

# ICRIER news

## LETTER FROM THE DIRECTOR



Dear Reader,  
We celebrated the 20<sup>th</sup> anniversary of ICRIER on 9 August 2001. Friends, well wishers and members of the ICRIER family gathered at the India Habitat Centre to listen to the First K B Lall Lecture by Dr Mervyn King. The lecture was followed by dinner. We thanked our founder chairman, Dr K B Lall, for his vision, and resolved to carry forward the task of generating research and to promote informed debate on policy issues for India as it strives to find its place in the world economy.

Research output of ICRIER was presented at seminars in New Delhi and elsewhere in India as well as at international fora. In particular, the seminar on "Ten Years of India's Economic Reform" with papers by Dr Shankar Acharya, Dr Arvind Virmani and Drs Ajay Shah and Susan Thomas drew a large number of interested and knowledgeable participants. Dr Anne Krueger, Professor Jeffrey Sachs, Mr K B Chandrashekhar and Dr Vincent Cable delivered lectures on important subjects of policy interest.

On the occasion of the Third Annual Conference of SANEI at ICRIER in August 2001, we launched a SANEI Distinguished Lecture Series with a lecture by Dr Mohsin Khan, Director, IMF Institute, Washington, D.C. The occasion was also marked by the release of the book, *India and Economic Cooperation in South Asia* by His Excellency, Mr Hiroshi Hirabayashi, Ambassador of Japan in India.

The year 2001 ended on an upbeat note as we successfully responded to the challenge posed by the Ford Foundation to raise funds for ICRIER (see extracts from Chairman's remarks, p. 11). We move into the New Year with greater expectations and yet greater resolve to help improve the understanding of policy choices for India in an era of growing international economic integration and interdependence.

Wishing you all a very happy 2002,

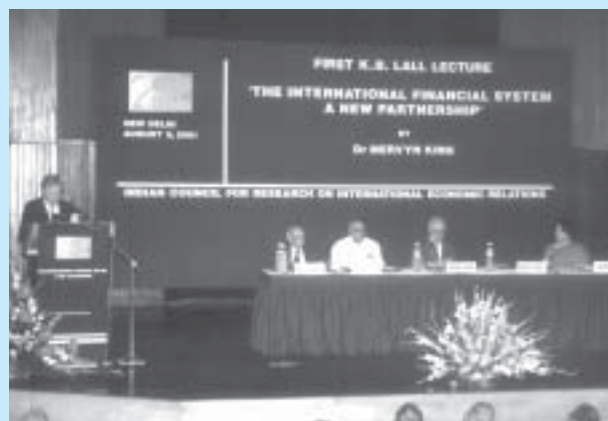


Isher Judge Ahluwalia

## ICRIER CELEBRATES



The celebrations of ICRIER's 20<sup>th</sup> anniversary on 9 August 2001 began with felicitations to our founder chairman, Dr K B Lall. Dr Mervyn King, Deputy Governor, Bank of England, delivered the First K B Lall Lecture on "The International Financial System: A New Partnership". Finance Minister Mr Yashwant Sinha was the Chief Guest and Dr Bimal Jalan, Governor, Reserve Bank of India was in the chair. Dr I G Patel, Chairman, ICRIER was unable to participate in the function as he was indisposed. Dr Isher Judge Ahluwalia, Director, ICRIER read out the welcoming remarks by Dr I G Patel (see p. 11). The distinguished guests included eminent personalities from the government, industry, media and academia. Dr K B Lall thanked the guests and congratulated the present management, faculty and staff for shaping his vision of ICRIER into a reality.



Left to right: Mervyn King, Deputy Governor, Bank of England; K B Lall, founder chairman, ICRIER; Finance Minister Yashwant Sinha; Bimal Jalan, Governor, Reserve Bank of India; and Isher Judge Ahluwalia, Director and Chief Executive, ICRIER

## THE FIRST K B LALL LECTURE THE INTERNATIONAL FINANCIAL SYSTEM - A NEW PARTNERSHIP

Mervyn King

Dr Mervyn King, Deputy Governor, Bank of England delivered the First K B Lall Lecture, "The International Financial System: A New Partnership" on 9 August 2001 on the occasion of the 20<sup>th</sup> anniversary celebration of ICRIER.

Dr King's lecture shed new light on some of the most critical financial issues of the time. The recent financial crises in Latin America, East Asia, Russia

and Turkey have posed formidable challenges to the smooth functioning of the international financial system and inflicted severe economic stress on the affected countries. Dr King's lecture drew lessons from these experiences to focus on the prevention of similar crises, mitigating risks and resolving crises when they arise. He also stressed the role that the IMF can play in the prevention and resolution of such crises in the future.

Dr King maintained that progress can only be made by closer cooperation between the developed and developing countries. The development of standards and codes, the design of IMF lending and the wider agenda of trade liberalisation and international cooperation are all part of the new partnership. Crisis prevention should be at the heart of the policies of both emerging markets and the international financial institutions. It is useful to distinguish between measures to improve economic performance and prevent financial crises, on the one hand, and ways to resolve crises once they have occurred, on the other. He also emphasised that the closeness of the relationship between Britain and India is a compelling reason for their working together in the various international fora to improve the international financial system (also see p. 11).



Mervyn King delivering the First K B Lall Lecture on  
"The International Financial System: A New Partnership"



Audience at the lecture

# Public Lectures

## A NEW APPROACH TO SOVEREIGN DEBT RESTRUCTURING

Anne Krueger

**D**r Anne Krueger, the First Deputy Managing Director of the International Monetary Fund (IMF) and an eminent economist, delivered a lecture titled “A New Approach to Sovereign Debt Restructuring” on 20 December 2001. She began by noting that international cooperation among countries is a basic pre-requisite to dealing with many social and economic issues. She advocated the adoption of a new approach towards restructuring sovereign debt. Dr Krueger’s proposals were aimed at taking a balanced view of the interests of debtor nations and their creditors. There would be a time bound standstill on debt repayments once a country is judged to be suffering from unsustainable external debt. Minority creditors could not disrupt

negotiations on debt restructuring through recourse to courts; at the same time, debtor countries must follow sound economic policies during the debt restructuring process. Also, debt restructuring should ensure equitable treatment of all creditors. Dr Krueger was of the view that by attempting to be an honest broker, the IMF could make a contribution to economic welfare by reducing the occurrence of economic crises.

Dr Krueger’s presentation was followed by a lively question–answer session with active participation of the audience, consisting of economists, researchers, policy makers, diplomats and media persons. Mr C M Vasudev, Secretary, Economic Affairs, Ministry of Finance, chaired the session.

## INVESTING IN HEALTH FOR ECONOMIC DEVELOPMENT

Jeffrey Sachs

**I**n his lecture, “Investing in Health for Economic Development” on 7 September 2001, Professor Jeffrey Sachs spoke of the importance of investing in health to reduce poverty, promote economic development and enhance global security. He informed the audience that the Commission on Macroeconomics and Health (CMH) was established by the Director-General of the WHO, Gro Harlem Brundtland, to assess the importance of health in the economic development

of nations, and for a better appreciation of the global benefits of investing in it. He outlined a two-pronged strategy to spur economic development: (a) a massive scaling up of investment in the health sector by poor countries and donors; and (b) building of capacities of health systems in poor countries. The session was chaired by Dr Manmohan Singh, a member of the Commission on Macroeconomics and Health.



**Left to right:**

Anne Krueger, First Deputy Managing Director, IMF; C M Vasudev, Secretary, Economic Affairs, Ministry of Finance; and Shankar Acharya, Professor, ICRIER



Jeffrey Sachs, Chairman, CMH and Manmohan Singh, former Finance Minister of India

## ROLE OF VENTURE CAPITAL

K B Chandrashekhar

**M**r K B Chandrashekhar, a prominent entrepreneur of the Silicon Valley and co-founder and CEO of Jamcracker, delivered a stimulating lecture on 9 July 2001 highlighting the dynamic role that venture capital has played in the US economy over the last 20 years, and how it could play a similar role in India. Noting that there has been a 500 per cent increase in venture capital activity in the US since 1998, he foresaw tremendous growth potential for venture capital in India provided the right tax and regulatory policies could quickly be put in place. He emphasised that venture capital is about job and wealth creation, not just for metros but the rural



K B Chandrashekhar, Chairman & CEO, Jamcracker

economy as well. It can play a major role in furthering knowledge-based development. Dr Shankar Acharya, Honorary Professor at ICRIER, chaired the session.

## GLOBALISATION AND GLOBAL GOVERNANCE

**M**r Vincent Cable, Member of Parliament from Twickenham, UK, and Liberal Democrat spokesman on trade and industry, gave a lecture at ICRIER on 17 September 2001, on "Globalisation and Global Governance". He outlined the strong forces of global integration through trade, investment and communications and drew attention to the political challenges they posed to both rich and poor countries. He emphasised the need for the world community to fashion durable instruments and institutions for better global governance of a more tightly knit world economy. Professor Madhu Dandavate chaired the session.

Vincent Cable



Left to right: Madhu Dandavate, Shankar Acharya and Vincent Cable

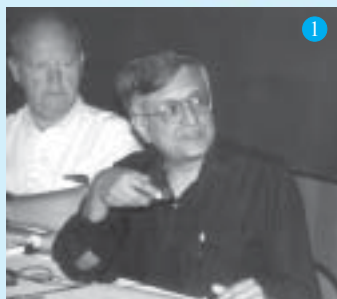
## BRAINSTORMING ON DOHA

**A** group of economists, financial editors and trade policy experts met at ICRIER on 16 July 2001 to discuss the forthcoming ministerial meeting of the WTO at Doha. The group included Professor T N Srinivasan, Mr Jairam Ramesh, Dr Isher Judge Ahluwalia, Mr B K Zutshi, Mr Anwarul Hoda, Dr Bibek Debroy, Mr T N Ninan and Dr Sanjaya Baru. They issued a statement at the end of the meeting spelling out the logic of why the trade ministers should launch a new Round of multilateral trade negotiations when they meet at Doha in November 2001.

In their view, past experience suggests that the commencement of a new Round checks the protectionist forces worldwide. They recommended that a new Round of multilateral trade negotiations should focus on traditional issues of market access with implementation issues rolled in, as this is very much in India's long-term economic interest. They also felt that the sooner India declares her support for a new Round, the greater her influence will be in setting the agenda for the negotiations.



# Public Policy Workshops



1



2



3

1. Shankar Acharya, Professor, ICRIER making a presentation (behind him is John Williamson)
2. Isher Judge Ahluwalia, Director, ICRIER; John Williamson, Senior Fellow, Institute for International Economics, Washington D.C., T N Srinivasan; Samuel C Park, Jr Professor of Economics, Yale University; and Arvind Virmani, Adviser, Planning Commission
3. Ajay Shah of Ministry of Finance making a presentation

## TEN YEARS OF INDIA'S ECONOMIC REFORM

On 3 September 2001, ICRIER held the first in a series of workshops on “Ten Years of India’s Economic Reform”. Three papers were presented: (a) “India’s Macroeconomic Management in the Nineties” by Dr Shankar Acharya of ICRIER; (b) “The Evolution of Securities Markets in India in 1990s” by Mr Ajay Shah and Dr Susan Thomas of the Indira Gandhi Institute of Development Research; and (c) “Role of Foreign Trade and Foreign Investment during the Nineties” by Dr Arvind Virmani, Planning Commission. Professor John Williamson,

International Institute of Economics (Washington, D.C.), Dr Jayant Varma, Indian Institute of Management (Ahmedabad) and Professor T N Srinivasan, Yale University were the discussants of the three papers respectively. Dr Y V Reddy chaired the session in which the first two papers were presented, while Professor John Williamson chaired the session on the paper by Dr Arvind Virmani. The workshop evoked much interest. Among the participants was Dr Manmohan Singh, architect of the economic reforms in India.

## FINANCE FOR GROWTH: POLICY CHOICES IN A VOLATILE WORLD

Patrick Honohan

The findings of the report “Finance for Growth” prepared at the World Bank, following a research study on this subject, were presented by Dr Patrick Honohan, at a seminar held at ICRIER on 25 July 2001. The report outlines future financial policy issues for emerging economies. It identifies links between existing legal and regulatory frameworks and outcomes across countries and highlights the importance of these frameworks in well-functioning financial markets. The principal suggestions derived from this research relate to devising a healthy institutional framework that allows for the development of a financial sector strategy based upon harnessing incentives. Mr S S



Patrick Honohan, of the World Bank at the seminar

Tarapore, Former Deputy Governor, Reserve Bank of India was the principal discussant to the report. Dr Isher Judge Ahluwalia chaired the seminar.

## Seminars

### CHANGING THE INDIAN HEALTH SYSTEM

Rajiv Misra

A report titled “Changing the Indian Health System: Current Issues, Future Directions” prepared at ICRIER was presented by the team leader, Mr Rajiv Misra, at a workshop jointly organised by ICRIER and the Planning Commission. Mr K C Pant, Deputy Chairman, Planning Commission inaugurated the conference. Professor Jeffrey Sachs, Chairman, Commission on Macroeconomics and Health spoke at the opening session. The participants at the workshop included officials of the Ministry of Health, representatives of state governments, academicians and non-governmental organisations. The workshop provided an opportunity for a lively discussion on the report. At a dinner session, Mr C P Thakur, Health Minister, Government of India, talked about the challenges facing the health sector in India and the national health policy.



*C P Thakur, Health Minister, Government of India, addressing the distinguished audience during the dinner session*



*Jeffrey Sachs; Chairman, CMH; Shankar Acharya, Professor, ICRIER; K C Pant, Deputy Chairman, Planning Commission; Rajiv Mishra, team leader, Health Study, ICRIER; and Javed Chowdhury, Health Secretary, Government of India*

### TRADE IN CONSTRUCTION SERVICES

Arpita Mukherjee

At a seminar on 13 August 2001, Dr Arpita Mukherjee presented a paper titled “Trade in Construction, Architectural and Engineering Services”. This paper is a part of the sectoral study “Trade in Services: Opportunities and Constraints”, commissioned by the Ministry of Commerce, Government of India. In her presentation, Dr Mukherjee gave an overview of the developments in these services sectors, highlighting India’s export potential and the several constraints impeding trade in these services. The presentation also outlined India’s possible negotiating strategies at the WTO and domestic reforms and measures which would increase the productivity and global competitiveness of these services. Given the ongoing GATS negotiations, the seminar drew considerable response from the representatives of ministries, industry associations and academicians.

## INDIA AND GATS 2000

**Rupa Chanda**

**D**r Rupa Chanda, consultant to ICRIER and Associate Professor, Indian Institute of Management, Bangalore, has completed her manuscript, “Globalisation of Services: India’s Opportunities and Challenges” for ICRIER. The book is being published by Oxford University Press. Dr Chanda presented some of the major findings from her book in a paper titled, “India and GATS 2000: Negotiating Strategies and Domestic Reforms” at a seminar organised by ICRIER on 26 September 2001. The seminar was chaired by Ravinder Gupta, Secretary, Ministry of Heavy Industries and Public Enterprises. Participants at the seminar included government officials, academicians and



*Ravinder Gupta, Secretary, Ministry of Heavy Industries & Public Enterprises; and Rupa Chanda, Associate Professor, IIM Bangalore*

industry representatives. The research project which took 18 months to complete was funded by the Sir Ratan Tata Trust.

## EXPORT INCENTIVES IN INDIA AND THE WTO

**Rajeev Ahuja**

**A**t a seminar on “Export Incentives in India and the WTO Agreement” organised jointly by ICRIER and FICCI in Delhi on 26 July 2001, Dr Rajeev Ahuja, Fellow at ICRIER, presented his paper on this subject. Participants at the seminar included exporters, representatives from export promotion councils, the Export Credit Guarantee Corporation, and other interested observers. Based on this research study which was funded by the Sir Ratan Tata Trust, Dr Rajeev Ahuja also spoke on “Subsidies Agreement and Export Incentives: Post-Doha” at a seminar organised jointly



*Rajeev Ahuja, Fellow, ICRIER; Sunil Kumar; Anwarul Hoda, Professor ICRIER; Ajay Sahai, Joint Director General of Foreign Trade, Ministry of Commerce; R V Kanoria, Vice President, FICCI; and Amit Mitra, Secretary General, FICCI*

by the *Hindu*, ICRIER and FIEO in Chennai on 20 December, 2001.

## PRODUCTIVITY AND ECONOMIC GROWTH IN EAST ASIA: INNOVATION, EFFICIENCY AND ACCUMULATION

**Nirvikar Singh**

**D**r Nirvikar Singh, Professor at the University of California, Santa Cruz, presented a seminar on 5 July 2001 on “Productivity and Economic Growth in East Asia: Innovation, Efficiency and Accumulation”, based on his paper “Total Factor Productivity Growth” (TFPG), jointly authored with Kalappa Kalirajan and Gaofang Han. He pointed out that the TFPG may mask differences in the total efficiency change (TEC) and technical progress (TP) decomposition. The estimates of TFPG presented by Professor Singh tend to find less evidence of technological progress than other studies on the same region, though there is somewhat greater evidence for technological progress in South Korea. Although the results are sensitive to the time periods chosen, the breaking down of TFPG into TEC and TP is useful in tracing the relative importance of efficiency changes versus technological progress, and has implications for competition policy, innovation policy and technology transfer. Dr Shankar Acharya chaired the seminar.



## sanei NEWS

Professor T N Srinivasan is Chairman, SANEI. The Annual Conference of the South Asia Network of Economic research Institutes (SANEI) was held at ICRIER, New Delhi during 28–31 August 2001. The conference brought together researchers from member countries doing collaborative projects under SANEI. The seven ongoing studies and three new research proposals were presented at the conference. Work-in-progress on country studies under the Global Research Project was also presented at the conference.

A SANEI lecture titled, “IMF Conditionality and Country Ownership of Programmes” was delivered at Delhi on 29 August 2001 by Dr Mohsin Khan, Director, IMF Institute, Washington, D.C. Dr Mohsin S Khan, drew heavily on the well-established literature on agency theory and corporate finance to argue that conditionality has to apply to IMF lending, and that country ownership of programmes is essential. He pointed out that several initiatives are underway to enhance country ownership while maintaining the essential nature of IMF conditionality. These include: pre-



**Left to right:** T N Srinivasan, Chairman, SANEI; Isher Judge Ahluwalia, Director, SANEI and Mohsin Khan, Director, IMF Institute, at the SANEI Distinguished Lecture on “IMF Conditionality and Country Ownership of Programmes”



Release of book *India and Economic Cooperation in South Asia* edited by Dr Parthasarathi Shome by HE Hiroshi Hirabayashi, Ambassador of Japan to India; also in the picture, Mohsin Khan, Director, IMF Institute; Rakesh Mohan, Adviser to the Finance Minister, and T N Srinivasan, Chairman, SANEI

selection, encouraging the domestic formulation of programmes, selling programmes to multiple stakeholders in the countries, discussing alternative policy options, and providing greater information on the programmes. Dr Khan argued that there is considerable merit in changing the emphasis of conditionality towards outcomes-based conditionality and the use of floating tranches, especially for structural reforms. Dr Khan was of the view that many countries support these new approaches, and the IMF is moving in that direction. The lecture was hosted by ICRIER. Dr Rakesh Mohan, Adviser to the

Finance Minister of India, chaired the session. A book titled *India and Economic Cooperation in South Asia* edited by Dr Parthasarathi Shome was released on this occasion by HE Hiroshi Hirabayashi, Ambassador of Japan to India.

Other SANEI lectures delivered were: “Financing for Development: Implications of the Zedillo Report for South Asia” by Dr John Williamson at Dhaka on 18 August, 2001; and “India’s Macroeconomic Performance and Policies in the Nineties” by Dr Shankar Acharya at Colombo on 9 November 2001.



Distinguished audience at the lecture on “IMF Conditionality and Country Ownership of Programmes” by Mohsin Khan, Director, IMF Institute



**Left to right:** Mohsin Khan, Director, IMF Institute; Isher Judge Ahluwalia, Director, SANEI; HE Hiroshi Hirabayashi, Ambassador of Japan to India; Rakesh Mohan, Adviser to the Finance Minister; and T N Srinivasan, Chairman, SANEI



# Recent ICRIER Publications

## Books

- India and Economic Cooperation in South Asia edited by Parthasarathi Shome
- Trade, Finance and Investment in South Asia edited by T N Srinivasan

## Working Papers

No.	SUBJECT	AUTHOR	DATE
72	Export Incentives in India within the WTO Framework	Rajeev Ahuja	July 2001
73	Trade Barriers and Prices of Essential Health Sector Inputs	David Woodward	June 2001
74	Perspectives on Currency Crises	Sweta Chaman Saxena	July 2001
75	Trade in Construction and Consultancy Services: India and GATS	Arpita Mukherjee	November 2001
76	India's Trade in Maritime Transport Services under the GATS Framework	Arpita Mukherjee	December 2001

## Other Publications

SUBJECT	AUTHOR	DATE	Type
Finance for Growth: Policy Choices in a Volatile World	<i>Patrick Honohan</i> Lead Economist	July 2001	Public Policy Workshop
India and GATS 2000: Negotiating Strategies and Domestic Reforms	<i>Rupa Chanda</i> Associate Prof., IIM, Bangalore	September 2001	Public Policy Workshop
India's Macroeconomic Management in the Nineties	<i>Shankar Acharya</i> Hon. Prof., ICRIER	October 2001	Public Policy Workshop
The International Financial System: A New Partnership	<i>Mervyn King</i> Deputy Governor, Bank of England	August 2001	First K B Lall Lecture Series
Financing for Development: The Implications of the Zedillo Report for South Asia	<i>John Williamson</i> Senior Fellow, Institute for International Economics	August 2001	SANEI Lecture Series
IMF Conditionality and Country Ownership of Programmes	<i>Mohsin S Khan</i> International Monetary Fund	August 2001	SANEI Lecture Series

## ICRIER welcomes

- Ms Rama Goyal as Consultant in August 2001
- Ms Subhobrota Ray as Fellow in October 2001
- Mr P N Bhattacharyya as Secretary in October 2001
- Dr Ajeet Mathur as Professor in November 2001
- Mr C S C Sekhar as Fellow in December 2001
- Dr Debkusum Das as Fellow (part time) in December 2001

# International Networking

## DR ISHER JUDGE AHLUWALIA

- Chaired the meeting of the Working Group on Health and International Economy of the Commission on Macroeconomics and Health, Geneva, 2–3 July 2001.
- Participated as a Commission member in the Sixth Meeting of the Commission on Macroeconomics and Health, and made a presentation on the work-in-progress of the Working Group on Health and International Economy, Geneva, 21–23 August 2001.
- Chaired the session on “Putting Globalisation to Work for the Poor” at a seminar on “Sustainable Food Security for All by 2020” organised by the International Food Policy Research Institute (IFPRI), Bonn, 4–6 September 2001.
- Participated in the meetings of the DG Search Committee of International Food Policy Research Institute (IFPRI) at Bonn, 4–6 September 2001 at Washington D.C., from 23–25 October 2001; and again at Washington D.C. on 8 December 2001.
- Participated in the Board meeting of the International Food Policy Research Institute (IFPRI) at Washington, D.C., 9–12 December 2001.
- Made a presentation on the country study of India under GRP and represented SANEI at the Third Annual Global Development Conference at Rio, Brazil, 9–14 December 2001.
- Made a presentation on “India’s Economic Reform: The Unfinished Agenda” at the School of Public Affairs, University of Maryland, College Park, 19 December 2001.

## DR SHANKAR ACHARYA

- Was lead discussant at Commonwealth Secretariat / IMF Seminar on “Conditionality and Ownership” in Marlborough House, London, 23–24 July 2001.
- Delivered SANEI Lecture on “India’s Macroeconomic

Performance and Policies” at the Marga Institute, Colombo, Sri Lanka, 9 November 2001.

- Delivered a talk on “Current Global Economic Conditions” at the Central Bank of Sri Lanka, Colombo, Sri Lanka, 9 November 2001.
- Presented a seminar on “Current State of Indian Economy and Impediments to Reform” at the Institute of Policy Studies, Colombo, 13 November 2001.
- Delivered a talk on “IMF Conditionality : An Indian Perspective” at the Marga Institute, Colombo, 13 November 2001.

## DR RENU KOHLI

- Participated in the First Brainstorming Workshop of the Asian Policy Forum on “Sequencing Domestic and External Financial Liberalisation” organised by Asian Development Bank Institute at Beijing, 20–21 November 2001.
- Made a presentation on “Sequencing of Capital Account Liberalisation with Reference to Domestic Financial Sector Reforms: The Case of India” at the Second Brainstorming Workshop of the Asian Policy Forum on “Sequencing Domestic and External Financial Liberalisation” organised by Asian Development Bank Institute, Tokyo, 20–21 December 2001.

## NISHA TANEJA

- Presented a paper on “India’s Informal Trade with Bangladesh” at the Ronald Coase Institute Workshop on Institutional Analysis, Berkeley, California, 9–13 September 2001 (with Sanjib Pohit).

## RAJEEV AHUJA

- Chaired the session on Federalism and Decentralisation at the EU-India Think-Tank Seminar held in Brussels on 15–16 October 2001.

# Our Chairman speaks



*Distinguished audience at the lecture*



*Isher Judge Ahluwalia, Director, ICRIER,  
reading out the speech of  
I G Patel, Chairman, ICRIER*

The two decades since ICRIER was founded in 1981 have been momentous years both for the institution and for the environment in which we operate. The Indian economy, long insulated from international developments, began to open up especially in the 1990s to trade, technology and capital flows. As in other countries the process has not been without controversy, but it has been steady and its direction unambiguous...

ICRIER has worked consistently through this period to deepen our understanding of policy issues relevant for managing an open economy. We have undertaken applied research on India's interaction with the world and her immediate neighbourhood; we have initiated an active public outreach programme; we have engaged policy makers, not only government officials but also members of parliament in discussions on issues of current importance...

For its first decade or more, ICRIER was guided by our founder chairman, Dr K B Lall, who is present amongst us here today, and it is my privilege to acknowledge on this occasion the debt that we owe to him. This lecture series that we name after him is a small token of our appreciation.

I am very grateful to Dr Mervyn King, Deputy Governor, Bank of England, for having agreed to deliver the first lecture. Dr King is not only one of the leading authorities on the international financial system but also

an active participant in the inner circles of decision making on this subject.

No institution can thrive, or even survive, unless it is adequately funded. Furthermore, no institution can survive if it relies exclusively on government funding. We have also been able to increase our endowment from Rs 6.6 lakh at the end of March 1991 to Rs 6.7 crore at the end of March 2001.

In its early years, the Ford Foundation was a source of major financial support for us. This year as ICRIER celebrates its 20<sup>th</sup> anniversary, the Ford Foundation is moving towards its 50<sup>th</sup>. A few months ago, the Ford Foundation expressed a commitment to offer \$ 250,000 towards the endowment fund of ICRIER, on condition that we raise a matching corpus of the equivalent of \$ 500,000 through other sources. We set for ourselves a target of raising Rs 3 crore and approached our friends and wellwishers. I am very happy to report that we have raised over Rs 2.5 crore and I am confident that we will reach our target very soon. By March 2002, our endowment would reach the auspicious figure of Rs 11 crore.

This occasion is an expression of our gratitude to all those who have stood by us over the years. I would be failing in my duty if I did not acknowledge the truly outstanding contribution of our current Director, Dr Isher Judge Ahluwalia.

*\*Extracts from Chairman I G Patel's Remarks on 9 August 2001*



# ICRIER Celebrates



**Left to right:** Bimal Jalan, Governor, Reserve Bank of India; Mervyn King, Deputy Governor, Bank of England; and Finance Minister Yashwant Sinha



Bimal Jalan, Governor, Reserve Bank of India, who chaired the lecture



Guests at the dinner party



**Left to right:** Mervyn King, Deputy Governor, Bank of England; Deepak Nayyar, Vice Chancellor, University of Delhi; N K Singh, Member, Planning Commission; Shankar Acharya, Honorary Professor, ICRIER; and Montek Singh Ahluwalia, Director, Independent Evaluation Office, IMF, Washington, D.C.



**Left to right:** Kirit Parikh, former Director, IGIDR; N R Narayana Murthy, Chairman, Infosys; Isher Judge Ahluwalia Director and Chief Executive, ICRIER; and Mervyn King, Deputy Governor, Bank of England



K B Lall, founder chairman, ICRIER