Director’s Column

The big fiscal question as we approach the 2016-17 Budget is: Will the Government be able to adhere to the fiscal consolidation roadmap? This question is especially important in view of the fact that the States have, as a whole, adhered to fiscal consolidation. Looking ahead, we need to see what options exist to expand fiscal space and propose concrete ways in which fiscal consolidation can be secured.

In this context, NIPFP has been working in a number of areas. At the macroeconomic level, our work on fiscal multipliers, and targeting debt and deficits in India is key. On the tax policy front, we have continued to engage with the GST question and worked on policy options for revenue neutral GST in Oil and Gas, how to bring unincorporated enterprises under VAT net, minimising selection failure and measuring the tax gap. NIPFP’s work on macro-fiscal linkages has also developed further as has our work on food inflation and stability, and transition in emerging market policy rules. My predecessor, Dr. M. Govinda Rao, and I have separately, worked on political economy issues related to public finance in India. We have also been able to present important technical advances in addressing the issue of unaccounted income in India.

Within the framework of cooperative federalism, the States have become even more important partners, and our engagement with the States across four decades is proving extremely valuable in jointly working with them to address fiscal challenges. In the last six months, we have worked on different dimensions of public finance with the States of Tamil Nadu, Jharkhand, Chhattisgarh, Madhya Pradesh, Punjab, Rajasthan and Sikkim. We have also commenced an important policy project for the Government of Assam, under which we are conducting a comprehensive review of public finances in the State. Several other States have expressed interest in similar comprehensive work, which has been encouraging to all of us at NIPFP as the States are at the cutting edge of fiscal reform.

The second-half of 2015 saw important international summits with public finance implications. NIPFP has engaged in these debates as well as been working on issues of subsidies and countervailing measures beyond the Bali package, role of fiscal instruments in promoting low-carbon technology innovation, relationship between fiscal subsidies and CO₂ emissions, fiscal policy practices in mining, gender budgeting, and on China’s One Belt One Road strategy. Our faculty has worked with the UN system, the World Bank, the IMF, the G-20 and the T-20 in engaging with these important global developments, bringing an Indian public finance perspective, which has been appreciated and welcomed by our global partners.

Rathin Roy
The report presents the Medium Term Fiscal Plan (MTFP) for the Government of Sikkim for the year 2015-16. The report projects the fiscal variables for three years including the budget year aligning with the stipulation of the FRBM Act.

• Fiscal Policy Practices on Mining: Effective States For Inclusive Development  
  Sponsored by ESID, University of East Anglia, UK

Chakraborty, Lekha

Against the backdrop of the recent MMDR Bill 2015, this project examines the political economy of State-business relations in mining sector. Using the State Reorganization Acts and Fiscal Legislations, the study analyses whether the formation of new States – Jharkhand and Chhattisgarh- has created any distinct “fiscal agency” in the mining sector.

• Macroeconomic Policy for Mining Regime  
  Sponsored by Tata Steel Ltd. (Faculty Research)

Chakraborty, Lekha

This project focusses on the impact of mining regulations and taxation regime on the competitiveness of ferrous and non-ferrous firms in India, in comparison with selected foreign firms.

• Issues before the Tamil Nadu Fifth State Finance Commission  
  Sponsored by Government of Tamil Nadu, Chennai

Chakraborty, Pinaki and Manish Gupta

In order to examine the processes and progress of fiscal decentralisation, this project has undertaken a critical review of all State Finance Commissions of major states, at the request of Tamil Nadu Fifth SFC.

• Have Newly-Created Indian States Promoted Inclusive Development?: A Comparison of Jharkhand and Chhattisgarh  
  Sponsored by the University of East Anglia U.K.

Choudhury, Mita

This study provides a comparative picture of the fiscal trajectories of Chhattisgarh and Jharkhand. The comparison suggests that the difference in the performance of the two States can be attributed partly to differences between the States of their origin, and partly to fiscal management after the creation of these States. The evidence, albeit limited, also suggests a poorer tax administration and expenditure management in Jharkhand than in Chhattisgarh.

• Medium Term Fiscal Plan under FRBM Act of Sikkim – 2015-16  
  Sponsored by Government of Sikkim

Jena, Pratap Ranjan

The report presents the Medium Term Fiscal Plan (MTFP) for the Government of Sikkim for the year 2015-16. The report projects the fiscal variables for three years including the budget year aligning with the stipulation of the FRBM Act.

• Foreign Borrowing by Indian Firms: Implications for Growth and Macroeconomic Stability  
  Sponsored by International Growth Centre, London School of Economics and Political Science U.K.

Shah, Ajay and Apoorva Gupta

The project contributes to the academic literature on firm financing and borrowing decisions, and to the understanding of industrial dynamics in India. It assesses the macroeconomic risks that may be associated with external borrowing by Indian firms, and the implicit risk-reward trade-off of growth vs. macroeconomic stability.


**JOURNAL ARTICLES**


**WORKING PAPERS/DISCUSSION PAPERS/POLICY BRIEFS**

Mukherjee, Sacchidananda, 2015. **Present State of Goods and Services Tax (GST) Reform in India**, Tax and Transfer Policy Institute, Crawford School of Public Policy, Australian National University, Canberra, Australia, WP 6.


Chakraborty, Lekha & Kushagra Om Varma, 2015, **Efficacy of New Monetary Framework and Determining Inflation in India: An Empirical Analysis of Financially Deregulated Regime**, NIPFP WP 153.


_____ and Bhavya Aggarwal, 2015. **Towards 2030 UN Agenda on Sustainable Development Goals: Technical Challenges in Measuring the Gender Inequality for Asia Pacific**, NIPFP WP
• Kausik K. Bhadra, 2015. Inequality Effects for Fiscal Policy: Analysing the Benefit Incidence on Health Sector in India, NIPFP WP 158.


EVENTS

• One-day FRBM Consultation jointly organized by NIPFP and EMC, at NIPFP, New Delhi, September 18, 2015.
  *Programme Co-ordinator: Suyash Rai*

  *Chair: Rathin Roy*

• Half-day round table discussion on GST organised by NIPFP, New Delhi, September 26, 2015.
  *Programme co-ordinator: Kavita Rao*

• Half-day conference on Governance as Service Delivery: Performance of Indian States organized by NIPFP, New Delhi, October 15, 2015. (Pic below)
  *Programme co-ordinator: Sudipto Mundle*

TRAINING PROGRAMMES/WORKSHOPS/ MEETINGS

• One-day training programme on Budgeting Process for the Officers of the CAG, at NIPFP, New Delhi, August 4, 2015.
  *Programme coordinator: Pratap R. Jena*

• National Level Consultative Workshop on Issues before the Tamil Nadu Fifth State Finance Commission, co-organised by NIPFP and 5th SFC of Tamil Nadu, Chennai, August 28, 2015.
  *Design & Programme coordination: Pinaki Chakraborty and Manish Gupta*

• One-week training programme on Goods and Services Tax (GST) for the master trainers from Department of Commercial Taxes, Government of Rajasthan, at NIPFP, New Delhi, September 14 – 18, 2015.
  *Programme coordinator: R. Kavita Rao*

• One-day programme on Draft Report for FRBM Act for the Officer of the CAG, at NIPFP, New Delhi, September 23, 2015.
  *Programme coordinator: Pratap R. Jena*
PRESENTATIONS BY NIPFP FACULTY AT NATIONAL/INTERNATIONAL CONFERENCES/WORKSHOPS

- Chakraborty, Lekha, and Sahil Ravgotra, presented a paper on “Mining Taxation and Profitability Links of Indian Firms: Evidence from Dynamic Panel Data”, in the session on Taxation of Natural Resources, 71st Annual Congress of International Institute of Public Finance, Trinity College, Dublin, August 20-23, 2015.
- Chakraborty, Pinki, participated as Member, Advisory Committee in the DFID Project Dissemination Seminar on State-level Exports, Competitiveness and Trade Promotion Policies: The Indian case study and also invited as Panelist, “The Implications of GST Reforms on State Level Export and Economic Growth”, Department of Economics, Jadavpur University, Kolkata, July 23, 2015.
- ______, speaker, two-day ICSSR National Seminar against the release of Sixth Rounds of Research Survey Explorations in Economics, JNU, New Delhi, September 17-18, 2015.
- ______, invited by the Financial and Fiscal Commission (FFC) of South Africa for a meeting to discuss Intergovernmental Financial Arrangements (IGFR) and Instruments and Rural Development in South Africa, Johannesburg, October 13, 2015.
- ______, invited to present a paper on, “The impact of the BRICS Partnership on Domestic Intergovernmental Financial Relations in Member Countries” in the Roundtable Conference, The BRICS Initiative and Multilevel Government in Member Series – An unexplored dimension, jointly organised by the University of Western Cape, in partnership with South Africa’s Financial and Fiscal Commission, the Human Sciences Research Council’s Programme Democracy, Governance and Service Delivery, and BRICS Research Centre, at University of Western Cape, Cape Town, October 14-16, 2015.
- Gupta, Manish, presented a paper on “Financing for Infrastructure Investment in G-20 Countries: Credit Enhancement and Guarantee Arrangement for Infrastructure Investment”, at the G 20 Think Tank Summit: Global Governance and Open Economy, Renmin University of China, Beijing, China, July-August 2015.
- Mukherjee, Sacchidananda, delivered a seminar on Present State of Goods and Services Tax (GST) Reform in India, at Tax and Transfer Policy Institute, Crawford School of Public Policy, Australian National University, Canberra, August 25, 2015.
- ______, panelist, session on “Addressing Inequality in Asia”, in International Conference on Inequality in a Rising Asia: Environment, History and Society, IIC, New Delhi, October 3-4, 2015.
- ______, presentation on “Mobilizing Resources for Biodiversity and Sustainable Development”, in UN-IPBES Capacity Building Forum Meeting, at the Wildlife Institute of India, Uttarakhand, October 19, 2015.
- ______, participated as a member in the fifth meeting of the Indo-
German Expert Group on “Green and Inclusive Economy”, co-organized with TERI, at IHC, New Delhi, October 30, 2015.


_____, participated in a Consultative Workshop on Issues Before the Tamil Nadu Fifth State Finance Commission, organized by NIPFP and Finance Department, Government of Tamil Nadu, Chennai, August 28, 2015.


_____, chaired a panel discussion on “Cooperative Federalism”, organized by Vidhi Centre for Legal Policy, at Bangalore International Centre, Bangalore, December 15, 2015.

_____, panelist, “Policy Consultation on Health Financing in India”, organized by Ministry of Health and Family Welfare and NIPFP, New Delhi, at The Taj Mahal Hotel, New Delhi, December 16, 2015.


Roy, Rathin, participated as discussant for the session on “Human Development: Education and Health-II”, in 6th IGC-ISI India Development Policy Conference, at Hotel Le Meridien, New Delhi, July 21, 2015.


_____, participated and presented a paper on the “Regional Macroeconomic Outlook focusing on India”, in the ADB-Asian Think Tank Development Forum 2016, jointly organized by the Asian Development Bank (ADB) and the Malaysian Institute of Economic Research (MIER), at Kuala Lumpur, Malaysia, September 8-9, 2015.

_____, presented a paper on Climate Change and the agenda for COP21: the role of the private sector in climate negotiations during and after the conference, organized by the Febraban – Brazilian Federation of Banks at Sao Paulo, Brazil, September 21, 2015.

_____, participated in “T20 meeting: Turkey, India and the G20”, in the G20’s Consultative meeting of the Think Tank-20, organized by the Gateway House and the TEPAV (Economic Policy Research Foundation of Turkey), at Bombay, October 19, 2015.


_____, participated in Malcolm Adiseshiah Mid-Year Review of the Indian Economy 2015-16, organized by the NCAER at IIC, New Delhi, November 14, 2015.

_____, participated in FICCI-UNEP Conference on Delivering a Sustainable Financial System in India, organized by the UNEP in partnership with the NIPFP, at FICCI, Federation House, Tansen Marg, New Delhi, November 27, 2015.

_____, invited to present a paper in the T20 Kickoff Meeting on the theme of “G20 and Global Governance”, under China’s presidency, co-organised by the Institute of World Economics and Politics at Chinese Academy of Social Sciences (IWEP, CASS), Shanghai Institute for International Studies (SIIS) and Chongyang Institute for Financial Studies, Renmin University of China (RDCY) in Beijing, China, December 14-15, 2015.

Shah, Ajay, panelist, “Infrastructure development - key to India’s economic growth” in the 4th India Economic Forum, by Dun & Bradstreet and Association of Finance Professional of India (AFPI), Mumbai, August 25, 2015.

_____, participated as a keynote speaker on “Global Economic Shift–How Ready is India?” in EY’s 13th Annual India Tax Workshop, Ernst & Young Global Limited, Goa, September 3-5, 2015.

_____, participated and gave a talk on “Shaping the World of Finance: A New Hierarchy” at the 6th CFO Leadership Conclave I on An Edgy New World, CFO India, Jaipur, September 6, 2015.

_____, participated and gave a talk on “Indian Economy and Business Environment for Long Term Investors” in the investors meet, Ascent Capital Advisors, Bangalore, October 14, 2015.

_____, participated as discussant and also gave a presentation on “The anatomy of the Indian credit boom of 2004-2008” in the 14th Research Meeting of NIPFP-DEA Research Programme, by NIPFP, at Hill Fort Kesroli, Alwar, Rajasthan, December 11-12, 2015.

GUEST LECTURES BY NIPFP FACULTY

Bhanumurthy, N. R., delivered two lectures on Modeling Volatility, for the Quality Improvement Programme (QIP), at IIT, Roorkee, July 3, 2015.

_____, talk on Macroeconomic Issues in India: Monetary Policy and Fiscal Policy, for the International Summer School, Jamia Milia Islamia University, July 13, 2015.

_____, talk on Fiscal Policy in India, Academic Staff College, JNU, July 28, 2015.

_____, talk on Targeting Debt and Deficits, South Asian University, August 28, 2015.


_____, delivered two lectures on Macroeconomic Modeling, for Traine Officers of Indian Economic Service, at IEG, New Delhi, September 18, 2015.

_____, talk on Global Crisis and Indian Economy, Refresher Course, at University of Rajasthan, Jaipur, September 19, 2015.
Chakraborty, Lekha, delivered a lecture on **Sectoral Perspectives on GST: Mining Sector**, in the training programme on GST for Trainers from Department of Commercial Taxes, Government of Rajasthan, September 15, 2015.

Chakraborty, Pinaki, delivered a lecture on **Fiscal Federalism**, at a three-day workshop for Senior Tax Officials of Eastern Indian State, Centre for Training and Research in Public Finance and Policy (CTRPFP), unit of Centre for Studies in Social Sciences, Kolkata, August 12, 2015.

Gupta, Manish, delivered a lecture on **State Finance Commissions**, in the training programme on **Emerging Challenges in Public Policy**, at Jindal Global University, Sonipat, December 17, 2015.


Mukherjee, Sachidananda, invited lecture on **What is GST - Why should we change from VAT?** (September 14, 2015), and **Taxation of Petroleum Products under GST** (September 17, 2015) in the training programme on **GST for Master Trainers from Commercial Tax Department, Government of Rajasthan**.

_____, delivered a lecture on **GST in Petroleum Sector: Revenue Neutrality and States’ Concerns**, at the Industry Roundtable on **GST in the Petroleum Sector**, at Taj Mahal Hotel, New Delhi, November 9, 2015.

_____, delivered two lectures on **What is GST - Why should we change from VAT? and Business process proposed in GST**, in a training programme organized by the Regional Academy of Financial Management, Bhubaneswar, December 16, 2015.


_____, Briefing on “Indian Federal System”, on the request of Ministry of External Affairs, Government of India, to a special delegation from Myanmar which include their Commander in Chief of Defence Forces (Senior General Min Aung Hlaing), at Ministry of Defence, South Block, New Delhi, July 29, 2015.

_____, invited for a lecture on “GST to the Honourable Members of Parliament” in a workshop on **Sustainable Development Goals (SDGs)**, organized under the Honourable Speaker’s Research Initiative (SRI), at Parliament Library Building, New Delhi, August 4, 2015.


_____, panelist on **14th Finance Commission Award: Implications for Centre & States**, in the Mid-Career Training programme for IAS Officers (Phase-V), organised by LBSNAA, at India Habitat Centre, New Delhi, October 15, 2015.

_____, delivered a lecture as a **Guest of Honour** in the Inaugural Function of the 11th Annual Conference of Uttar Pradesh-Uttarakhand Economic Association, organized by the Department of Humanities and Social Sciences, at IIT Roorkee, October 31, 2015.

_____, delivered a lecture on **Financial Architecture and Agenda 2030**, in a Capacity Building Programme on Learning South-South Cooperation under the ITEC / SCAAP Programme, organized by the RIS, at RIS, November 19, 2015.

_____, delivered a lecture to the participants of the 41st Advanced Professional Programme in Public Administration (APPD), sponsored by the DoPT, Government of India, at Indian Institute of Public Administration, Delhi, November 30, 2015.

_____, delivered a lecture in the conference on **Strengthening the U.S. – India Partnership: Fostering Innovation and expanding healthcare access worldwide**, organized by ORF, at Oberoi Hotel, New Delhi, December 2-3, 2015.

Shah, Ajay, delivered a lecture on **Expenditure Management and Deficits, Debt and Debt Management** in the Phase III Mid-Career Training Programme for IAS Officers, July 10, 2015; **Rationale for Public Policy – Market and Government Failure and Modernising Government and Regulation** in the Phase V Mid-Career Training Programme for IAS Officers, Oct. 27 and Nov. 4, 2015; **Globalisation and India’s Story** at 90th Foundation Course for the new entrants to the All-India Services, Group-A Central Services and officers of Royal Bhutan Civil Service, Dec. 1-2, 2015 at LBSNAA, Mussoorie.
APPOINTMENT ON COMMITTEES/AWARDS/HONOURS/REVIEWER ROLES

- Bhanumurthy, N. R., **Member**, Board of Studies, School of International Studies, JNU, since September, 2015.
- **Member**, Board of Studies, IP University, Delhi, since July, 2015.
- **Examiner**, Ph.D/M.Phil theses from Guru Nanak Dev University, Gauhati University, IGIDR and IGNOU.
- **Awarded**, “Mahalanobis Memorial Medal (National)” for the year 2014 by the Indian Econometric Society.
- **Member**, Faculty Selection Committee at BITS, Pilani, since July, 2015.
- Bhattacharya, Rudrani, **Member**, Editorial Review Board of Amity Journal of Economics, Amity University, from July, 2015.
- Chakraborty, Pinaki, **Member**, Advisory Committee of DFID project on State Level Exports and Economic Growth, Department of Economics, Jadavpur University.
- Choudhury, Mita, **Examiner**, M. Phil. Dissertation on “Effect of Health Care Facilities on Health Status: A State-level Analysis for India”, JNU.
- **Member** of the 4th Finance Commission for Union Territories, Government of India; Expert group for National Health Accounts in India, Ministry of Health and Family Welfare; Working Group on Intergovernmental Fiscal Transfers for Health, set up by the Centre for Global development (CGD) and Accountability Initiative, Centre for Policy Research.
- Dash, Bharatee, Bhusana **Reviewer**, Journal of International Development.
- Mukherjee, Anjan, **Professor Emeritus**, JNU and **Country Director**, IGC India-Bihar Programme in Patna.
- Mukherjee, Sacchidananda, **Reviewer**, PRAJNAN Journal of Social and Management Sciences.
- Rao, M. Govinda, **Adjunct Professor**, Department of Economics, Mangalore University.
- **Member**, Executive Council – Takshashila Institution, Bangalore.
- Roy, Rathin, **Member**, Seventh Central Pay Commission, Government of India.
- **Member**, Expert Group for UNESCAP; Economic and Social Survey of Asia and Pacific; Committee constituted under the Andhra Pradesh Reorganisation Act, 2014 to study various alternatives regarding the new capital for the successor state of Andhra Pradesh after bifurcation; Advisory Group to the Finance Minister on G-20 issues; Project Management Committee (PMC) for 3rd three year cycle of Mid-Career Training (MCTP) for IAS Officers (2013-14, 2014-15 and 2015-16).
- **Fellow**, Cambridge Commonwealth Society.
- **Member**, National Training Council under the chairmanship of Minister, Ministry of Personnel, Public Grievances & Pension, for giving overall direction for the implementation of the policy. (September 3, 2013 onwards).
- **Member**, Board of Governors, Institute of Economic Growth, Delhi.
- **Member**, Governing Body, National Centre for Good Governance (NCGG), New Delhi.
- **Member**, Reader Group, Global Human Development Report, UNDP.
- **Member**, Advisory Council for the K.M. Mani Centre for Budget Studies, Cochin University of Science and Technology.
- **Member**, United Nations Environment Programme (UNEP) Inquiry into a Sustainable Financial System – Member, India Advisory Committee.
- **Member**, Advisory Committee to Review the current Ways and Means (WMA)/ Overdraft (OD) Scheme facility to the State Governments by the Reserve Bank of India.
- **Member**, ASSOCHAM Think Tank.
- **Member**, Task Force on Elimination of Poverty in India, National Institution for Transforming India (NITI Aayog).
- **Member**, Search-cum-Selection Committee constituted for selection of Deputy Governor of RBI.
- **Member**, RIS Review Committee to carry out a comprehensive review of the Faculty Positions at RIS and their pay scales.
- **Member**, Lok Sabha Core Group Committee on the Speaker’s Knowledge/Research Initiative.
- **Member**, Research Advisory Council (RAC), RIS.
- **Member**, Executive Body, Atal Bihari Vajpayee Institute of Good Governance and Policy Analysis.

NEW PROJECTS

- **Biodiversity Finance Initiative for the Natural Resource Management in India**, sponsored by UNDP.
- **Comprehensive Study of Assam State Finances**, sponsored by Government of Assam.