> Advisory Committee: Sheel Kant Sharma, Rajeev Kher, P.K. Tripathi, A.K. Pandey, S.K. Das, K.L. Thapar, Roberto Zagha, Jayanta Roy, P.S. Pruthi, Jarnail Singh & Srinivas Madhur.

The study mainly relies on secondary data available in the public domain from institutions such as the World Bank, the Asian Development Bank and the International Finance Corporation (IFC). The primary survey, restricted to India, consists of interviews with officials in the ministries of power and telecommunications, regulatory agencies as well as the senior management of both Indian and foreign firms in the power and telecommunications sector.

#### **D 5 Trade in Services for the Proposed India-EU Free Trade Agreement\***

**Research Team:** *Arpita Mukherjee<sup>#</sup>, Suparna Karmakar, Abhijit Sen Gupta, Durgesh Kumar Rai, Ramneet Goswami, Smita Miglani & Rajat Kathuria (ICRIER), Rupa Chanda, Parthapratim Pal, R.V. Anuradha, Debjani Ganguli, Aparna Sawhney, Biswajit Nag, Samir Gandhi & Panagiotis Delimatsis (External Consultants)<sup>##</sup>*

**Duration:** 8 months

**Commencement:** September 2007

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

India and the European Union (EU) are negotiating a Broadbased Trade and Investment Agreement (BTIA) and services is a key sector to be covered under this agreement. This is India's first comprehensive bilateral agreement with a large developed country trading partner.

This study, sponsored by the Department of Commerce, Ministry of Commerce and Industry, is providing negotiating strategies to the Indian government for the services negotiations under the India-EU BTIA. Specifically, the study examined India's current and future trade potential with the EU in 13 services sectors. It identified trade barriers both at the EU level and in the 27 member states.

This study was based on a primary survey of Indian and European businesses, in-depth discussions with Indian and European policy makers and business associations and secondary data analysis. ICRIER researchers are participating in the on-going BTIA negotiations.

The study found that the EU market for services is not harmonised. Unlike India, barriers in the EU are largely regulatory in nature and, therefore, more difficult to identify and address in a market access negotiation. Within services, both India and the EU have offensive and defensive interests but there are also trade complementarities. The study identified various barriers in EU and India, which if addressed, will increase India-EU trade. It also found that there is scope for increase in bilateral investment and collaborations.

#### **D 6 Indo-Nepal Economic Co-operation**

**Research Team:** *Nisha Taneja, Subhanil Choudhury, Monisha Grover, Rashmi Rastogi & Shravani Prakash (ICRIER), Nishchal N. Pandey (External Consultant)*

**Duration:** 6 months

**Commencement:** March 2009

**Funded by:** Confederation of Indian Industry

Nepal's economic development and industrialisation efforts have largely been dependent on India. Over the years, Nepal has benefited significantly through the Indo-Nepal trade treaties and various other economic co-operation measures. However, Nepal runs a burgeoning trade deficit with India, products from Nepal are unable to compete in the Indian market and Indian investments in Nepal are drying out.

In this context, the study poses the following questions: What are the factors responsible for Nepal's increasing trade deficit with India? Why have exports from Nepal to India not increased despite Nepal having duty-free access to Indian markets? How can Nepali exports to India be increased? Why has Indian FDI in

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\* Since completed in June 2009

<sup>#</sup> Lead Researcher

<sup>##</sup> Advisory Committee: *Rahul Khullar, Rajiv Kumar, TCA Srinivasa Raghavan, Sumanta Chaudhury, Jayanta Roy, A.K. Arora & Manab Majumdar.*

Nepal fallen? Which are the sectors that can provide opportunities for greater Indian investments in Nepal? The study suggests a policy framework for Indo-Nepal economic co-operation.

The study uses both secondary and primary data. Preliminary findings of the study suggest that the composition of the Nepalese export basket was dictated by tariff differentials existing between the two countries. Nepalese exports consisted largely of items that used raw materials that had a lower tariff in Nepal than in India. With the tariffs in India coming down, this model has become redundant to a large extent. On the other hand, Nepal has huge opportunities in the hydropower and tourism sector, which should be the priority destinations for investment from India. Trade in these sectors can help in the long-term growth of the Nepalese economy and can play an important role in reducing Nepal's trade deficit with India. Political turmoil and infrastructural problems in Nepal are major deterrents for FDI inflows from India. India can invest in Nepal's physical infrastructure and can contribute significantly to human capital formation.

## Completed Projects (7)

### D 7 India's Trade and Co-operation in Services with MERCOSUR and SACU

**Research Team:** Amit Shovon Ray, Amitendu Palit, Manisha Gupta, Adithya Chintapanti & Shouunkie Nawani

**Duration:** 18 months

**Commencement:** December 2006

**Completion:** May 2008

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

The study was undertaken as part of India's ongoing initiatives aimed at expanding economic ties with Brazil and South Africa which were part of two different economic groupings viz: MERCOSUR and SACU respectively. With each grouping having common policy alignments between members, India's attempts to further economic ties with Brazil and South Africa should be premised upon an expansion of ties with these two groupings.

The study examined the potential for services trade between India and Brazil in the context of MERCOSUR and between India and South Africa in SACU. This was done through an analysis of the services markets in India, Brazil and South Africa, including an examination of existing regulations and the extent of autonomous liberalisation effected by each country.

The study points to synergies between India and Brazil in a number of services like IT and ITeS, IT education, construction, entertainment services, R&D services, especially in biotechnology and pharmaceuticals, and legal services. The study brings out the strong potential for trade through mode 3 in IT and IT-related services with Brazil and Argentina. The potential service sectors for trade between India and South Africa were financial services (including insurance), entertainment services, IT and IT-related services, transport, tourism, telecommunication and retail. The study also takes note of the importance of expanding connectivity, particularly air links, between India and MERCOSUR and SACU for facilitating growth in services trade. It points out the importance of strengthening the India-Brazil-South Africa (IBSA) initiative for yielding larger payoffs in the form of expanded trade and trade links between India and MERCOSUR, and India and SACU.

## **D 8     Convergence towards Regional Integration between the EU & India**

**Research Team:** *Deb Kusum Das & Sangeeta Khorana (External Consultants)*

**Duration:** 10 months

**Commencement:** November 2007

**Completion:** September 2008

**Funded by:** Aberystwyth University, UK

Regional integration arrangements (RIAs) constitute an increasingly significant feature of the world trade system. Estimates show that more than half of total world trade occurs through regional trade blocs/agreements. Over the last decade, EU has emerged as the single most important trading partner for India. Against this background, the study analysed the impact of non-tariff barriers and regulatory regimes on Indo-EU trade. The two sectors selected for detailed enquiry were leather & footwear (L&F) and textile & clothing (T&C) sectors.

The findings show that under the present EU-India trade arrangements, non-tariff barriers (NTBs) are the result of regulatory heterogeneity, different product standards, labelling and packaging requirements. In addition to NTBs, there are also domestic barriers that impede trade between the UK and India. The key recommendations for the elimination of NTBs in the T&C and L&F sectors include information dissemination, simplifying and enhancing transparency in regulations and standards, joint accreditation of testing and certification facilities followed by an eventual convergence of the regulatory regimes.

## **D 9     Project on Japanese Studies in India**

**Research Team:** *Sanjana Joshi, Amit Singh & Durgesh Kumar Rai (ICRIER), Geethanjali Nataraj & Srabani Roy Choudhury (External Consultants)*

**Duration:** 12 months

**Commencement:** April 2008

**Completion:** March 2009

**Funded by:** Sasakawa Peace Foundation

In 2008-09, two studies have been completed under this project. The first is 'India-Japan Investment Relations: Trends and Prospects' by Geethanjali Nataraj. This study points out that there is a huge opportunity for Japanese investment in sectors such as biotechnology, agriculture, hydrocarbon fuels and information and communication technology, particularly in the context of the global economic downturn. The study recommends quick conclusion of the negotiations on the Comprehensive Economic Partnership Agreement as well as the setting up of a system to regularly update Japanese investors with information relating to investment laws, market information etc.

The second study is 'Japan's Foreign Direct Investment Experiences in India: Lessons Learnt from Firm-Level Surveys' by Srabani Roy Choudhury. The main objective of the study has been to gain insights into the actual experiences of Japanese firms operating in India. The key findings of this study are that Japanese firms enter India with a long term orientation; India has become increasingly important and most established Japanese firms are expanding their operations; for the Japanese, trust is the most important element for partnership; and the surveyed companies want continuity of policy irrespective of political change, removal of administrative bottlenecks, more e-enabled procedures to facilitate faster operations, more transparency in taxation and approvals, priority to infrastructure development and the alignment of technical education to the needs of industry.

High-level political contacts between India and Japan, since the year 2000, have ushered in a new era of partnership in the international arena. Today, Indo-Japanese engagement incorporates political, strategic and economic issues and is a crucial element in the dynamics of contemporary international political economy. The Japan Project at ICRIER is supported by the Sasakawa Peace Foundation. The objective is to



foster vibrant engagement among individuals and institutions with an interest in contemporary Japan as well as to undertake research studies on the strategic, political and economic significance of Indo-Japanese ties.

#### **D 10 Food Security in SAARC**

**Research Team:** *Surabhi Mittal & Deepti Sethi (ICRIER), Uttam Kumar Deb, Binod Karmacharya, Dil Bahadur Rahut, Shakeel Ahmad Ramay, Parakrama Samaratunga (External Consultants)*<sup>#</sup>

**Duration:** 8 months

**Commencement:** August 2008

**Completion:** April 2009

**Funded by:** Konrad Adenauer Stiftung

Agriculture in the SAARC region is caught in a low-equilibrium trap characterised by low productivity of staples, supply shortfalls, higher prices, low returns to farmers and product diversification – all these factors can be a threat to food security. The Food Bank, set up to meet SAARC food security, has remained non-operational even during the crisis. At the same time, member nations have continuously felt the need to evolve mechanisms to make the region food secure.

The objective of the study was to critically evaluate existing national and regional policies on food security and, on the basis of detailed country studies, suggest measures to make the policies more effective. The study was a collaborative research between think tanks in India, Pakistan, Bangladesh, Nepal, Sri Lanka and Bhutan.

The study shows that although a lot of progress has been made to ensure food security in the region, more efforts are required to improve access to food for the general population, to scale up regional co-operation for sharing of technological know-how and expand intra-regional trade to make the region food secure. Overall, the region needs to adopt an integrated strategy encompassing increased domestic production, expanded social safety net programmes, greater collaboration among South Asian countries in various technical fields and trade policy reform.

#### **D 11 Privatisation & Internationalisation of Higher Education in the Countries of South Asia: An Empirical Analysis**

**Researcher:** *Pawan Agarwal (External Consultant)*

**Duration:** 21 months

**Commencement:** December 2006

**Completion:** October 2008

**Funded by:** SANEI, Pakistan

Despite a common origin and similar academic and affiliating structures, higher education in South Asian countries has acquired distinct national features. But the key common feature is the large unmet demand from publicly-funded institutions, primarily because capacity expansion has been limited by the resource constraints faced by governments. The growing unmet demand is met partly by the private sector – mainly but not exclusively through domestic providers and a growing number of students going abroad for higher education. Meanwhile, public policy in South Asian countries now takes into account both public and private provision to meet the growing demand.

Despite India's dominant presence in the higher education system, its influence in shaping the sector in the region is marginal. The setting up of the South Asia University at India's initiative is the first step towards building a co-operative structure for South Asia. But much more needs to be done. After an extensive review, this report suggests that the next logical step would be to create a South Asia Higher Education Area (SAHEA) on the pattern of the Europe Higher Education Area (EHEA) for deepening regional integration efforts. This would make higher education and research in South Asia competitive in the growing global knowledge economy.

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<sup>#</sup> Advisory Committee: *Praduman Kumar, Nisha Taneja, Shrawan Nigam, Jorge Wolff, Beatrice Gorawantschy, Pankuj Madan & Raghu Dayal.*

## **D 12 Rationalisation of Non-Tariff Measures (NTMs)/Para-Tariff Measures (PTMs) Imposed by India**

**Research Team:** Nisha Taneja, Raashi Malhotra & Sanjeet Kumar Rai

**Duration:** 14 months

**Commencement:** March 2008

**Completion:** April 2009

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

Under the aegis of the South Asian Free Trade Agreement (SAFTA), a sub-group was formed to address problems related to non-tariff measures (NTMs) and para-tariff measures (PTMs) faced by member countries while trading with each other. All member countries have notified the NTMs/PTMs faced by them vis-à-vis each other. The Ministry of Commerce, Government of India, had set up a task force to address NTMs/PTMs faced by the member countries while exporting to India.

In this context, the study examined non-tariff and para-tariff measures that were notified to India by its SAARC partner countries under the aegis of SAFTA. The purpose of the study was to (i) identify those non-tariff and para-tariff measures that were not consistent with WTO principles (ii) identify the type and nature of non-tariff barriers and (iii) suggest to the Indian government corrective measures that would improve market access of SAARC member countries into the Indian market.

The study classified the notified barriers into different categories such as sanitary and phytosanitary measures (SPS), technical barriers to trade (TBT), para-tariff and trade facilitation measures. The study examined each of these measures and the regulatory regimes that supported these measures. The study revealed that while all the non-tariff or para-tariff measures imposed by India are WTO compatible in terms of national treatment and the MFN principle, there were some which required corrective action as they do create problems for India's trading partners due to the complexity of procedures, non-transparency of rules and procedures, and problems related to testing and certification of products. To overcome these problems, the study recommended three broad types of solutions: (i) reducing complexity and improving transparency (ii) equivalence agreements, mutual recognition agreements and memorandum of understanding and (iii) recommendations pertaining to removal of specific duties and restrictive standards.

## **D 13 India-Indonesia Comprehensive Economic Co-operation Agreement (CECA): Opportunities for Trade in Services**

**Researcher:** Vani Archana

**Duration:** 12 months

**Commencement:** March 2008

**Completion:** March 2009

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

Services have a labour-intensive character and high export potential, which is of particular significance to developing countries such as India and Indonesia. Hence, the objective of this study was to identify the sectors and modes of service supply of interest to India and Indonesia and the opportunities and issues for trade in services. The CECA after enforcement is expected to enable additional market access for service providers in both countries across a broad range of service sectors and in all modes of service supply.

The study draws on works previously done by several academics, research and advisory groups as well as chambers of commerce and industry, and is based on interaction with government officials and interviews with firms such as IT software and services companies. The study also uses secondary data to supplement and strengthen those observed from the primary analysis. The study has identified possible service sectors and other areas for enhanced co-operation between India and Indonesia. These include IT, telecommunications,



financial services, audio-visual, education, health, tourism and travel, construction, professional services, transportation, energy, agriculture and fisheries, mining, human resource development and forestry.

The study suggests that it is important to develop rules and disciplines on trade in services based on GATS provisions and improving on them further wherever possible, including disciplines on domestic regulation. It further suggests facilitating increased dialogue between the regulatory bodies of the two countries for possible Mutual Recognition Agreements (MRAs) and in expanding bilateral economic linkages.

## E WTO – Related Issues

We have developed a three-year WTO research and capacity-building project to enhance WTO research at ICRIER and to provide Indian policy makers a more nuanced understanding on how to take India's interests in the multilateral trading system forward. The main objectives of this WTO Research Programme is to engage in policy-oriented research, augment the capacity of the Trade Policy Division of the Department of Commerce, constructively engage with relevant stakeholders at regular intervals, organise stakeholders meetings to elicit the necessary feedback on possibilities of and opportunities for any new agreement in the Doha Round and to help India effectively participate in the reform of global governance and the trade agenda. The project is so designed that the research and capacity-building activities complement and build on each other. The monthly WTO seminar series was started in August 2008 as an integral part of this project with the objective of identifying and discussing critical WTO issues relevant for India in the ongoing Doha Round. This has been well-received and well-attended. A recent article by Dr Rajiv Kumar in the Business Standard (June 6<sup>th</sup>) on 'India and the WTO', in which he has argued that India has an increased responsibility to ensure a successful conclusion of the Doha Round as a member of the Quad and that the current Doha Round should be replaced by a more ambitious round of negotiations that includes climate change et al, has also attracted significant attention.

### Ongoing Projects (1)

#### E 1 Box Shifting in Agriculture Subsidies under the WTO

**Research Team:** *Rajiv Kumar & Swapna Nair*

**Duration:** 3 months

**Commencement:** June 2009

**Funded by:** Ministry of Commerce and Industry

Under the Agreement on Agriculture, domestic subsidies provided by member countries and notified under the current total Aggregate Measurement of Support (AMS) are subject to reduction commitments since they are trade and production distorting and go against the mandate of the WTO. The Agreement makes certain exemptions, though, in terms of reduction commitments. Green Box subsidies are exempt from reduction commitments since they have 'no or minimal trade distorting effects or effects on production' (Annex 2). Certain measures that do distort trade and production are also exempt from current reduction commitments, if (a) they are a very small percentage of the total value of agricultural production (de minimis measures) and (b) they are production limiting measures (Blue box measures). These exemptions are of concern to developing countries because of two reasons: (1) recent research indicates that these exempt measures could have serious distorting effects on trade and production and (2) the exemption of these measures provides options for developed countries to avoid their subsidy reduction commitments by shifting to different heads. It is against this background that this study aims to analyse the latest December 2008 draft modalities text in agriculture which proposes some changes to the Green Box criteria. It also brings in new criteria for Blue Box subsidies (Para 35(b)) which might translate into more flexibility for developed countries and thus, into an issue for emerging economies.

The study will be primarily based on secondary data. It will do an empirical analysis of the shifting trends in domestic subsidies being provided under the three different heads by US/EU, followed by an analysis of the December 2008 text in conjunction with the Agreement on Agriculture, the US Farm Bill and the EU Common Agricultural Policy, bringing out the implications of the draft modalities on future box shifting flexibilities. This will help provide negotiating inputs for agriculture negotiations in the Doha Round within the WTO.

## Completed Projects (1)

### E 2 Viability of Alternative Frameworks for Agricultural Trade Negotiations

**Researcher:** *Surabhi Mittal*

**Duration:** 6 months

**Commencement:** August 2008

**Completed:** February 2009

**Funded by:** Institute of International Trade, University of Adelaide, Australia

The present “single undertaking” approach to multilateral trade negotiations in the WTO has failed to deliver timely liberalisation or reform of agricultural trade or other areas covered under the Doha Round. As an alternative framework, the “critical mass” (or CM) agreements have been concluded in certain service sectors and in a number of industrial sectors, but have so far not been seen as a vehicle for bringing about liberalisation and reform in world agricultural trade.

This study, as part of the collaborative project between think tanks in Australia, India, China, Indonesia and Brazil, tried to identify practical problems and potential solutions to take the Doha Round forward. The studies attempt to make a contribution to unblocking the progress in the liberalisation and reform of international trade in agriculture.

The critical mass approach emerged as one of the most viable alternative approaches. The study shows that a CM approach to agriculture is feasible from a technical standpoint and could potentially deliver larger welfare gains than an agreement based on modalities under discussion in the Doha Round. However, political economy considerations might lead some of the large emerging economies to decide against participation in an agriculture CM agreement.

## F Strategic Aspects of India's International Economic Relations

### Ongoing Projects (1)

#### F 1 The National Interest Project

**Research Team:** *Rajiv Kumar & Santosh Kumar\**, Ashis Banerjee, Rajeev Ranjan Chaturvedi, Sukanya Natarajan & Neha Malik (ICRIER), R. Rangachari, Y. S. Rajan, V. Raghuraman, Suman Kumar, Inder Raj Gulati, Amitav Malik, B. Bowander, S. Chandrasekhar, Saon Ray, Vinod C. Khanna, Sujeet Samaddar, Gurmeet Kanwal, Ajay Lele, Kaza Lalitendra, Ajay Sahni, Kanwal Sibal, Ranjeet Gupta & Deb Mukherjee (External Researchers)

**Duration:** 2 years

**Commencement:** July 2007

**Funded by:** Ministry of External Affairs

The project examines India's national interests and external relations with the outside world, both in respect of economic growth and security. The goal of the project on India's National Interest is to help focus thinking on one central issue: What are India's national interests? What are the national interests for the next decade as far forward as we can see in the future for which we must prepare? In the short run, we hope to catalyse debate about the most important national interests for the Ministry of External Affairs. We also hope to contribute to a more focused analysis about India's core national interests, the essential foundation for the next era of Indian foreign policy.

In this year, ICRIER has organised peer review meetings for 20 papers written by commissioned experts on areas identified at the first brainstorming session held in 2008. These papers, after necessary revisions by the project team, have been submitted to the MEA for further discussion with the concerned desk officers. Out of the total 20 papers commissioned, most have been finalised by the Policy Planning Department, Ministry of External Affairs. The peer review meetings were conducted on the basis of the commissioned papers, written by experts and revised by the project team.

A presentation of the project was made in the presence of the current as well as former Foreign Secretaries, Mrs. Nirupama Rao and Mr. Shiv Shankar Menon, and a large number of senior MEA officials on July 27, 2009.

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\* Lead Researchers

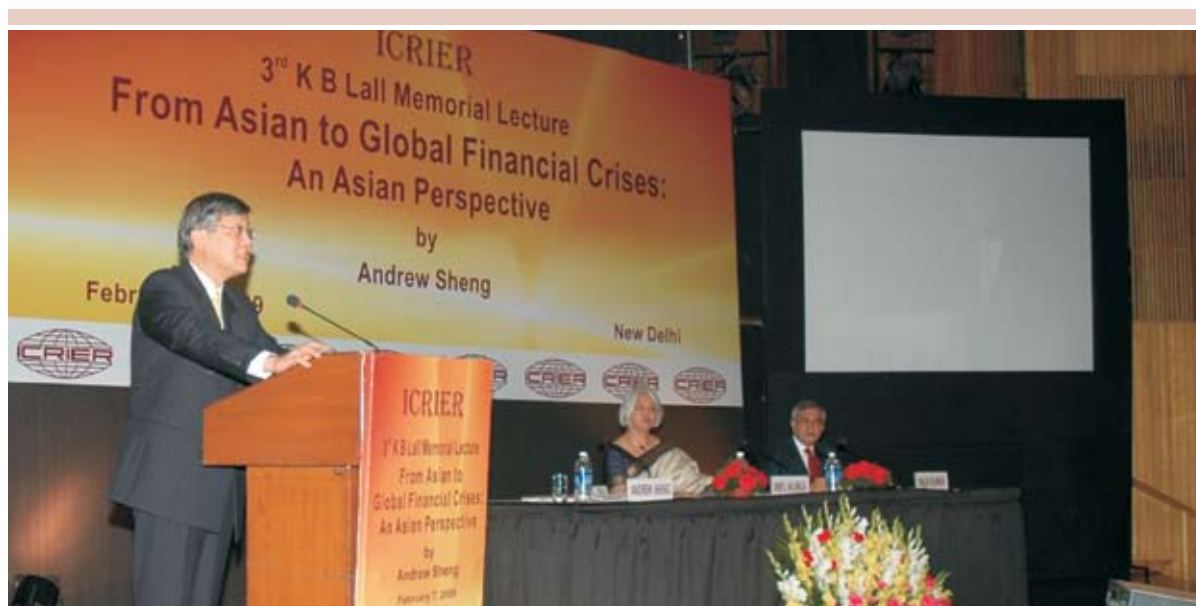
# Special Events

# Special Events

## 3<sup>rd</sup> Dr. K. B. Lall Memorial Lecture on 'From Asian to Global Financial Crises – An Asian Perspective',

February 7, 2009. Professor Andrew Sheng, Third Tun Ismail Ali Chair at the Department of Economics, University of Malaya, Kuala Lumpur

The third K. B. Lall Memorial Lecture was delivered by Professor Andrew Sheng, presently holding the prestigious Tun Ismail Ali Chair at the Faculty of Economics and Administration, University of Malaya. The title of the lecture was 'From Asian to Global Financial Crises – An Asian Perspective'.



**Prof. Andrew Len Tao Sheng**, Third Tun Ismail Ali Chair, Department of Economics, University of Malaya delivering the 3<sup>rd</sup> Dr. K. B. Lall Memorial Lecture. On the dais are **Dr. Isher Judge Ahluwalia**, Chairperson, ICRIER with **Dr. Rajiv Kumar**, Director & CE, ICRIER

In his lecture, Professor Sheng highlighted the macro and micro origins of the crisis, lessons for Asia, international financial order and international financial architecture. He emphasised that all financial crises have a common element: “money borrowed in excess and used badly.” According to him, four historical mega-trends paved the conditions for the crisis: first, the appearance in 1989 of a 3-billion labour force into the market economies following the end of the Cold War that gave rise to a global flood of cheap goods and low inflation for nearly two decades; second, monetary policy responses to the Japanese bubble/deflation since 1990, which gave rise to over two decades of almost interest-free yen loans globally, creating the famous ‘yen carry trade’; third, the emergence of financial engineers; and fourth, the phase of global deregulation. These mega-trends created four arbitrages – wage arbitrage, financial arbitrage, knowledge arbitrage, and regulatory arbitrage. The four arbitrages led to four excesses that were the hallmark of the present crisis – excess liquidity, excess leverage, excess complexity and excess greed. He explained how four elements of financial innovation and deregulation came together to create the toxic products that were at the root of the current crisis: first, plain vanilla residential mortgages were securitised into mortgage-backed papers by government mortgage institutions such as Fannie Mae and Freddie Mac; second, accounting and regulatory standards permitted such potential liabilities to be moved off the balance sheet so that the banks benefitted from ‘capital efficiency’; third, the use of insurance companies and the newly evolved credit default swap (CDS) markets to enhance the credit quality of the underlying paper; and the fourth sweetener was the willingness



A view of the distinguished participants attending the 3<sup>rd</sup> Dr. K. B. Lall Memorial Lecture.

of the credit rating agencies to give these structured products AAA ratings for a fee. In the Asian context, Professor Sheng suggested that the solution has to be arrived at in four major steps – diagnosis, damage control, loss allocation and an appropriate incentive structure so as not to repeat the current crises. He was of the view that Asia will have to accelerate the programme of building strong regional markets to finance all the social infrastructure and environmental adjustments that it needs. He concluded by saying that ultimately all financial crises are crises of governance. It takes good governance, at the corporate, financial and social levels, to generate long-run sustainable stability.





# Seminars

# Seminars

## **Emissions Growth in the Platinum Age**

April 7, 2008 *Stephen Howes*

Dr. Stephen Howes, Professorial Fellow at the JG Crawford School of Australian National University, Canberra, made a presentation on comparative growth rates in the economy, energy consumption and greenhouse gas emissions (GHGs) for three groups, viz., the world, the OECD countries and the non-OECD countries. He stressed that, in recent years, non-OECD countries have witnessed much faster growth rates in the economy, energy-use and GHG emissions compared to OECD countries. Therefore, a higher contribution to GHG emissions is expected from developing countries in future. He pointed out that emission projections for 2015 and 2030, as given by the Special Report on Emissions Scenarios (IPCC) and WEO, did not take into account recent trends of unexpected high growth rates by the non-OECD countries. As a result, the actual GHG emission rate during the period 2000 to 2006 is already higher than that projected for 2015 and 2030.

## **Consolidation in the Indian Banking Sector: Some Thoughts**

April 8, 2008 *Rupa R. Nitsure*

Dr. Rupa R. Nitsure, Chief Economist, Bank of Baroda, spoke on the consolidation of Indian banks. Global trends indicate that the US and Europe lead in banking consolidation. For the Indian banking sector, April 2009 would be important because of the introduction of new privatisation measures. She pointed out that the Indian banking sector needs consolidation because today, their relatively small size makes it difficult for Indian banks to compete internationally in terms of funds' mobilisation, credit disbursal, investments and rendering of financial services. Many Indian banks are also unprepared for Basel II implementation because of capital inadequacy and because they under-perform on risk management. Her suggestions regarding the consolidation of Indian banking were that the process should be market-driven but critically monitored by the RBI and the government.

## **Convergence towards Regional Integration between the EU and India: Trade Implications for India and the UK. Focus Group Discussion with Leather and Textiles Exporters**

April 5 and 8, 2008

ICRIER and Aberystwyth University (Wales, UK) conducted a joint study to understand the perceptions of non-tariff barriers faced by exporters to the UK in the leather and textile trade. Two focus group discussion meetings were held after surveys were conducted to understand exporters' perceptions of trade barriers in the UK. The all-India survey conducted in the major hubs for leather and textiles – Chennai, Tirupur, Bangalore, Erode, Kolkata, Kanpur, Agra, Delhi and NCR – offered insights into the actual trade environment between India and the UK. The survey findings, in the form of presentations by the research team, were reported to exporters, representatives of industry associations, export promotion councils and officials of the government. Participants at the meetings provided very useful feedback.

## **Sub-prime and the Crisis in Structured Finance**

April 9, 2008 *Alok Sheel*

The sub-prime crisis was discussed by Dr. Alok Sheel, Member Secretary in the Prime Minister's Advisory Council. Dr. Sheel dwelt on the key issue of asset-backed securitisation in western financial markets.

He mentioned that cheap money, the housing boom and financial innovation diluted credit discipline. Analysing the financial innovations associated with securitisation such as collateralised debt obligations, collateralised bond obligations, leveraged buy-outs, junk bonds, structured investment vehicles and credit default swaps, Dr. Sheel underlined the fact that the value of the credit default insurance market is now around \$45.5 trillion, which is much larger than the domestic stock market, mortgage securities market and US treasuries market combined. With regard to restructuring of structured finance, he emphasised the need for regulating the regulators, i.e., rating agencies and central banks.

## **A Programme of Study on the Development Experiences of People's Republic of China (PRC) and India**

April 11, 2008

ICRIER and the Asian Development Bank organised a workshop on 'Development Experiences of People's Republic of China and India.' The initial findings of the project undertaken by ICRIER under the leadership of Chairperson Dr. Isher Judge Ahluwalia in collaboration with the Institute for Public Policy Studies, Beijing, were presented at the workshop. The workshop was chaired by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER, and was attended by top government officials along with eminent scholars and researchers. Dr. Rajeev Anantaram of ICRIER made a presentation on China's manufacturing sector since 1978. Professor Manmohan Agarwal, CITD, JNU presented a paper titled 'Chinese Reforms: Achieving Growth With Price Stability' that highlighted the nature and objectives of the Chinese reform process.

Dr. Poonam Gupta presented a paper titled 'Reforms of the State-Owned Enterprises in China' (co-authored with Dr. Amitendu Palit). This study examined the extent, pace, and sequencing of reforms of China's state-owned enterprises, the institutional handling of the reforms and the modalities adopted for privatisation, the manner in which the massive restructuring of labour was handled, the gains that accrued from SOE reforms and the challenges faced during this process.

Professor Bibek Debroy in his paper 'The Chinese Labour Market – Segmentation and Unification – Implications for India' spoke on reforms in the Chinese labour market, in which workers are highly mobile.



**L to R – Prof. Yang Jian, IPPS, Peking University, Dr. Isher J. Ahluwalia, Chairperson, ICRIER, Smt. Sindhushree Khullar, Additional Secretary, DEA, Mr. Klaus Gerhaeusser, ADB and Dr. Rajiv Kumar, Director & CE, ICRIER**

He stressed the differences between the Indian labour market, which is segmented into the organised and unorganised sectors, and the Chinese labour market, which is segmented between urban and rural areas.

Dr. Rajiv Lall made a presentation titled 'Developing Physical Infrastructure: a Comparative Perspective on the Experience of China and India.' In China, government departments and SOEs are actively encouraged to deliver results and take risks, and enterprises deliver the agenda as determined by the Communist Party of China. He outlined the role of different levels of governments in China in the financing and implementation of infrastructure projects. These had some relevance for the India's efforts to develop its own infrastructure. In India, on the other hand, these departments are risk averse, succumb to populist pressures and have absolutely no accountability. Dr. Lall also felt that coal, which is used in power generation, has caused considerable environmental damage in China and, since India uses coal as well, it should learn from China's mistake.

### **South Asia Regional Dialogue on Global Economic Governance and Trade**

April 29, 2008



**L to R - Dr. Rajiv Kumar**, Director & CE, ICRIER, **Mr. Gopal K. Pillai**, Secretary (Commerce), Ministry of Commerce & Industry and **Dr. Carolyn Deere**, Director, Oxford University's Global Economic Governance Programme (GEG)

ICRIER, Oxford University's Global Economic Governance Programme (GEG), the Graduate Institute for International and Development Studies, Geneva (HEI) and the Emerging Dynamic Global Economies Network (EDGE), organised the 'South Asia Regional Dialogue on Global Economic Governance and Trade'. The Commerce Secretary, Mr. Gopal Pillai, delivered the keynote address and also chaired the first session on 'The Status of the Global Trade Governance Debate: An Overview'. He argued that trade agreements are getting more complicated over time. The panelists in the workshop consisted of eminent South Asian researchers in the area of multilateral negotiations and global trading regime, and prominent policy makers from the Government of India. These included Dr. Carolyn Deere, Mr. Ricardo Melendez-Ortiz, Mr. Anwarul Hoda, Mr. Pradeep S. Mehta, Mr. Amit Dasgupta, Mr. S. N. Menon, Dr. Fahmida Khatun, Dr. Saman Kelegama, Mr. Ahmed Irfan Aslam, Dr. Nagesh Kumar, Mr. Nitin Desai, Dr. Debapriya Bhattacharya, Dr. Veena Jha and Dr. Rashid Kaukab.

## Global Monitoring Report 2008 – MDGs and the Environment

May 15, 2008

ICRIER and the Global Development Network (GDN) organised a seminar to discuss the World Bank-IMF Global Monitoring Report (GMR) 2008. Dr. Zia M. Qureshi, the lead author, presented the report. The seminar was chaired by Dr. Rajiv Kumar, Director & CE, ICRIER. Dr. Gobind Nankani, President, Global Development Network, made the opening remarks. The panelists were Mr. Surya P. Sethi, Principal Advisor, Energy, Planning Commission, Dr. Paul Joseph, Principal Advisor, Development Policy, Planning Commission, and Mr. Shrawan Nigam, Senior Consultant, ICRIER. The Global Monitoring Report 2008, focuses on the assessment of efforts towards achieving the Millennium Development Goals (MDGs) by the year 2015 and the actions required to combat climate change. The year 2008 marks the midpoint of the 2015 deadline for achieving the Millennium Development Goals (MDGs).



Dr. Zia M. Qureshi, Sr. Advisor, World Bank and lead author of the Global Monitoring Report 2008

## Monetary Policy on the Horns of Trilemma

May 21, 2008 *Joshua Felman*

Dr. Joshua Felman, Senior Resident Representative, IMF, at a seminar on macro-economics, said that many people have argued that India does not face the 'trilemma' that other countries do and that it can maintain relatively high interest rates along with a stable exchange rate. Dr. Felman disagreed with this view as data showed a high correlation between India's net capital account inflows and domestic-foreign interest rate differentials, and econometric evidence showed that this was not a mere coincidence. This suggests that India, too, is on the horns of the trilemma. Dr. Felman's conclusion was that the RBI's response of intervention by sterilisation is becoming too expensive and unsustainable. He discussed possible alternatives, one of which is to discourage capital inflows by allowing greater exchange rate flexibility.



## Study on Impact of Organised Retailing on the Unorganised Sector

May 26, 2008

ICRIER submitted its study on 'The Impact of Organised Retailing on the Unorganised Sector' to the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. The ICRIER team consisted of Mathew Joseph, Nirupama Soundararajan, Manisha Gupta and Sanghamitra Sahu. Dr. Thomas Reardon and Dr. Ashok Gulati, Co-Directors of the IFPRI-MSU Joint Programme on Markets in Asia, reviewed the international retail experience which is included as one of the chapters in the report. The other partners for the study were Technopak Advisors Pvt. Ltd. and Development & Research Services. The findings of the study were based on the largest-ever survey undertaken in the retail sector of 2,020 unorganised small retailers across 10 major cities, 1,318 shoppers at organised and unorganised retail outlets, 100 intermediaries and 197 farmers. A "control sample" survey was conducted of 805 unorganised retailers who are not in the vicinity of organised retail outlets in four metro cities and interviews were held with 12 large manufacturers, 20 small manufacturers and six established modern retailers. The study has made policy recommendations to regulate the interaction of large retailers with small suppliers and to strengthen the competitive response of unorganised retailers. This has since been published as a book titled, 'Retail in India' by the Academic Foundation in 2009.

## Moving out of Poverty: Understanding Freedom, Democracy and Growth from the Bottom Up

May 26, 2008 *Deepa Narayan*

A conference on 'Moving Out of Poverty' was jointly organised by ICRIER and the World Bank on May 26, 2008. Dr. Deepa Narayan, Senior Advisor, World Bank focused on the poverty numbers based on community perceptions rather than poverty lines and observed that official poverty lines underestimate poverty. The Conference was organised to discuss the findings of the World Bank study on 'Moving out of Poverty: Understanding Freedom, Democracy and Growth from the Bottom Up' which commissioned ten background papers that bring together the most current cross-disciplinary thinking on issues of poverty and upward mobility. The authors – leading scholars and development practitioners from the fields of anthropology, economics, political science and sociology – contributed new conceptual models and evidence from their own works about how and why some people can escape poverty while many stay trapped.



L to R - Dr. Rajiv Kumar, Director & CE, ICRIER, Dr. Deepa Narayan, Senior Advisor, World Bank, Dr. Arjun K. Sengupta, Chairman, Centre for Development & Human Rights and Dr. Isabel Guerrero, Country Head, World Bank

## The Growth Report: Strategies for Sustained Growth and Inclusive Development – South Asia Launch

May 27, 2008



L to R - Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Prof. Michael Spence, President of the Commission on Growth and Development, Mr. P. Chidambaram, the then Hon'ble Finance Minister, Dr. C. Rangarajan, then Chairman, Economic Advisory Council to the Prime Minister and Dr. Ishrat Husain, Dean and Director, Institute of Business Administration, Karachi

ICRIER in collaboration with the Commission on Growth and Development organised the South Asia launch of 'The Growth Report: Strategies for Sustained Growth and Inclusive Development'. The event was chaired by Mr. P. Chidambaram, then Union Finance Minister, and attended by leading economists and policy makers from South Asian countries. Professor Michael Spence, President of the Commission on Growth and Development, highlighted

the experiences of 13 high-growth economies in which openness has played a crucial role. According to him, openness has allowed these countries to import ideas and technology from the developed world while providing a market for their exports. Dr. C. Rangarajan, then Chairman, Economic Advisory Council to the Prime Minister, said that the association between the type of governance and growth was unclear. He cited the example of Indonesia in this regard. Dr. Ishrat Husain, Dean and Director, Institute of Business Administration, Karachi, Pakistan, praised the report, but expressed concern about the growing wage inequalities, which have serious implications for inclusive growth in emerging economies. Professor Wahiduddin Mahmud, Department of Economics, University of Dhaka, Bangladesh, described the report as balanced, but said that it did not adequately address the important issue of the role of leadership.

## Roundtable Discussion on the Issues of Rise in World Food Prices

May 30, 2008 Robert Casey

A roundtable was organised on the recent rise in world food prices with US Senator Robert Casey and delegates from the American Embassy. A select group of agriculture experts and economists from the government, semi-government, and private institutions were present. The Senator said that one-fifth of the nations of the world are facing food shortages and



L to R – Dr. P. K. Joshi, Director, NCAP, Dr. Rajat Kathuria, Professor, ICRIER, Dr. Dil Bahadur Rahut, Chief Research, Monitoring and Planning Officer, Bank of Bhutan and Dr. Mathew Joseph, Senior Consultant, ICRIER

some solution needs to be found. The group deliberated on the reasons for the rise in food prices and also highlighted how Indian government initiatives have been able to keep the situation under check as compared to other countries. The issues of fuel price rise, diversion of grains to bio-fuels, the impact of climate change, subsidies in the world market and food security were discussed.

## **2<sup>nd</sup> Generation of Reform in the Indian Insurance Industry: Prospects and Challenges**

June 24, 2008 *R. Kannan*

Dr. R. Kannan, Member, IRDA, discussed developments in the Indian insurance sector since 1991. He gave an overview of the growth of the sector during 2001-2008. The insurance industry has grown substantially in terms of the number of companies, volume of premia collected, insurance penetration and insurance density. The solvency ratio of the industry was 154 per cent in 2006-07, indicating its sound financial health. In rural areas, where a high proportion of the work force is in the unorganised sector, the issues are low insurance penetration, low literacy and low income levels, which require cost-effective distribution channels. The reform agenda includes facilitating third-party rating of insurance companies, detariffing, expediting and simplifying the product approval process, moving towards risk-based capital and better quality of supervision.

## **The Application of Competition Law and Policy to Retailing**

July 8, 2008 *Allan Fels*

Professor Allan Fels, Dean, Australia and New Zealand School of Government, detailed the evolution of the retail industry and competition laws in Australia. The concerns about organised retailing in developing countries are natural. According to him, though organised retailers in developed countries present a picture of efficiency based on efficient supply chains, there has been concern over concentration and lack of adequate competition in the sector.

## **Pricing-to-Market in Indian Exports: The Role of Market Heterogeneity and Product Differentiation**

July 10, 2008 *Sushanta Mallick*

Dr. Sushanta Mallick, Associate Professor, University of London, UK, presented a paper titled 'Pricing-to-Market in Indian Exports: The Role of Market Heterogeneity and Product Differentiation'. Using panel data at the four-digit level of classification for the G3 (USA, EU-15 and Japan) and three emerging markets (Brazil, China and South Africa), he concludes that there is clear evidence of incomplete exchange rate pass through (ERPT) to buyers' currency prices. This degree of ERPT is net of changes in the level of protection for Indian exporters, inflation and openness in the destination market. The results indicate that Indian firms have some pricing power in G3 markets, but they fully pass-through the exchange rate changes in emerging markets.

## **India-Japan Economic Co-operation**

July 14, 2008

The Project on Japan Studies at ICRIER organised its first conference for 2008-09 on the theme 'India-Japan Economic Co-operation'. The objective of the conference was to spell out the opportunities and challenges for Indo-Japanese economic co-operation in today's rapidly globalising world. Dr. Jaimini



Bhagwati, Additional Secretary (Economic Relations), Ministry of External Affairs, chaired the first session in which Professor Masahiro Kawai, Dean, Asian Development Bank Institute, Tokyo, presented his paper titled 'Forging a Comprehensive Economic Partnership between Japan and India: Prospects and Challenges'.

The second session was chaired by Dr. Shyam S. Agarwal, Additional Director-General of Foreign Trade. Dr. Toshiro Nishizawa, Deputy Director General, JBIC Institute, presented the results of the 'Survey of Japanese Manufacturing Companies Operating Abroad', done by the Japan External Trade Organization (JETRO) and Japan Bank for International Cooperation (JBIC). The survey indicates that in Japanese business circles, India is second only to China as a prospective investment destination abroad.



**L to R - Amb. Aftab Seth**, Director, Global Security Research Institute, Keio University, Tokyo, Japan; **Prof. Brij Tankha**, Professor, Dept. of East Asian Studies, University of Delhi and **Mr. Shrawan Nigam**, Senior Consultant, ICRIER

The conference concluded with a presentation by Amb. Aftab Seth, Director, Global Security Research Institute, Keio University, Japan on 'Japan-India Relations - Some History and Contemporary Developments'. The session was chaired by Professor Brij Tankha, Department of East Asian Studies, University of Delhi.

## Globalisation and Export Zones: International Experience

July 14, 2008 *Robert Haywood*



**L to R - Dr. Rajat Kathuria**, Professor, ICRIER and **Dr. Robert C. Haywood**, Director, World Economic Processing Zones Association (WEPZA)

Dr. Robert Haywood, Director, World Economic Processing Zones Association, focused on globalisation, the history of special economic zones (SEZs) and lessons for India. After World War II, SEZ focused on industry, particularly manufacturing, the generation of employment, introduction of technology and earning foreign exchange. Other types of zones, such as the financial centres in the Caribbean, focus on the services sector which has become the dominant sector in every developed economy. Dr. Haywood emphasised that India needs to seriously examine its current SEZ policy.

### **India: the Business Cycle and the Trend in a Global Perspective, a European vision**

July 16, 2008 *Jean-Joseph Boillot*

Dr. Jean-Joseph Boillot, co-founder of the Euro-India Economic & Business Group (EIEBG) pointed out that there is a lack of business cycle theory in India. The Indian and Chinese economies have closely followed the US economy since 1980. He emphasised the importance of investment in education in putting India ahead in human resources. He identified the dualistic nature of India's growth which implied that while people in modern India have access to world-class amenities, those living in rural India or Bharat continue to struggle for basic amenities. He argued that in the coming years, Africa could challenge India's position in providing services to the aging European population.

### **Roundtable on Modernisation of Indian Retail: The Role of Public Policy**

July 23, 2008

The roundtable brought together stakeholders, academicians and policy makers to discuss the findings of the ICRIER report on this subject, which was presented by Dr. Rajiv Kumar. The roundtable was chaired by Mr. Ajay Shankar, Secretary, DIPP. It was attended by Mr. Chandrakant Sanghvi, Mr. Shyam Bihari Mishra and Mr. Praveen Khandelwal representing the traders' community, Mr. Saktiman Ghosh from the National Hawkers' Association, Mr. Narendra Patil representing the Coolies of APMC Navi Mumbai, Metro Cash & Carry wholesaler, farmers' representatives, Syndicate Bank Executive Director, Mr. George Joseph, Navdanya's Dr. Vandana Shiva, Dharmendra Kumar from India FDI Watch and Dr. Ashok Gulati from IFPRI, among others.



**L to R - Dr. Rajiv Kumar**, Director & CE, ICRIER, **Mr. Ajay Shankar**, Secretary, DIPP, Ministry of Commerce and Industry, **Dr. Mathew Joseph**, Senior Consultant, ICRIER and **Ms. Nirupama Soundararajan**, Research Associate, ICRIER

Mr. Mishra representing the small retailers stressed the need to learn from the experiences of other countries. If competition was to be invited into markets, organised wholesalers should be allowed to bid with unorganised traders in the APMC and other markets. Mr. Khandelwal raised issues of lack of government policy, guidance and grievance redressal for small retailers and of unequal concessions and exemptions given to corporates. Dr. Vandana Shiva of Navdanya suggested replacing the term 'unorganised retail' with 'self-organised retail'.

Mr. Ghosh of the National Hawkers' Association demanded that malls should be allowed only at a distance of at least 2 km from hawker-dense areas. The farmers' representative said that malls refused to buy produce from small farmers, citing quality reasons, and farmers' subsidies often landed in the hands of businessmen. Dr. Gulati, head of IFPRI's South Asia Office, felt that modernisation of the retail sector could not be stopped. Instead, we could follow the Chinese example of modernising wholesale markets by using money generated from organised retailers. Small retailers and hawkers could consider becoming franchise outlets for big retailers, using their technology.

Mr. Ajay Shankar, in his concluding remarks, appreciated the range and depth of discussion and remarked that a clear-cut policy for the retail sector is urgently required.

### **Roundtable on India's Future External Environment**

July 24, 2008

This was part of a series of discussions under the National Interest Project. After Amb. Santosh Kumar's initial presentation, Dr. Rajiv Kumar presented a conceptual model, according to which the three basic components of national interest were security, economic prosperity and state of global public goods. The policy challenge, according to him, was weaving the three together to form a 'grand strategy' and avoiding trade-offs. In the discussion that followed, valuable inputs were provided by participants including Amb. Arundhati Ghosh, Amb. Kanwal Sibal, Brig. Arun Sehgal, and Mr. D. K. Jain. Admiral Raja Menon made a presentation on the net assessment of relevant drivers and scenarios.

### **The Making of Monetary Policy in India with Special Reference to the First Quarter Review of the Policy for 2008-09**

August 12, 2008 *Michael Debabrata Patra*

Dr. Michael Debabrata Patra, Advisor-in-Charge, Monetary Policy Department, Reserve Bank of India (RBI), gave a presentation on 'The Making of the Monetary Policy in India'. Dr. Patra brought out the limited role of monetary policy in the context of rising inflation in the country since, according to him, 74 per cent of the inflation was caused by supply side factors. In his view, RBI's policy stance had been the right one in managing macro stability.

### **Convergence towards Regional Integration: Trade Implications for the UK and India**

August 22, 2008

As part of an ongoing study titled 'Convergence Towards Regional Integration: Trade Implications for the UK and India', ICRIER and Aberystwyth University, Wales, organised a full-day workshop that addressed trade issues in the context of the ongoing India-EU FTA negotiations with reference to non-tariff barriers. The discussion centred around the research findings of the collaborative study undertaken with the UK Government's support. The feedback from the workshop has been incorporated in the report.

## The Third Oil Crisis and its Impact on Japan's Financial Innovation

September 1, 2008 Naoki Tanaka

Dr. Naoki Tanaka, President, Centre for International Public Policy Studies, Japan, gave a special seminar on 'The Third Oil Crisis and its Impact on Japan's Financial Innovation' at India International Centre, New Delhi. The seminar was chaired by Mr. N K Singh. Dr. Tanaka's presentation provided a perspective on how every oil crisis made Japanese entrepreneurs re-structure their production system to accommodate additional costs. In 1960, Japan evolved into a knowledge economy with strong emphasis on research and development (R&D), while the third oil crisis led to the consolidation of the financial sector



in Japan, with the merger of 21 major banks into three large entities. He concluded that a similar restructuring was currently underway in Japan and its results would be evident in an early Japanese economic recovery. Since monetary policy was ineffective in Japan, the micro side was emphasised to bring the economy back to equilibrium.

## Role of Commodity Derivatives in a Liberalised Market Economy

September 9, 2008 V. Shunmugam

Dr. V. Shunmugam, Chief Economist at the Multi-Commodity Exchange of India Ltd. (MCX), made a presentation on the commodity derivatives market and its role in a liberalised market economy such as India. He began with a background on the history of futures. He then discussed the main functions of an exchange traded futures contract, viz., trade guarantee, risk management, price discovery, transactional efficiency and liquidity enhancement, and the main features of a commodity futures contract. He gave an overview of the legal framework for operation of commodity exchanges in India and described the types of participants in the commodity futures market. He explained in detail how a commodity exchange operates, giving the example of MCX in particular. He also spelt out the direct and indirect benefits of futures trading in India. He concluded by providing some missing links in the functioning of a well-integrated spot and futures market and recommended the establishment of a national spot exchange as the solution.

## Shifting Co-ordinates of India's Stance at the WTO – Understanding the Domestic and International Economic Drivers

September 17, 2008

Professor Amit Shovon Ray's seminar was the first in the WTO monthly seminar series. The seminar series is chaired by Mr. Anwarul Hoda, ICRIER's Board Member. Covering three specific areas of negotiations, namely, agriculture, services and TRIPS, Professor Ray presented a political economy

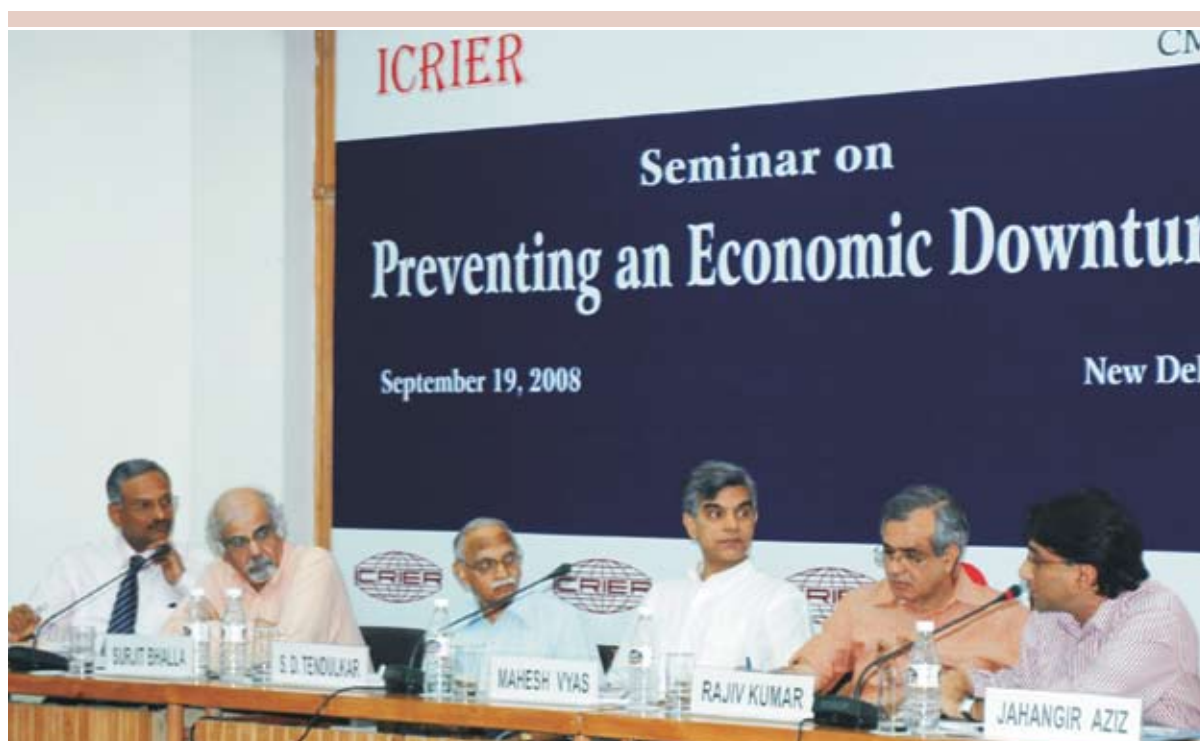


analysis of how India's stance at the WTO has evolved over the years. From the Uruguay Round days to the present Doha Round, domestic constituencies have played a vital role in determining India's stance at the WTO. At the same time, India uses these negotiations to achieve some diplomatic gains, sometimes even compromising on its long-term interests. According to him, with its sound material capability and heightened profile at the WTO, India has an unprecedented opportunity to use this platform as a foreign policy instrument to play a leadership role.

The discussant, Dr. Jayanto Roy, raised several issues including bilateralism versus multilateralism, leveraging the WTO to push for domestic reforms, India's overlap of interest with both developed and developing countries, and scepticism about India's potential 'leadership' role. He also highlighted future areas of WTO research.

### Preventing an Economic Downturn

September 19, 2008



**L to R - Dr. Mathew Joseph**, Senior Consultant, ICRIER, **Dr. Surjit S. Bhalla**, Managing Director, Oxus Investments Private Ltd., **Prof. S. D. Tendulkar**, then Chairman of the Prime Minister's Economic Advisory Council, **Mr. Mahesh Vyas**, Managing Director & CEO, CMIE, **Dr. Rajiv Kumar**, Director & CE, ICRIER and **Dr. Jahangir Aziz**, Principal Economic Advisor, Dept. of Economic Affairs, Ministry of Finance

The seminar on 'Preventing an Economic Downturn' was jointly organised by ICRIER and CMIE and chaired by Professor Suresh Tendulkar, then Chairman of the Prime Minister's Economic Advisory Council. Dr. Mathew Joseph, Senior Consultant, ICRIER, made a presentation on 'Macroeconomic Prospects'. His presentation projected a growth rate of 7.9 per cent for India for the year 2008-09, based on a composite index of leading indicators. It noted a rise in the GDP growth rate to 8.2 per cent in Q1 2009-10 but argued that this cannot be sustained as the impact of successive monetary tightening was yet to surface.

Dr. Mahesh Vyas, Managing Director, CMIE, projected the GDP growth rate at around 9.4 per cent for 2008-09 with robust industrial growth of around 11.1 per cent. According to him, this highly optimistic scenario is backed by favourable manufacturing sector growth and a rosy investment scenario.

The three discussants, Dr. Surjit Bhalla, Dr. Jahangir Aziz and Dr. Rajiv Kumar, presented their views on growth prospects. There was a general view that GDP growth in 2008-09 would be lower than in the previous three years and not higher as projected by the CMIE.

### **Macroeconomic Performance and Policies since 2000**

October 7, 2008 *Shankar Acharya*

Dr. Shankar Acharya, Member, Board of Governors and Honorary Professor, ICRIER gave a seminar on 'Macroeconomic Performance and Policies since 2000'. He said that the Indian economy had its best five-year growth period between April 2003 and August 2007, with annual GDP growth averaging 8.8 per cent a year compared to the average annual growth of 6.6 per cent in the previous best five-year period (March 1992 to July 1996). The proximate drivers of this growth spurt were the sustained investment boom, cumulative productivity-enhancing effects of reforms, a buoyant international economic environment and a demand-and-technology-driven acceleration of modern services output. According to him, the sustained effort at fiscal consolidation, which brought fiscal and revenue deficits down to five per cent and one per cent respectively, also contributed to this growth performance. However, the current worldwide financial crisis might end this golden growth cycle. He also warned against continued fiscal profligacy.

### **Regional Rural Banks: Sustainability Through Outreach**

October 14, 2008 *Amarendra Sahoo*

Dr. Amarendra Sahoo, Chief General Manager, Rural Planning and Credit Division, RBI, Mumbai, spoke on 'Regional Rural Banks: Sustainability Through Outreach'. He analysed the performance of the regional rural banks (RRBs) since their inception and pointed to the reforms of 1997 which recapitalised the RRBs and gave them greater autonomy. Their performance has since improved but they still need regular monitoring.

### **Profiting from the Innovation of Others**

October 16, 2008 *Nicolas Forsans*

Dr. Nicolas Forsans, Director of James E Lynch India and South Asia Business Centre, Centre for International Business, University of Leeds (UK), presented a paper on 'Profiting from the Innovation of Others'. This study examined how the strategic decision of innovative firms to rely exclusively on in-house R&D or to buy external know-how from other R&D organisations influences financial performance and R&D efficiency. Drawing on various theoretical frameworks, the study developed hypotheses which were tested with data on 109 Indian chemical firms. The findings indicated that, on average, buying know-how from outside may enhance firm profitability.

### **Relevance of the Multilateral Trading System and Doha Negotiations in Today's World**

October 23, 2008 *Harsh Vardhan Singh*

The second seminar in the WTO seminar series was presented by Dr. Harsh Vardhan Singh, Deputy Director General, WTO. He stressed the need for greater awareness on the part of each country of the consequences of its domestic policies on other countries. He also spoke of the need for determination of self-responsibility, insufficiency of market forces, the social dimension of globalisation and the difference between globalisation and global harmonisation. He said that the WTO does not impose freer trade but provides for regulation of trade with increased market opportunities and interaction. Lack of agreement in the Doha Round would result in continued tariff peaks and tariff escalation, high levels of agricultural

subsidies by rich countries, reduced opportunities in the area of services and continued global instability. The discussants, Professor Manoj Pant, JNU and Professor Arpita Mukherjee, ICRIER, raised issues related to agriculture, the WTO framework, services and the political economy of negotiations.

### **Roundtable on Higher Education**

October 30, 2008

A delegation from the Munk Centre, University of Toronto, comprising Professor Janice Gross Stein, founding Director of Munk Centre for International Studies, Dr. Judith Wolfson, Vice-President, and Dr. Lorna Jean Edmonds, Assistant Vice-President, University of Toronto, met with academicians and industry officials at ICRIER to discuss issues in higher education in India and Canada and the potential for future research and co-operation. Canadian experiences with educational funding and reforms were shared and problems in the Indian higher education system were highlighted, particularly, the lack of employability and adequate research, the need for greater private sector participation, the disconnect between vocational education and higher education, and the declining number of non-IT and non-management graduates. The participants also discussed potential areas for collaborative research.

### **Food Security in SAARC**

November 6-7, 2008



Participants at the Regional Conference on Food Security in SAARC

ICRIER organised a regional workshop on 'Food Security in SAARC'. Country papers on Bangladesh, Nepal, Sri Lanka, Pakistan, Bhutan, Maldives and India were presented during the workshop. The objectives were to discuss issues relating to food security, critically evaluate initiatives and policies and suggest measures to overcome constraints so that policies are more effective. Measures for strengthening the SAARC food bank to ensure food security in the region were also discussed.

### **Global Financial Crisis**

November 10, 2008 *Michael Spence*

An interactive session was organised at ICRIER with Nobel Laureate Professor Michael Spence on the global financial crisis. The session was chaired by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER and attended by key policy makers, academicians, heads and representatives of banks and industry associations and the media. Professor Spence spoke on the gravity of the crisis in credit markets following the collapse of the Lehman Brothers and its likely impact on financial flows to emerging economies. The discussion that followed focused on the likely impact of the crisis on the Indian economy.

The session was followed by a discussion where ideas and views were exchanged and the likely future impact of the crisis on the Indian economy was discussed.

## Macroeconomic Policy-making in the Catch-up Phase of a Small Open Emerging Market Economy

November 11, 2008 *Ashima Goyal*

Dr. Ashima Goyal, Professor, IGIDR, in her presentation on 'Macroeconomic Policy-making in the Catch-up Phase of a Small, Open, Emerging Market Economy' examined how macroeconomic policies differ in emerging markets and mature economies. The emerging market economy has a dual labour market structure and a partially convertible capital account. Faster absorption of labour into the modern sector implies a more elastic medium-term supply response, which is subject to multiple shocks. A demand contraction then has a large output cost but little benefit in reducing inflation. Recent developments in capital markets suggest that regulatory practices must reduce incentives for excessive risk-taking and pro-cyclicality. Since fiscal policy in these economies is subject to populism, the burden falls on monetary policy, which should flexibly target inflation, while giving some weight to the output gap and to smoothening interest rates. Exchange rate intervention and signalling can help free interest rates to focus on the domestic cycle.

## WTO Negotiations on Agriculture and Developing Countries

December 1, 2008



L to R - Mr. Anwarul Hoda, Member, Planning Commission, Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Dr. Ashok Gulati, Director in Asia, IFPRI, Prof. Bibek Debroy, Visiting Senior Research Fellow, Institute of South Asian Studies (ISAS) and Mr. Pradeep S. Mehta, Secretary General, CUTS International

The release of the book, 'WTO Negotiations on Agriculture and Developing Countries', co-authored by Mr. Anwarul Hoda, Member, Planning Commission and Dr. Ashok Gulati, Director (IFPRI), was organised by ICRER as this work had started when Mr. Hoda was at ICRER and heading its WTO research programme. The book was formally released by Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission.

After a brief presentation of the book's main findings by the authors, a discussion on it was led by Professor Bibek Debroy, Visiting Senior Research Fellow, Institute of South Asian Studies (ISAS) and Mr. Pradeep Mehta, Secretary General, CUTS International. The chairman and panelists were confident that the book would help students and researchers understand the recent history of multilateral trade talks in agriculture.



## **The Status of the WTO Negotiations: What Lies Ahead**

December 3, 2008 *Rahul Khullar*

The third seminar of the WTO seminar series was delivered by Dr. Rahul Khullar, Special Secretary, Department of Commerce. The seminar was chaired by Dr. Rajiv Kumar, Director & CE, ICRIER. Dr. Khullar reviewed the history of the Doha Development Round (DDR) of negotiations, the current status of the negotiations and the need to successfully conclude the DDR. He said that trade negotiations are not about Pareto optimality but about getting the achievable second best. The negotiations should be concluded rapidly for two reasons: the financial crisis might lead to increased protectionism, and the new US administration might change negotiating priorities and re-open issues that have already been agreed upon. He said that countries had brought more flexibility into their negotiating stances. His presentations offered a number of insights into specific issues like special safeguard mechanisms, special products etc., which had to be addressed if DDR negotiations were to make progress.

## **Efficiency, Productivity and Soundness of the Banking Sector**

December 9, 2008 *Rajan Goyal*

Mr. Rajan Goyal, Director, Department of Economic Analysis and Policy, RBI, New Delhi, presented an assessment of the productivity, efficiency and soundness of the banking sector in India in terms of accounting as well as economic measures over the period 1991-92 to 2006-07. Accounting measures indicate that there has been an across-the-board improvement in the performance of the banking industry since the early 1990s. However, between 1991-92 and 2006-07, performance in terms of different ratios varied across bank groups. In areas such as business per employee or per branch, public sector banks need to catch up with the private sector, while in terms of ratios such as non-labour cost per unit of assets, return on equity and intermediation cost, public sector banks are ahead. Data Envelopment Analysis (DEA) scores substantiate these results – that is, efficiency has improved across all bank groups and most gains emanated after a few years of reforms, i.e., from 1997-98 onwards.

## **Global Financial Meltdown: Causes and Lessons for the Future**

December 10, 2008 *James R. Barth*

Dr. James R. Barth, Lowder Eminent Scholar in Finance, Auburn University and a Senior Finance Fellow, Milken Institute, California gave a seminar on 'Global Financial Meltdown: Causes and Lessons for the Future'. He observed that developing countries impose greater restrictions on the entry of foreign banks but are more open in practice than their WTO commitments indicate. Evidence shows that foreign entry produces good outcomes; therefore, regulatory authorities should reduce barriers to foreign and domestic entry, subject to only real prudential concerns. Comparing regulatory structures across countries, he explained that the US regulatory regime is multiple, overlapping, inconsistent and costly. He argued that greater emphasis should be placed on off-balance sheet transactions, transparency and market discipline.

## **Water and Energy Security**

December 16, 2008

The workshop on water and energy security was organised by ICRIER in collaboration with Konrad Adenauer Stiftung (KAS) Delhi. Dr. Rajiv Kumar, making the opening remarks, explained that the workshop was part of the larger National Interest Project undertaken by ICRIER and supported by the Ministry of External Affairs. The purpose is to identify issues and regions important for India's economic diplomacy and to provide policy inputs to pursue those objectives.



Participants at the Seminar on Water & Energy Security

The first session on water was chaired by Professor B. G. Verghese, Centre for Policy Research. Mr. R. Rangachari, Research Professor, Centre for Policy Research and former Member, Central Water Commission, and Professor Jayanta Bandyopadhyay, IIM, Kolkata, presented their papers in this session.

Energy was the focus of the second session of the workshop. Mr. Tantra Narayan Thakur, Chairman and Managing Director, Power Trading Corporation, chaired the session. The speakers of this session were Dr. Jyoti Parikh, Executive Director, Integrated Research and Action for Development (IRADe) and Mr. V. Raghuraman, Principal Advisor & Chief Co-ordinator – Energy, Environment & Natural Resources, Confederation of Indian Industry (CII).

Each session was followed by a lively discussion. Mr. Shrawan Nigam, Senior Consultant, ICRIER, while thanking the participants indicated that the papers and proceedings will be brought out as an ICRIER-KAS publication.

### **From Doha to the Next Bretton Woods: A New Multilateral Trade Agenda**

December 22, 2008 *Aaditya Mattoo*

The seminar for December under the WTO monthly seminar series was delivered by Dr. Aaditya Mattoo, World Bank. Dr. Mattoo presented a paper titled 'Beyond Doha: a New Multilateral Trade Agenda' in which he pointed out the fundamental shift taking place in the world economy to which the multilateral trading system has failed to adapt. The Doha process focused on issues of limited significance while the burning issues of the day were not even on the negotiating agenda. International economic integration can contribute to enhanced security and, to address these new concerns – about food, energy, and economic security – a wider agenda of multilateral co-operation is required, involving both the WTO and other multilateral institutions.

### **Book Launch of 'Food for Policy: Reforming Agriculture'**

January 5, 2009

The launch of the book, 'Food for Policy: Reforming Agriculture', was organised jointly by the Institute for Financial Management and Research (IFMR), Chennai, and ICRIER on January 5, 2009 in Chennai. The editors of the book, Dr. Surabhi Mittal and Dr. Arpita Mukherjee, presented the main findings of the book.

Faculty members, students, research staff of IFMR, policy makers from different government departments, corporates and media persons were present at the event.

This book pulls together all the critical issues faced by Indian agriculture today. A distinguishing feature of this volume is that it focuses on private-public partnerships in agriculture for the benefit of the rural poor. The articles in the volume identify the key areas of concern in Indian agriculture and make recommendations to address them. The book is published by Foundation Books (Cambridge University Press).

## **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 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? To answer these questions, the researchers used the gravity model and they reported that their model's results are in line with the basic assumptions of gravity models.

Second, why is it that only some firms export? To answer these questions, the researchers try to find the common characteristics of exporting firms. 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 Political Economy of ICT Growth and Development in India**

January 16, 2009 *Anthony P. D'Costa*

Dr. Anthony P. D'Costa, Professor, Indian Studies, Copenhagen Business School gave a seminar on 'The Political Economy of ICT Growth and Development in India.' 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 emphasised 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 would be difficult for the Indian IT sector to sustain its performance unless these constraints are addressed.

## **India: The Impact of Mobile Phones**

January 19, 2009

ICRIER's report 'India: The Impact of Mobile Phones', sponsored by the Vodafone Group, Public Policy Division, was launched at an impressive session by Mr. Siddhartha Behura, Secretary DoT, who said that the findings of the report will contribute to the ongoing policy review in the telecom sector. Other panelists at the session included Mr. Vittorio Colao, CEO Vodafone group, Dr. Diane Coyle, OBE and Chairperson of Vodafone Advisory Panel, and Dr. Rajiv Kumar, Director & CE, ICRIER.



**L to R - Mr. Vittorio Colao**, CEO, Vodafone Group, **Mr. Siddhartha Behura**, Secretary DOT & Chairman (TC), Ministry of Communications & Information Technology, **Dr. Rajat Kathuria**, Professor, ICRIER, **Dr. Rajiv Kumar**, Director & CE, ICRIER and **Dr. Diane Coyle**, Managing Director, Enlightenment Economics

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 per cent higher mobile phone penetration have grown 1.2 per cent faster. The session focused on the empirical evidence on how access to telecommunications acts as a catalyst for productivity and efficiency improvements, thus distributing the benefits of economic growth among a larger proportion of the population. Constraints to further growth and policy implications of the study were highlighted.

### **Agriculture in Doha: Present Status and Prospects**

January 22, 2009 *Biswajit Dhar*

The WTO seminar for January was delivered by Dr. Biswajit Dhar, Professor and Head, Centre for WTO Studies, IIFT on the topic 'Agriculture in Doha: Present Status and Prospects'. The speaker began by outlining the objectives of the Agreement on Agriculture within the WTO and the problems in implementing these objectives. The key focus of his presentation was domestic support and market access negotiations with particular focus on developed countries, particularly the US. He also gave a background of the US Farm Bill 2008 and how this might translate into US negotiating positions. He concluded by arguing that the resistance against embracing free trade in agriculture by developing countries might be due to the policies of developed countries.

### **Long-Term Sustainability: Policy Choices on the Path to 2050**

February 4, 2009 *Robert E Horn*

Mr. 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 info-murals and diagrams to aid understanding of the complex issues and help analysis and negotiations. This approach, based on info-murals, is found to be effective in influencing policy decisions. He said that current



initiatives are 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.

## Monetary Policy in a Globalised Economy: A Practitioner's View

February 9-10, 2009



L to R - Dr. C. Rangarajan, Chairman, NIPFP, Dr. Rajiv Kumar, Director & CE, ICRIER, Dr. Rakesh Mohan, Deputy Governor, RBI, Mr. Manzar Khan, Managing Director, Oxford University Press, Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Mr. Suman K. Bery, Director General, NCAER, Dr. Bimal Jalan, Member of Parliament, Rajya Sabha and Dr. D. Subba Rao, Governor, RBI

The book, 'Monetary Policy in a Globalised Economy: A Practitioners 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 for Applied Economic Research (NCAER).

Mr. Manzar Khan from Oxford University Press made the introductory remarks. This was followed by a panel discussion. The panelists included Dr. C. Rangarajan and Dr. Bimal Jalan, former Governors of the RBI, 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 existing literature and be invaluable to both academics and policy makers. 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 policy makers to concentrate on institutional reforms and find ways to harmonise 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 easing monetary constraints.

## **Future of the Doha Round of Negotiations in the Context of the New US Administration**

February 17, 2009 *Gopal Pillai*

The WTO seminar for February was delivered by Mr. Gopal Pillai, Commerce Secretary, on the future of the Doha Round in the context of the new US administration. He highlighted the differences among WTO members on issues like special safeguard mechanisms and sectoral negotiations apart from identifying areas of both agreement and disagreement among countries.

## **Towards a Global Compact for Managing Climate Change**

February 24, 2009 *Ramgopal Agarwala*

Dr. Ramgopal Agarwala, Senior Consultant, Research and Information System (RIS), pointed out that there are basic differences in the perspectives on climate change policies between developed and developing countries. He presented an approach to try and reconcile these differences. He argued 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 per cent reduction in CO<sub>2</sub> emissions by 2050 is unrealistic; a more realistic target is stabilisation of CO<sub>2</sub> emissions until 2050 and a 50 per cent reduction by 2100. Since this would require massive resources, he suggested innovative financing 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 *Ernst Stetter*

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 21<sup>st</sup> century and in the long run are: (a) What is the long term objective facing the EU? (b) What is the place of the union in the global context? (c) What are its territorial limits?

He pointed out that the key obstacle to 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, creating a genuine policy for co-development and a common migration policy.

## **Stakeholder Consultation on India-EU FTA in Services**

Two stakeholders consultations on the India-EU FTA in services were jointly organised by ICRIER, Department of Commerce (Government of India), Centre for WTO Studies and FICCI in Delhi (November 28, 2008) and Bangalore (February 16, 2009). The consultations covered six service sectors including telecommunications, accountancy, IT-ITeS, R&D, health and construction and consultancy. The objective of the consultations was to present the research conducted by ICRIER and get feedback from academicians and industry. The discussions focused on India's current and future trade and investment potential in the six service sectors, and barriers to trade in the EU member states. The consultations were attended by senior representatives of the commerce ministry, state government officials, academics, and industry representatives among others. In addition, a stakeholders consultation on energy services was organised jointly with the Department of Commerce, Government of India, PETROFED and the Centre for WTO Studies on February 27, 2009.

## 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 talent and ideas in public-funded institutions could be effectively harnessed to make a successful transition to a knowledge driven economy. Professor Amitav Mallik, in his paper, emphasised 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.

## Roundtable "Accelerating Innovation: Collaborative Models"

March 12, 2009



L to R - Prof. David Naylor, President, University of Toronto, Dr. Rajiv Kumar, Director & CE, ICRIER and Prof. Amit Shovon Ray, Chair Professor of Trade, Technology and Competitiveness, ICRIER

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, 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.

## WTO & Agricultural Negotiations: Why should India Play Ball?

March 17, 2009

The WTO seminar for February 2009 was delivered by Dr. Ashok Gulati, Director - Asia, International Food Policy Research Institute (IFPRI) on 'WTO & Agricultural Negotiations: Why should India Play ball?' Mr. Anwarul Hoda, Member, Planning Commission was in the Chair.

The speaker outlined three basic points for discussion, namely, the fast-changing context of negotiations, the reasons for the stalled round of discussion, and the status of Indian agriculture. He presented an overview of the current state of agriculture in India as well as the state of the Doha negotiations and argued that India should be less defensive at the agriculture negotiations as Indian agriculture did not face a threat from international trade flows. He concluded by highlighting the need for domestic reform in the agriculture sector to raise productivity and make the sector more competitive.

## Japanese FDI in India: Experiences and Lessons

March 18, 2009



L to R - Mr. Kensaku Konishi, President and CEO, Canon India Pvt. Ltd., Mr. Shrawan Nigam, Senior Consultant, ICRIER, Mr. Takao Sato, General Manager, Mizuho Corporate Bank and Prof. Srabani Roy Chaudhury, Associate Professor, JNU

ICRIER organised a one-day seminar, 'Japanese FDI in India: Experiences and Lessons' at New Delhi. The objectives were to attain an assessment from Japanese companies on their individual experiences in India, and the strategies adopted to successfully meet the challenges faced by them in the Indian environment. 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 that were specially commissioned by ICRIER under its Japan project.



## **Current Developments in the Indian Financial System**

March 20, 2009

A policy dialogue by experts from academia, industry and government was organised by ICRIER and InWEnt Germany to review the impact of the global financial crisis on the Indian financial sector and to sketch the policy prescriptions for the way forward for India and other emerging economics. Policy suggestions included an emphasis on stability, crisis management in the banking sector, regulation and a country-wise financial sector assessment programme with the help of the IMF.

## **Global Financial and Economic Crisis: Impact on Trade and Trade Policy**

March 24, 2009 *Mr. Gaspar Frontini*

The seminar on 'Global Financial and Economic Crisis: Impact on Trade and Trade Policy' was delivered by Mr. Gaspar Frontini, Chief Trade Economist, European Commission on March 24, 2009.

Mr. Frontini 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 tourism, remittances, foreign trade and aid. He suggested that a forum like the G-20 could prevent countries from resorting to protectionism and push for the successful conclusion of the Doha Round, which is a good package whose value has now increased.



# Conferences/ Workshops & Lectures

# Conferences/Workshops & Lectures

## Deepening Financial Sector Reforms and Regional Co-operation in South Asia

November 6-7, 2008

The conference on 'Deepening financial sector reforms and regional co-operation in South Asia' was jointly organised by ICRIER and InWent. Session I, chaired by Dr. Shankar Acharya, focused on the financial sector in South Asia. Dr. K. P. Krishnan, Joint Secretary, Ministry of Finance, India, described how India's financial sector reforms have been successful despite challenges. Dr. Salman Shah, former Finance Minister, Pakistan, described how Pakistan is progressing with its financial sector reforms. Mr. Joshua Felman of the IMF compared the current global financial crisis with the East Asian crisis of 1997.



**L to R - Dr. K. P. Krishnan**, Joint Secretary (CM) & CVO, Department of Economic Affairs Ministry of Finance, **Dr. Shankar Acharya**, Honorary Professor, ICRIER, **Dr. Salman Shah**, Former Minister, Ministry of Finance, Economic Affairs, Revenue and Statistics, Pakistan and **Mr. Joshua Felman**, IMF

Session II was chaired by Mr. W.A. Wijewardena, Deputy Governor, Central Bank of Sri Lanka. Mr. Eli M. Remolona of the Bank for International Settlements elaborated on the Asian Bond Funds of East Asia. Mr. K. M. Abraham of SEBI discussed a regulator's perspective on enhancing regional financial co-operation in South Asia. Mr. Ugo Panizza from UNCTAD discussed the benefits of developing regional bond markets and the role of south-south co-operation.

Session III that focused on financial inclusion was chaired by Dr. Rajiv Kumar. Mr. Huzzatul Islam Latifee, MD, Grameen Trust, Bangladesh elaborated on the Grameen Bank experience. Dr. Mandira Sarma, ICRIER, presented cross-country empirical analysis on financial inclusion and development.

In the final panel discussion, chaired by Dr. Martina Metzger, Mr. Sheel Kant Sharma, Secretary General of SAARC, emphasised the importance of strengthening regional financial and monetary co-operation. Mr. Sebastian G. Paust of ADB spoke on the positive impact of financial and monetary co-operation. Prof. Charles Wyplosz, University of Geneva, talked of exchange rate turbulence. Mr. Ernesto May from the World Bank spoke on the global financial crisis and its implications for South Asia.

## Tenth Annual NBER Neemrana Conference

January 10-13, 2009

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

As in the past, the conference brought together Indian policy makers, researchers, regulators and other professionals to interact with leading US and Indian researchers and policy makers. At the conference, the discussion focused around four themes of current and on-going problems being faced by policy makers: (i) the global economic environment (ii) global economic downturn: analysis, prospects and implications (iii) growth perspectives and (iv) poverty, inclusion and social protection.

## Global Economic Downturn: Lessons and the Way Forward

February 9-10, 2009



The International Conference, 'Global Economic Downturn: Lessons and The Way Forward', was organised by ICRIER in collaboration with Konrad Adenauer Stiftung, Germany and Sasakawa Peace Foundation, Japan. Ambassador Bernd Mutzelburg, the German Ambassador in New Delhi, in his opening remarks talked of the negative impact of the downturn on European economies, particularly on export dominated ones like Germany. The inaugural address was delivered by Mr. Ashok Chawla, Secretary, Department of Economic Affairs, Government of India. Mr. Chawla likened the current crisis to the Great Depression and emphasised the need for an effective role for the G-20 grouping to tackle 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 Co-operation Professor in International Economic Relations at the Graduate School of International Relations & Pacific Studies, University of California, Dr. Ramgopal Agarwala, Senior Advisor, RIS, Prof. 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, Dept. of Economic Affairs, Govt. of India, Mr. Jahangir Aziz, Chief Economist, South Asia, JP Morgan Chase, and Dr. Mathew Joseph, Senior Consultant, ICRIER.

## Understanding the Global Financial and Economic Crisis and the Way Forward

February 12, 2009 *Olivier Blanchard*



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 Counselor and Director of the Research Department of the IMF. He spoke about the recently revised IMF forecasts for the world economy which showed negative growth in advanced economies in 2009. The IMF expected the world economy to rebound to nearly two per cent growth in 2010. Professor Blanchard said that policy challenges differ across advanced countries and emerging economies because the nature of shocks is different. Depression in advanced countries is due to the loss of consumer and business confidence, fall in commodity prices, rise in uncertainty and lower wealth leading to a decline in spending. The policy challenges in these countries include improving the financial system by providing liquidity to financial institutions, getting rid of toxic assets, and generating confidence and fiscal stimulus by increased expenditure, general tax cuts and well-defined, medium-term plans. In emerging economies, smooth policies, i.e., the use of reserves, depreciation of exchange rates, and fiscal policy can be helpful to escape the slowdown. Professor Blanchard stressed the need to understand systemic risks in both advanced and emerging economies. This was followed by an open discussion and remarks by the Chairman, Dr. Vijay Kelkar.



## Food Security in SAARC

March 23, 2009

The international conference on Food Security in SAARC was organised jointly by ICRIER and the Germany-based Konrad Adenauer Stiftung. The objectives were to discuss issues relating to food security, critically evaluate initiatives and policies, and suggest measures to overcome constraints to improve the effectiveness of policies in each country.



**L to R - Dr. P. A. Samararatunga**, Sri Lanka; **Dr. Dil Bahadur 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 Kaanti Bairagi**, Bangladesh

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 the synthesis paper, 'Food Security in South Asia: Issues and Options'. The status of food security in SAARC countries was highlighted in terms of a matrix comprising food availability, accessibility, utilisation and vulnerability as indicators. Various initiatives undertaken by 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 faced 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 distinguished panelists described the problems faced by SAARC countries in achieving food security and suggested concrete measures to remedy the situation.





# International Networking

# South Asia Network of Economic Research Institutes (SANEI)

## Activities under SANEI in 2008-09

The South Asia Network of Economic research Institutes (SANEI) held its 9<sup>th</sup> Annual Conference in Islamabad from August 18 - 20, 2008. The research findings of the 10<sup>th</sup> round on the theme 'South Asia Agriculture Post-Doha Scenario' with an emphasis on agriculture and trade liberalisation were presented. A panel discussion on 'Growth, Employment and Poverty Linkages – Framework and Issues' was also organised. The panel, chaired by the Vice Chancellor of PIDE and Member Secretary SANEI, Dr. Rashid Amjad, included Professor T.N. Srinivasan, Professor Siddi-ur-Rehman Osmani and Professor Ali Khan.

Dr. Rajiv Kumar, Director & CE, ICRIER, delivered an invited lecture on 'Reforms and the Indian Economic Performance' organised by SANEI and PIDE in Islamabad on April 23, 2008.

The research studies under the Tenth Round on 'Ensuring Health for All' and 'Perspective on Inter/intra Regional Migration' were approved and the call for the 11<sup>th</sup> round studies on the topic, 'Growth, Employment, Poverty Nexus in the Current Financial Crisis' was also announced in 2008-09.

The first set of research studies approved under ADB's RETA 6417 was initiated in October 2008. The RETA is being implemented through two research networks – SANEI and SACEPS (South Asia Center for Policy Studies).

The members of the Steering Committee of SANEI met at Lahore on November 13, 2008 and May 8, 2009. SANEI will be completing five years in Pakistan in August 2009 and the Secretariat will shift to BIDS in Dhaka in October 2009.

## InWent - Capacity Building International, Germany

ICRIER has entered into an MoU with InWent, a non-profit organisation with worldwide operations dedicated to human resource development, advanced training, and dialogue. The MoU aims at: (i) design, preparation and delivery of jointly determined knowledge sharing programmes such as regional or international dialogues and (ii) organisation of an annual international conference on the financial sector in South Asia. Two conferences have been successfully organised and the third is scheduled for November 2009 in New Delhi.

Dr. Rajiv Kumar, Director & CE chaired a session at the conference on "InWent-DIE dialogue on Financial Innovation & Emerging Markets – Opportunities for Growth vs. Risks for Financial Stability" held in Berlin during July 3-4, 2008.

A policy dialogue by experts from academia, industry and the ministry on "Current Developments in the Indian Financial System" was organised in New Delhi on March 20, 2009 to review the impact of the global

financial crisis on the Indian financial sector and to sketch the policy prescriptions for the way forward for India and other developing countries.

ICRIER nominated Mr. B. Karan Singh, Consultant to attend a six-month, advanced training and dialogue programme of InWent in Germany on 'Managing Global Governance' during January to July 2009.

### **Institute of South Asian Studies, Singapore**

ICRIER's MoU with the Institute of South Asian Studies (ISAS), Singapore provides for (i) Exchange of academic information and appropriate academic materials and other information of mutual interest that the Parties hold copyright to (ii) Identify opportunities for exchange of research scholars, co-operation in research projects and dissemination, and/or joint research and development in disciplines of mutual interest and (iii) Organisation of and participation in joint academic activities such as seminars and conferences.

ISAS established in July 2004 is an autonomous research institute within the National University of Singapore (NUS). The Institute is dedicated to the study of contemporary South Asia. It aims to generate knowledge and insights about the region, and to disseminate them in a manner that is useful to policy makers, the business community, academia and civil society.

### **Bruegel, Brussels, Belgium**

ICRIER became a Partner Research Institutions (PRI) member of Bruegel, Brussels, Belgium – a European think tank contributing to the quality of economic policy making in Europe and devoted to international economics – by signing a letter of agreement with them. This will facilitate consultation with Bruegel and other partner research institutions on research priorities and possible joint projects as well as occasional access to each other's office and meeting facilities. To take this forward, Professor Arpita Mukherjee has recently travelled to Brussels to participate in the meeting of the Group of Partner Institutions.

Established in 2005, Bruegel is an independent and non-doctrinal body. It seeks to contribute to European and global economic policy-making through open, fact-based and policy-relevant research, analysis and debate. Bruegel's governance and funding model is unique. Its membership includes EU governments and leading international corporations. Its day-to-day work is carried out at arm's length from members' interests.

Dr. Rajiv Kumar, Director & CE participated (as a representative from India) in the '3<sup>rd</sup> Annual General Meeting – Climate Change and Growth in Developing Countries' organised by Bruegel during September 23-24, 2008. Dr. Arpita Mukherjee participated in the brainstorming session of Bruegel-Partner Research Institutions as the nodal person for the ICRIER-Bruegel partnership on November 18, 2008. Dr. Mathew Joseph was a discussant on 'Fostering Fair International Competition' at the seminar 'Where Europe meets the G20', organised by the UK Presidency and Bruegel in London on March 2, 2009.

### **The Institute for European Studies of the Vrije Universiteit, Brussels, Belgium**

ICRIER has entered into an MoU with The Institute for European Studies of the Vrije Universiteit, Brussels, Belgium aiming chiefly to improve, through collaboration, economic research and dissemination – seminars, conferences and publications – by exchange of professors, researchers, technical and administrative staff, and students on long and on short-term basis, concluding common research programmes in the fields of socio-economic issues and co-operation in the areas of EU-India annual seminars, strategic aspects of India's external relations, WTO related issues and migration.

## Acknowledgement

**ICRIER acknowledges the financial support received in 2008-09 from the following organisations for conducting research studies and organising seminars/workshops/conferences:**

- Aberystwyth University, UK
- American International Group, Inc. (AIG)
- Asian Development Bank
- Centre for Monitoring Indian Economy Pvt. Ltd.
- Confederation of Indian Industry
- DHL Express Private Limited
- Express Industry Council of India
- Global Development Network
- Institute of International Trade, University of Adelaide, Australia
- InWEnt - Capacity Building International, Germany
- Keio University, Tokyo
- Konrad Adenauer Stiftung
- Management Development Institute (MDI), India
- Ministry of Commerce & Industry, Government of India
- Ministry of External Affairs, Government of India
- Ministry of Finance, Government of India
- Ministry of Textiles, Government of India
- National Bank for Agriculture & Rural Development (NABARD)
- Oxford University, UK
- South Asia Network of Economic Research Institutes (SANEI), Pakistan
- Sasakawa Peace Foundation (SPF), Japan
- The EDGE Institute, Johannesburg, South Africa
- University of Toronto, Canada
- Vodafone
- Westchester Group, USA
- World Bank
- Yale University, USA

# ICRIER Team



**Research Team with the Director & CE**



**Administrative & Support Staff with the Director & CE**



# ICRIER Team

## RESEARCH FACULTY

### Director & Chief Executive

Dr. Rajiv Kumar

### Honorary Professors

Dr. Shankar Acharya

Mr. Nitin Desai

### Professors

Dr. Rajat Kathuria

Dr. Arpita Mukherjee

Dr. Amit Shovon Ray

Dr. Nisha Taneja

### Senior Consultants

Dr. Mathew Joseph

Amb. Santosh Kumar

Mr. Shrawan Nigam

### Senior Fellows

Dr. Rajeev Anantaram

Dr. Surabhi Mittal

### Fellows

Dr. Vani Archana

Mr. Subhasis Bera

Mr. Subhanil Chowdhury

Dr. Badri Narayan Rath

Mr. Francis Xavier Rathinam

Mr. Anindya Saha

Dr. Sukumar Vellakkal

### Visiting Fellows

Dr. Poonam Gupta

Dr. Meenu Tewari

### Consultants

Ms. Sanjana Joshi

Ms. Swapna Nair

Mr. B Karan Singh

Mr. Ashis Banerjee

### Research Associates

Mr. Dony Alex

Mr. Santosh Kumar Das

Mr. Ali Mehdi

Ms. Sukanya Natarajan

Ms. Shravani Prakash

Ms. Sirjjan Preet

Mr. Durgesh Kumar Rai

Ms. Rashmi Rastogi

Ms. Manjeeta Singh

Ms. Nirupama Soundararajan

Mr. Pankaj Vashisht

Ms. Deepika Wadhwa

### Research Assistants

Mr. Loknath Acharya

Ms. Annu

Ms. Sneha Bakshi

Mr. Sharman Banerjee

Mr. Souvik Dutta

Ms Ramneet Goswami

Ms. Tanu Goyal

Ms. Monica Grover

Ms. Shikha Gupta

Ms. Parvathi Jayamohan

Ms. Shikha Juyal

Mr. Gunajit Kalita

Ms. Neha Malik

Ms. Mamta

Mr. Sabyasachi Saha

Ms. Deepti Sethi

Ms. Ritika Tewari

Mr. Gaurav Tripathi

## Researchers who left in 2008-09

### Senior Fellows

Dr. Suparna Karmakar  
Dr. Mandira Sarma  
Dr. Pravakar Sahoo

### Research Associates

Ms. Debosree Banerjee  
Mr. Rajeev Ranjan Chaturvedi  
Mr. Amit Singh

### Research Assistants

Ms. Manika Bora  
Mr. Saswata Chaudhury  
Mr. Lakshmana Rao Gubbala  
Mr. Sanjeet Kumar  
Ms. Smita Miglani  
Mr. Suresh Kumar  
Mr. Vaibhav Mukim  
Mr. Indrajit Sinha Ray

## ADMINISTRATION

### Secretary

Mr. Rajeev Kapil

### Manager (Admin. & Events)

Mr. Manmeet Ahuja

### Senior Accounts Executive

Mr. Prem Chand Mathur

### Accounts Executive

Mr. S. P. Chathli

### Private Secretaries

Mr. Jitu Burman  
Ms. Deepa Gopalan  
Ms. Preethi M.  
Mr. V. Muralikrishna

### Library Assistant

Mrs. Mridul Saxena

### Office Assistants

Mr. Ram Autar  
Mr. Sharad Natha Jha  
Mr. Anil Kumar

### Jr. Office Assistant

Mr. Krishan Kumar

### Receptionist

Ms. Aric Mary

### Reprographic Attendant

Mr. Pherum Singh

### Sr. Library Attendant

Mr. Ajay Pal

### Driver

Mr. Ashok Kumar Singh

### Office Attendants

Mr. Deepak  
Mr. Jovinder  
Mr. R. M. Yadav

## Persons who left in 2008-09

### Private Secretary/Executive Assistant

Ms. Saloni Madan  
Mr. V. Jayaraman

### Jr. Office Assistants

Mr. Siddhartha Mishra  
Mr. Inder Pal Singh

## EXTERNAL CONSULTANTS

<b>R. V. Anuradha</b>	Partner, Clarus Law Associates
<b>Abdul Azeez</b>	The Groningen Growth and Development Centre
<b>Nilanjan Banik</b>	Associate Professor, Institute for Financial Management and Research (IFMR), Chennai
<b>Rupa Chanda</b>	Professor of Economics, Indian Institute of Management, Bangalore
<b>Deb Kusum Das</b>	Reader (Economics), Ramjas College, University of Delhi
<b>Gurudas Das</b>	Assistant Professor and Head, Department of Humanities and Social Sciences (HSS), National Institute of Technology, Assam
<b>Sanjay Gandhi</b>	Independent consultant; formerly with UNDP and McKinsey & Company
<b>Debjani Ganguli</b>	Economist
<b>Rekha Jain</b>	Professor, Indian Institute of Management, Ahmedabad
<b>Shaheen Rafi Khan</b>	Visiting Fellow, Sustainable Development Policy Institute, Pakistan
<b>Sangeeta Khorana</b>	School of Management and Business, Aberystwyth University, UK
<b>Amal S. Kumarage</b>	Professor, Transportation Engineering Division, Department of Civil Engineering, University of Moratuwa, Sri Lanka
<b>N. C. Magedaragamage</b>	Ambassador/Permanent Representative of Sri Lanka to WTO
<b>Subrata Mitra</b>	Associate Professor, Operations Management, Indian Institute of Management, Kolkata
<b>Biswajit Nag</b>	Associate Professor of Economics, IIFT, New Delhi
<b>Parthapratim Pal</b>	Assistant Professor of Economics, Indian Institute of Management, Kolkata
<b>Sanjib Pohit</b>	Senior Fellow (Chief Economist), National Council of Applied Economic Research
<b>Ashok S Rai</b>	Professor, Department of Economics, Williams College, USA
<b>Mohammed Rahmatullah</b>	Transport Policy Advisor, Planning Commission, Bangladesh
<b>Chinpal Rauniar</b>	Logistics and Trade Facilitation Expert, Nepal
<b>Sujata Dutta Sachdeva</b>	Consultant
<b>Aftab Seth</b>	Professor, Global Security Research Institute, Keio University
<b>Ankur Sarin</b>	Assistant Professor, Indian Institute of Management, Ahmedabad
<b>Pravakar Sahoo</b>	Faculty, Institute of Economic Growth
<b>Aparna Sawhney</b>	Associate Professor, Jawaharlal Nehru University
<b>Marcel Timmer</b>	The Groningen Growth and Development Centre
<b>Mahesh Uppal</b>	Director, Com First (India) Private Limited



# Faculty News

# Faculty News

## RAJIV KUMAR

### Appointed

- Non-Executive Director – State Bank of India
- Member – National Security Advisory Board
- Member (part-time) – Telecom Regulatory Authority of India
- Member – Planning Commission's Sub-Group on investment in U.P.
- Member of Selection Jury – CII-ITC Centre Excellence Award for Sustainable Development
- Member – Warwick Commission on Reform of International Financial Sector

### International Seminars/Presentations

- Chaired a session and was a panelist at the conference, InWent-DIE dialogue on 'Financial Innovation & Emerging Markets – Opportunities for Growth vs. Risks for Financial Stability' organised by InWent, Berlin, July 3-4, 2008.
- Chaired a session on 'Trade Facilitation in South Asia' at the conference "1<sup>st</sup> South Asia Economic Summit – Economic Integration in South Asia SAFTA and Beyond" jointly organised by the Institute of Policy Studies of Sri Lanka (IPS) and the Federation of Chambers of Commerce & Industry of Sri Lanka (FCCISL) at BIMICH, Colombo, August 28-30, 2008.
- Presented a paper at the conference, 'IDRC, Canada and Research for Development, Past, Present and Future' organised by IDRC and the Centre for International Governance Innovation (CIGI) in Waterloo, Canada, September 3-4, 2008.
- Participated (as a representative from India) in '3<sup>rd</sup> Annual General Meeting – Climate Change and Growth in Developing Countries' organised by Bruegel, September 23-24, 2008.
- Attended Steering Committee meeting of South Asia Network of Economic Research Institutes (SANEI), at Lahore, Pakistan, November 13, 2008.
- Panelist at the conference, 'The Future of Economic Integration in Asia' organised by the Japan Bank for International Co-operation (JBIC) at Bangkok, November 19-21, 2008.
- Attended Track II seminar 'India-Europe Dialogue 2008' organised by CERI, SWP and FES at Paris, December 12-13, 2008.
- Participated (as a Member of the Warwick Commission) 'International Financial Reform: Beyond Architecture, towards Building Consensus' at Berlin, January 28-29, 2009.
- Delivered a speech at the conference, 'The Emerging Countries in the Existing Structures of Global Governance: Perspectives from G5', organised by Konard Adenauer Stiftung, Berlin, February 12, 2009.

### National Conferences/Seminars/Workshops

- 'Role of State in Globalised Economy'. Paper presented at a seminar organised by ISID in Honour of Professor S.K. Goyal, June 27-28, 2008.
- Presented a paper on 'The Current Economic Slowdown: How Bad? How Long? What needs to be done' organised by the Oxford and Cambridge Society and India International Centre, New Delhi, October 6, 2008.
- Presented a paper on 'India's Economic Growth and its Implications for the External Sector' organised by the Centre for Policy Research and the Ministry of External Affairs, (IBSA- Editor conference), New Delhi, October 14, 2008.



- Keynote speech on 'The Indian Economy' at a seminar organised by the National Academy of Direct Taxes at Nagpur, November 11, 2008.
- Session chair and panelist at the seminar, "Understanding Think Tanks or Policy Research Organisations in India", organised by IDRC, Canada and Institute of Social Studies Trust, Puducherry, January 24-25, 2009.

## Publications

### Books/Book Chapters

- Chapter on India (co-authored with Mathew Joseph) in '*Growth and Responsibility: The Positioning of Emerging Powers in the Global Governance System*', Konrad Adenauer Stiftung, Berlin, 2009.
- Co-author (with Vani Archana and Mandira Sarma) of a book on India's investment climate, '*La Internacionalizacion De La Empresa Espanola*'. Prepared for the Royal Elacano Institute, Madrid, Spain.

### Working Papers

- 'Indian Economic Outlook 2008-09 and 2009-10' (co-authored with Mathew Joseph, Dony Alex, Pankaj Vashisht and Debosree Banerjee). ICRIER Working Paper No. 234, March 2009.

## SHANKAR ACHARYA

### International Seminars/Presentations

- Participated (as member of the Indian Delegation) at India-UK Round Table, at Shimla, and made a presentation on 'Prospects for the World Economy', May 2-5, 2008.
- Panel Discussant on 'Fiscal Policies and Growth' at the Ninth Annual Conference on Indian Economic Policy Reform, Stanford University, USA, June 5-6, 2008.
- Chaired a session on 'Big Reforms but Small Payoffs: Explaining the Weak Record of Growth and Employment in Indian Manufacturing', Brookings-NCAER India Policy Forum 2008, New Delhi, July 16, 2008
- Panelist in the session on 'Fiscal Approach' at the Tenth Annual NCAER-NBER-ICRIER Neemrana Conference, Rajasthan, January 12-15, 2009.

### National Conferences/Seminars/Workshops

- Delivered keynote speech on 'Booming India – Is nine per cent Growth Sustainable?' at India GRI 2008, Mumbai, September 25, 2008.
- Panelist on 'Leveraging Global Change: Managing Turbulence in the India Economy' at the 35<sup>th</sup> Annual Convention of the Department of Business Economics, New Delhi, September 29, 2008.
- 'India's Macroeconomic Performance and Policies since 2000'. Paper presented at ICRIER, New Delhi, October 7, 2008.
- Chaired a session 'Financial Sectors in South Asia in the Backdrop of Financial Sector Reforms', at ICRIER- InWent, New Delhi, November 6, 2008.
- 'Global Financial Crisis and Impact on India'. Talk given at India Habitat Centre, New Delhi, November 20, 2008.
- 'Global Financial Crisis and Impact on India'. Special lecture at Amity University International Centre, Noida, November 21, 2008.

- 'Global Financial Crisis and Impact on India', Ranadhir Sarma Sarkar Memorial Lecture, New Delhi, December 17, 2008.
- Panelist in the sessions on 'Rising Income Inequality: an Irreversible Trend?' and 'India and Economic Global Challenge' at Ideas India 2008, CII Conference, New Delhi, December 18, 2008.
- 'Global Crisis and India: the Emerging Macroeconomic Environment'. Lecture at ANMI International Convention India Securities Forum 2008, Kolkata, January 17, 2009.
- 'Global Financial Crisis and India'. Special Lecture at Rai Business School, New Delhi, January 29, 2009.

## **Publications**

### **Books/Chapter in Books**

- 'An Indian Perspective on Global Imbalances and Potential Policy Responses', in J. Little (ed.), *Global Imbalances and the Evolving World Economy*, Federal Reserve Bank of Boston, Boston, 2008.
- *India and Global Crisis*, Academic Foundation, New Delhi, March, 2009.

### **Working Papers**

- 'India's Macroeconomic Performance and Policies since 2000'. ICRIER Working Paper No. 225, New Delhi, October 2008.

## **AMIT SHOVON RAY**

### **Appointed**

- Member, Independent Commission on Development and Health in India, Delhi.
- Fellow, The Royal Society of Health, London.

### **International Seminars/Presentations**

- Workshop on 'Asia's Response to the Global Financial Crisis', Asian Development Bank Institute, Tokyo, Japan, November 18, 2008.
- 'Shifting Co-ordinates of India's Stance at the WTO', International Conference on 'Developing Countries and the Future of the WTO', Institute of Global Dialogue, Johannesburg, South Africa, August 4-5, 2008.

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

- Conference Chair at conference on 'Reflections on Select Issues in Indian Economy by Young Japanese Scholars', organised by ICRIER and Sasakawa Peace Foundation, New Delhi, August 25, 2008.
- 'Shifting Co-ordinates of India's Stance at the WTO: Understanding the Domestic and International Economic Drivers', Inaugural Seminar at the WTO Seminar Series of ICRIER, September 17, 2008.
- 'The Interface between Economic Development, Health and Environment in India: an Econometric Investigation', seminar at the National Institute of Public Finance and Policy, New Delhi, September 18, 2008.
- 'India in the World Economy'. Lecture to a delegation of Mauritius Parliamentarians organised by the Ministry of External Affairs, Government of India, New Delhi, October 14, 2008.

- 'Foreign Direct Investment'. Lecture at the Foreign Diplomats Training Programme, Foreign Services Institute, Ministry of External Affairs, Government of India, November 12, 2008.
- 'The Interface between Economic Development, Health and Environment in India: an Econometric Investigation', International Conference on 'Growth, Equity and Institutions' at the Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi, November 27-29, 2008.
- 'Public-Funded Research and Technology Transfer: Implications of the Bayh-Dole Act and its Indian Equivalent', NCL Innovations Seminar Series (2<sup>nd</sup> Lecture), National Chemical Laboratory (NCL), Pune, December 11, 2008.
- 'The WTO and India', lecture-cum-workshop at Sri Venkateswara College, University of Delhi, February 13, 2009.
- Panelist at a discussion on 'Bayh-Dole Type Legislation in India in the Light of US Experience', IP Symposium 2009, 6<sup>th</sup> Annual Intellectual Property & Corporate Law Delegation, organised by George Washington University Law School and CII, New Delhi, February 24, 2009.
- 'India's Tryst with Technology: the Way Forward'. Paper presented at the Workshop on Technology organised jointly by ICRIER and KAS, March 4, 2009.
- Lead Discussant, Roundtable on 'Accelerating Innovation: Collaborative Models' organised by ICRIER and the University of Toronto, New Delhi, March 12, 2009.
- 'University-Industry Collaboration for Accelerating Innovation in India'. Keynote presentation at the symposium on 'Accelerating Innovation: Collaborative Models' organised by ICRIER and the University of Toronto, New Delhi, March 12, 2009.
- 'Foreign Direct Investment (FDI) – Issues & Challenges', seminar organised by Institute of Company Secretaries of India – Eastern India Regional Council, Kolkata, March 28, 2009.

## Publications

### Papers in Refereed Journals

- 'Learning and Innovation in the Indian Pharmaceutical Industry: The Role of IPR and Other Policy Interventions', *RECIIS Electronics Journal of Communication, Information and Innovation in Health*, Vol. 2. No.2 (2008).

### Working Papers

- 'The Interface between Economic Development, Health and Environment in India: an Econometric Investigation' (with A.L. Nagar, Aparna Sawhney and Sayan Samanta). Working Paper 2008-56, National Institute of Public Finance and Policy, New Delhi, October 2008.
- 'Emerging Through Technological Capability: an Overview of India's Technological Trajectory'. ICRIER Working Paper No 227, New Delhi, November 2008.
- 'Co-evolution of IPR Policy and Technological Learning in Developing Countries: a Game-Theoretic Model' (with Saradindu Bhaduri). Discussion Paper No 09-04, Centre for International Trade and Development, Jawaharlal Nehru University, New Delhi, January 2009.
- 'India's Stance at the WTO: Shifting Co-ordinates, Unaltered Paradigm' (with Sabyasachi Saha). Discussion Paper No 09-06, Centre for International Trade and Development, Jawaharlal Nehru University, New Delhi, January 2009.
- 'To Contribute or Not to Contribute: Micro-Theoretical Models of Open Source Software (OSS)' (with Subhasis Bera). Discussion Paper No 09-09, Centre for International Trade and Development, Jawaharlal Nehru University, New Delhi, March 2009.

## RAJAT KATHURIA

### Appointed

- Member, Delhi Management Association, 2008.

### International Seminars/Presentations

- ‘Words on Water: India & South Africa in Conversation’, Centre for Indian Studies in Africa, University of the Witwatersrand, ‘South-South Partnerships in the World Economy’, September 17, 2008.
- Discussant in a conference ‘Strengthening Payment Systems in Asia’ organised by ADB in Japan, February 10, 2009.
- Presentation: ‘The Impact of Mobile Phones’ to European Parliament in Brussels, March 17, 2009.

### National Conferences/Seminars/Workshops

- Chaired seminar ‘The Application of Competition Law and Policy to Retailing’ by Allan Fels, Dean, The Australia and New Zealand School of Government (ANZSOG), July 8, 2008.
- Chaired sessions for two papers presented at the workshop on ‘Reflections on Select Issues in Indian Economy by Young Japanese Scholars’, August 25, 2008.
  - a) ‘Unbundling Property Rights in India’ by Atsushi Kato.
  - b) ‘The Effects of Monetary Policy Shocks in India’ by Takahiro Sato.
- India-European Union inter-session meeting on Services, September 5, 2008.
- ‘Competition and Regulation in Telecommunications: Case of India.’ IES Probationers (Batch XXIX), Institute for Economic Growth, October 13, 2008.
- ‘Competition and Regulation’, Training for Central Government officers, Competition Commission of India, November 26, 2008.
- ‘Prospects for the Telecommunication Sector under the Indo-EU Trade and Investment Agreement Stakeholder Consultation on India-EU FTA in Services’, FICCI, New Delhi, November 28, 2008.
- ‘Impact of Mobile Phones in India.’ Paper presented at the seminar on ‘ICT Measurement and Indicators’, organised by ITU and DIT, New Delhi, May 12-14, 2009.
- Session Chair, ‘ICT Indices - Asia Pacific’ at the seminar on ‘ICT Measurement and Indicators’, organised by ITU and DIT, New Delhi, May 12-14, 2009.

### Publications

#### Chapter Published in Book/Edited Volume

- ‘Overview of Mobiles in India’ in the report ‘*India: The Impact of Mobile Phones*’.
- ‘Impact of Mobile Phones on SME Value Chains’ in the report ‘*India: The Impact of Mobile Phones*’.
- ‘*Prospects for the Telecommunication Sector under the Indo-EU Trade and Investment Agreement*’, Department of Commerce, Oct 2008.
- ‘*Comparing the Impact of Decline in Leased Line Prices in India and Indonesia: Lessons for Latin America*’ available at [www.lirneasia.net/wp-content/uploads/2008/11/kathuria\\_ver5.pdf](http://www.lirneasia.net/wp-content/uploads/2008/11/kathuria_ver5.pdf)
- ‘*Prospects for the Telecommunications Sector under SAFTA in Quantification of Benefits from Economic Co-operation in South Asia*’, ADB and UNCTAD, 2008.
- ‘*Benchmarking Development Impacts of Trade Liberalisation of Services in India*’, UNCTAD India, October 2008.

## MATHEW JOSEPH

### International Seminars/Presentations

- Discussant on 'Macroeconomic Response to Dual Shocks: the Case of Kazakhstan' at the conference on 'The US Sub-Prime Mortgage Crisis, Managing Capital Flows and the Asian Economy' organised by Asian Development Bank Institute, Tokyo, August 28, 2008.
- Session chair for Asian Giants in the Experts' Workshop, Stepping up to the Plate: Emerging Powers and International Responsibility, Johannesburg, November 6, 2008.
- Discussant on 'Fostering Fair International Competition' at the seminar 'Where Europe Meets the G20', organised by the UK Presidency and Bruegel, London, March 2, 2009.

### National Conferences/Seminars/Workshops

- 'Indian Economy: Current Status and Future Outlook'. Presentation at Annual Members' Conference 2008, Federation of Electro Ceramic Industry (EURISOL), New Delhi, October 4, 2008.
- 'Global Crisis and India'. Presentation at ICRIER-KAS International Conference, 'Global Economic Downturn: Lessons and Way Forward', New Delhi, February 9-10, 2009.
- 'Global Crisis Impact on India'. Presentation at the Roundtable Discussion on 'Current Economic Meltdown and Outlook for Future with Reference to India', organised by Surya Foundation, New Delhi, February 19, 2009.
- 'Global Crisis and India's Response'. Presentation at the Workshop on 'Financial Crisis and Recession', organised by the Centre for International Trade and Development (CITD), Jawaharlal University, New Delhi, March 17, 2009.
- 'Global Financial Crisis: Impact on India'. Presentation at ICRIER-InWent Workshop on 'Current Developments in Indian Financial System', New Delhi, March 20, 2009.

### Publications

#### Books/Chapter in Books

- Chapter on India (co-authored with Rajiv Kumar) in '*Growth and Responsibility: The Positioning of Emerging Powers in the Global Governance System*', Konrad Adenauer Stiftung, Berlin, 2009.

### Working Papers

- 'Impact of Organised Retailing on the Unorganised Sector' (co-authored with Nirupama Soundararajan, Manisha Gupta and Sanghamitra Sahu). ICRIER Working Paper No. 222, September 2008.
- 'Indian Economic Outlook 2008-09 and 2009-10' (co-authored with Rajiv Kumar, Dony Alex, Pankaj Vashisht and Debosree Banerjee). ICRIER Working Paper No. 234, March 2009.

### Newspaper Articles/Interviews

- 'End of High Growth Rates for India', (with Karan Singh), *The Economic Times*, July 22, 2008.
- 'Is it Right Time to Cut Interest Rates?' *The Economic Times*, September 29, 2008.
- 'The Global Crisis and India's Growth Rate' (with Rajiv Kumar and Karan Singh), *Business Standard*, December 3, 2008.
- 'Will the Stimulus Packages Accelerate GDP Growth?' *Business Standard*, January 7, 2009.
- 'Interim Budget: Pointer to Troubles Ahead', *Think Ink*, ICRIER, February 18, 2009.
- 'Organised Retailers Will Not Fall Under'. Interview in *Outlook Magazine*, February 23, 2009.
- 'Does India Hold Scope for both Unorganised and Organised Retailers?' Interview with [www.CommodityIndia.com](http://www.CommodityIndia.com), August 2008

## ARPITA MUKHERJEE

### International Seminars/Presentations

- 'India-Singapore CECA' and 'Characteristics of South Asian FTAs', Presentations at FTA training workshop organised by ADB, Bangkok, June 5, 2008.
- Participated in the brainstorming session of Bruegel/Partner Research Institutions as the nodal person for the ICRIER-Bruegel partnership, November 18, 2008.
- Held meetings with the EU services negotiating team in Brussels, Belgium, on India-EU Broad-based Trade and Investment Agreement, November 2008.
- Conducted meetings/stakeholders' consultation with members of Conference of Asia Pacific Express Carriers (CAPEC), Singapore, December 2008.
- Participated in the 2008-09 European Union Visitors' Programme for research on India-EU issues organised by the European Commission, Brussels, March 2009.

### National Conferences/Seminars/Workshops

- 'An Overview of the Indian Services Sector', Paper presented at the 'Strengthening Skills on Commercial and Economic Diplomacy Training Programme' for Civil Servants and Executives (CDS.05), jointly organised by the Department of Commerce and CUTS International, Jaipur, July 19, 2008.
- 'India's Trade in Services', Paper presented at the Institute of Economic Growth, October 14, 2008.
- 'Services Negotiations under WTO', Paper presented at the UNCTAD Summer School, Department of Economics, University of Mizoram, Aizawl, May 29, 2008.
- 'GATS Negotiations: Professional Services', Paper presented at the Institute of Chartered Accountants of India, July 14, 2008 and November 10, 2008.
- 'India-EU BTIA: Implication for the Services Sector', Presentation at the seminar on 'India's Engagement With Free Trade Agreements: Taking Stock and the Way Ahead', organised by FICCI, November 11, 2008.
- 'India-EU BTIA: Construction and Consultancy Services', Paper presented (with Durgesh Kumar Rai) at Stakeholder Consultation on India-EU FTA in Services jointly organised by ICRIER, Department of Commerce, Centre for WTO Studies and FICCI, New Delhi, November 28, 2008.
- 'R&D Services: Prospects for Trade under the India-EU BTIA' and 'India-EU BTIA: Implication for the Services Sector', Presentations at the Bangalore Stakeholder Consultation on India-EU FTA in Services jointly organised by ICRIER, Department of Commerce, Centre for WTO Studies and FICCI, February 16, 2009 at Bangalore.
- 'India-EU Trade and Investment Agreement: Energy Services', Paper presented (with Smita Miglani) at the Energy Stakeholder Consultation for India-EU Broad-based Trade and Investment Agreement jointly organised by ICRIER, Department of Commerce, Center for WTO Studies and Petrofed, New Delhi, February 27, 2009.

### Publications

#### Books

- '*Food for Policy – Reforming Agriculture*' (edited with Surabhi Mittal), Foundation Books, Cambridge University Press, New Delhi, 2008. The publication was sponsored by NABARD.



## Chapters Published in Book/Edited Volume/Journal Articles

- 'Services Liberalisation in PTAs and the WTO: the Experiences of India and Singapore', in Juan A. Marchetti and Martin Roy (Eds.), *'Opening Markets for Trade in Services: Countries and Sectors in Bilateral and WTO Negotiations'*. UK: Cambridge University Press and WTO, 2008.
- 'La integracion en La cadena de valor global de Los servicios: El caso de la India', in *Claves de la Economía Mundial* (pp. 393-399), 8<sup>th</sup> Edition, June 2008.
- 'Barriers to Trade in Services: the Case of India', in GALT (Global Agreements, Legislation, and Trade) Update, March 2009, TERI.
- 'East Asian Free Trade Agreements (FTAs) in Services: Facilitating Free Flow of Services in ASEAN?' (with Ray Trewin, Malcolm Bosworth, Dionisius A. Narjoko, Andrew Stoler, James Redden, Victoria Donaldson and Graeme Thomson), ASEAN-Australia Development Co-operation Programme, REPSF II Project No. 07/004, ASEAN Secretariat and Australian Government, May 2008.
- 'Indian Retail Sector: the Policy Options'. In Murali K. Mantrala and Shaoming Zou (Eds.), *'Retailing Revolutions in China and India'*, Springer Publishing Inc., Washington (forthcoming 2010).
- 'India's Trade in Services and Global Slowdown in Focus WTO', *Indian Institute of Foreign Trade*, Vol. 10, No 5, Jan-Feb 2009.

## Working Papers

- Trade in Energy Services: GATS and India' (with Ramneet Goswami). ICRIER Working Paper No. 231, January 2009.

## NISHA TANEJA

### Appointed

- Member of the Expert Group on Preferential Rules of Origin set up by the Ministry of Commerce & Industry.

### International Seminars/Presentations

- Participated at the Inception Workshop on RETA 6417 organised by the Asian Development Bank, Bangkok, September 8-9, 2008.
- 'Record of South Asian Integration'. Presentation at a seminar held jointly by ADB and FICCI, Colombo, October 16-17, 2008.
- Discussant for paper on 'Improving and Extending Social Protection Programmes: Food-Based Safety Nets, Conditional and Unconditional Income Transfers' at the 'South Asia Regional Conference on Managing Food Price Inflation', organised by the World Bank, Dhaka, November 15-16, 2008.
- 'Barriers to Intra-SAARC Trade'. Presentation at a seminar held by SCCI, Colombo, November 28, 2008.

### National Conferences/Seminars/Workshops

- Presentation on 'Examining Non-Tariff Barriers by India in the Context of SAFTA' to Members of the Inter-Ministerial Task Force set up by the Ministry of Commerce, December 11, 2008.

## SUPARNA KARMAKAR

### Appointed

- External Consultant, World Intellectual Property Organisation (WIPO)
- Resource person, Planning Commission (for the High Level Group on Services)
- Subject Expert (Economics group), faculty selection committee, Kendriya Vidyalaya Sangathana

### International Seminars/Presentations

- 'Towards a New WTO Architecture: Role of India and China'. Presentation at the Seventh Annual Conference on WTO and China, organised by CNIWTO of UBIE-SULS, Shanghai, China, October 24-28, 2008.
- 'Liberalisation in Services Trade: Domestic Regulation vs Market Access'. Seminar presentation at the Institute of South Asian Studies (ISAS, NUS), Singapore, August 28, 2008.
- 'Gains from Liberalising Trade in Services: Learning from the Indian Experience'. Paper presented at the World Economy Research Institute's annual conference on 'Competitiveness in the Service Sector – Establishing New Advantages in Poland and the European Union', Warsaw, Poland, June 12-13, 2008.

### National Conferences/Seminars/Workshops

- 'Lessons from India's Experience in the WTO: How Should India Prepare for the Post-Doha WTO?' Presentation at the workshop 'South Asia Regional Dialogue on Global Economic Governance and Trade', organised by ICRIER-GEG (Oxford) and HEI-EDGE, New Delhi, April 29, 2008.
- Discussant for session on 'Effect of International Trade on Domestic Inequality: Special Reference to India', First National Consultation under the 'Grassroots Reachout & Networking in India on Trade & Economics (GRANITE-Phase II) Project' organised by CUTS International (CITEE) and the Norwegian Institute of International Affairs (NUPI), New Delhi, July 2, 2008.

### Publications

#### Chapters Published in Books/Edited Volume

- 'The Liberalisation of Cross-Border Trade in Services: a Developing Country Perspective' (with Sumanta Chaudhuri). In Juan A. Marchetti and Martin Roy (Eds.), *'Opening Markets for Trade in Services: Countries and Sectors in Bilateral and WTO Negotiations'*. UK: Cambridge University Press and WTO, 2008.
- 'India-ASEAN Cooperation in Services: an Overview'. In 'The Shaping of India's Foreign Policy in the New Century: Emerging Trends' (Ed), ICFAI University Press, Kolkata, 2008.

## RAJEEV ANANTARAM

### International Seminars/Presentations

- 'The Mass Manufacturing Experience of the PRC since 1978: Lessons for India'. Paper presented at seminars in New Delhi (April 2008) and Hanoi (September 2008).
- 'Design of S&T Institutions during 'Catch Up' in India and China: Going Beyond the East Asian Experience'. Presented at the 'International Conference on S&T Policy in the US, India and China', National Institute of Advanced Studies, Bangalore, July 2008. (A modified version of this paper was presented at the NRDC conference on S&T policy in New Delhi, October 13-15, 2008).

- ‘The Role of FDI in Infrastructure: Experience of Select Countries of South Asia’, ADB mid-term workshop, Kathmandu, Nepal, April 23-24, 2009.

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

- ‘Indian Investment in Kazakhstan: the Scope for Joint Ventures’, Ministry of External Affairs and Indian Council of World Affairs, New Delhi, March 30, 2009.
- ‘The Internationalisation of R&D: The Case of US Multinationals in India’, National Interest Project, Workshop on Technology, New Delhi, March 2009.

### **Publications**

#### **Chapters Published in Book/Edited Volume**

- ‘The Mass Manufacturing Experience of the PRC since 1978: Lessons for India’, Asian Development Bank (forthcoming, September 2009).\*
- ‘The Internationalisation of R&D: The Case of US Multinationals in India’, (forthcoming, Konrad-Adenauer Stiftung).\*

### **SURABHI MITTAL**

#### **International Seminars/Presentations**

- ‘Track II Initiatives for Economic Co-operation in SAARC’. Paper presented at the Inception Workshop on RETA 6417 organised by the Asian Development Bank, Bangkok, September 8-9, 2008.
- ‘India’s Role and Perspective on Agricultural Trade Negotiations’. Paper presented at the ‘Conference on Alternative Frameworks for Agricultural Trade Negotiations’, National Wine Centre, Adelaide, Australia, December 11, 2008.
- Panelist in the discussion on ‘Next Steps for WTO: the Attraction and Limits of Critical Mass Negotiations’, University of Adelaide, Australia, December 12, 2008.

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

- ‘Socio-economic Impact of Climate Change - Policy Lessons’. Lecture at the National Institute of Disaster Management, Ministry of Home Affairs, May 1, 2008.
- ‘Development Plan of Uttarakhand’. Seminar at ICRIER, July 7, 2008.
- ‘Supply and Demand Estimates in Indian Agriculture’. Lecture to IES Probationers (Batch XXVIX), Institute of Economic Growth, New Delhi, August 12, 2008.
- ‘Impact of Mobile on Agriculture Productivity’. Paper presented as part of the project progress workshop, ICRIER, August 19, 2008.
- ‘India’s Agriculture Sector and Approach to Food Security’. Paper presented at a seminar organised by the Ministry of External Affairs for the visiting delegation of Parliamentarians from Mauritius, October 14, 2008.
- Presented the book ‘*Food for Policy - Reforming Agriculture*’ at the Book Launch, IFMR, Chennai, January 5, 2009.
- ‘Impact of Mobiles on Agricultural Productivity’. Paper presented at the report launch by Vodafone and ICRIER, New Delhi, January 19, 2009.

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\* Both papers will appear as ICRIER working papers.

- Presented paper on 'Way to Achieve Food Security in SAARC Region' at the International Conference on Food Security in SAARC organised by KAS and ICRIER, New Delhi on March 23, 2009.

## **Publications**

### **Book**

- '*Food for Policy – Reforming Agriculture*' (edited with Arpita Mukherjee), Foundation Books, Cambridge University Press, New Delhi, 2008. The publication was sponsored by NABARD.

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

- 'Feasibility Check for Diversifying towards Horticulture Production', *Agriculture Economic Research Review* (forthcoming January-June 22(1), 2009).
- 'Agricultural Growth Accounting and Total Factor Productivity in South Asia: a Review and Policy Implications' (with Praduman Kumar and Mahabub Hossain), *Agriculture Economic Research Review*, Vol. 21 (2), 145-172, December 2008.
- 'Would Indian Farmers Benefit from Liberalisation of World Cotton and Sugar Markets?' (with Jeff Reimer), *Agricultural Economics*, Vol. 38 (3), 301-312, May 2008.

### **Chapter Published in Book/Edited Volume**

- 'The Impact of Mobiles on Agricultural Productivity' (with Sanjay Gandhi and Gaurav Tripathi). In Public Policy Paper Series Number 9, January 2009. [www.vodafone.com/publicpolicyseries](http://www.vodafone.com/publicpolicyseries).

### **Working Papers**

- 'Development Strategy for the Hill Districts of Uttarakhand' (with Gaurav Tripathi and Deepti Sethi). ICRIER Working Paper No. 217, July 2008

## **MANDIRA SARMA**

### **International Seminars/Presentations**

- 'An Overview of the Indian Economy: Issues and Challenges'. Seminar organised for Congolese students by the American Embassy, Brazzaville, the Republic of Congo, November 20, 2008.

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

- 'Current Developments in Co-operative Banking in India'. Paper presented at the workshop on 'Current Developments in Indian Financial System' organised by ICRIER and InWent, March 20, 2009.
- 'Financial Inclusion and Development: a Cross Country Analysis'. Paper presented at the 'Conference on Deepening Financial Sector Reforms and Regional Co-operation in South Asia' organised by ICRIER and InWent, November 6-7, 2008.
- 'India's Financial System'. Lecture at UGC refresher course for faculty development programme for university teachers, ISID, November 3, 2008.
- 'Financial Inclusion and Development: a Cross Country Analysis'. Seminar at the Madras School of Economics, Chennai, September 19, 2008.

- 'Index of Financial Inclusion'. Seminar at the Institute of Financial Management and Research, Chennai, September 18, 2008.
- 'Financial Inclusion and Development: a Cross Country Analysis'. Paper presented at the 'Conference on Equality, Inclusion and Human Development' organised by HDCA and IHD, New Delhi, September 10-13, 2008

## Publications

## Working Papers

- 'Index of Financial Inclusion'. ICRIER Working Paper No. 215, June 2008.

## VANI ARCHANA

### International Seminars/Presentations

- 'Impact of FDI in India: State-wise Analysis in a Panel Data Framework'. Paper presented at the Sixty-sixth International Atlantic Economic Conference at Montreal, Canada, October 9-12, 2008.
- 'India in Global and Regional Trade: Determinants of Aggregate and Bilateral Trade Flows and Firms' Decision to Export' (co-authored with T. N. Srinivasan). Paper presented at the workshop on International Trade at Yale, New Haven, October 15, 2008.
- Presented the report on 'The Global Trading and Financial Systems: Multilateralism of the World Trade Organisation versus Regionalism' at the workshop/conference 'Global Citizenship: Research Implications' at Yale, New Haven, May 15-16, 2009.

### National Conferences/Seminars/Workshops

- Discussant for two papers presented at the workshop on 'Reflections on Select Issues in Indian Economy by Young Japanese Scholars', August 25, 2008.
  - a) 'Unbundling Property Rights in India' by Atsushi Kato.
  - b) 'The Effects of Monetary Policy Shocks in India' by Takahiro Sato.
- 'India in Global and Regional Trade: Determinants of Aggregate and Bilateral Trade Flows and Firms' Decision to Export' (co-authored with T. N. Srinivasan). Paper presented at the 4<sup>th</sup> NIPFP-DEA Conference on Global Capital Inflows in New Delhi; also, ICRIER seminar on January 8, 2009.
- Presented report on 'Trade in Services and Other Areas of Co-operation', Ministry of Commerce, chaired by Commerce Secretary of India during JSG meeting, March 17, 2009.

## Publications

## Books

- Co-author (with Rajiv Kumar and Mandira Sarma) of a book on India's Investment Climate, '*La Internacionalizacion De La Empresa Espanola*'. Prepared for the Royal Elacano Institute, Madrid, Spain.

## Working Papers

- 'India in the Global and Regional Trade: Determinants of Aggregate and Bilateral Trade Flows and Firms' Decision to Export' (with T.N. Srinivasan). ICRIER Working Paper No. 232, 2008.

## **SUKUMAR VELLAKKAL**

### **International Seminars/Presentations**

- Attended the workshop at George Institute for International Health, University of Sydney, Australia on March 5-6, 2009 to develop course modules on Health Economics.
- 'Adverse Selection and Private Health Insurance Coverage in India: a Rational Behaviour Model of Insurance Agents under Asymmetric Information.' Paper to be presented (long format oral presentation) for the 7<sup>th</sup> World Congress of International Health Economics Association in Beijing, July 8-11, 2009.

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

- Discussant for the following papers at the workshop on 'Reflections on Select Issues in Indian Economy by Young Japanese Scholars' organised by the Sasakawa Peace Foundation (SPF), Japan and ICRIER, New Delhi, August 25, 2008: 1. 'Ranbaxy - Daiichi Sankyo deal - What Impact will the Deal have on the Indian Pharmaceutical Industry?' by Atsuko Kamiike, 2. 'Evolution of Corporate Cultures: a Theoretical Extension and Evidence from Japanese Companies in India and Thailand' by Makoto Nagaishi.
- 'Towards a Community-Private-Public Partnership Model of Health Insurance for India.' Paper presented at the ASSOCHAM Health Insurance and Medical Care Summit-2008, New Delhi, August 27-28, 2008.
- 'Linking the Market to Community for Universal Health Insurance Programmes for India: Rationale, Issues and Challenges.' Paper presented at the BIMTECH Insurance Summit-2008 organised by the Birla Institute, New Delhi, September 26-27, 2008.

### **Publications**

#### **Working Papers**

- 'Adverse Selection and Private Health Insurance Coverage in India: A Rational Behaviour Model of Insurance Agents under Asymmetric Information.' ICRIER Working Paper No. 233, February 2009.

#### **Newspaper**

- 'Supremely Sensible', *Financial Express*, June 6, 2008.
- 'Wealth Effect in Health Insurance', *Financial Express*, March 26, 2009.

## **ALI MEHDI**

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

- 'Noncommunicable Diseases and Public Health Policy in India.' Presentation at the second Early Health Summit, Bangalore, September 26, 2008.

## **RAMNEET GOSWAMI**

#### **Working Papers**

- 'Trade in Energy Services: GATS and India.' ICRIER Working Paper No. 231, January 2009.



# Publications

# Publications

## Working Papers

No.	Title	Author	Date
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	January 2009
230	The Missing Middle	Anne O. Krueger	January 2009
229	What Can Be Learned About the Economies of China and India from Purchasing Power Comparisons?	Alan Heston	December 2008
228	The Cost Competitiveness of Manufacturing in China and India: An Industry and Regional Perspective	Bart Van Ark Abdul Azeez Erumban Vivian Chen Utsav Kumar	December 2008
227	Emerging through Technological Capability: An Overview of India's Technological Trajectory	Amit Shovon Ray	November 2008
226	The Chinese Export Bundles: Patterns, Puzzles and Possible Explanations	Zhi Wang Shang-Jin Wei	November 2008
225	India's Macroeconomic Performance and Policies since 2000	Shankar Acharya	October 2008
224	Deconstructing China's and India's Growth: the Role of Financial Policies	Jahangir Aziz	October 2008
223	Pollution Across Chinese Provinces	Catherine Yap Co Fanying Kong Shuanglin Lin	September 2008
222	Impact of Organised Retailing on the Unorganised Sector	Mathew Joseph Nirupama Soundararajan Manisha Gupta Sanghamitra Sahu	September 2008
221	China and India: A Tale of Two Trade Integration Approaches	Przemyslaw Kowalski	August 2008

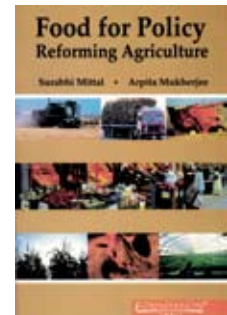
<b>No.</b>	<b>Title</b>	<b>Author</b>	<b>Date</b>
<b>220</b>	Trading with Asia's Giants	<b>Barry Bosworth Susan M. Collins Aaron Flaaen</b>	<b>August 2008</b>
<b>219</b>	Informal Values and Formal Policies: A study of Japanese Technology Policy and Significance for India	<b>Saradindu Bhaduri Janashruti Chandra</b>	<b>July 2008</b>
<b>218</b>	Regional Economic Integration and FDI in South Asia: Prospects and Problems	<b>Aradhna Aggarwal</b>	<b>July 2008</b>
<b>217</b>	Development Strategy for the Hill Districts of Uttarakhand	<b>Surabhi Mittal Gaurav Tripathi Deepti Sethi</b>	<b>July 2008</b>
<b>216</b>	Impact of Proposed Commodity Transaction Tax on Futures Trading in India	<b>Pravakar Sahoo Rajiv Kumar</b>	<b>July 2008</b>
<b>215</b>	Index of Financial Inclusion	<b>Mandira Sarma</b>	<b>June 2008</b>
<b>214</b>	Measuring Sustainability with Macroeconomic Data for India	<b>Purnamita Dasgupta Shikha Gupta</b>	<b>May 2008</b>

## Books Published

1. **Preferential Trading Agreements in Asia: Towards an Asian Economic Community**  
**Edited by:** *Amita Batra, Academic Foundation, New Delhi, 182 pages.*



2. **Food for Policy: Reforming Agriculture**  
**Edited by:** *Surabhi Mittal & Arpita Mukherjee, Foundation Books-Cambridge University Press, New Delhi, 273 pages.*



3. **Retail in India**  
**By:** *Mathew Joseph and Nirupama Soundararajan, Academic Foundation, New Delhi, 376 pages.*



# Memoranda of Understanding Signed by ICRIER

# Memoranda of Understanding signed by ICRIER during 2008-09

- Chindia Research Institute, Kookmin University, Seoul, Korea
- Institute of South Asian Studies (ISAS), Singapore
- Japan-India Partnership Forum, Japan
- The Institute for European Studies of the Vrije Universiteit Brussel, Belgium
- University of Toronto, Canada
- WTO Research Centre of Aoyama Gakuin University, Japan



# Audited Annual Accounts

# Audited Annual Accounts

## V SAHAI TRIPATHI & CO CHARTERED ACCOUNTANTS

8-E, Hansalaya, 15 Barakhamba Road,  
Connaught Place, New Delhi - 110001  
Tel. : +91-11-23319596, 23352449  
+91-11-23324045, 65350658  
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### AUDITORS' REPORT

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

We have audited the accounts of your Council and certify that the annexed Income and Expenditure Account for the year ended March 31, 2009 and Balance Sheet as at March 31, 2009 for the year read with the Statement of Accounting Policies and Notes thereon have been correctly drawn from the books of accounts and vouchers examined and the information and explanations given to us.


It is further certified that: -

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) Proper books of accounts have been kept by the Council so far as it appears from our examination of those books;
- (c) The Council's Balance Sheet and Income and Expenditure account dealt with by this report are in agreement with the books of accounts and in our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view:
  - (i) in the case of the Balance Sheet of the state of affairs of the Council as at March 31, 2009; and
  - (ii) in the case of the Income and Expenditure account of the excess of Income over Expenditure for the financial year ending on March 31, 2009.



Place: New Delhi  
Dated: 7-8-2009

For V SAHAI TRIPATHI & CO  
Chartered Accountants

  
(Mahesh Sahai)  
Partner

**Indian Council for Research on International Economic Relations**  
**Balance Sheet as at March 31, 2009**

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
<b><u>SOURCES OF FUND</u></b>		
<b>Endowment Fund</b>	<b>246,961,469</b>	<b>238,461,469</b>
Opening Balance	238,461,469	208,944,469
Donations received during the year	8,500,000	29,517,000
<b>Gifted Assets Fund</b>	<b>-</b>	<b>7,665</b>
Gross Block	-	43,000
Depreciation Reserve	-	(35,335)
<b>Unspent Grants (As per Schedule 1)</b>	<b>9,490,125</b>	<b>4,251,885</b>
<b>General Fund</b>	<b>53,663,156</b>	<b>46,748,184</b>
Opening Balance (Refer Note B-1)	46,748,184	33,647,606
Transferred From Income & Expenditure Account	6,914,972	13,100,578
<b>Current Liabilities &amp; Provisions</b>	<b>5,966,722</b>	<b>4,929,317</b>
Current Liabilities (As per Schedule 4A)	3,766,477	1,959,267
Provisions (As per Schedule 4B)	2,200,245	2,970,050
<b>TOTAL</b>	<b>316,081,472</b>	<b>294,398,520</b>

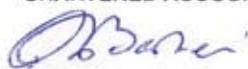
**APPLICATIONS OF FUND**

<b>Fixed Assets</b>	<b>19,108,573</b>	<b>20,662,422</b>
Gross Block (As per Schedule 2)	49,766,885	48,338,517
Depreciation Reserve	30,658,312	27,676,095
<b>Investments</b>	<b>242,774,150</b>	<b>223,456,245</b>
Long-term Investments	245,362,000	224,362,000
Investment Fluctuation Reserve - Refer Accounting Policy 2(a)	(87,850)	1,094,245
Investment Equalisation Fund (Refer Note2)	(2,500,000)	(2,000,000)
<b>Current Assets, Loans &amp; Advances</b>	<b>54,198,749</b>	<b>50,279,853</b>
Current Assets (As per Schedule 3A)	46,718,818	45,661,845
Loans & Advances (As per Schedule 3B)	7,479,931	4,618,008
<b>TOTAL</b>	<b>316,081,472</b>	<b>294,398,520</b>

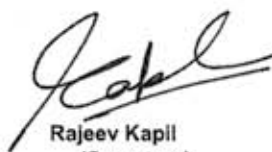
Significant Accounting Policies and Notes (Schedule 6)

In terms of our separate report of even date

**FOR V SAHAI TRIPATHI & CO**  
**CHARTERED ACCOUNTANTS**



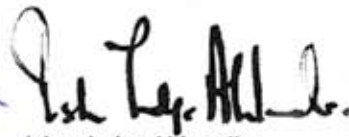
**Mahesh Sahai**  
**(Partner)**  
**MRN. 6730**



**Rajeev Kapil**  
**(Secretary)**



**Rajiv Kumar**  
**(Director & CE)**



**Isher Judge Ahluwalia**  
**(Chairperson)**



Indian Council for Research on International Economic Relations

Schedule 1

Unspent Grants

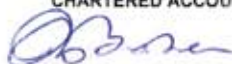
Sr. No.	Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
1	DHL Express India LTD	8,189,295	-
2	MEA- India Korea Dialogue	183,826	-
3	SPF(Japan Project)	1,082,480	794,934
4	SPF(ACU Seminar)	-	100,150
5	University of Toronto	34,524	
6	Grants received in Advance	-	3,356,801
<b>TOTAL</b>		<b>9,490,125</b>	<b>4,251,885</b>



Indian Council for Research on International Economic Relations  
Income & Expenditure account for the year ended March 31, 2009

Particulars	Current Year (in Rs.)	Previous Year (in Rs)
<b>A. INCOME</b>		
<b>Grants</b>	<b>51,946,494</b>	<b>60,247,665</b>
Received during the year	45,134,070	47,941,377
Grants Receivable	13,089,048	10,566,392
Grants brought forward from previous year	4,251,885	6,136,606
Unspent Grants returned during the year	(1,038,384)	(144,825)
Grants transferred to Unspent Grants	(9,490,125)	(4,251,885)
<b>Income on Investment</b>	<b>24,177,862</b>	<b>22,143,810</b>
Received during the year	20,813,418	19,847,182
Closing Interest accrued	3,364,444	2,296,628
<b>Interest on Savings Bank Account</b>	<b>185,101</b>	<b>63,514</b>
<b>Profit on sale of Assets</b>	<b>6,931</b>	
<b>Other Income (As per Schedule 5)</b>	<b>215,706</b>	<b>402,602</b>
<b>TOTAL (A)</b>	<b>76,532,094</b>	<b>82,857,591</b>
<b>B. EXPENDITURE</b>		
<b>Research Expenses:-</b>	<b>50,756,696</b>	<b>53,298,118</b>
Salaries & Allowances	18,073,916	13,923,338
Consultancy Charges	15,025,426	12,769,229
Travel Expenses	4,047,681	6,857,830
Workshops Seminars & Meetings	6,983,923	15,697,126
Publication Expenses	1,241,189	868,283
Communication Expenses	1,538,609	1,225,355
Library Expenses	3,345,788	1,956,957
HRD Strategy Expenses	500,164	-
<b>Administrative Expenses:-</b>	<b>11,141,646</b>	<b>9,003,741</b>
Salaries & Allowances	6,385,107	4,969,280
Professional Services	712,069	344,601
Office Expenses	4,011,745	3,660,255
Fees and Subscriptions	32,725	29,605
<b>Overheads:-</b>	<b>3,145,745</b>	<b>1,894,734</b>
Utility & Electricity Charges	1,468,397	817,296
Repair and Maintenance	1,460,374	860,464
Property Tax	216,974	216,974
Loss on Investment	1,182,095	-
Loss on Sale of Assets	6,852	439,175
<b>Exchange Rate Fluctuation</b>	<b>(404,255)</b>	<b>414,403</b>
<b>Total (B)</b>	<b>65,828,779</b>	<b>65,050,171</b>
<b>Surplus/(Deficit) before Depreciation (A-B)</b>	<b>10,703,315</b>	<b>17,807,420</b>
Depreciation (As per Schedule 2)	3,268,343	4,206,842
Investment Equalisation Fund	500,000	500,000
<b>Surplus/(Deficit) after depreciation</b>	<b>6,914,972</b>	<b>13,100,578</b>
<b>TOTAL</b>	<b>76,532,094</b>	<b>82,857,591</b>

Significant Accounting Policies and Notes (Schedule 6)  
In terms of our separate report of even date  
FOR V SAHAI TRIPATHI & CO  
CHARTERED ACCOUNTANTS



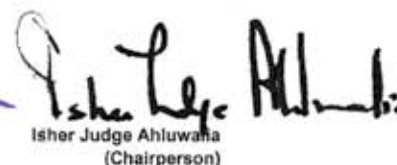
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(Partner)  
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Secretary



Rajiv Kumar  
(Director & CE)



Isher Judge Ahluwalia  
(Chairperson)





## Indian Council for Research on International Economic Relations

Schedule 2

## Details of Fixed Assets

Particulars	Rate of Depreciation (%)	Gross Block			Depreciation				Net Block				
		As at 01.04.2008 Own Rs.	As at 01.04.2008 Gifted Rs.	Additions Rs.	Sales/ Written Off Rs.	As at 31.03.2009 Rs.	As at 01.04.2008 Rs.	For the Year Own Rs.	Gifted Rs.	Deductions Rs.	Upto 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Air Conditioners	15%	-	43,000	35,250	43,000	35,250	35,335	58	1,150	36,485	58	35,192	7,665
Building	10%	22,186,296	-	-	-	22,186,295	11,515,336	1,067,096	-	-	-	9,603,863	10,670,959
Car	15%	522,211	-	736,870	522,211	736,870	238,128	88,149	-	259,142	88,135	668,735	284,083
Computers	60%	12,479,817	-	781,859	-	13,261,676	10,592,601	124,591.8	-	-	-	1,423,157	1,887,216
Electrical Fittings	10%	1,063,525	-	-	-	1,063,525	311,279	75,225	-	-	-	386,504	752,246
EPABX	15%	388,195	-	-	-	388,195	244,215	21,597	-	-	-	122,383	143,980
Fax	15%	160,210	-	-	-	160,210	133,442	4,015	-	-	-	22,752	26,768
Cell Phone	15%	41,990	-	34,700	-	76,690	8,720	8,570	-	-	-	59,400	33,270
Furniture & Fixtures	10%	10,041,059	-	254,858	-	10,295,917	3,583,559	648,020	-	-	-	6,064,338	6,457,500
Laser Printer	60%	746,925	-	77,062	-	823,987	624,562	83,296	-	-	-	116,129	122,363
Misc. Equipments	15%	116,321	-	80,980	22,500	174,801	60,277	11,036	-	11,648	59,665	115,136	56,044
Multimedia Presentation System	15%	270,400	-	-	-	270,400	239,720	4,602	-	-	-	26,078	30,680
Overhead Projector	15%	236,370	-	-	-	236,370	52,932	27,516	-	-	-	155,921	183,438
Refrigerator	15%	15,500	-	14,500	-	30,000	12,151	526	-	-	-	17,323	3,349
Scanner	60%	26,700	-	-	-	26,700	23,837	1,718	-	-	-	1,145	2,863
AS AT 31.03.2009		48,295,517	43,000	2,016,079	587,711	49,766,885	27,676,095	3,288,343	1,150	307,275	30,658,312	19,108,573	20,662,422
AS AT 31.03.2008		43,511,930	43,000	6,386,285	1,602,697	48,338,517	24,620,622	4,206,842	1,353	1,152,722	27,676,095	20,662,422	-





## Schedule 3

## Current Assets, Loans &amp; Advances

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
<b>A) Current Assets:-</b>		
-Cash in Hand	32,570	12,107
-Balances with Bank in Saving Accounts	16,284,142	21,129,798
-Balances with Bank in US Dollar Account	7,780,466	5,282,508
-Balances with Mutual Funds	-	2,502,893
-Interest Accrued	9,532,592	6,168,147
-Grants Receivable	13,089,048	10,566,392
<b>Sub Total (A)</b>	<b>46,718,818</b>	<b>45,661,845</b>
<b>B) Loans &amp; Advances:-</b>		
-Prepaid Expenses	2,434,154	1,673,254
-Advances Recoverable in Cash or in Kind	5,045,777	2,944,754
<b>Sub Total (B)</b>	<b>7,479,931</b>	<b>4,618,008</b>
<b>Total (A + B)</b>	<b>54,198,749</b>	<b>50,279,853</b>

## Schedule 4

## Current Liabilities &amp; Provisions

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
<b>A) Current Liabilities:-</b>		
-Sundry Creditors	3,030,943	1,318,043
-Statutory Dues	493,514	579,333
-Others	242,020	61,891
<b>Sub Total (A)</b>	<b>3,766,477</b>	<b>1,959,267</b>
<b>B) Provisions:-</b>		
-Provisions for Expenses	2,200,245	2,970,050
<b>Sub Total (B)</b>	<b>2,200,245</b>	<b>2,970,050</b>
<b>Total (A + B)</b>	<b>5,966,722</b>	<b>4,929,317</b>

## Schedule 5

## Other Income

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
Sale of Scrap	-	25,646
Sale of Publication	3,975	895
Miscellaneous Income	211,731	376,061
<b>Total</b>	<b>215,706</b>	<b>402,602</b>

^ Refer Schedule 6 Part-A Point-2(a)



**Indian Council for Research on International Economic Relations  
For the Year Ended March 31, 2009**

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

**(A) Accounting Policies**

1. a. Accounts are maintained on accrual basis.  
b. Grants are accounted for in the year in which they are received.  
c. Grants recoverable are accounted for as income if either sanction orders have been received or the amounts have been recovered in the subsequent period.  
d. In cases where projects for which the grants were received have not been completed the unspent grants are estimated and are carried forward as a liability. In subsequent years unspent grants are transferred to the Income and Expenditure Account to match them with related costs which they were intended to cover.
2. a. Mutual Funds investments, which are readily encashable, are shown under current assets. Increase in net asset value at the end of the year over its cost/opening net asset value, as the case may be, is shown as income for the year and a reduction, if any, as an expense.  
b. Investment for fixed periods is shown as long term investments at their cost. Provision for diminution in the value is made only if in the opinion of the management the fall in value is of a permanent nature.
3. The Council follows the written down value method for providing depreciation at rates provided in the Income Tax Act, 1961 except for assets below Rs. 5,000 which are fully depreciated in the year of purchase. On fixed assets added/disposed off during the year depreciation is charged on a pro-rata basis from/up to the date that the asset is put to use or disposed off.
4. a. Expenditure on books and publications is charged to the Income and Expenditure account but a separate record of items purchased is maintained.  
b. Expense on computer software is fully charged to the Income and Expenditure account when the expense is incurred.
5. Donations received towards the corpus are carried forward in the Balance Sheet under Endowment Fund.



6. An LIC Policy has been taken to cover against future liability on account of gratuity payable to the staff. The premium when demanded and paid is charged to the Income and Expenditure Account.
7. Gifted assets are valued by the management and shown as an addition to the fixed assets with a corresponding credit to a "Gifted Assets Fund" account. Annual depreciation on gifted assets is deducted from the cost as well as the 'Gifted Assets Fund' account.
8. Encashment of earned leave salary is accounted for on the basis of actual payment to the employees at the time of retirement/leaving.
9. Keeping in view the nature of activities of the Council and the method of accounting followed only the following Accounting Standards are applicable:-
  - (i) AS-1 Disclosure of Accounting Policies
  - (ii) AS-5 Net profit or Loss for Period, Prior period Items and changes in Accounting Policies
  - (iii) AS-6 Depreciation Accounting
  - (iv) AS-9 Revenue Recognition
  - (v) AS-10 Accounting for Fixed Assets
  - (vi) AS-11 Effect of Changes in Foreign Exchange Rates
  - (vii) AS-12 Accounting for Government Grants
  - (viii) AS-13 Accounting for Investments
  - (ix) AS-15 Employees Benefits
  - (x) AS-26 Intangible Assets
  - (xi) AS-28 Impairment of Assets
  - (xii) AS-29 Provision, Contingent Liabilities and Contingent Assets

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

**(B) Notes to the Accounts**

1. Investment in 11.5 % Government securities amounting to Rs. 1,33,62,000 will mature in 2011 and the difference between the book value and maturity value will amount to Rs. 33.62 lacs. Upto the end of the previous year though the market value of the investments was higher than the book value an Investment Equalization Fund of Rs.20.00 lacs to absorb the eventual difference was created and a further addition of Rs.5.00 lacs has been made at the end of this year. The Investment Equalization Fund will be progressively increased by Rs.5.00 lacs per year in the future to fully cover the difference between book value and realizable value on maturity.
2. Contingent liability on account of a labour dispute awaiting settlement in the Hon'ble Delhi High Court is estimated at Rs. 10.00 lacs.
3. During the year The Director General of Income Tax (Exemptions) has with effect from the financial year 2006-07 and onwards granted our income exemption from income tax under sub-clause (iv) of section 10 (23C) subject



to our fulfilling certain conditions including application of 85% of our income during the year and investment of our surplus funds in specified investments.

4. Schedules 1 to 5 form an integral part of the Balance Sheet and Income and Expenditure account.
5. Previous year's figures have been adjusted to make them comparable with the figures for the current year.

**For V Sahai Tripathi & Co**  
Chartered Accountants



**(Mahesh Sahai)**  
Partner

New Delhi  
Dated: 7-8-2009



# ICRIER Donors



# ICRIER Donors

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

We appreciate the generosity of our donors and assure them that ICRIER will continue to strive to maintain its focus on policy-oriented research and achieve international standards in the quality of its research output. Prominent corporate donors to ICRIER's Endowment Fund include:

**Abhishek Industries**

**American Express Foundation**

**Bank of Baroda**

**Bank of India**

**BCCI**

**Bharat Forge Ltd**

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**Corporation Bank of India**

**Deutsche Bank**

**DSP Merrill Lynch Ltd**

**Ford Foundation**

**GE Fund**

**HDFC**

**HDFC Assets Management Company**

**HDFC Bank**

**HDFC Standard Life Insurance**

**Hindustan Lever**

**ICICI Bank Ltd**

**IDBI**

**IDFC**

**IFCI**

**Indian Hotels Co. Limited**

**Infosys Technologies Ltd**

**ITC Ltd**

**Kasturi & Sons**

**Kotak Mahindra Bank**

**Mahindra & Mahindra Ltd.**

**Ministry of Finance**

**Mitsui Tokyo Kobe Bank**

**NASSCOM**

**Oriental Bank of Commerce**

**Punjab & Sind Bank**

**Punjab National Bank**

**Ranbaxy Laboratories Limited**

**Reliance Industries Ltd**

**Reserve Bank of India**

**State Bank of India**

**Sterlite Industries**

**Tata Chemicals**

**Tata Consultancy Services**

**Tata Iron & Steel Co.**

**Tata Sons**

**Union Bank of India**

**Unit Trust of India**

**WP Carey Foundation**

# 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, the 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. Among ICRIER's founding members are Dr. Manmohan Singh, Dr. C. Rangarajan, Dr. M. S. Swaminathan, Dr. Jagdish Bhagwati, Mr. Muchkund Dubey, and Prof. Deepak Nayyar.

ICRIER conducts thematic research in the following seven thrust areas:

- Macro-economic Management in an Open Economy
- Trade, Openness, Restructuring and Competitiveness
- Financial Sector Liberalisation and Regulation
- WTO-related Issues
- Regional Economic Co-operation with Focus on South Asia
- Strategic Aspects of India's International Economic Relations
- Environment and Climate Change

To effectively disseminate the research findings, ICRIER organises workshops/seminars/conferences to bring together policy makers, academicians, Union Cabinet Ministers, Members of Parliament, senior industry representatives and media persons to 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.Ds 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.



