

# Preface

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This book represents the fruits of the Seminar on State Finances, held in New Delhi on April 19-20, 1991, under the joint auspices of the National Institute of Public Finance and Policy (NIPFP) and the World Bank. The subject of state finances in India is a central focus of the research and policy analysis conducted at NIPFP. State finances have also become a matter of growing interest and concern to international financial institutions.

The possibility of holding a seminar on state finances was first discussed by the Department of Economic Affairs (DEA) of the Ministry of Finance and the World Bank at the annual Paris meeting of the Aid-India Consortium held in June 1990. NIPFP came to play a primary role in the organization of the seminar, contributing its expertise on Indian state finances. A number of papers were commissioned to be prepared for presentation and discussion at the seminar, revised versions of which form the main body of this volume. Some papers dealt with general topics in state finances, others with the experiences of individual states.

The seminar brought together a group of about forty scholars, researchers and officials of the government and international financial institutions for open and lively discussions on various topics and issues related to state finances. (The proceedings of the seminar are summarized in chapter 10; a list of seminar participants and their institutional affiliations is appended at the end of the book.) In addition to extensive commentary on the papers, a number of policy issues and topics for future research emerged in the discussions.

Subsequent to the seminar, papers were revised by their authors and then edited by the editors. It was felt by the editors that, given the timeliness of the papers and the importance of state finances in

India's current fiscal adjustment, the volume should be brought out as expeditiously as possible. This goal has been achieved, with its publication occurring about one year after the holding of the seminar.

Both the Seminar on State Finances and the resulting book relied on the support and assistance of numerous people. The editors would like to thank the contributors for their efforts and the other seminar participants for generating a lively interplay of ideas. The contributions of Bimal Jalan, who inaugurated the seminar, and Jochen Kraske, who made opening remarks, are especially appreciated. Financial support from the World Bank's India Department to cover seminar costs is gratefully acknowledged; Javad Khalilzadeh-Shirazi, Chief of the Country Operations Division, organized this support, provided overall supervision of the World Bank effort, and also helped conceptualize and design the project. Organization of the seminar involved substantial work by NIPFP and World Bank (New Delhi Office) staff, whose indispensable contribution is hereby acknowledged. Processing of the manuscript for publication was handled mainly by Shahnaz Rana, R. Parmeswaran and V. Umashankar. Final editorial preparation and coordination with the publisher were the responsibility of Tapas Sen.

It should be stressed that the views, findings, interpretations, and conclusions as well as factual representations in the various chapters of this volume are those of the authors and should not be attributed to the editors or to NIPFP, the World Bank, or any other institution to which contributors are affiliated. Editors, contributors, and other seminar participants articulated their personal views. The editors do, however, take responsibility for any typographical or other similar errors which may have escaped their attention.

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