

National Institute of Public Finance and Policy

NEWSLETTER

Director's Column



The dramatic developments in the recent months have generated both hope and an element of despair. The elevation of Dr. Manmohan Singh as the Prime Minister, the return of Sri. Chidambaram as the Finance Minister, and Dr. Montek Ahluwalia assuming charge as the Deputy Chairman of the Planning Commission, have all raised hopes of placing the reforms process on a fast track. These

original reformers with thorough knowledge of the economy also have an earnest concern for the poor. At the same time, it is important to realise that policy reforms in the framework of coalition politics pose serious challenges as we have seen in the past. The challenges are formidable to this government, as it is constituted by political parties with different ideological spectrum.

The situation at the state level is equally, if not more, confusing. The assembly elections in Andhra Pradesh, Karnataka and earlier elections in Madhya Pradesh and Rajasthan have raised question marks on the political wisdom in pursuing austere fiscal policy regime. Whether or not the reverses of the ruling parties were due to the pursuit of reformist economic policies, the obvious effect has been to roll back many measures needed to restore fiscal balance in these states. Most political parties seem to believe that good economics does not make good politics.

The developments noted above underline the importance of not only designing policies but also their packaging. In both the tasks, the NIPFP will have to play a crucial role. The Common Minimum Programme (CMP) of the United Progressive Alliance (UPA) government has underlined many important issues to achieve fiscal consolidation while protecting the interests of the poor. It has also emphasised the need to focus on social sectors to empower the poor and disadvantaged sections of society. Operationalising the policies to achieve the goals set out in the CMP is, by no means, an easy task.

There are a number of issues that will have to be dealt with in implementing the CMP. The issue of quantification of subsidies and adopting appropriate strategies to target them has been brought to focus once again. The challenges of enhancing outlay on education and health sectors to respectable levels are likely to be formidable. Apart from the increase in resources, there are serious issues of implementation as over 85 percent of the education and health spending is incurred at the state level and incentivising them to enhance outlay is not likely to be an easy task. The most critical challenge is in the levy of the value added taxation (VAT). It is

important to recover the lost momentum and begin the reform process afresh.

The activities of the last six months reported in this newsletter have geared up the Institute to make contributions in the above tasks. The conference on Indian Fiscal Policy organised by the NIPFP in collaboration with the International Monetary Fund (IMF) has helped to understand the magnitude of the fiscal problem and identify the policy measures needed to tackle the virus. It has brought out the innate instability in the system and more importantly, the growth cost of persisting with high deficits. I thank the IMF for collaborating with the NIPFP, and the World Bank, ICICI Bank, IDRC, and IDFC, for supporting the conference with financial assistance.

The NIPFP organised a number of seminars and training programmes during January-June, 2004. These include a training programme on "Practical Issues in Tax Policy and Reform", organised in collaboration with the Tax Thematic Group of the World Bank and the World Bank Institute. The one week programme on "Public Resource Management" was undertaken at the request of UNDP, New York. This was meant for the UNDP officials from Asia, Africa, and Latin America. The programme dealt with the issues of both raising the necessary resources for development and proper prioritisation of spending options. It also focussed on the costing of millennium development goals. The one-day seminar of fiscal decentralisation to rural local governments was held in collaboration with the World Bank on June 7. In this, the findings of the study on rural fiscal decentralisation in Karnataka, by the NIPFP, and another on fiscal decentralisation in Kerala, by the Institute of Social Sciences, were deliberated.

The period is marked by sharp increase in research activities as well. A number of research projects are under way on state development reports as well as fiscal problems confronting the states and the centre. The newly designed working paper series has caught momentum and over 15 working papers have been brought out in the last six months alone.

Exciting times are ahead of NIPFP. Achieving fiscal consolidation, targeting of subsidies, levying the VAT, and, above all, enhancing allocation to education and health sectors, are back on the government's agenda. These would require considerable analysis and implementation strategy. As in the past, the Institute will rise to the occasion in contributing to the analysis and design of policies.

M. Govinda Rao

PROJECTS COMPLETED

- *Urban Water Pricing: Setting the Stage for Reforms, February, 2004.*

O. P. Mathur and Sandeep Thakur

Using city-level experiences of water pricing, particularly in respect of the size of the consumer base, multiple instruments of charging, price discrimination between different water user groups, and price-cost linkages, this study provides a framework that spells out key areas of reform, objectives that may govern water pricing, and parameters of tariff rationalisation. The study underlines the importance of simplifying existing water pricing, tariff structures and regulatory mechanisms.

- *Financing Municipal Services: Reaching Out to Capital Markets, February, 2004.*

O. P. Mathur and Sanjukta Ray

This report takes note of the emergence of a capital (debt) market in the country and its sensitivity to meeting the infrastructural needs of municipalities as is demonstrated by the examples of Ahmedabad, Bangalore, Hyderabad, Indore, Ludhiana, Madurai, Nagpur, Nashik, and more recently, Thane. The study examines what makes some municipalities to gain access to the capital market and other municipalities to continue to rely on state government grants and loans. This study provides a framework for municipalities to assess their creditworthiness for tapping the nascent but expanding capital market for financing urban infrastructural services.

- *Fiscal Reforms for Poverty Reduction, March 2004.*

D.K. Srivastava, C. Bhujanga Rao, and Pinaki Chakraborty (co-authored)

The study examines the role of fiscal policy in combating poverty in the context of economic reforms entailing growing market orientation and

globalisation of the Indian economy.

The study finds that although the incidence of poverty in India, as measured by the headcount ratio has fallen since 1973-74 by a little more than 1 percentage point on average to reach a level of 26 percent in 1999-00, it has become spatially more concentrated and more urbanised. The case studies also revealed that a large proportion of the poor population is young. Furthermore it advocates for larger budgetary allocation for poverty alleviation programmes with effective targeting. It finds that growth would be the best antidote to poverty but fiscal support would be needed for augmenting the public provision of health and education, and for protecting the poor from economic volatilities.

- *Restructuring the Public Finances of Tripura, April 2004.*

Indira Rajaraman, Lekha Chakraborty and Deepti Jain

Tripura has not been able to qualify for the fiscal incentive prescribed by the EFC. The report suggests an alternative configuration of the criterion for the special category states, by which Tripura could qualify. However, even this criterion is threatened if the worsening of fiscal indicators in the last five years continues into the future. A *Fiscal Responsibility Bill* is designed for the state, covering the period 1 April 2005 to 31 March 2010. The Bill targets reduction of debt/GSDP to 33 percent by the close of 2009-10. Annual path limits on the revenue deficit are specified in the form of two options. The choice between these options has to rest with the state government. The report also examines the debt swap scheme of the Government of India, in which Tripura has been a participant. Even with a change in the present policy parameters, the gain from the debt swap scheme for

Tripura could amount at best to around two percent of the interest bill. Since the interest bill itself accounts for only 15 percent of revenue expenditure in Tripura, fiscal restructuring efforts have to be focused largely on non-interest expenditure, and on own revenue, both of which do fall entirely within the control of the state. The report makes a number of suggestions in respect of both these imperatives.

- *Proposals to Levy Taxes on Polluting Inputs and Outputs, April, 2004.*

Raja J. Chelliah and Rita Pandey (co-authored)

The work for this project was carried out jointly by the Madras School of Economics (MSE) and NIPFP, and the final report submitted to the Ministry of Environment and Forests, Govt. of India, in April 2004.

This research project undertakes a study of 8 industries, namely; coal, automobiles, phosphate based detergents, chlorine in paper pulp and rayon industry, pesticides, fertilisers, lead acid batteries, and plastics, and proposes a tax scheme for each of these industries. Each industry chapter covers background of the industry, its environmental problems and coverage in the tax net, determination of the tax base and tax rate, the manner in which the tax is to be included in our tax system, the use of revenues, and the likely effects.

PUBLICATIONS

Books/Reports



- Chelliah, Raja J. (2004) *Tamil Nadu State Development Report*. Madras School of Economics, Chennai.
- Kumar, Surender (2004) (co-authored) *Environmental & Economic Accounting for Industry*. Oxford University Press, New Delhi.

Edited Chapters in Books, Volumes

- Chakraborty, Pinaki. 2004. "Changing Composition of Government Sector Borrowing Requirement: Causes and Consequences," in (eds.) Sudipta Bhattacharya, Mihir Kumar Pal, Purnendu Sekhar Das *Development Alternatives: Theories and Evidence*. New Delhi: Allied Publishers.
- Dubash, Navroz K. 2004. "Electric Power Reform: Social and Environmental Issues," in *Encyclopaedia of Energy (Vol. 2)*. Amsterdam: Elsevier Press.
- _____. 2004. "Water, Markets, and Embedded Institutions in Western India," in (eds.) Richard Peet and Michael Watts *Liberation Ecologies: Environment, Development, Social Movements*. London: Routledge.
- Rangarajan, C. and D. K. Srivastava. 2004. "Dynamics of Debt Accumulation in India: Impact of Primary Deficit, Growth and Interest Rate," in (eds.) Raj Kapila and Uma Kapila *Economic Developments in India (Vol. 73)*. New Delhi: Academic Foundation.
- Rao, Govinda M. 2004. "Taxing Services: Strategy and Challenges," in (eds.) Edgardo Favaro and Ashok Lahiri *Fiscal Policies and Sustainable Growth in India*. New Delhi: Oxford University Press.
- Sridhar, Kala S. 2004. "Approaches to Urbanization in India: Theory, Policy and Challenges," in (ed.) K. R. Gupta *Urban Development Debates in the New Millennium (Vol. 1)*. New Delhi: Atlantic Publishers.
- Srivastava, D. K. and C. Bhujanga Rao. 2004. "Government Subsidies in India," in (eds.) Favaro, E.M. and A.K. Lahiri *Fiscal Policies and*

Sustainable Growth in India. New Delhi: Oxford University Press.

- Srivastava, D. K. 2004. "Combating Poverty: Regional Concentration and Fiscal Reforms," in (ed.) Misra, S. N. *Indian Economy and Socio-Economic Transformation, Essays in Honor of Prof. Baidya Nath Misra*. New Delhi: Deep and Deep Publishers.

Journal Articles

- Chelliah, Raja J. "A Social Scientific Approach to the Processes and Possibility of Conflict Resolution – The Case of Kashmir Dispute," *Asian Age*, September 4-5, 2003.
- Kumar, Surender. (co-authored) "Environmental Regulation And Production Efficiency: A Case Study of Thermal Power Sector in India," *Journal of Energy and Development*, 29(1), 2003: 81-94.
- Pandey, Rita. "Comparing the cost effectiveness of market based policy instruments versus regulation: the case study of emission trading in an integrated steel plant in India," *Environment and Development Economics*, 9(1), 2004: 107-122.
- _____. "Economic policy instruments for controlling vehicular air pollution," *Environment and Development Economics*, 9(1), 2004: 47-59.
- Rangarajan, C. and D. K. Srivastava "Fiscal Transfers in Canada: Drawing Comparisons and Lessons," *Economic and Political Weekly*, 39 (18), May 8-14, 2004: 1897-1909.
- Rao, Govinda M. "Linking Central Transfers to Fiscal Performance of States," *Economic and Political Weekly*, 39 (18), May 1, 2004: 1820-1825.



NIPFP Working Papers

- Bagchi, Amaresh and Pinaki Chakraborty. Towards a Rational System of Centre State Revenue Transfers in India: An Exploration, *NIPFP Working Paper 16*, April 2004.
- Kumar, Surender. Resource Use Efficiency of US Electricity Generating Plants During the So₂ Trading Regime: A Distance Function Approach, *NIPFP Working Paper 17*, May 2004.
- _____. Analysing Industrial Water Demand In India: An Input Distance Function Approach, *NIPFP Working Paper 12*, March 2004.
- Rajaraman, Indira. Fiscal Developments and Outlook in India, *NIPFP Working Paper 15*, April 2004.
- _____. Revenue Incentives at the Third Tier, *NIPFP Working Paper 11*, March 2004.
- _____. Fiscal Restructuring in the Context of Trade Reform, *NIPFP Working Paper 7*, February 2004.
- Rangarajan, C. and D.K. Srivastava, Fiscal Transfers in Canada: Drawing Comparisons and Lessons, *NIPFP Working Paper 18*, May 2004.
- Sridhar, Kala S. Impact of the Enterprise Zone, *NIPFP Working Paper 19*, June 2004.
- _____. (co-authored) Telecommunications Infrastructure and Economic Growth: Evidence from Developing Countries, *NIPFP Working Paper 14*, March 2004.
- _____. Impact of Growth Centres on Unemployment and Firm Location: Evidence from India, *NIPFP Working Paper 4*, January 2004.

Discussion Papers/Book Review

- Navroz K. Dubash. (co-authored) 'Will Investment Rules Shrink Policy Space for Sustainable Development?'

Evidence from the Electricity Sector.' South Centre, Geneva. Working Paper 16 (Jan 2004).

- Srivastava, D. K. "The Sum of Q and Q," Book Review of (ed.) Ravi Kanbur, *Q-Squared: Qualitative and Quantitative Methods of Poverty Appraisal*, *The Book Review*, 2004.

SEMINARS • CONFERENCES • TRAINING PROGRAMMES • WORKSHOPS



Organised by NIPFP

- Conference on *Fiscal Policy in India*, organised jointly by NIPFP-IMF, New Delhi, January 16-17, 2004.

The objective of the conference was to provide persuasive arguments as to why India should attach a high priority to addressing its severe fiscal imbalances. The welcome address was given by M. Govinda Rao, Director, NIPFP, and introductory remarks were made by Anne O. Krueger, First Deputy Managing Director, IMF. The conference was inaugurated by K.C. Pant, Deputy Chairman, Planning Commission. The Chairman at the conference was C. Rangarajan, Chairman, NIPFP, and Chairman, Twelfth Finance Commission. Various papers pertaining to fiscal stability were presented over two days by NIPFP faculty and IMF staff.

- *Training Programme for Indian Audit and Accounts Service (IA & AS) Probationers*, New Delhi, February 9-27, 2004.

The training programme *Public Finance and Indian Financial System* was organised for the probationers of Indian Audit and Accounts Services during February 9-27, 2004. The course, organised at the behest of the

National Academy of Audit and Accounts, Simla, had 15 participants. The objective of the programme was to train the IA & AS probationers in public finance. Resource persons for the training included faculty from NIPFP and from outside including the Planning Commission.

- Seminar on *Practical Issues in Tax Policy and Tax Administration in Developing Countries*, organised jointly by the World Bank Public Sector Group and NIPFP, New Delhi, March 22-25, 2004.

The seminar made an attempt to build on previous Bank work on tax policy and administration in developing countries, and addressed a number of key issues in tax reform, such as:

- Tax reformers face the pressure to keep the tax system simple. What does this mean for policy design and administrative reform?
- When does a VAT work efficiently in a developing country? How can the conflict between broadening the tax base of VAT and reducing regressive elements of the tax be solved?
- How should a tax system respond to the situation of special sectors of the economy, such as, agriculture and small businesses?
- How should administrative reforms complement tax policy reform?
- What are the key trends in administration reform?
- *UNDP-NIPFP Training Programme on Public Resource Management*, New Delhi, March 29-April 2, 2004.

This training programme, jointly partnered by the UNDP and the NIPFP, was meant to enable the UNDP provide guidance to governments implementing fiscal reforms and to bring a pro-poor perspective. The specific aims of the training programme were to enable UNDP to:

- provide policy advisory services to

build efficient, progressive, and transparent fiscal systems;

- develop an integrated approach to fiscal policy, including taxes, expenditure, internal and external debt, fiscal deficits, fiscal decentralisation and public property;
- support development of a policy analysis function within the ministries of finance and line ministries, to enhance the pro-poor and human development content of the fiscal function and the macroeconomic policy framework;
- develop policy advisory services to promote good governance and empowerment in fiscal policy, formulation, and implementation; and
- provide inputs and advisory services on fiscal issues relevant to the UNDP.

The training included modules on strategic issues in public resource management using programming examples, tools and methodologies for pro-poor expenditure analysis, and making sense of Millennium Development Goals (MDG) costing. The resource persons for the training programme included faculty from NIPFP and from UNDP.

- *Workshop for Capacity Building for Budget Analysis*, May – June, 2004.

Under the umbrella programme on Capacity Building for Budgetary Analysis at the State Level funded by the World Bank, two workshops were organised by the Institute - one for the authors of nine sponsored research papers in the broad area of individual states' finances, and another for mediapersons of four northern states, Delhi, Haryana, Punjab and Uttar Pradesh.

The former workshop was held at NIPFP during May 11-12, 2004, where authors of all the nine papers presented preliminary versions of their papers, which were discussed and various

suggestions were given for improvement. The final drafts of these papers will be later presented in another workshop scheduled for early August, 2004.

The second workshop for the mediapersons (the first was held in Bangalore for the southern states in November, 2003) was held during 9-11 June, 2004 at Panchkula. Fourteen participants, with a good representation from Hindi newspapers, attended this workshop where they were given an introduction to the budget documents and basic budgetary concepts along with a lively interactive discussion of some of the key issues of budgetary policy at the state level. The faculty included those from NIPFP and the World Bank, as well as a senior financial journalist (Swaminathan Aiyar) and officials of Governments of Punjab and Haryana.

- **Training of Economists, DFID, India**, New Delhi, June 2-4, 2004.

The Institute provided faculty (M. Govinda Rao and Tapas K. Sen) and material for training of the economists of DFID, India, on State Finances in India, during 2-4 June, 2004. The focus of this programme was on familiarising the participants with various aspects of the finances of Indian states.

- One-day seminar on **Rural Fiscal Decentralisation** organised jointly with the World Bank, New Delhi, June 7, 2004.

This seminar on Fiscal Decentralisation to Rural Governments in India, co-sponsored by NIPFP and The World Bank, included speakers from NIPFP, Government of India, and the World Bank. The welcome address by M. Govinda Rao, Director, NIPFP, and the inaugural address was given by C. Rangarajan, Chairman, NIPFP, and Chairman, Twelfth Finance Commission. The seminar discussed issues pertaining to rural fiscal

decentralisation in the country, and rural fiscal decentralisation in the states of Karnataka and Kerala. The valedictory address was given by Mani Shankar Aiyar, Hon'ble Minister for Petroleum and Natural Gas and *Panchayati Raj*. A special address was delivered by Michael Carter, the Country Director of World Bank for India.

Presentations by NIPFP Faculty/Staff at National / International Conferences



- Anand, Mukesh Kumar. **Development of Scheduled Tribes and Tourism in Andaman and Nicobar Islands**. Seminar on Draft of the State Development Report: Andaman & Nicobar Islands, Port Blair, January 29-30, 2004.
- Chelliah, Raja J. **Reform of the Structure and Administration of Stamp Duties and Registration in Southern States** – Background paper, Workshop on Reform of the Structure and Administration of Stamp Duties and Registration, Southern States, February 27, 2004.
- Chidambaram, Siva S. Poster presentation on **Pathways of Dr. S.R. Ranganathan's canons and its principles for knowledge management in the digital library era**, organised by TERI and Department of Culture, Ministry of Tourism, India Habitat Centre, New Delhi, February 26, 2004.
- _____ (co-authored) **A Case Study Using Greenstone Digital Library Software (GDLS) for Digitizing Macrotrack**. NCAER Library, New Delhi, February 25, 2004.
- Dubash, Navroz K. Discussant,

Workshop on Security and Development. India Habitat Centre, New Delhi, January 25-26, 2004.

- _____ . Speaker, Panel discussion on **The World Bank's High Risk/High Reward Initiatives: Who Wins, Who Loses and What Can We do About It?** World Social Forum, Mumbai, January 20, 2004.
- _____ . **Global Electricity Reform** organised by the Transnational Institute, Netherlands and Maharashtra State Electricity Board Workers Union, Mumbai, January 19, 2004.
- Kumar, Surender. **Resource Use Efficiency of US Electricity Generating Plants During the So₂ Trading Regime: A Distance Function Approach**. Indian Statistical Institute, Delhi, March 05, 2004.
- _____ . **Environmental Externalities in CGE Models: Emission Taxes vs. Energy Taxes**. Second Advance Course in Computable General Equilibrium Modeling and the Environment, International Center for Theoretical Physics (ICTP), Trieste, Italy, December 1-12, 2003.
- Mandal, Subrata. **Wellbeing from Exhaustible Resource Use: Case Study of the Oil Sector of an Economy**. School of Ecological Economics, ICTP, Trieste, Italy, March 22 – 27, 2004.
- _____ . **Overlapping Fiscal Domains and Effectiveness of Environmental Policy in India**. (co-author M. Govinda Rao), Research programme on 'Environmental Policies in Decentralised Governmental Systems: A Blueprint for Optimal Governance,' Sardinia, Italy, March 17 – 21, 2004.
- Mathur, O.P. **Delhi: Insights into its Management and Financial Structures**. Conference on Challenges of the Metropolitan Management in Federations, Brasilia, Brazil, March 2004.

- _____ . **Urban Water Pricing: An Asian perspective.** Regional Workshop on Pro-Poor and Sustainable Urban Water and Waste Water Management, Phitsanulok, Thailand, December 2003.
- _____ . **India's Municipal Sector,** Seminar organised jointly by the TFC and IIPA, New Delhi, December 28-29, 2003.
- Rajaraman, Indira. **Fiscal Constraints to Trade Reform.** Fiscal Affairs Department, International Monetary Fund, Washington D.C., USA, June 10, 2004.
- _____ . Discussant of paper **India's Experience with the Implementation of a Pegged Exchange Rate.** NCAER-Brookings India Policy Forum 2004, New Delhi, March 26, 2004.
- _____ . **Revenue Incentives at the Third Tier.** National Seminar on Panchayati Raj Finances for the Twelfth Finance Commission. National Institute of Rural Development, Hyderabad, January 23 2004.
- _____ . **Fiscal Developments and Outlook in India.** IMF-NIPFP, Conference on Fiscal Policy in India, New Delhi, January 16-17 2004.
- Rao, Govinda M. **Fiscal Decentralisation to Rural Governments in Karnataka.** One-day NIPFP-World Bank seminar on Fiscal Decentralisation to Rural Governments in India, New Delhi, June 7, 2004.
- _____ . Discussant of paper, **India's Trade Policy** by A. Panagariya, Conference of India Policy Reform organised and held at NCAER, New Delhi, March 26, 2004.
- _____ . Presented case studies of India and participated in a Consultation Meeting on Gender Responsive Budgeting: Presentation of the **Findings of the UNIFEM's Mid-term Review of the Gender Responsive Budgets Programme.**

UNIFEM's HQ, New York, USA, February 23-27, 2004.

- _____ . **Changing Contours of Federal Fiscal Arrangements in India.** International Symposium on Fiscal Decentralisation in Asia: Revisited, organised jointly by the Public Policy Group of Graduate School of Economics and the Asian Public Policy Programme, Hitotsubashi University, Hitotsubashi, Chiyoda-ku, Tokyo, Japan, February 20-21, 2004.
- _____ . Discussant, session on **Fiscal Adjustment and Federalism in Brazil,** NIPFP-IMF conference on Fiscal Policy in India, New Delhi, January 17, 2004.
- Sridhar, Kala S. **Growth Centers as a Tool of Regional Development: Evidence from India.** ISEC, Bangalore, May 20, 2004.

Presentations/Seminars by Guests at NIPFP

January 1, 2004: *Public Expenditure Management: Current Status and Issues,* A. Premchand, Retired Senior Official, IMF.

A. Premchand enumerated the several reforms that were introduced, aimed at improving policy planning and allocation of resources, as well as to provide a performance dimension. The new management philosophy that provided some impetus to these reforms also stressed the need to let managers manage programmes. These efforts often combine with large scale changes in the application of computer technology, particularly in the area of payment controls, and in the maintenance of accounting systems both on accrual and cash basis.

January 2, 2004: *Public Expenditure Management: Future Directions,* A. Premchand, Retired Senior Official, IMF.

A. Premchand discussed how several problems continue to impede the

effectiveness of expenditure management systems. In particular, he noted that the reforms had not been successful in either restraining the growth of expenditures, or in providing a stable anchor for expenditure management. The persistence of under-funding, lack of focus in austerity management, continued resort to circumvention, lack of adequate capacity to deal with uncertainty and most important, absence of efforts at identifying and dealing with the factors contributing to inexorable growth in expenditures are dominant on the landscape and need to be addressed. In both his lectures, he drew several examples from his domestic and international experience to address these issues.

February 3, 2004: *Property Tax System: International Experience,* Lawrence Walters, Visiting Senior Fellow, Lincoln Institute of Land Policy, Cambridge, Massachusetts, USA and Director, Master of Public Administration programme, George Mason University, Fairfax, Virginia, USA.

The presentation provided an overview of major international trends in property taxation. Particular attention was paid to the requirements for a successful capital market value-based system. First is the need for strong real estate and capital markets. The presentation drew heavily on the example of the U.S., in which responsibility for administering the property tax system is shared between states and local governments. This system of shared responsibility generally results in very accurate tax rolls and a high rate of tax collection. The U.S. system is not without its problems. It is very data intensive, expensive to maintain and requires well-trained staff. Ultimately, the system involves many subjective judgements by local assessors, and therefore requires greater

transparency and a strong system of appeals to avoid abuse.

Guest Lectures by NIPFP Faculty



- Anand, Mukesh. *Equity and Efficiency in Public Expenditure*, NIPFP Training Programme, Feb 27, 2004.
- Breton, Albert. *Positive Approaches to Public Expenditure Analysis*, Feb 11, 2004; *Federalism & Decentralisation*, Feb 24, 2004, NIPFP Training Programme for IA & AS Probationers.
- Chelliah, Raja J. Lecture delivered on the *Occasion of Swarna Jayanthi Mahotsav of the Peetarohanam of His Holiness, Jagadguru Pujyasri Jayendra Saraswathi Sankaracharya Swamigal*, Chennai, March 14, 2004.
- _____ . Special address delivered at the City Union Bank Centenary Celebrations, Chennai, January 29, 2004.
- Chakraborty, Lekha S. *Gendering Microfinance in India*, NIBM, Pune, March 22-23, 2004.
- _____ . *Gender Budgeting*, Institute of Development Studies, Yojana Bhavan, Lucknow, February 20-22, 2004.
- Chakraborty, Pinaki. *Deficit and financing of deficits*, 19 Feb, 2004; *Central Bank and Public Debt in India*, 27 Feb, 2004, NIPFP Training Programme for IA & AS Probationers.
- _____ . *Centre- State Financial Relations- Constitutional Framework- Role and Function of Finance Commission*, 3 Feb, 2004; *Budgetary and Fiscal Policies*, 3 Feb, 2004, Lectures for Probationers of Indian Customs and Central Excise Service, Group-A, National Academy of Customs, Excise and Narcotics, Faridabad.
- Dubash, Navroz K. *Politics of Free Power to Farmers*, Meeting on Energy-Water Nexus: Policy Issues in Governance, Hyderabad, June 10, 2004.
- _____ . *Facets of North-South Relations*, Keynote speaker, International Conference on Environmental Economic Geography: State of the Art and Prospects, Institute of Geography, University of Cologne, Germany, May 25-28, 2004.
- _____ . *The Role of Civil Society in Global Governance: An Exploration of Legitimacy and Accountability in the World Commission on Dams*, Centre for Study of Law and Governance, JNU, New Delhi, April 23, 2004.
- _____ . *Power Politics: Indian Electricity at a Crossroads*, Centre for Studies in Science Policy, School of Social Sciences, JNU, New Delhi, February 11, 2004.
- _____ . *Governance and Corruption*, NIPFP Training Programme for IA & AS Probationers. February 20, 2004.
- Jena, Pratap R. *Plan Transfers, Taxonomy of Public Expenditure*, NIPFP Training Programme for IA & AS Probationers. February 9-27, 2004.
- Kumar, Surender. *Measurement of Environmentally Corrected GDP and Panel Data Models*, Arya Postgraduate College, Panipat, March 25, 2004.
- _____ . *Environmental Issues in Business*, School of Management Studies, Guru Gobind Singh Indraprastha University, Delhi, March 16, 2004.
- _____ . *The Environment: A Public Good*, NIPFP Training Programme for IA & AS Probationers. February 19, 2004.
- Mathur O. P. *The World Environment Day* lecture, National Environmental Engineering Research Institute (NEERI), Nagpur, June 4, 2004.
- Rajaraman, Indira. *Fiscal Decentralisation: Design and Implementation Issues*, UNDP course on Public Resource Management, NIPFP, New Delhi, March 31, 2004.
- _____ . *Options for the Taxation of the Agricultural Sector*, NIPFP-World Bank Seminar on Practical Issues of Tax Policy and Tax Administration for Developing Countries, New Delhi, March 23, 2004.
- _____ . *Simulations of Fiscal Responsibility Legislation Outcomes* 10 Feb 2004; *Public Debt*, 26 Feb, 2004; *Burden of Public Debt* 26 Feb 2004, NIPFP Training Programme for IA & AS Probationers.
- Rangarajan, C. Convocation Address, *Management and Challenges of Globalization*, Fortune Institute of International Business, New Delhi, March, 2004.
- _____ . Convocation Address, *Dynamics of Social and Economic Development*, Nagarjuna University, Guntur (AP), March 2004.
- _____ . *Challenges for Monetary Policy*, Kale Memorial Lecture, Gokhale Institute of Politics and Economics, Pune, January 2004.
- _____ . *Globalization and Challenges before India*, Justice Konda Madhava Reddy Memorial Lecture, Hyderabad, December 2003.
- Rao, Govinda M. *Fiscal Reforms Agenda*, Roundtable on Economic Imperatives & Expectations from the New Government, organised by ASSOCHAM for members, New Delhi, June 3, 2004.
- _____ . *Techniques of Budgetary Analysis* (with Tapas K. Sen), April 22, 2004; *Fiscal Impact Analysis: Income Distribution and Poverty Alleviation*, March 29, 2004, NIPFP-UNDP Workshop on Public Resource Management, New Delhi.
- _____ . *What is Pro-Poor Tax Policy?* Seminar on "Practical Issues of Tax Policy and Tax Administration in Developing Countries" organised by NIPFP for the World Bank, New Delhi, March 22, 2004.
- _____ . *Evolution of Fiscal Policy*

in India, 9 Feb, 2004; *Centre-State Financial Relations in India: Constitutional Provisions, Evolution, Assessment*, 17 Feb, 2004. NIPFP Training Programme for IA & AS Probationers.

- Sridhar, Kala S. *Principles and Approaches to Public Finance*, NIPFP Training Programme for IA & AS Probationers. Feb 9, 2004.
- Srivastava, D.K. *Inaugural Observations*, Workshop on India: Fiscal reforms for Poverty Reduction, organised by NIPFP and RCVP Noronha Academy of Administration and Management, Bhopal, December 19, 2003.

VISITING APPOINTMENTS / APPOINTMENT ON COMMITTEES/ HONOURS

- Chelliah, Raja J. Member, Board of Trustees, Ranganathan Centre for Information Studies.
- Dubash, Navroz K. Invited to serve as a Chapter Review Editor for the Millennium Ecosystem Assessment.
- _____. Invited to serve as guest co-editor for a special issue of the journal *Pacific Affairs* on the Political Economy of Electricity Reform in Asia. Papers submitted in March 2004.
- Nagar, A. L. Visiting Professor, School of International Studies, J.N.U. [teaching a course on Advanced Econometrics, 2003-04].
- Rajaraman, Indira. June 1-11, 2004: Visiting Scholar, Fiscal Affairs Department, International Monetary Fund.
- _____. RBI Advisory Group on Short-term Liquidity Forecasting Model. Meetings on 27 January and 1 March 2004.
- _____. Member Selection Committee for Faculty in Economics,

Indian Institute of Foreign Trade.

- _____. Member, Board of Economists, India Today. Meeting on January 10, 2004.
- Rao, Govinda M. Team Leader for Programme Evaluation, UNDP project on "Strengthening Economic and Financial Management in Cambodia" during May-June 2004.
- _____. To facilitate DFID, India, to participate in fiscal reform programmes with state governments and to understand issues that surround state level budgets, for eight days during May 25, 2004 and June 10, 2004.
- _____. Trustee, Board of Trustees & Member, Executive Committee, Centre for Interdisciplinary Studies in Environment and Development (CISED), Bangalore.
- _____. Member, Steering Committee for National Health Accounts, Ministry of Health and Family Welfare, Government of India (for two years).
- _____. Member, Special Advisory Group of Experts and Economists, ASSOCHAM, New Delhi.
- Sridhar, Kala S. Member, FICCI Taskforce on Agriculture.
- Srivastava, D. K. Special Guest, Conference on Union Budget and Fiscal Challenges, Department of Economics, BHU, Varanasi, March 2004.

NEW PROJECTS INITIATED

- Chakraborty, Pinaki. **Estimation of Revenue Implications for States on Introduction of Value Added Tax**, April-September 2004, Study sponsored by



Technically edited by Kala S. Sridhar.

the Twelfth Finance Commission.

- Dubash, Navroz K. **Electricity Sector Governance**, March 2004-February 2005, the project is in collaboration with the World Resources Institute (USA) and *PRAYAS-Pune*.
- Rao, Govinda M., O.P.Mathur, Navroz Dubash, and Kala S Sridhar, **Rapid City Assessments in Support of the City Challenge Fund for the Cities of Ludhiana and Rajkot**, June-August 2004, Funded by the Water and Sanitation Programme-South Asia.
- Rao, Govinda M. and P.R. Jena, **Assam Governance and Public Resource Management**. December, 2003 - August 2004, Funded by the ADB through Pricewaterhouse Coopers Pvt. Ltd.
- _____. **Background Paper on Financing for Human Development for the Second Karnataka Human Development Report**. Timeframe: three months beginning March 22, 2004, Funded by UNDP, New Delhi.
- Sen, Tapas K. and Surender Kumar, **Long term overall impact of imposts on the exploration and production of crude oil and natural gas**. Timeframe: May - July, 2004. Sponsor: Ministry of Petroleum and Natural Gas.

Staff Arrivals

- N. J. Kurien, Principal Consultant, w.e.f. May 05, 2004.
- Albert Breton, Visiting Professor, w.e.f. Feb - March, 2004.
- Siva S. Chidambaram, Senior Library and Information Officer, w.e.f. April 02, 2004.
- Manish Gupta, Economist, w.e.f. February 13, 2004.
- Simanti Bandopadhyay, Economist, w.e.f. February 16, 2004.
- Mita Choudhary, Economist, w.e.f. March 08, 2004.