

NIPFP

Vol 2 No.2 July 2005

National Institute of Public Finance and Policy

NEWSLETTER

Director's Column



In his address to the National Development Council, the Prime Minister stated, "Rare are moments of history when a nation suddenly captures the imagination of the world". Indeed, India has suddenly emerged as a darling of nations across the world for its creditable growth performance, large market with increasing purchasing power in the

hands of people and tremendous achievements in knowledge based industry and institutions. It is certainly a good feeling to get the attention of the world community, but its continuation depends on calibration of encompassing policy reforms.

The mid-term review of the Tenth Plan has confirmed that during the first three years of implementation, the growth rate averaged 6.5 percent, well below the target for the first three years, by one percentage point. Even if, in the next two years of the Plan, we achieve the growth of 7-8 percent, there is no way the average growth rate of 8 percent can be achieved. The constraints of increasing crude oil prices, expectations on the slow growth of world economy, our inability to absorb the external capital inflows, persistence of large fiscal imbalances combined with the inability to accelerate growth in agriculture do not bring much hope of increasing the growth rate to 7-8 percent in the remaining two years.

Enhancing economic growth to a new trajectory again underlines the importance of reforming policies and institutions. While formulating the Tenth Plan, a high growth rate was projected on the hope that public and private investments can be enhanced and incremental capital output ratio could be significantly reduced. The deceleration in public investment has continued to pose infrastructure constraints. The strains of coalition politics has shown itself in terms of policy uncertainties and inability to undertake reforms in crucial areas such as foreign investment, restructuring public enterprises, and labour reforms. While an important objective of the CMP of the United Progressive Alliance government is stated as "unleash(ing) the creative energies of productive forces of society", much remains to be done in this area.

There have been three important developments with relevance for macro-fiscal policy during the first half of 2005. The first relates

to the report of the Twelfth Finance Commission, which has worked out the distribution of fiscal resources for the next five years within the framework of a detailed fiscal restructuring plan. The magnitude of adjustment and the adjustment path laid out by the Commission is eminently feasible, though only time will tell whether the structure of incentives implicit in the recommendations can lead to a fiscal correction as projected. Second, the mid-term review of the Plan has confirmed the underperformance of the economy and has identified policy and institutional reforms required. The third and perhaps, the most far reaching has been the introduction of state value added tax. As of now, the reform is only partial, but when completed, it can change the fiscal face of the country. There are, however, concerns about the design and implementation strategy. Like many other reforms, the news is not entirely encouraging and hopefully, in the coming months, the Empowered Committee will work on this critical area.

On its part, the NIPFP continues to make significant contribution to reforms. The constitution of the Economic Advisory Council to the Prime Minister under the chairmanship of C. Rangarajan, Chairman of the Institute, and my own presence in it as one of the members, provides tremendous opportunity to NIPFP to contribute to the reform process. The first half of the year has also seen the completion of a number of studies with reform implications. The most important initiative, however, was a four-week refresher training programme for university teachers in Public Finance in Theory and Practice. The programme was attended by teachers from various parts of the country and with this, NIPFP has reached out to the university community in its task of enhancing the quality of teaching and research. Pinaki Chakraborty, as the course coordinator bore the brunt of the burden and both the NIPFP faculty and outside experts helped him enormously in conducting this programme. I would like to thank the World Bank for the financial help besides lending faculty support from its own senior officials. Hopefully, the programme will be continued in the years to come and NIPFP will have the opportunity to contribute more in improving the quality of teaching and research in universities as well.

M. Govinda Rao

PROJECTS COMPLETED

- Revised version of *Uttar Pradesh: Study of State Finances, for the Uttar Pradesh Development Report, February 2005*. D. K. Srivastava, C. Bhujanga Rao, Mukesh Anand, and Pinaki Chakraborty (co-authored with T. S. Rangamannar).

This study is the fiscal part of the UP Development Report undertaken by the Planning Commission. Uttar Pradesh was bifurcated in November, 2000 giving rise to the state of Uttaranchal. This study looks at the finances of the reorganised Uttar Pradesh while drawing appropriate comparisons with the undivided state. During the mid-nineties there was a deterioration in the fiscal imbalance indicators which led to a high and unsustainable debt for the state. In 2002-03, the debt-GDP ratio was as high as 50 percent of GSDP. The rise in debt resulted from a high level of fiscal deficit, which had reached a peak of 6.3 percent of GSDP in 1999-2000. This study suggests a fifteen-fold reform strategy relating to four broad areas of fiscal management covering revenue augmentation, expenditure reforms, fiscal discipline and budget management, and public sector reforms.

- *Resource Devolution from Centre to States: Enhancing Revenue Capacity of States for Implementation of Essential Health Interventions, April 2005*. M. Govinda Rao, Mukesh Anand, and Mita Choudhury

This study enumerates the resource requirements for meeting certain targets of the health sector and analyses the gap between the required and the actual expenditure in 15 major states in India. It highlights the extent of resources that can be mobilised at the state level to meet the resource gap and estimates the residual gap that has to be met by central transfers. Estimates indicate that the additional expenditures required for

meeting the specific norms/targets in health and health related sectors are substantial. However, the capability of states to meet the additional resource requirements is limited. Significant central transfers are needed at the state level to meet specific targets.

- *Rapid City Assessments in Support of the City Challenge Fund for the Cities of Ludhiana and Rajkot, June 2005*.

Om Prakash Mathur, Navroz Dubash, and Kala S. Sridhar

The rapid city assessments of Ludhiana and Rajkot address the need for urban reform, potential bottlenecks, triggers for reform, and the reform agenda. Several measures such as the growth of population and land area, service delivery and current finances including debt, suggest a need for financial as well as institutional reform in Ludhiana. The major bottlenecks to reform in Ludhiana and Rajkot are seen to be institutional, and pertain to existing arrangements for water, sewerage and land use. Major triggers that could make the reform happen pertain to changes in institutional arrangements for service delivery (privatisation in service delivery and public participation, and finances (less of a trigger). The reform agenda should centre around getting the institutional arrangements clear for the provision of water, sewerage services and land use. Further, management of finances is crucial, once central is formally abolished. Overall, the studies find that Ludhiana and Rajkot, while growing, present potential for a number of changes in their urban management.

PUBLICATIONS

Books Authored / Edited

- Bagchi, A. (ed.), 2005. *Readings in Public Finance*, Oxford University Press, New Delhi.
- Rao, Govinda M. (co-authored),

2005. *Political Economy of Federalism in India*, Oxford University Press, New Delhi.

Edited Chapters in Books, Volumes

- Rajaraman, Indira. (co-authored), 2005. "Sustainability of Public Debt" in (ed.) Amareesh Bagchi, *Readings in Public Finance*, (320-338); New Delhi: Oxford University Press.
- Rao, Govinda M. 2005. "Changing Contours of Federal Fiscal Arrangements in India," in (ed.) Amareesh Bagchi, *Readings in Public Finance*, (437-464); New Delhi: Oxford University Press.
- Sridhar, Kala S. (co-authored), 2005. "E-Commerce Infrastructure and Economic Impacts in Developing Countries: Case of India", in (ed.) S. Kamel, *Electronic Business in Developing Countries: Opportunities and Challenges*, (62-86); Hershey, PA: Idea Group.

Journal Articles

- Pandey, Rita (co-authored), (2005), "Pricing Coal Ash for Environmental Protection," *The Journal of Energy and Development*, 30(2); 207-221.
- Rajaraman, Indira (2005), "Financing Rural Infra-structure in Developing Countries," *Applied Econometrics and International Development*, 5(2), (April-June); 53-70.
- _____ (2005), *Reviews of Development and Nationhood: Essays in the Political Economy of South Asia*, Meghnad Desai, 2005 (Oxford University Press) and *The Politics of Economic Reforms in India* ed. Jos Mooij, 2005 (Sage). *The Book Review*, (June); 21-22.
- Rao, Govinda M. (2005), "The FY2005 Budget, The Twelfth Finance Commission, and Fiscal Consolidation," *ADB INDIA Economic Bulletin, Special Feature*, 3(2), (March); 14-23.

TRAINING PROGRAMMES - WORKSHOPS

Organised by NIPFP

- Training programme for Indian Audit and Accounts Service (IA&AS) Probationers on Public Finance and Fiscal Policy, New Delhi, Feb 14 - March 4, 2005.

The NIPFP conducted a three-week training programme for Indian Audit and Accounts Service (IA&AS) probationers on public finance and fiscal policy. C. Bhujanga Rao co-ordinated the training programme. The National Academy of Audit and Accounts, Shimla, sponsored the training programme.

Refresher Course on Public Economics for College and University Teachers, New Delhi, June 6 - July 2, 2005.

The NIPFP took initiative to organise and design the course structure for a 4-week refresher course in public economics for university and college teachers in the country with financial support from the World Bank. Pinaki Chakraborty co-ordinated the training programme. This is the first programme of its kind and with this, the NIPFP has initiated interaction with Indian universities. Govinda Rao, Director, NIPFP, gave the welcome address. C. Rangarajan, Chairman of the Institute, inaugurated the training programme and Michael Carter, Country Director, World Bank gave a special address.



- Capacity Building for Budgetary Analysis at the State level: Western Region Media workshop, Pune, May 25-27, 2005.
- Capacity Building for Budgetary Analysis at the State level: Eastern

Region Media workshop, Bhubaneswar, March 10 -12, 2005. The objective of these two workshops sponsored by the World Bank was to initiate informed debate on the process of sub-national budgetary policies in various states in India. The NIPFP jointly co-ordinated this capacity building exercise in eastern region states (co-ordinated by Tapas K. Sen and Pinaki Chakraborty) and western region states (co-ordinated by Pinaki Chakraborty and Mukesh Anand) by involving the local professionals, etc., academic community in economics and journalists dealing with budgetary policy issues at state level. Under this programme the NIPFP provided a comprehensive course on state level budgetary and fiscal policy.

- With the introduction of VAT in many states, the NIPFP organised a series of workshops on VAT. Kavita Rao co-ordinated the training programmes.



- Training programme on Introduction to VAT Policy and Administration, with Goa Institute of Management, for the officials of Sales Tax Dept., Govt. of Goa, Goa, Jan 10-14, 2005.
- Two 3-day programmes on Introduction to VAT, Sales Tax Dept., Govt. of Sikkim, Feb 21-23, 2005; and March 2-4, 2005.
- Three awareness programmes for the dealer community.
 - (i) Singtam: Feb 21, 2005
 - (ii) Gangtok: Feb 22, 2005
 - (iii) Jorethang: March 3, 2005

- Three day programme on Advanced Training on VAT Administration, May 11-13, 2005, covering account keeping and reading, audit and risk assessment, MIS and check post management.
- One day programme on Introduction to VAT, in association with SCOPE, for representatives of Public Enterprises, April 26, 2005.
- Two 2-day programmes on VAT for the officials from CAG, May 5-6 and May 9-10, 2005.
- Second expert technical workshop on Policy Research Networking to Strengthen Policy Reform, Hyderabad, March 21-22, 2005. This is a study sponsored by Asian Development Bank as a part of its technical assistance programme. Pinaki Chakraborty co-ordinated the above workshop. In this workshop, the NIPFP co-ordinated selective policy-oriented research projects by experts in their respective fields under the overall theme of "State Government Budget Constraints and Social Services".

PRESENTATIONS BY NIPFP FACULTY/STAFF AT NATIONAL / INTERNATIONAL CONFERENCES

- Chakraborty, Lecha (with Darshy Sinha). Budgetary Forecasts in India: An Analysis of Error Components. Indian Econometric Conference, Jadhapur University, Kolkata, Jan 20-22, 2005.
- Dubash, Navroz K. Electricity Governance Toolkit. Electricity Governance Launch Workshop, Greenpeace and Green Renewable Independent Power Producer (GRIPP) Inc., Quezon City, Philippines, April 11-12, 2005; Workshop on Application of the Electricity Governance Toolkit in Indonesia, The Foundation of Indonesian Institute for Energy Economics (IIEE), Jakarta, Indonesia,

- March 14-19, 2005.
- _____ . **The Electricity-Groundwater Conundrum: The Case for a Political Solution to a Political Problem.** Research Meet on "India's Water Economy: Bracing up for a Turbulent Future", International Water Management Institute and Sir Ratan Tata Trust, Anand, Gujarat, Feb 24-26, 2005.
 - _____ . (Session Facilitator) **Workshop on Developing Institutions for Public Accountability in Urban Services, Water and Sanitation Programme, (The World Bank), JANAAGRAHA, CUTS and Lok Satta, New Delhi, Feb 15-16, 2005.**
 - _____ . (Session Discussant) **Workshop on Stakeholder Fora, Implementation of Regulation and Competition in Urban Water and Electricity Sector: The French Experience in a European Perspective and Lessons for India, NCAER and Paris based Centre for Economics of Natural Resources (CERNA), New Delhi, Feb 9-10, 2005.**
 - _____ . **Asian Experience with Electricity Reform.** Workshop on Neglected Dimensions of Electricity Sector Policies: Equity, Sustainability, and Institutions and Governance, *Prayas* Energy Group, Pune, Jan 11-12, 2005.
 - Gupta, Manish. **Cost of Reducing Greenhouse Gas Emissions: A Case Study of India's Power Generation Sector.** International Conference on Environment and Development: Developing Countries Perspectives, School of International Studies, JNU, New Delhi, April 7-8, 2005.
 - _____ . **Macroeconomic Implications of Restricting Greenhouse Gas Emissions in India.** Faculty Upgradation Programme in Environmental Economics, IEG, New Delhi, Feb 14 - March 5, 2005.
 - Mandal, Subrata. **Economic Variables in Ecological Models.** Workshop on Quantitative Ecology, Trieste, Italy, May 9 - 20, 2005.
 - Mathur, O. P. **Urban Reform: Evidence from Ludhiana and Rajkot.** National Workshop on Policies & Strategies for Improving Urban Services in India, Water and Sanitation Program, and Min. of Urban Development, Hyderabad, June 23-24, 2005.
 - _____ . **Local Governments in Decentralizing, Federal Economies.** International Conference on Federalism: Turning Diversity into Harmony, Brussels, March 3-5, 2005.
 - _____ . **Cost Recovery in Urban Infrastructure Provision.** Conference on Mobilising Urban Infrastructure in a Responsible Fiscal Framework, The World Bank, Jaipur, Jan 6-8, 2005.
 - Nagar, A. L. **Projection of Quarterly Corporate and Income Tax Collections.** (co-authored), Indian Econometric Conference, Jadavpur University, Kolkata, Jan 20-22, 2005.
 - Pandey, Rita. **MBI's to Achieve Environmental Policy Goals: A Case of Cess on Coal.** International Conference on Better Air Quality, 2004, Agra, Dec 5-8, 2004.
 - Rajaraman, Indira. **Intergovernmental Finance and Policy Coordination: Implications of the Report of the Twelfth Finance Commission.** ASCI-World Bank Conference on Fiscal Responsibility & Intergovernmental Finance in India, Hyderabad, June 22-24, 2005.
 - _____ . **Impact of Union Budget on the Development of Kerala: Future Strategies.** Panel Discussion, Conference on Kerala: The Land of Opportunities, New Delhi, April 15, 2005.
 - _____ . **Pricing of Irrigation Water: A Case Study of Karnataka.** Workshop in Pursuit of Sustainable Development: An Interstate Discussion on Key Challenges in the Water Sector, Tara Energy Research Institute, New Delhi, Feb 2, 2005.
 - _____ . **Study of Debt Sustainability at State Level in India.** Committee of Finance Secretaries, Reserve Bank of India, Mumbai, Jan 24, 2005.
 - Rao, Govinda M. (Session Panelist), **Fiscal Challenges and Reforms for States.** ASCI-World Bank Conference on Fiscal Responsibility & Intergovernmental Finance in India, Hyderabad, June 22-24, 2005.
 - _____ . **Direction of Central Government Finances.** Quarterly Review of the State of the Economy Seminar, NCAER, New Delhi, April 28, 2005.
 - _____ . **Widening of Tax Base and Tax Evasion.** Standing Committee on Finance, Lok Sabha, New Delhi, Jan 18, 2005.
 - Roy Chowdhury, Indrani. **Revisiting Porter Hypothesis.** International Conference on Environment and Development: Developing Countries Perspectives, JNU, New Delhi, April 7-8, 2005.
 - Sridhar, Kala S. (co-authored), **Telecommunications Infrastructure and Economic Growth: Evidence from Developing Countries.** United Nations University-World Institute for Development Economics Research (WIDER) Jubilee Conference on the Future of Development Economics, Helsinki, Finland, June 17-18, 2005.
 - _____ . **Cities with Suburbs: Evidence from India.** World Bank/IPEA Urban Research Symposium, Brasilia, Brazil, April 4-6, 2005.
 - Srivastava, D. K. **Fiscal Equalisation in India.** Forum of Federations, Canada and Fiscal Forum of Brazilian States, Brasilia, Brazil, March 30-31, 2005.
 - _____ . **Intergovernmental Finance and Policy Coordination:**

Implications of the Report of the Twelfth Finance Commission, ASCI-World Bank Conference on Fiscal Responsibility & Intergovernmental Finance in India, Hyderabad, June 22-24, 2005.

- Sen, Tapas K. **Reforming State Finances: An Agenda.** Workshop, ADB Programme on Policy Networking, Administrative Staff College of India, Hyderabad, March 2005.

PRESENTATIONS BY GUESTS AT NIPFP

- May 4, 2005: *Value Added Tax: French Experience and Lessons for India*, Pierre Henri Vandenberghe and Christian Boulais, Assistance for the Development of Exchanges in Economic and Financial Technologies (ADETEF), Paris.
- March 24, 2005: *Trends in Rural Development and Poverty Reduction in China and India*, Anir Mukherjee, IFPRI, Washington, DC.
- Feb 7, 2005: *Reform of Personal Income Taxation in India: The Art of Catching Mice*, Surjit S. Bhalla, Director, Oxus Investments Pvt. Ltd., New Delhi.
- Feb 3, 2005: *The Idea of South Asia: Evolution and Expectations*, Nirvikar Singh, University of California, Santa Cruz.

GUEST LECTURES BY NIPFP FACULTY

- Anand, Mukesh Kumar. *Reform of the Pension System*, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 22, 2005.
- _____, *Pension Reform in the States*, Workshop on Capacity Building for Budgetary Analysis at the State Level, Pune, May

25-27, 2005.

- Bagchi, Amaresh. *Public Lecture on the Occasion of 75th Anniversary of the Gokhale Institute of Politics and Economics*, Pune, March 28, 2005.
- _____, *Series of lectures*, PG students, Gokhale Institute of Politics and Economics, Pune, March 21-24, 2005.
- _____, *India's Fiscal Policy Trends and Development*, 14 Feb; and *India's Tax System: An Appraisal*, 22 Feb, Training Programme in Public Finance and Fiscal Policy for IA&AS Probationers, NIPFP, New Delhi, Feb 14 - March 04, 2005.
- _____, *Role of State: Issues in Public Finance in a Globalizing World*, 6 June; *Indian Tax System: An Assessment*, 10 June; *Recommendations of Twelfth Finance Commission: An Evaluation*, 29, June; *Value Added Tax and Federalism*, 30 June, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 6 - July 2, 2005.
- Chakraborty, Pinaki. *Introduction to VAT*, 10 June; *Trends and Financing Patterns of Deficits in India: The Macroeconomic Implications*, 22 June, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 6-July 2, 2005.
- _____, *State Taxes with Special Emphasis on VAT*, Workshop on Capacity Building for Budgetary Analysis at the State Level, Pune, May 25-27, 2005.



- _____, *Value Added Tax*, Training Programmes for the officers from CAG, New Delhi, May, 2005;

Training Programmes, Institute for the Officials of the Public Sector Employees, New Delhi, April 26, 2005; Training Programmes, Institute for the officials of the Govt. of Sikkim, Feb 21-23, 2005; and March 2-4, 2005.

- _____, *Issues Related to State Taxes*, Workshop on Capacity Building for Budgetary Analysis at the State Level, Bhubaneswar, March 10-12, 2005.
- Chelliah, Raja J. Ambirajan Memorial Lecture, *The Malady of Continuing Fiscal Imbalance - The Impossible Quadrangle*, Chennai, Feb 16, 2005.
- _____, Chief Guest Address, Seminar on *Management of Change in Indian Railways*, IRAS Platinum Jubilee Celebrations, Southern Region, Jan 28, 2005.
- Dubash, Navroz K. *Reform Issues in Power Sector*, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 29, 2005.
- _____, *Governance*, Training Programme in Public Finance and Fiscal Policy for IA&AS Probationers, New Delhi, Feb 14 - March 4, 2005.
- Gupta, Manish. *Externalities and Pollution Taxes*, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 14, 2005.
- Jena, Pratap Ranjan. *Taxonomy and Growth of Public Expenditure in States*, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 15, 2005.
- Majumdar, Debdatta. *Course on Principles of Corporate Finance and Policy*, PG students, CSDIIE and CESP centres, JNU, New Delhi, Aug-Nov 2004.
- _____, *Course on*

- Mathematical Finance*, Bachelor's students (economics and mathematics), Lady Shriram College & Jesus and Mary College, New Delhi, Aug - Nov 2004.
- Mandal, Subrata. *Decentralization of Environmental Governance in India*, 20 June; *Cost Benefit Analysis of Environmental Policies in India*, 24 June, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 6 - July 2, 2005.
 - Nagar, A. L. Keynote Address, *Structural Modelling in Economics, Xth Spring Meeting of Young Economists*, Geneva, Switzerland, April 22-24, 2005.
 - _____, *M.A. Economics (International) students*, School of International Studies, JNU, New Delhi, Jan - April 2005.
 - Rajaraman, Indira. *Interaction Between Fiscal and Monetary Policy*, 7 June; *Fiscal Responsibility and Budget Management Acts: An Evaluation*, 24 June; *Issues Related to Public Debt Sustainability*, 27 June; *Implications of the Recommendations of the Twelfth Finance Commission*, 28 June, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 6 - July 2, 2005.
 - _____, *Investment in Agricultural Infrastructure*, Senior Officers of NABARD, Institute of Economic Growth, Delhi, March 10, 2005.
 - _____, *Public Debt Sustainability - I and II*, Training Programme in Public Finance and Fiscal Policy for IA&AS Probationers, NIPFP, New Delhi, March 2, 2005.
 - _____, *Coins: Some Persistence Issues*, Workshop on Power and Communication: Coins as Political and Cultural Documents, JNU, New Delhi, Jan 20, 2005.
 - _____, *Decentralisation and Development*, UGC Refresher Course for University & College Teachers, Academic Staff College, JNU, New Delhi, Jan 14, 2005.
 - Rangarajan, C. *Convocation Address*, Arunachal University, Itanagar, March, 2005.
 - _____, *Convocation Address*, Institute of Chartered Financial Analysts of India, Hyderabad, December, 2004.
 - Rao, C. Bhujanga. *Government Subsidies*, Training Programme in Public Finance and Fiscal Policy for IA&AS Probationers, NIPFP, New Delhi, March 3, 2005.
 - Rao, Govinda M. *Value Added Tax*, IAS Professional Course Phase II, Lal Bahadur Shastri National Academy of Administration, Mussoorie, June 27, 2005.
 - _____, Keynote Address as Chief Guest, *VAT and New Tax Regime*, Annual General Meeting, Goa Chamber of Commerce and Industry, Goa, June 17, 2005.
 - _____, *Role of Government: Market Failure and Government Intervention*, 6 June; *Distributional Considerations in Public Finance*, 9 June; *Theory of Fiscal Federalism: The Decentralisation Theorem*, 16 June; *Political Economy Approach: Issues in Competitive Federalism*, and *Indian Federalism: Policy and Institutional Dimension of Reform*, 21 June; and *Trends and Development in Indian Fiscal Policy: Recent Experience*, 24 June, 2005, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 6 - July 2, 2005.
 - _____, (Session Chair), *Budgetary Impact on Common Man: Reporting Budgetary Issues*, and *Service Delivery: Political Economy of States' Public Finance*, Workshop on Capacity Building for Budgetary Analysis at the State Level, Pune, May 25-27, 2005.
 - _____, *Issues Related to State Government Expenditure, Centre-State Financial Relations, and State Indebtedness, Contingent Liabilities and Fiscal Responsibility*, Workshop on Capacity Building for Budgetary Analysis at the State Level, Pune, May 25-27, 2005.
 - _____, *Special Address*, National Service Tax Conference, Confederation of Indian Industry, New Delhi, May 13, 2005.
 - _____, *Big Picture: VAT in Federal Countries*, Programme on VAT, Officers from CAG, NIPFP, New Delhi, May 5-6, 2005.
 - _____, *Keynote Address*, Workshop of the Standing Conference of Public Enterprises (SCOPE) on VAT, New Delhi, April 26, 2005.
 - _____, *Inaugural Address as Chief Guest*, XIII All India Input-Output Research Association (IORA) Conference, Economics, Finance and Management Groups, Birla Institute of Technology and Science (BITS), and IORA, Pilani, April 22, 2005.
 - _____, *Evolution of Fiscal Policy in India*, 14 February, *Central and State Financial Relations*, and *Issues in Rural Local Finances*, 28 Feb, Training Programme in Public Finance and Fiscal Policy for IA&AS Probationers, NIPFP, New Delhi, Feb 14 - March 04, 2005.
 - _____, (Session Initiator), *Tax Reforms: The Way Forward*, Sixth Annual NBER-NCAER Conference, Neemrana Fort Palace Resort, Jan 17, 2005.
 - _____, *Operation of VAT in Federal Countries*, and *Treatment of Inter-State Sales under VAT*, Training programme on VAT, NIPFP, Goa, Jan 11, 2005.
 - Rao, Kavita R. *Rationale and Concepts of VAT, and VAT of Maharashtra, Karnataka and Tamil Nadu*, Training

- Programme for Representatives of Trade and Industry on VAT and its Implications, ASCI, Hyderabad, March 7-8, 2005.
- Roy Chowdhury, Indrani. *Theories of Common Property Resources-I & II*, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 22-23, 2005.
 - Sridhar, Kala S. *Fiscal Policy for Growth and Poverty Reduction*, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 28, 2005.
 - _____, *Principles and Approaches to Public Finance*, Training Programme in Public Finance and Fiscal Policy for IA&AS Probationers, NIPFP, New Delhi, Feb 14, 2005.
 - Srivastava, D.K. *Pure Theory of Public Expenditure*, 15 June; *Theory of Intergovernmental Transfers*, 16 June; *Issues in India: Federalism and Intergovernmental Transfers*, 23 June; *Subnational Fiscal Reform in India: Recent Initiatives*, 27 June; and *State Debt Restructuring: Recent Initiatives*, 29 June, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 6 – July 2, 2005.
 - _____, *Inaugural Address*, National Seminar on Recommendations of the Twelfth Finance Commission and Their Implications for State Finances, Giri Institute of Development Studies, Lucknow, May 6-7, 2005.
 - _____, *Fiscal Federalism: Allocation of Resources; Powers to Levy and Collect Taxes; Sharing of Resources; Role of Finance Commission*, Senior Civil Servants from Sri Lanka, Centre for Federal Studies, New Delhi, April 21, 2005.
 - _____, *Union Budget 2005-06*, Ludhiana Management Association, Ludhiana, March 4, 2005.
 - _____, *Public and Private Goods*, 15 February; *Approach to Public Expenditure Analysis*, 17 Feb; *Twelfth Finance Commission*, 23 Feb, Training Programme in Public Finance and Fiscal Policy for IA&AS Probationers, NIPFP, New Delhi, Feb 14 – March 4, 2005.
 - _____, *Fiscal Federalism in India: Emerging Challenges*, G. B. Pant Institute of Social Sciences, Allahabad, Jan 28, 2005.
 - Sen, Tapas K. *Shifting and Incidences of Taxes*, 6 June; *Concepts, Measurement and Magnitude of Subsidies*, 17 June; and *Assignment Issues in Multilevel Government*, 20 June, Refresher Course on Public Economics for College & University Teachers, NIPFP, New Delhi, June 6 – July 2, 2005.
 - _____, *Role of State and Public Finance*, 15 February; *Shifting and Incidence of Taxes*, 18 Feb; and *Theory of Federalism*, 22 Feb, Training Programme in Public Finance and Fiscal Policy for IA&AS Probationers, New Delhi, Feb 14 – March 4, 2005.
 - _____, *Centre State Relations*, Middle-level officers Education Department of various governments, NIEPA, New Delhi, Feb 2005.
- VISITING APPOINTMENTS /
APPOINTMENT ON COMMITTEES/
HONOURS**
- Bagchi, Amaresh. Member, Board of Management, Indira Gandhi Institute of Development Research, Mumbai.
 - _____, Member, Academic Council, JNU, New Delhi.
 - Chakraborty, Lekha. Member, Committee, Sub-Group on Classification and Gender Segregation of Government Expenditure, Ministry of Finance, Govt. of India, May 2005.
 - _____, Instructor, Engendering Macroeconomics and International Economics, University of Utah, Salt Lake City, USA, May - June, 2005.
 - Chakraborty, Pinaki. Visiting appointment, MPhil Course in Applied Economics, Centre for Development Studies, Thiruvananthapuram, March-April, 2005.
 - Chelliah, Raja J. Member, Steering Committee for the Centre of Excellence in Environmental Economics, Madras School of Economics.
 - Dubash, Navroz K. Editorial Board, Utility Policy.
 - _____, Peer Reviewer, Economic Development and Cultural Change, Conservation and Society, and World Resources Institute.
 - Majumdar, Debdata. Visiting Lecturer, CSDILE, JNU.
 - Mathur, O.P. Member, UN-ESCAP Expert Group Meeting on Improving Service Delivery, Bangkok, May 7-8, 2005.
 - _____, Member, Steering Committee, National Urban Poverty Report, Min. of Urban Employment and Poverty Alleviation, Govt. of India.
 - Rajaraman, Indira. Member, Steering Committee, Centre for Energy Security Research, TERI.
 - _____, Reviewer, Economic Development and Cultural Change, Economic and Political Weekly.
 - _____, Member, Committee of Experts for Award of Excellence in Finance Management, National Petroleum Management Programme, March 2005.
 - _____, Member, Initiative for Policy Dialogue (IPD), Task Force on Tax Policy, convened by Prof. Joseph Stiglitz. Meeting at Columbia University, New York, March 30, 2005.
 - Rangarajan, C. Chairman, Economic Advisory Council, Prime Minister of India.

- _____ Chairman, Task Force for Economic and Social Development of Jammu & Kashmir.
- _____ Member, Committee on Infrastructure constituted by the Prime Minister of India.
- _____ Member, Committee on Trade and Economic Relations constituted by the Prime Minister of India.
- Rao, Govinda M. Member, Initiative for Policy Dialogue (IPD), Task Force on Tax Policy, convened by Prof. Joseph Stiglitz. Meeting at Columbia University, New York, March 30, 2005.
- _____ Member, Economic Advisory Council, Prime Minister of India.
- _____ Member, Finance Committee, JNU, New Delhi.
- _____ Member, Expert Group to Study Planning at the Grassroots Level, Ministry of Panchayati Raj, Govt. of India.
- _____ Session on Budget and Taxation (DD Live Programme), Feb 17, 2005.
- _____ Panel discussion on Budget 2005-06, Doordarshan, Feb 28, 2005.
- Srivastava, D. K. Member, Editorial Board, Journal of Quantitative Economics.
- _____ Member, Advisory Board, Indian Journal of Economics.
- Mandal, Subrata. **Modeling Economic Impact of Oil Price Changes on Indian Economy – Methods and Applications.** Ministry of Petroleum and Natural Gas, Govt. of India, March – Sep 2005.
- Mathur, O.P. **Toolkit for National Urban Renewal Mission (NURM).** Ministry of Urban Development, May – Dec 2005.
- Rao, Kavita, Gauram Naresh, and Indrani Roy Chowdhury. **Mizoram State Development Report.** Planning Commission, Govt. of India, Jan – Dec 2005.
- Sridhar Kala S., and Lekha Chakraborty. **Gender Budgeting: Assessment of Impacts.** Ministry of Finance, May – Dec 2005.
- Srivastava, D. K., C. Bhujanga Rao and Manish Gupta. **Reforming the Budgetary System and Medium Term Expenditure Policy.** Resource and Expenditure Commission, Lucknow, April 2005- July 2005.
- Sen, Tapas K., Mira Chowdhury, H.K. Amarnath, and Anit Mukherjee. **Financing Human Development in Indian States.** UNDP India, January 2005 – January 2008.
- Sen, Tapas K. **New Developments in State Finances.** Govt. of Chattisgarh, June – Dec 2005.

NIPFP WORKING PAPERS

- Gupta, Manish. **Estimation of Marginal Abatement Costs for Undesirable Outputs in India's Power Generation Sector: An Output Distance Function Approach.** NIPFP Working Paper No. 27, March 2005.
- Rao, Govinda M. and Subrata Mandal. **Overlapping Fiscal**

Domains and Effectiveness of Environmental Policy in India. NIPFP Working Paper No. 25, January 2005.

- Roy Choudhury, Indrani. **Joint Venture, Pollution & Environmental Policy.** NIPFP Working Paper No. 31, April 2005.

STAFF NEWS

- Anit Mukherjee joined as Consultant, w.e.f. April 7, 2005.
- Bulbul Sen joined as Principal Consultant, w.e.f. June 24, 2005.
- D. K. Srivastava joined NIPFP after a 2-year deputation to Twelfth Finance Commission w.e.f. Jan 1, 2005.
- Puranchand Upadhyaya, Senior Library Assistant, completed 25 years of service at NIPFP on April 13, 2005.
- Subhash Garg, joined as Principal Consultant, w.e.f. July 1, 2005.

Forthcoming Events

- The Ministry of Finance, Govt. of India has set up a Tax Research Cell at NIPFP. Besides providing basic research to support policy on a regular and systematic basis, the cell will facilitate the tax officials from the CBDT and CBEC to undertake research at NIPFP pertaining to direct/indirect taxes.
- The NIPFP will be working with the Planning Commission, Govt. of India, to set up a Public Finance Data Bank at NIPFP. The discussion on this is in advanced stage and a proposal to set up the Data Bank is being prepared.
- The NIPFP will be collaborating with the World Bank Institute in undertaking training programmes for state level officials on state level fiscal reform.
- Two programmes relating to Advanced Training on VAT are to be sponsored by the British High Commission.

NEW PROJECTS INITIATED

- Dubash, Navroz K. **Independent Economic Regulation: An Assessment of Accountability and Good Governance in the Electricity Sector.** Foreign and Common Wealth Office, Govt. of United Kingdom, May 2005 – Dec 2006.