

Work Programme With Focus on 2004-05



NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH
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National Council of Applied Economic Research

The Institution

- The National Council of Applied Economic Research (NCAER) is an independent non-profit research organisation, located in New Delhi.
- Founded in 1956 to support India's development through analysis and advice for both the public and the private sector. Undertakes policy research for ministries / aid agencies; academic research with universities; and industry / sector studies of use to the private sector.
- Currently a community of approximately fifty researchers (twenty at the senior level), managing around forty separate studies ("projects"). Largely funded through research contracts.
- Work supported by a broad range of domestic and international sponsors; many studies and conferences done in collaboration with international academic and policy research institutions. In addition senior council staff often involved in domestic policy development through participation in committees etc.
- A distinctive feature of the Council's capacity is its ability to undertake primary data collection at both the enterprise and the household level.
- As a result an important product line of the Council is a set of authoritative data sets on a range of topics (household income, saving, consumer behaviour; fertility; gender and informal employment; science and technology), which collectively supplement data available from official sources on a range of public policy issues. **Issue areas that are associated with a significant dataset are marked below with an asterisk.**
- Range of regular publications (some by subscription, others for sale):
 - *India Policy Forum* (Annual conference-based publication co-published with the Brookings Institution, Washington D.C.)
 - *Quarterly Review of the Economy* (quarterly analysis of recent developments in the Indian economy, including growth forecasts).
 - *Macrotrack* (monthly newsletter commenting on current issues of economic policy).
 - *Margin* (quarterly journal of ideas, with submissions from both NCAER researchers and outside authors).
 - *Artha Suchi* (annotated bibliography of articles on the Indian economy)
- Undertakes a range of public policy activities such as lectures, workshops and seminars:

- Annual conference on the Indian economy jointly with the National Bureau of Economic Research (NBER) of Cambridge, Mass.
- Annual Sir John Crawford lecture jointly with the Australia-India Council: speakers have included Ross Garnaut; Gustav Nossal and Lloyd Evans.
- *Ad hoc* public lectures: recent speakers include Anne Krueger, International Monetary Fund; François Bourguignon and Martin Ravallion (World Bank), Stanley Fischer (Citigroup and Bank of Israel); Kaushik Basu (Cornell University), etc.
- Partner with World Bank on Annual Bank Conference on Development Economics (ABCDE), Bangalore 2003.

Research Programmes

The council's work programme is clustered around the following themes:

A. Growth, Trade and Economic Adjustment

Significant programme of work connected with trade policy, unilateral liberalisation, Doha round issues:

- Council contributes India data to GTAP database* (collaboration with Purdue University)
- Computable General Equilibrium model based on “New Trade Theory” features used for simulating trade liberalisation, regional trade arrangements (Collaboration with University of Michiga; Sponsor: USAID)
- Partial equilibrium analysis to support multilateral, bilateral negotiations in services, agriculture.
 - Regular inputs to the Ministry of Commerce on Issues related to the Agreement on Agriculture (AOA) including participation in negotiations.
 - Analysis of “behind the border” issues in agriculture. (Sponsor: ACIAR – Canberra; collaboration with University of Melbourne)
 - Analysis of bilateral, regional economic co-operation agreements (Bangkok, BIMSTEC; US-India FTA; India-Mercosur FTA etc.) (Sponsors: Ministry of Commerce; partner governments)
 - Analysis of informal trade (and impediments to trade) between India and its neighbours. (Sponsor and collaborator: World Bank, Washington D.C.)
- Policy analysis of impact of trade and market liberalisation on representative households using a CGE model. Underlying social accounting matrix (SAM) constructed using a national urban and rural dataset (1994-95 reference year). Part of

* Indicates major database generated in association with activity.

Microeconomic Impact of Macroeconomic Adjustment Policies (MIMAP) network supported by IDRC, Canada *

Macro forecasting; business cycle analysis:

- Operate short-run, medium-run forecasting models (optimising rather than econometric), including links between social spending and medium-term growth. (Model developed jointly with University of Toronto; supported by CIDA)
- Undertake quarterly Business Expectations Surveys.*
- Do qualitative and quantitative analysis of selected individual states' growth prospects, development strategies.*
- Analysis of exchange rate regime, monetary policy, managing capital flows.

Adjustment in the Public Enterprise Sector

- Survey of workers retrenched from public sector undertakings.* (Sponsored and in collaboration with World Bank, New Delhi)
- Review of the Memorandum of Understanding system for governance of public enterprises. (Sponsored by Dept. of Public Enterprises, Govt. of India)

B. Investment Climate; Physical and Economic Infrastructure

Infrastructure, Regulation and Competition

- UNDP supported Centre for Infrastructure and Regulation provides umbrella for infrastructure data base, studies, advocacy.*
- Particular strength in electric power, telecommunications. (Sponsors: Telecom Regulatory Authority of India; Central Electricity Regulatory Commission)
- Particular concerns: market structure in infrastructure; interface between competition and regulation; transition from public provider model to regulated industry model.
- Joint project with EU partners (CEPR, IDEI, ECARES) to explore sectoral and cross-sectoral regulatory issues common to EU and India, particularly those that raise issues of federal/state jurisdiction. (Sponsored by EU Office, New Delhi)
- Beginning work on competition, regulation in infrastructure at the sub-national level (transport). (Sponsor: Competition Commission of India)

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- Numerous sectoral studies (usually demand forecasting) in individual infrastructure sectors: civil aviation; inland waterways; bidding framework for universal service obligation in telecoms. (Sponsors: Sectoral Government Ministries)
- National survey of incidence and delivery system of subsidy on kerosene* (Sponsor: Petroleum Ministry, Govt. of India)
- Assessing Impact of Transport and Energy Infrastructure on Poverty Reduction: A Case Study of Gujarat. (Sponsor and collaborator: Asian Development Bank)

Science and Technology

- Expanding work programme in documenting e-readiness and e-governance initiatives across the country. (Sponsor: Department of Information Technology)
- Designed and wrote first *Indian Science Report* on behalf of the Indian National Science Academy. Includes results of a household survey documenting size, composition and deployment of India's educated labour force*

Market Studies

- Sectoral Studies in tourism*, cement, automobiles, alcoholic beverages etc.
- Market Information Survey of Households: recurrent large-scale nationally and regionally represented survey of household consumption expenditure on selected items of mass consumption* (Last survey reference year: 2001-02).

C. Agriculture, Rural Development and Resource Management

- Rural Credit
 - Survey of access to rural credit in selected Indian states (2004)* (Sponsor and collaborator: World Bank)
 - The Kisan Credit Card Scheme: Impact, Weaknesses and Further Reforms. (Sponsor: Reserve Bank of India)
- Agroindustry and Agricultural Markets
 - Policy Reforms in the Sugar Sector: Implications for Gur and Khandsari Industry. (Sponsor: Ministry of Food and Consumer Affairs, Govt. of India)
 - Exports of Value Added Products from the Agricultural Sector. (Sponsor: Agricultural and Processed Food Export Development Authority (APEDA))
 - Price Stabilisation of Selected Commodities. (Sponsor: Ministry of Commerce and Industry, Govt. of India)

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- Analysis of Price Behaviour of Selected Commodities. (Sponsor: Planning Commission)
- Policy Model for Open Market Operations of Wheat. (Sponsor: Ministry of Food and Consumer Affairs)
- Environmental Resources
 - Estimation of forest degradation in Madhya Pradesh.
 - Evaluation of short and medium term impact of interlinking of rivers programme on the Indian economy, through the use of social accounting matrix.

D. Household Behaviour, Poverty, Human Development, Informality and Gender

- Analysis of rural household saving, consumption, demographic and risk management behaviour based on a range of NCAER-generated data:
 - Rural Employment and Demographic Survey (REDS): panel data for rural households from 1970s, 1980s and 1990s.* (Sponsor: National Institutes of Health (NIH), Bethesda MD; collaboration with Harvard and Brown Universities)
 - Human Development Survey (national and regionally representative survey of 40,000 rural households; resurvey of panel households currently underway.* (Sponsor: NIH; collaboration with University of Maryland)
 - Panel data on households in six villages in Tamil Nadu (late 1990s).
- Household survey to assess socioeconomic impact of HIV-AIDS in six high prevalence states.* (Sponsor: UNDP)
- Significant statistical, descriptive and analytic work programme on the definition and measurement of “informal employment” and its relationship to existing concepts such as the “unorganised sector” and the informal sector. (Sponsors: Ford Foundation, DFID; Collaboration: Oxford University, SEWA (Gujarat); Gujarat Institute of Development Research.)
 - Evolving role of women in informal employment; links between liberalisation, informal employment, gender, child labour and social protection.
 - Case studies and value-chain analysis in garments, dairy, rice milling, handicrafts.
 - Simulation of links between policy and informality using a CGE model based on data from the National Sample Survey Organisation (NSSO).

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