

# National Institute of Public Finance and Policy

## NEWSLETTER

### Director's Column

By all indications, the Indian economy presents an optimistic picture in the current year. The favourable monsoon has led to sharp upturn in agricultural growth. This revival in agricultural growth, along with the low interest rate regime, has helped to accelerate industrial growth. The service sector continues to boom. The international environment is favourable. Despite the hardening of the rupee against the US dollar, exports continue to increase at a reasonably fast rate. The 'feel good' factor is back.

Nevertheless, sustenance of high growth and achieving the growth potential of the economy depends on reinvigorating the reform process. In particular, the fiscal situation in the country continues to pose difficult challenges and has been a key dampening factor in economic growth. The combined fiscal deficit of the central and state governments is over 10 percent and the combined revenue deficit is close to 7 percent. Although restrictions on the capital account and large foreign exchange reserves have warded off the fear on the external front, the adverse effect of fiscal imbalance on economic growth is real. A simple calculation reveals that if roughly 7 percent of household savings in the economy is pre-empted for public consumption, subsidies and transfers, at the prevailing incremental capital output ratio, economic growth will be lower by 1.5 percent.

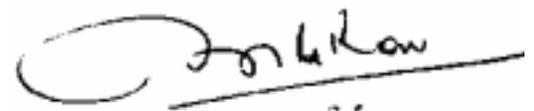
In order to sustain the high growth, it is imperative to revive the reform process. Achieving fiscal correction depends critically on raising the tax-GDP ratio. The total tax-GDP ratio of the centre and states declined by almost two percentage points from 15.8 percent in 1991-92 to 10.3 percent in 2001-02. This is entirely due to the decline in the tax ratio at the central government level from 10.3 percent to 8.1 percent. The most worrisome part is the sharp decline in the ratio of revenue from internal indirect taxes to GDP, by over three percentage points. The inability of internal indirect taxes to offset the revenue loss from the reduction in customs duty has constrained further rationalisation in import duties. The impact of reduction in the tax ratio has been to partly reduce the central transfers to states with severe pressure on social sector expenditures. On the expenditure side, although the overall ratio may not be reduced, there is significant scope for reprioritisation.

There is an urgent need for fiscal reforms at the state level as well. The most important reform needed is in the consumption tax system by replacing the prevailing archaic sales tax system with the consumption type, destination based value added tax (VAT). Extension of service tax on all services, enabling the states to levy

the tax on services concurrently with the centre, and eventual integration of tax on goods with services at both central and state levels, should be the way to proceed. It is also necessary to think of a co-ordinated system of consumption tax in the country keeping the overall tax burden the consumers should bear, and the tax rooms the central and state governments should share. In evolving the VAT, much remains to be done to phase out the central sales tax. State level reforms will also have to deal with reprioritisation of expenditures to achieve the millennium development goals. Reform in the power sector is another key area.

In designing the reforms and help the central and state governments implement them, NIPFP would have to gear up to play a lead role, as in the past. The activities of NIPFP during the period covered by this report reflect unflinching commitment of the faculty and staff towards assisting the governments at central, state, and local levels in calibrating fiscal reforms as a major think tank in the country. In particular, besides completing important studies, NIPFP organised seminars including the Conference on Issues before the Finance Commission at the instance of the Twelfth Finance Commission, and Federalism in a Globalising World, in collaboration with the Forum of Federations, Canada. Further, NIPFP organised workshops on the role of the Finance Commission in fiscal decentralisation in urban and rural areas, quite important in the Indian context. The coming years will witness accelerated pace of reforms to achieve fiscal consolidation and to impart efficiency to the economy, NIPFP will have an important role to play in this task.

NIPFP faces exhilarating agenda in the coming year. With the joining of Navroz Dubhash as IDFC Chair Professor and Kala Seetharam Sridhar and Surender Kumar as Fellows, the Institute has added significant strength. The Institute is collaborating with the IMF in organising a conference on India's Fiscal Policy in January, 2004 and with the World Bank in organising a workshop on Tax Policy for the Asian Countries in March, 2004. There are also a number of training programmes planned on fiscal policy, fiscal decentralisation, and intergovernmental fiscal relations. Times are exciting, the challenges daunting, and I am sure that we will emerge victorious, as in the past.



M. Govinda Rao

## PROJECTS COMPLETED

- *Rural Fiscal Decentralization in Karnataka State, September 2003. M. Govinda Rao (co-authored)*

This study undertakes a comprehensive analysis of sub-state rural fiscal decentralisation and *panchayat* finances in Karnataka. It critically examines the delegation of functions in various schemes and recommends reform options in consolidating the schemes. The analysis shows the virtual non-existence of fiscal autonomy at district and block levels. Analyses of own revenues, expenditures, and transfers at the village level, based on primary data collected from 636 village *panchayats*, provide interesting insights. The study makes a number of reform proposals to enhance own revenues, redesign transfers, and improve efficiency of expenditures.

- *A study of State Fiscal Reforms in Manipur. Supplementary Report, September 2003. Saumen Chattopadhyay (co-authored)*

The supplementary report made specific recommendations towards improving the fiscal management in Manipur. The recommendations included, inter alia, formation of an aid management cell, lifting of prohibition, specific power sector reforms, and steps toward rationalisation and compression of expenditure. The perennial liquidity crunch compels the state to divert funds allocated under various central plan schemes and the schemes sponsored by the Department of Development, North Eastern Region to meet the

committed expenditures. The state ends up getting less than the sanctioned amount as further releases of funds are stopped as the state fails to produce utilisation certificate and also to provide for counterpart funding requirements of various centrally sponsored schemes. The report contains a detailed analysis of central transfers so as to find ways to maximise the volume of transfers and improve the utilisation rate. The state also suffers owing to a fall in inter-governmental transfers in terms of GDP, making it ineligible for its due share from the incentive fund owing to faulty design of the single monitorable fiscal indicator. The state stands to gain considerably from undertaking fiscal reforms, however, the most important reform that is needed to tackle both revenue productivity and efficiency in public expenditures is that of governance.

- *Municipalities in a Decentralized Framework. Sponsored by Canadian International Development Agency (CIDA), October 2003. Om Prakash Mathur*

This study focuses on two issues:  
♦ transfers from the higher tiers of government to the municipalities; and  
♦ public-private arrangements in municipal service delivery and management.  
The study looks at these aspects by undertaking a survey of seventeen (17) municipal corporations in three states namely, Karnataka (5), Maharashtra (10), and Punjab (2). The approach to the study on transfers consists of an analysis of municipal budgets with a

view to understand the changing role of transfers in the post-1992 period.

- *Gender Budgeting In India (UNIFEM/Ministry of Human Resource Development), November 2003. Lekha S Chakraborty*

This study aims at the diagnosis of existing degree of gender-inequality in India through gender-segregation of relevant macrodata, quantification of existing non-SNA (System of National Accounts) unpaid work of women and identification of policy alternatives to formulate a gender-sensitive national budgeting process.

## PUBLICATIONS

### Books



- Rajaraman, Indira. (2003) *A Fiscal Domain For Panchayats*. New Delhi. Oxford University Press.
- Rangarajan, C. (2003) *Select Essays on Indian Economy*. New Delhi. Academic Foundation.

### Edited Chapters in Books, Volumes

- Chelliah, Raja J. (2003), 'Analytical and Policy Studies in Macroeconomics(2002)' in Montek S. Ahluwalia, Y.V. Reddy and S.S. Tarapore, (eds.) *Money & Finance*, New Delhi: Oxford University Press.
- ——— (2003), 'Reducing Poverty through State-Level Reforms,' *State-Level Reforms in India: Towards More Effective Government*, New Delhi: The World Bank.
- ——— (2003), 'Economic Reforms and Centre-States Relations,' *Encyclopaedia of India*.

- Rajaraman, Indira (2003), 'Growth-Accelerating Fiscal Devolution to the Third Tier,' in E. Favaro & A. Lahiri (eds.) *Fiscal Policies and Sustainable Growth in India*. New Delhi: Oxford University Press.
- ——— (2003), 'Management of the Capital Account: A Study of India and Malaysia,' in UNCTAD, (ed.) *Management of Capital Flows: Comparative Experiences and Implications for Africa*. Geneva: UNCTAD.
- Rao, Govinda M. (2003), 'Fiscal Decentralisation in Transitional Countries,' in Jorge Martinez and James Alm (eds.) *Public Finance in Developing Countries: Essays in Honour of Richard Bird*. Cheltenham, UK: Edward Elgar.
- ——— (co-authored) (2003) 'How to Think about Local Government Reform in India,' in Kaliappa Kalirajan and Ulaganathan Sankar (eds.) *Economic Reform and the Liberalisation of the Indian Economy: Essays in Honour of Richard T. Shand*. Cheltenham, UK: Edward Elgar.

## Journal Articles

- Rangarajan, C. and D. K. Srivastava, 'Dynamics of Debt Accumulation: Impact of Primary Deficit, Growth and Interest Rate,' *Economic and Political Weekly*, 38(46), November 2003: 4851-4858.
- Rangarajan, C. 'State Finances in India,' *Economic Bulletin of ADB India*, 1(3), September 2003.



- Rao, Govinda M., 'Fiscal Decentralization in China and India: A Comparative Perspective,' *Asia-Pacific Development Journal*, 10(1), 2003: 25-45.
- ———, (co-authored), 'Trade Policy, Agricultural Growth and Rural Poor: Indian Experience, 1978-79 to 1999-2000,' *Economic and Political Weekly*, 38(43), 2003: 4588-4603.
- Sridhar, Kala Seetharam (co-authored), 'The Impact of Local Unemployment Rates on Reservation Wages and the Duration of Search for a Job,' *Applied Economics*, 35(13) 10 September, 2003: 1469-76.
- ———, 'Firm Location Decisions and Impact on Local Economies,' *Economic and Political Weekly*, 38(39), 2003: 4121-30.
- ———, (co-authored), 'The Effect of Telecommuting on Suburbanization: Empirical Evidence,' *Journal of Regional Analysis and Policy*, 33 (1), 2003: 1-25.
- ———, 'Growth Models and India's Policies,' *Indian Journal of Public Administration*, 49(2), 2003: 147-156.

## Commentary • Book Review Discussion Papers

- Bagchi, Amaresh. 'Federalism in a Globalising World: Challenges and Responses,' *Economic and Political Weekly*, 38(36) Sept. 6-12, 2003: 3763-3769. (Commentary)
- Nagar, A.L. (co-authored), 'Descriptive Analysis of Data on Direct Tax Receipts.' (Discussion Paper)

- ——— (co-authored) 'Projections of Corporate Tax Revenue.' (Discussion Paper)
- Rajaraman, Indira. 'Financing Rural Infrastructure in Irrigation: Fiscal Recovery Issues,' June 2003. (IAMR Working Paper)
- Sridhar, Kala Seetharam. Book Review of *Secondary Education: The Challenges Ahead*, Mukhopadhyay, Marmar (2002), New Delhi: National Institute of Educational Planning and Administration, *Journal of Educational Planning and Administration* 17(3) July 2003: 423-428.

## SEMINARS • CONFERENCES WORKSHOPS



## Organised by NIPFP

- Seminar on **Federalism in a Globalising World** organised jointly by NIPFP and the Forum of Federations, Canada, New Delhi, August 3-4, 2003.

How to get India's federalism to respond positively to the needs of a globalising world, was the theme of this conference organised jointly by NIPFP and the Forum of Federations, Canada. Apart from the faculty of NIPFP, participants included Albert Breton of Canada, a leading exponent of competitive federalism, and scholars from Brazil, Germany, and Canada.

There were country papers presented each on the operation of federalism in India, Canada, Brazil, and Germany.

C. Rangarajan, Chairman, Twelfth Finance Commission gave the inaugural address. The Indian trends in federalism under globalisation was presented by M. Govinda Rao. It focused on the impact of globalisation on the competitive ability of sub-national governments, their response, if any, to the emerging challenges, and how their action/inaction has held up the implementation of many reforms started in the 1990s. The last session had a presentation by O. P. Mathur on the responses of Urban Local Governments (ULGs) in India to the challenges of globalisation. The focus of the presentation was an assessment on how far ULGs have been able to improve their competitive efficiency and productivity.

- Seminar on *Rural Fiscal Decentralisation and the role of Central Finance Commission*, NIPFP, September 3, 2003.

At the instance of the Ministry of Rural Development, Government of India, a one-day seminar was organised at NIPFP on 'Issues of Rural Fiscal Decentralisation and the Role of the Central Finance Commission' on September 3, 2003. The objective of the seminar was to seek the views of various state governments on the Finance Commission's terms of reference (ToR) regarding rural fiscal decentralisation.

The seminar was inaugurated by M. Shankar, Secretary, Ministry of Rural Development, Government of India. The background paper was presented by M. Govinda Rao,

Director, NIPFP. Presentations were made by Indira Rajaraman, RBI Chair Professor at the Institute, representatives of state governments, and NGOs. P.S. Rana, Additional Secretary, Ministry of Rural Development chaired the session.

The specific issues discussed dealt with the ToR of the Finance Commission, namely, 'the measures needed to augment the consolidated fund of a State to supplement the resources of the *Panchayats* in the State on the basis of the recommendations made by the Finance Commission of a State.' The discussion brought out the need for adopting a simple but an objective formula, which would provide incentives to the states to further the cause of the decentralisation process.

- Seminar on *Issues before the Twelfth Finance Commission* New Delhi, September 29-30, 2003.

Several papers were presented at the conference dealing with various aspects of state finances and centre-state financial relations, relevant for the Twelfth Finance Commission (TFC) to consider.

The welcome address was given by M. Govinda Rao, Vijay Kelkar gave the keynote address, and C. Rangarajan, Chairman, TFC, delivered the inaugural address. A large number of academic researchers and policy makers attended the conference, besides those from the Finance Commission and NIPFP faculty.

- Seminar on *Issues of ULBs before the Commission*, NIPFP, September 23, 2003.

This was a consultative meeting on the *Finances and Functioning of Municipalities* regarding their issues of discussion with the Twelfth Finance Commission.

After the welcome address by the Director, NIPFP, and inaugural address by the Chairman, TFC, T.R. Prasad, Member, Planning Commission spoke regarding the role of the TFC in addressing issues relating to ULBs. State secretaries of Urban Development and Municipal Commissioners spoke regarding various initiatives for improving the finances, services, and management of municipalities. The seminar ended with concluding notes by O.P. Mathur.

- First of a series of workshops on *Capacity Building for Budgetary Analysis at the State Level* for media persons of the Southern States, Bangalore, November 29-30, 2003.

This program aims at better analyses and coverage of the state budgets in the media and by local researchers. To accomplish this, a series of workshops for media persons and for researchers in the state-level universities, colleges, and institutions have been planned, with the first one held at Bangalore. While two regional workshops are planned for media persons (from selected states), two more are planned at Delhi for the researchers, to be attended by media persons.

## Presentations by NIPFP faculty at National / International Conferences



- Aggarwal, Pawan K. **Tax Performance of Centre and States: Tax Reforms and Revenue Productivity.** Conference on Issues before the Twelfth Finance Commission, New Delhi, September 29-30, 2003.
- Bagchi, Amaresh and Pinaki Chakraborty. **Towards a Rational System of Centre State Revenue Transfers in India: An Exploration.** Conference on Issues before the Twelfth Finance Commission, New Delhi, September 29-30, 2003.
- Chattopadhyay, Saumen. **A Study of State Fiscal Reforms in Manipur** before the Hon'ble Chief Minister of Manipur, Imphal, June 12, 2003.
- Jena, Pratap Ranjan. **Natural Disasters—An Economic Perspective.** Conference on Natural Disasters—Fiscal and Financial Risk Management, FICCI, New Delhi, June 25–26, 2003.
- Kumar, Surender. **Productivity and Profitability Changes in the US Electric Power Plants during SO<sub>2</sub> Trading Regime.** Twelfth Annual Conference of the European Association of Environmental and Resource Economists, Bilbao, Spain, June 28-30, 2003.
- Mandal, Subrata. **Optimal Land Use and Water Requirement in**

### **Mountain Ecosystem: Case Study of a Watershed in the Indian Himalayas.**

Twelfth Annual Conference of the European Association of Environmental and Resource Economists, Bilbao, Spain, June 28-30, 2003.

- ———. **Integrated Watershed Development Models: Case Study from the Indian Himalayas.** The Mountain Summit organised on the occasion of International Year of Fresh-water by North American Mountain Forum and FAO, Banff Centre, Canada, November 23-27, 2003.
- Mathur, Om Prakash. **Local Governance Finance and Competitive Efficiency in India.** Conference on Federalism in a Globalising World, New Delhi, August 5-6, 2003.
- ———. **Impact of Globalization and Decentralization on Cities and City Related Policies in India.** International Conference on Urban and Regional Development organized by Beijing Development Institute, Peking University, October 22, 2003.
- Moorthy, Vivek. (Part-time Visiting Fellow at NIPFP, from IIM, Bangalore) **Assessing India's Primary Deficit versus Interest Payments Burden.** Conference on Issues before the Twelfth Finance Commission, New Delhi, September 29-30, 2003.
- Pandey, Rita. **Industrial Pollution Control in India: Issues in Design and Enforcement of Regulation.** Conference on Sustainable Development, Sustainable Development

Policy Institute, Islamabad, December 11–13, 2003.

- ———. **Policy Options for Controlling Emissions from in-use Vehicles.** Conference on Better Air Quality 2003, Clean Air Initiative Asia and the Asian Development Bank, Manila, December 17-19, 2003.
- Rajaraman, Indira. **Fiscal Restructuring in the Context of Trade Reform.** Conference on Issues before the Twelfth Finance Commission, New Delhi, 29-30 September, 2003.
- Rao, Govinda M. Discussant in Session on **'Why is productive private investment so low? Bad policies or the environment?'** Development Debates Workshop organised by the World Bank, Addis Ababa, Ethiopia, July 1–3, 2003.
- ———. **Indian Common Market: Policy Reforms to Remove Sub-national Obstacles.** Conference on Federalism in a Globalising World, New Delhi, August 5-6, 2003.
- ———. **Fiscal Federalism in India: Trends and Reform Issues.** Conference on Development and Decentralization in Asia, organised by The City of Kitakyushu with the support of ADB, World Bank and others, Kitakyushu City, Japan, November 10–11, 2003.

## Presentations/Seminars by Guests at NIPFP

**July 2003: *Asymmetries in the Response to Increases and Decreases in Intergovernmental Grants: The case of US Federal Highway Grants***, Shama Gamkhar, University of Texas, LBJ

School of Public Affairs, Austin, Texas, USA.

*Abstract:* Do states and localities, when faced with cuts in federal highway grants, attempt to maintain spending on existing highway projects with own sources of funding? Current state and local government highway spending is postulated here to respond to federal highway grants of the current fiscal year. The results of this study provide some evidence of asymmetry. When current federal highway grants are increased, their impact on government highway grants is statistically significant and symmetric with respect to increases and decreases in these grants.

**December 15, 2003: *Human Well-being and Economic Well-being: What Values are Implicit in Current Indices***, Andrew Sharpe, Centre for the Study of Living Standards, Ottawa, Ontario, Canada.

This paper develops an Index of Economic Well-being (IEWB) for the United States, the United Kingdom, Canada, Australia, Germany, Norway, and Sweden for the period 1980 to 2001, recognising four components: Current effective per capita consumption flows; net societal accumulation of stocks of productive resources; income distribution; and economic security.

Since the Human Development Index (HDI) uses GDP per capita to measure 'command over resources,' which implicitly makes the strong value judgement that inequality and insecurity do not matter, the paper demonstrates that a better measure of

'command over resources' has a significant effect on the trend and level of the HDI—particularly for the United States, which slips to last place among the countries examined.

### Guest Lectures by NIPFP Faculty



- Aggarwal, Pawan K. *Tax System in India and an Evaluation of Recent Tax Reforms*, Institute of Government Accounts and Finance, Delhi, July 2003.
- ———. *Critical Evaluation of the Existing System of Sales Tax and Directions for Reform*, Institute of Government Accounts and Finance, Delhi, July 2003.
- Bagchi, Amaresh. Keynote address, National Seminar on Service Tax held by SCOPE, November 2003.
- Chakraborty, Pinaki. *Fiscal Devolution Experiences*, to Southern Province Councillors of Sri Lanka, NIPFP, New Delhi, August 2003.
- ———. *Public Debt Management*, Training course in Public Finance by the Institute of Government Accounts and Finance, GoI, for middle level officers of selected ministries and departments, July 2003.
- Chelliah, Raja J. Presided and delivered inaugural address, workshop on *India: Sustaining Reform, Reducing Poverty*, organised by the World Bank, September 2003.
- ———. Address delivered, National Executive Board Meeting of American Chamber of Commerce in India (Tamil Nadu Chapter) on *An Overview of the Indian Economy and Performance of Tamil Nadu*, December 2003.
- Kumar, Surendra. *Methodology for Estimation of Shadow Price of Pollution using the Distance Function Approach*, M.Phil/Ph.D Programme, Centre for Economic Studies and Planning, JNU, New Delhi, August 28, and September 04, 2003.
- Nagar, A L. *Module of 12 special lectures* to PGDM students, IILM, Lodhi Road, New Delhi, August - September 2003.
- ———. *Course on Basic Statistics*, Indian Institute of Finance, New Delhi.
- Rajaraman, Indira. *Inter-State Variations in Utilisation of the Rural Infrastructure Development Fund*, Economics Department, Rutgers University, New Brunswick, New Jersey, June, 2003.
- ———. *Forecasting Agricultural Growth Using Time Series Models*, World Bank workshop on Forecasting GSDP for Indian States, Delhi, July 9, 2003.
- ———. *Debt Sustainability*, Round-table on State Finances, CII, New Delhi, August 30, 2003.
- Rangarajan, C. *Government Accounting System and Good Governance*, Inaugural address, International Seminar on Accounting for Results, organised by CAG, New Delhi, June 9, 2003.
- ———. *New Challenges in*

- Industrial Growth*, Keynote address, Silver Jubilee celebration of the Greater Mysore Chamber of Industry, Bangalore, July 26, 2003.
- ———. *Fiscal Federalism: Issues – Old and New*, Seminar on Federalism in a Globalising World, New Delhi, August 5, 2003.
  - ———. Conference on *Issues before the Twelfth Finance Commission*, Inaugural address, New Delhi, September 29-30, 2003.
  - ———. *Fiscal Federalism: Some Current Concerns*, Inaugural address, International Conference on Distribution of Responsibilities in Federal Democracies, New Delhi, November 15, 2003.
  - Rao, Govinda M. Keynote address, *Service Tax Reforms and Future of Service Tax in India*, Seminar on Service Tax, CII, and Ernst & Young, Mumbai, June 18, 2003.
  - ———. *VAT-Concept, Applicability in Indian Conditions, Constitutional Framework and Present Status of Applicability*, National Academy of Customs, Excise and Narcotics, New Delhi, July 9, 2003.
  - ———. *Service Tax Reform*, Seminar on Service Tax by CII, New Delhi, July 10, 2003.
  - ———. *Co-ordination, Consumption Tax System and Taxation of Services in India*, SCM Conference on Service Tax–Emerging Issues, New Delhi, July 19, 2003.
  - ———. *Cash Management–Theoretical Aspect – International Experience –Lessons for India*, Interactive workshop on Cash

- Management by State Governments, organised by the Reserve Bank of India, Mumbai, August 2, 2003.
- ———. Theme paper for Seminar on Issues in Rural Fiscal Decentralisation and the Role of the Central Finance Commission, NIPFP, New Delhi, September 3, 2003.
  - Srivastava, D. K. Keynote address as Chief Guest, East Zone Vice-Chancellors' Conference, Chittrakoot, November 8, 2003.

#### VISITING APPOINTMENTS APPOINTMENT ON COMMITTEES

- Aggarwal, Pawan K. Member, Revenue Reforms Committee of Andhra Pradesh.
- Chelliah, Raja J. Chairman, IFA International Tax Academy.
- ———. Chairman, Tax Reforms & Revenue Augmentation Commission, Govt. of Tamil Nadu (2002-2003).
- ———. Member, National Advisory Committee for the 86th Annual Conference of Indian Economic Association.
- Chakraborty, Lekha S. Canadian Studies 'Faculty Research Fellowship' from Department of Foreign Affairs and International Trade, Government of Canada, June-July, 2003.
- ———. Member, Committee on Budget Classification, Ministry of Finance, Govt. of India on ToR related to Gender Budgeting, September-October, 2003.
- Nagar, A.L. Visiting Professor, School of International Studies,

- J.N.U., July-Nov 2003.
- Rajaraman, Indira. RBI Study Team on Sustainability of States' Debt.
  - ———. Energy Policy Advisory Council, TERI.
  - ———. Rajiv Gandhi Foundation Advisory Group on Economic Policy.
  - ———. Advisory Committee for IAMR Study on Field Based Research and Documentation of Kerala Decentralisation.
  - ———. Board of Governors, Bankers' Institute of Rural Development, Lucknow.
  - ———. M. Phil Dissertation Committee on Banks' Lending Behaviour and Non-performing Assets, Delhi School of Economics.
  - ———. Member, India-EU Round Table. The group met in Rome during December 16-17 2003.
  - Rao, Govinda M. Consultant, Financial and Fiscal Commission, The Republic of South Africa, for a year from July, 2003.
  - ———. Member, Revenue Reforms Commission, Government of Karnataka.
  - ———. Member, Southern Area Local Board of Reserve Bank of India.
  - ———. Member, Group to Study the Pension Liabilities of the State Governments, Reserve Bank of India.
  - ———. Member, Advisory Group on Economic Policy, Rajiv Gandhi Foundation, Institute for Contemporary Studies.
  - ———. Member, Working Group to formulate sample designs, concepts and definitions, for a pilot study of non-profit institutions

serving house-holds, Ministry of Statistics and Programme Implementation, Government of India.

- ———. Member, Committee to review the training of Indian Economic Service officers, Ministry of Finance, Government of India.
- ———. Member, Advisory Committee to the ADB sponsored technical assistance project on Policy Research Networking to Strengthen Policy Reforms: State Government Budget Constraints and Social Services.
- ———. Member, Faculty of Social Sciences, University of Delhi (for 3 years from September 2003).

#### NEW PROJECTS INITIATED



- Aggarwal, Pawan K, Rita Pandey and Mukesh Anand. **State Development Report of Andaman and Nicobar Islands**. Sponsor: The Planning Commission. Report to be submitted by January 2004.
- Chakraborty, Lekha S. **Gendering Microfinance in India. NIPFP-NIBM Project**. Sponsor: Ministry of Rural Development and Lead Banks; 2003-2006.
- Chakraborty, Lekha S. and Indira Rajaraman. **State Finance Study of Tripura**. Sponsor: Government of

Tripura; December 2003–October 2004

- Mathur, Om Prakash. **Assessment of the Performance of States with regard to Finances of Municipalities**. Sponsor: Twelfth Finance Commission.
- Mathur, Om Prakash. **Implications of the Recommendations of State Finance Commissions for Finances of State Governments**. Sponsor: Twelfth Finance Commission.
- Mathur, Om Prakash and Kala Seetharam Sridhar. **A Study of Octroi**. Sponsor: Government of Punjab.
- Nagar, A. L. **Forecasting Tax Revenues**. Sponsor: Ministry of Finance.
- Rao, Govinda M. and Pratap Ranjan Jena. **Review of Karnataka Tax System: Implementation of Tax Reform Commission Recommendations and Further Reforms**. Sponsor: The World Bank.
- Sen, Tapas and Diwan Chand. **Public Expenditure for the Poor in Andhra Pradesh**. Sponsor: DFID.

#### Working Papers

- Rao, Govinda M. Inter-governmental Finance in South Africa: Some Observations. NIPFP Working Paper No. 1/2003.
- Bagchi, A. Fifty years of Fiscal Federalism in India: An Appraisal, NIPFP Working Paper No. 2/2003.
- Kumar, Surender. Productivity and Profitability changes in the U.S.

#### Forthcoming Events

- Conference on *India's Fiscal Policy*, in association with the IMF, January 16-17, 2004.
- Seminar on *Practical Issues of Tax Policy and Tax Administration in Developing Countries*, in association with the World Bank Public Sector Group, March 22-25, 2004.

Electric Power Plants During SO<sub>2</sub> Trading Regime, NIPFP Working Paper No. 3/2003.

#### Staff Arrivals

- Gopinath Pradhan, Visiting Fellow, w.e.f. September 5, 2003.
- Arindam Das-Gupta, Principal Consultant, w.e.f. September 2, 2003 to October 4, 2003.
- Surender Kumar, Fellow, w.e.f. August 5, 2003.
- Kala S. Sridhar, Fellow, w.e.f. September 15, 2003.
- Deepti Jain, Junior Consultant, w.e.f. October 1, 2003.
- Ujjaini Dutta, associated for one year, w.e.f. August 18, 2003.
- Deepika Jain, associated for one year, w.e.f. July 21, 2003.
- Navroz K. Dubash, Senior Fellow and IDFC Chair Professor, w.e.f. November 10, 2003.

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