The core activities of RIS include policy research on issues related to international trade and economic cooperation and training/outreach programmes. The research agenda of RIS continues to focus on the following four broad areas: (a) Global Economic Governance; (b) Economic Integration in Asia; (c) South-South Cooperation; and (d) Strategic Responses to Globalization. This Report presents the details of major research programmes undertaken at RIS during 2009/10 in each of these broad areas and the ongoing work in 2010/11.

A. GLOBAL ECONOMIC GOVERNANCE

Over the years, the research programme of RIS in this area has focussed on developments in various multilateral forums. With the growing importance of the plurilateral forums like the G-20, the research programme also includes issues that are being raised in these forums.

A.1. WTO Doha Round Issues
Research Team: Dr Biswajit Dhar and Dr Arindam Banerjee

RIS continues to analyse the developments in the ongoing Doha Round negotiations in specific aspects to assist the developing country negotiators and policy makers.

Current research is focused on three sets of issues: (i) agriculture; (ii) technical barriers to trade; and (iii) sanitary and phytosanitary measures. A study is underway in the area of agriculture, which is supported by the Ministry of Agriculture, Govt. of India. The study focuses on the following sets of issues: (i) review and assessment of the impact of the WTO Agreements on Agriculture, Sanitary and Phytosanitary Measures and Technical Barriers to Trade on Indian agriculture for various parameters like changes in cropping pattern, impact on prices, food security and agricultural trade; (ii) assessment of the Agriculture Draft Modalities submitted in December 2008 by the Chair of the Negotiating Group on Agricultures and their implications for India; and (iii) changes required in domestic policies to take full advantage of the Agreements on Agriculture, Agreements on Sanitary and Phytosanitary Measures and Technical Barriers to Trade and the proposed modalities for enhancing competitiveness in Indian agriculture and for strengthening food security and livelihood concerns.

Proliferation of sanitary and phytosanitary standards and technical barriers to trade has emerged as the most formidable challenges in the global markets. The increase in these standards can be gauged from the fact that since the WTO was established the notifications on technical standards issued by the member countries of the organisation have increased manifold. Analyses of the notifications issued by the WTO Members and their likely implications on India’s market access prospects are underway.

A.2. Implications of the WTO Tariff Proposals on Indian Paper and Newsprint Industry
Research Team: Dr. Rajesh Mehta

This study, conducted in collaboration with the Central Pulp and Paper Research Institute (CPPRI), was intended to send early signals to Indian paper industry regarding the progress of the WTO negotiations on non-agricultural market access regarding tariffs and non-tariff barriers. The interim report was also presented at cess committee under the Development Council for Pulp,
Paper and Allied Industries, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, New Delhi The final report is being revised for publication.

A.3. Towards Inclusive Globalization: Evolving a “Southern Consensus” on Globalization and Development

Research Team: Dr. Nagesh Kumar (up to May 2009), Dr Biswajit Dhar, Dr. Kevin Gallagher, Dr. Andres Lopez and Other Colleagues

This component of the research programme was launched to identify appropriate development policies in the context of globalization. In this endeavour, RIS was joined by the Global Development and Environment Institute (GDAE), Tufts University, US; and the Research Centre for Economic Change (CENIT) based in Argentina, and other partners. This collaborative effort is examining policies that have been successful (as well as those that have not) to help develop a framework for strategic response of developing countries to globalization, keeping in view the development imperatives. The two-year programme supported by the Ford Foundation, New York was launched in March 2008. Subsequently, Ford Foundation has agreed to extend the project by one year which is currently underway. The focus of research during 2010/11 will be on reforming the financial architecture in post-crisis world.

A.4. Studies on Climate Change Negotiations under UNFCCC and beyond

Research Team: Dr. Biswajit Dhar and Ms. Kasturi Das

At present the climate change has emerged as one of the prime challenges facing the world. While the United Nations Framework Convention on Climate Change (UNFCCC) provides the basic foundation of the global regime on climate change, in the more recent years this issue has figured prominently in many international forums, clearly reflecting its increasing importance. Parties to the UNFCCC are currently engaged in negotiations that would shape up the multilateral climate regime beyond 2012, when the first commitment period of the Kyoto Protocol is scheduled to come to an end.

Developing countries are confronted with the formidable task of sustaining their growth momentum for realizing their development aspirations while at the same time dealing effectively with the multifaceted threats posed by climate change. In the ongoing UNFCCC negotiations, developing countries, particularly the so-called ‘emerging economics’ (such as China and India, among a few others) are under increasing international pressure to undertake binding emission reduction commitments in the post-2012 regime. While it is possible to conceive of a sustainable development path that advances economic and environmental objectives simultaneously, the achievement of such a win-win scenario is fraught with a range of formidable challenges attributable, in large measures, to the technological, financial and other capacity constraints confronting these developing countries. Hence, the post-2012 climate change regime is bound to have enormous importance for the future course of growth and development of these countries. In view of its importance, RIS is tracking the climate change negotiations closely to bring out well-researched policy papers aimed at assisting the developing country negotiators and policy makers.

A.5. Climate Change, Border Measures and the WTO

Research Team: Dr. Biswajit Dhar and Ms. Kasturi Das

From among the issues that have fuelled the debates on the climate-trade interface over the past several years, perhaps the most contested one is the proposed use by developed countries of border measures on imports from advanced developing countries (read India and China) not implementing comparable GHG (green house gas) emissions reduction policies on the grounds of addressing the risk of what has been coined as ‘carbon leakage’.

According to the developed countries, such carbon leakage could end up undermining the environmental integrity of the carbon constraining domestic policy measures. In keeping with the above arguments, law makers in both the US and the EU have proposed introduction of carbon tariffs in order to “neutralize” the disadvantages that their domestic products
may face vis-à-vis imports as a result of emission reduction measures being adopted by them. Concerns expressed by advanced developing countries, the main target of such measures, that carbon tariffs could act as a discriminatory market access barrier affecting their exports to the developed countries, particularly in the energy intensive sectors. With their export earnings under threat, the affected countries could find themselves constrained to accept binding emission reduction commitments in the ongoing climate negotiations. Yet another controversial issue pertaining to such carbon tariffs is whether they could be compatible with the WTO commitments of the countries introducing such measures.

A.6. Technology Transfer under the Clean Development Mechanism: A Multi-Country Analysis

Research Team: Dr. Biswajit Dhar and Ms. Kasturi Das

Given that the lion’s share of technology originates from developed countries, technology transfer (TT) in adequate scale and at affordable prices from developed to developing countries play a significant role in the economic and technological development of developing countries in general. The scenario is no different in the context of climate change, given that the development and deployment of a wide range of low-carbon technologies is an essential prerequisite for achieving the deep cuts in green house gas (GHG) emissions or to undertake adequate and effective adaptation actions. Measures taken by developing countries for embarking on low-carbon trajectory are contingent in large measures upon access to appropriate technology at affordable prices. Importantly, the UNFCCC has recognized these constraints faced by developing countries in a number of its provisions (e.g. Article 4.5) and has over the years undertaken several initiatives towards implementing them albeit without much success. In this context, the potential of the Clean Development Mechanism (CDM) as a vehicle for TT has emerged as an area worth exploring.

RIS has launched a study that attempts to explore issues governing TT under the CDM. The study is carrying out an in-depth analysis of multi-country empirical evidence on TT under the CDM on the basis of information derived from the first 1000 CDM projects that got registered with the UNFCCC. The study will use a database that is being prepared by extracting information from the UNFCCC website on all the projects under consideration, as well as the Project Design Documents (PDDs) of those projects. On the basis of rigorous research and analysis of the empirical evidence the study will explore the prospects and challenges of TT to developing countries through the offsets route and put forward appropriate policy recommendations in this regard.

A.7. Climate Change, Technology Transfer, Intellectual Property Rights

Research Team: Dr. K. Ravi Srinivas

Bali Conference indentified technology as a key element (pillar) in the Action Plan. Technology transfer and Intellectual Property Rights have emerged as important issues in the ongoing negotiations. Developing countries have identified intellectual property rights as a barrier in technology transfer. They have also submitted various proposals to facilitate technology development and transfer. Peoples Republic of China and UN DESA (United Nation’s Department of Economic and Social Affairs) convened a High Level Conference at Beijing in November 2008. Building on its past work on technology transfer and intellectual property rights, RIS provided inputs to the High Level Conference on Climate Change and Technology Transfer held at Beijing in November 2008. The inputs were used in preparing the background document for the Conference. A presentation was also made at the preparatory meeting and at the Conference.

A.8. Study on the Impact of the New IP Regime

Research Team: Dr. Biswajit Dhar, Mr. T.C. James, Mr. Reji Joseph

India has established a new Intellectual Property (IP) regime in fulfilment of its obligations under the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement). The new legislations were introduced with the expectation that they would “contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological
knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.” [Article 7 of the TRIPS Agreement.]

Policy making is a continuous process, assessing the impact of each step before taking the next one. A decade is a fairly long period to make an evaluation of the effectiveness of the new IP regime, which followed almost ten years behind the economic reforms. The broad aims of the study would be: (a) How effective has been the legislation in promoting innovation in the country? (b) How the growth of the economy has been affected by the new IP regime? (c) What have been the social costs of enforcement of the new regime?


Research Team: Dr. Biswajit Dhar, Dr. Sachin Chaturvedi and Dr. K. Ravi Srinivas

The international regime of intellectual property rights (IPRs) has raised several contentious issues particularly in the context of the instability of the poor patients in developing countries to get affordable medicines. Amending the present IPR regime, therefore, presents one of the major challenges. These issues are being addressed in a project on alternative patent regime that RIS is involved. The project, funded by the European Commission (EC) seeks to develop a plan for amending the current Intellectual Property Rights (IPR) regime (being called P-2) for rewarding pharmaceutical innovations without compromising the interests of the poor patients.

This study is part of the EC’s Seventh Framework Programme for Science and Society. The project has involvement of institutions from Asia, Europe and the US. Apart from RIS, two more institutions from Asia, viz. National Research Centre for Science and Technology for Development, Beijing and the National University of the Philippines are participating in the research project. The institutions from Europe include University of Central Lancashire, UK, Assistance Publique-Hôpitaux de Paris, Centre d’éthique clinique at Hôpital Cochin, Paris and Wageningen University, the Netherlands. In order to forge a policy consensus, the project has some of the most influential social philosophers and economists associated with the project. They include Joseph Stiglitz, Peter Singer, University of Melbourne, Prof. Arjun Sengupta and Thomas Pogge (Yale University). As a part of the project a series of meetings have also been planned.

A.10. Understanding Trade in Services under GATS and RTAs

Research Team: Dr. Biswajit Dhar and Dr. Ram Upendra Das

Economic theory falls short of capturing the true dynamics of trade in services, despite the fact that services are assuming an increased importance in both GDP and trade in both developed and developing countries. Data limitations in the realm of services, across sectors and on a cross-country basis further compound the problem of analysis of different facets of trade in services. They get reflected in the negotiations at the level of WTO GATS and RTAs, especially in the developing world, including India. Against this backdrop, this study aims at an improved understanding of the subject by providing conceptual clarity and policy options. The study intends to incorporate the private sectors’ viewpoint by focusing on key sectors such as health, transportation, education, tourism, information, and audio-visual, among others.

A.11. India’s Trade in Audio-Visual Services under the GATS

Research Team: Dr. Ram Upendra Das

RIS is conducting this study on behalf of the Department of Commerce, Govt. of India. The study would analyze the export potential in the audio visual services sector, particularly in films, television, radio, music, etc., where there is still uncertainty on the impact of the liberalization undertaken by India autonomously, so as to make suggestions on how we can move forward in our negotiations in the WTO and making binding commitments in the areas relating to audio-visual services. The study will explore the potential for India for enhancing trade in this sector through an in-depth analysis of India’s trade with selected WTO member countries. It will also identify various barriers faced by Indian audio-visual services exporters and discriminatory treatments meted out to the Indian Service suppliers in these countries. The study would
also suggest remedial measures that can be taken by the Government for their removal, through bilateral or multilateral negotiations. In this process, the study benefited from the substantive contribution made Mr. Pawan Chopra, former Secretary to Govt. of India. The study is supposed to be finalized after stakeholders’ consultations and with inputs the Ministry of Information and Broadcasting, GOI.

**B. REGIONAL/BILATERAL ECONOMIC INTEGRATION**

In recent years, India has been actively engaged in deepening and widening its economic engagements with the major partner countries. Particular focus of this engagement has been the efforts that the country has made to further the idea of an Asian Economic Community’. RIS has been playing a key role in developing this idea at the “Track II” level, which has been backed by a large research programme.

**B.1 Research Programme on an Asian Economic Community**

*Research Team: Dr. Nagesh Kumar (up to May 2009), Dr Biswajit Dhar, Dr Ram Upendra Das and Dr Prabir De*

Under this programme, supported by the Sasakawa Peace Foundation, Japan since 2002, RIS developed a proposal for broader regional economic integration in Asia, bringing together all the major dynamic economies of the continent in one single grouping to create a seamless market, to begin with a core group of Japan, ASEAN, China, India and Korea (JACIK). Subsequently, a new forum, namely East Asia Summit (EAS) bringing together leaders of all the JACIK countries and Australia and New Zealand, was launched in December 2005 in Kuala Lumpur. Hence, the focus of the ongoing work programme of RIS on Asian economic integration, shifted to supporting the EAS process, through research, policy dialogue and institutional networking.

**B.2. Broader Economic Integration in Asia: the Agenda for East Asia Summit**

*Research Team: Dr Biswajit Dhar and Dr Ram Upendra Das*

The East Asia Summit (EAS) in Kuala Lumpur in December 2005 was an important step in the direction of broader regional cooperation in Asia. Bringing together ASEAN and all its dialogue partners covering virtually all the major Asian economies in an annual Summit, the EAS is an appropriate forum to launch the process of formation of an East Asian Community (EAC) which could be a stepping stone for pan-Asian economic integration and the formation of an Asian Economic Community. RIS has been supporting the EAS process through it research and policy dialogue.

The Second Session held in Cebu on 15 January 2007, agreed to establish an Economic Research Institute of ASEAN and East Asia (ERIA). RIS is represented in the ERIA Expert Group that includes think tanks representing each of the 16 EAS Member countries set up by the ASEAN Secretary-General as a follow-up of the Economic Minister’s decision. RIS participated in the meetings of the ERIA Expert Group held in Bangkok in August 2008, and in February and August 2009. RIS also organised a Workshop jointly with ERIA in January 2010 and conducted a capacity-building programme within the framework of the ERIA, as reported elsewhere.

**B.3. Comprehensive Economic Partnership of East Asia (CEPEA): A Track-II Study**

*Research Team: Dr. Nagesh Kumar (up to May 2009) and Dr. Ram Upendra Das*

As per the mandate of the Second East Asia Summit held on 15 January 2007 in Cebu, the Philippines, the Track-II study on the feasibility of CEPEA has been launched . A Study Group was constituted comprising the experts nominated by the governments of EAS countries. Following his nomination to the study group by the Hon'ble Commerce and Industry Minister, Dr. Nagesh Kumar, former DG-RIS participated in the meetings of the study group held in different locations throughout the year. RIS contributed a draft chapter on Cooperation. RIS hosted the fourth meeting of the Study Group in New Delhi in February 2008, as a further contribution to its work. The Group completed the first phase of its work by the middle of 2008 and presented its Report to Economic Ministers of the EAS in August 2008. It was requested to continue its work in the second phase involving further elaboration of the proposals with meetings taking place in Tokyo in November 2008.
and Auckland in March 2009. A concept paper on ‘Understanding Rules of Origin’ was presented by Dr. Ram Upendra Das, Senior Fellow, RIS in its meeting in Sydney in May 2008. He also participated in the final meeting of the CEPEA Track II Study in Jakarta in July 2008. During the fourth East Asia Summit held in Hua Hin in October 2009 the report was submitted.

B.4. Funding Modalities for Cooperation Projects under Asian Cooperation Dialogue (ACD)

Research Team: Dr. Biswajit Dhar and Dr. Ram Upendra Das

The sustainability of cooperative economic projects under the aegis of the Asian Cooperation Dialogue would essentially depend upon the financial commitments of member countries. The 2nd ACD High Level Study Group Meeting held in Seoul (2008) decided to entrust RIS to explore the feasibility of creating a funding mechanism. The prime objective of this study was to evolve an ACD system of financial contribution which is scientific, transparent and development-oriented. In so doing, an analysis of different models of financial contribution in different international and regional organisations was made and policy recommendations were made for the ACD. The study was presented at the 3rd ACD High Level Study Group Meeting held in August 2008 in Astana, Kazakhstan and it is under consideration of the ACD members.

B.5. Strategic Partnership for Policy Development and Action to Foster Regional Cooperation in South Asia

Research Team: Dr. Biswajit Dhar, Dr. S K Mohanty, Dr. Ram Upendra Das, Prof. I. N. Mukherji and Dr. Prabir De

This project has been developed under the rubric of the Regional Technical Assistance (RETA) of the ADB. The RETA has been designed with four features to help address the issues identified above. One, it provides researchers, policy makers and private sector partners, the opportunity to collaborate and deepen work on areas identified as significant to regional cooperation. Two, it facilitates exchange of relevant experiences between South Asia and other regions such as ASEAN, where regional cooperation and integration is more advanced. Three, it aims to support systematic discussion and debate of issues of regional and global importance among senior policy makers with a view to strengthening the regional and sub-regional integration processes including South Asian countries. And finally, the project makes an attempt to incorporate ongoing research findings into ADB’s policy dialogue with developing member country governments and other important stakeholders in South Asia’s regional economic integration.

At the first instance, three proposals have been developed covering the following themes: (i) Expanding Regional Production and Trade in South Asia with Global Production Network; (ii) Review of the India-Lanka Free Trade Agreement; and (iii) Economic Corridors in South Asia.

B.6. Expansion of North East India’s Trade and Investment with Bangladesh and Myanmar – An Assessment of the Opportunities and Constraints

Research Team: Dr Biswajit Dhar, Dr Prabir De, Dr E Bijoy Singh (Manipur University) and Dr Gurudas Das (NIT, Silchar)

The dynamics of India’s trade with its neighbours bordering the country’s North-East, viz. Bangladesh and Myanmar, is less understood because a large proportion of this trade comprises of border trade. In order to make a proper assessment of the nature and potential of border trade, a study has been taken up with the assistance of Ministry of Development of North Eastern Region, Govt. of India and the North Eastern Council. The study would analyse the scope of utilising 15 identified Land Customs Stations (LCSs) for improving border trade with Bangladesh and Myanmar. The study would focus on three sets of issues: (i) an assessment of the pattern of border trade between India and its two neighbours would be made and the possibilities of expanding it given the existing market conditions; (ii) assessment of would be made of the supply-side constraints that may exist in the NER which are inhibiting India’s two-way trade with its two neighbours. Included in this set of issues would be...
exploration of investment opportunities by India in both Bangladesh and Myanmar having buy-back provisions, which can help the LCSs better; and (iii) exploration of India’s investment opportunities in Bangladesh and Myanmar with buy-back provisions that can eventually promote border trade through the LCSs existing in the North East Region. Conversely, opportunities for investment from the neighbouring countries in the NER States will also be explored.

B.7. Trade Processes and Procedures in Asia and the Pacific

Research Team: Dr. Sachin Chaturvedi and Dr. Prabir De

As part of the research theme of trade for inclusive and sustainable development, the trade facilitation research programme implemented by the Asia Pacific Research and Training Network (ARTNeT), UNESCAP, has made attempts to identify administrative and procedural barriers that impede the participation of firms and countries in regional and global trade. As the growing body of research has made it clear, the situation varies greatly across products traded, as well as trade route, origin and destination of these products. Undertaking deeper analysis of the processes small and large firms face when engaging in international trade may provide useful insights and more practical and specific policy recommendations. Such analysis, carried out by using comparable methodologies across a set of countries and routes in Asia and the Pacific, can be expected to result in industry-level, national-level and regional-level recommendations for a more inclusive participation of firms and countries in trade. The aim of the study is to identify relevant procedures and processes and to map these processes, and estimate time and costs of the relevant procedures and processes.

B.8. Gravity Modelling Initiative on “Behind the Border” Factors Affecting Trade

Research Team: Dr. Prabir De

The RIS/UNESCAP/ARTNeT Gravity Modelling Initiative is designed to more closely integrate the research capacity building and research programme implementation objectives and activities of RIS, UNESCAP, and ARTNeT. The specific objectives are: (i) to enhance trade-related research capacity of research institutions in the region based on Gravity Modelling; (ii) to make available to the RIS/UNESCAP/ARTNeT research community an up-to-date gravity dataset including non-tariff barriers and “behind the border” indicators; and (iii) to deliver relevant research results to the policy community and other stakeholders. This initiative includes the following components: (i) regional technical research workshops; (ii) support for research studies to apply techniques learned; (iii) development of related research facilitation tools; and (iv) support for dissemination of policy relevant results. This initiative is implemented by RIS/UNESCAP/ARTNeT. Additional technical and financial support is being provided by WTO and UNCTAD.

B.9. Trade Costs in Asia

Research Team: Dr. Prabir De

In recent decades there have been significant changes in the international economic integration. In spite of the potential benefits associated with the globalization process, in recent years a growing number of researchers have started to reveal a long list of trade costs that plausibly affect international economic integration. How are the Asian countries doing in reducing trade costs? Which barriers matter – tariff or transport costs? Do inland transport costs influence Asian trade much greater way than that by international transport costs? How the estimates of freight vary rates across Asian countries? By using direct and indirect evidences on trade barriers, this study seeks to enhance our understanding in the area of trade costs in Asia in general and South Asia in particular.

B.10. Asian Cooperation for Biotechnology Development

Research Team: Dr. Sachin Chaturvedi, Dr. K. Ravi Srinivas and Dr Reji K Joseph

Biotechnology and Asia is one of the few programmes in Asia that focuses on the developments in biotechnology. The RIS Team working on this issue communicates with the wider community of researchers through its flag-ship publication, Asian Biotechnology Development Review (ABDR), which has completed 10 years. Three issues in Volume No 11 have been published in 2009.
B.11. Technology Capacity Assessment in Asia-Pacific

Research Team: Dr. Sachin Chaturvedi and Dr. K. Ravi Srinivas

The Regional Science Bureau for Asia and the Pacific of UNESCO at Jakarta has awarded RIS a research project on Assessment of Biotechnology Capacity in Asia-Pacific. The study involves analysis of developments in biotechnology in countries in the Asia-Pacific Region, examining among things, the impact of policy initiatives in this sector, the trends in the sector globally and in the Region, multilateral initiatives in biotechnology, particularly in capacity building and regulation of biotechnology. Since RIS has published a volume on developments in biotechnology in Asia and been publishing Asia Biotechnology and Development Review for a decade now, this research project gives an opportunity to RIS to enhance and expand its Biotechnology and Development Programme.

B.12. Study on Feasibility of Possible FTA/CEPA between India-Australia

Research Team: Dr. Rajesh Mehta and Dr. Ram Upendra Das

For study is the feasibility of the possible FTA/CEPA between India and Australia the Department of Commerce, Govt of India and the Department of Foreign Affairs and Trade, Government of Australia formed a Joint Study Group. RIS was included in this Joint Study Group, and was requested to provide inputs on the following themes: (i) overview of Indian and Australian Economies; (ii) Australia-India Trade Relationship; (iii) India-Australia Investment Relationship; (iv) liberalization of trade in goods; and (v) investment liberalization.


Research Team: Dr. Ram Upendra Das

RIS participates in the India-Indonesia Joint Study Group (JSG) on the Feasibility of a Comprehensive Economic Cooperation Agreement constituted by the Department of Commerce, Govt. of India. RIS participated in the First JSG meeting in Jakarta in October 30-31, 2007. In the Meeting, Dr. Ram Upendra Das was made leader of the working group on Trade in Goods from the Indian side to draft the Chapter on Trade in Goods. Subsequently, the Department of Industrial Policy and Promotion, Govt. of India approached RIS to prepare the chapter on Investment Cooperation for the JSG. These studies have been completed and submitted to the Department of Commerce. They were adopted by both the countries in September 2009 at the JSG Meeting held in Jakarta.


Research Team: Dr. Ram Upendra Das

The Department of Commerce, Govt. of India approached RIS to participate in the Joint Study Group (JSG), set up by the governments of India and New Zealand on ‘Exploring the Feasibility of a Comprehensive Economic Cooperation Agreement between India and New Zealand’.

Necessary inputs as needed by the JSG have been provided by RIS. More specifically, the chapters on Trade in Goods and Investment were prepared by RIS. RIS participated in the First JSG Meeting in April 2008 held in New Delhi and the Second JSG Meeting in May 2008 held in Auckland, New Zealand. This Study has since been completed and submitted to the Department of Commerce, Government of India. It was adopted by both the countries in February 2009 at the meeting held in New Delhi.

B.15. India-Canada Joint Study Group on Comprehensive Economic Partnership Agreement (CEPA)

Research Team: Dr. SK Mohanty and Dr Prabir De

RIS was approached by the Department of Commerce, Govt. of India to participate in the Joint Study Group (JSG) set up by the Governments of India and Canada to identify key sectors of interest and the possible parameters of a Comprehensive Economic Partnership Agreement (CEPA).

RIS was represented on the JSG and provided the necessary inputs as needed by the JSG. Dr. S.K. Mohanty participated in the meeting of the JSG Meeting in April 2010 held in Ottawa.
B.16. Building Capacity through South-South Cooperation: Case of Mekong-India Cooperation

Research Team: Dr. Prabir De and Dr. Beena Pandey

The project aims to strengthen the capacity building process of the private sector and of institutions representing the interests of industry in the Mekong subregion. It also plans to foster the partnership between India and the Mekong countries in the area of trade, investment and people-to-people contacts by way of training of human resources, dissemination of knowledge, experiences and advocacy. The overall goal of this project is to strengthen the trade and investment-related capacities of Mekong countries through information sharing, dissemination of knowledge and experiences, networking and transfer of skills. Besides, this project will make an effort to frame an appropriate strategy to ensure the best possible cooperation and collaboration between India and the Mekong countries, and also to identify the interfaces for such cooperation in trade, investment, infrastructure or technology. The project supported by the Swiss Agency for Development Cooperation involves think tanks from the Mekong region as collaborators and also involve participation of Mekong scholars in the RIS programme on international economic issues and development policy. RIS has also launched a new publication Mekong-Ganga Policy Brief within the framework of this project.

B.17. South Asia Development and Cooperation Report

Research Team: RIS Faculty

Economic integration in South Asia has been a major area of research at the RIS since the early 1990s. RIS studies and analyses have shaped the policy agenda and debates on economic integration in the region. As a further contribution to promote South Asian identity and regional economic cooperation, RIS had launched a series of flagship Reports viz. South Asia Development and Cooperation Reports (SADCRs). SADCR08 was fourth in the series that has over time emerged as the authoritative documents on monitoring the macroeconomic performance and outlook against the background of global economic trends, and status and prospects for regional economic integration.

The Report highlighted the challenges faced by the region. Despite emerging as one of the fastest growing regions of the world with an average rate of growth and having strengthened its place in the international division of labour and other impressive achievements in economic and human development, the South Asian region continues to be home for over 40 per cent of the world’s poor and fares poorly in terms of different indicators of human development such as education, health, nutrition, sanitation, among others. Although the growth outlook is still robust, the downside risks posed by dramatic deterioration of external environment are serious. The region now faces a threat of slow down in growth and a sharp rise in inflation which may hamper progress in poverty alleviation and achieving development goals. This Report argued that South Asia can face these challenges much more effectively with deeper regional economic integration.

Thus, given that South Asian economic integration is an integral part of the RIS work programme, the next volume of the SADCR is under preparation, which is due in 2010.

B.18. Initiatives under the Bay of Bengal for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)

Research Team: RIS Faculty

BIMSTEC is an important forum for regional economic cooperation that brings together some members of SAARC and ASEAN. Building on its previous work, RIS prepared a study highlighting the potential and some proposals for cooperation to serve as a background to the Second BIMSTEC Summit held in New Delhi in November 2008.

BIMSTEC Member Countries have set up a Network of Think Tanks of which RIS is a member. The first meeting of the Network was hosted by RIS in February 2010. The Think-Tanks identified several issues, including trade and investment, climate change, agriculture and energy, on which joint studies are to be initiated to explore the possibilities of enhancing cooperation between the member countries.
B.19. SAARC Agreement on Trade in Services

Research Team: Dr. Ram Upendra Das

After completion and adoption of RIS Regional Study on ‘Potential of Trade in Services under SAFTA Agreement’ and as per the recommendation of the SAFTA Committee of Experts (COE) the Third Meeting of SAFTA Ministerial Council held in New Delhi on 3 March 2008, decided as follows: “The Meeting appreciated the fact that the Regional Study on Potential of Trade in Services under SAFTA Agreement has since been concluded. It commended the Research and Information System for Developing Countries (RIS), New Delhi, and the National Focal Points for their hard work in finalizing the Study.” The Meeting endorsed the recommendations of the Third Meeting of SAFTA COE and decided that RIS be requested to draft the text of Draft SAARC Framework Agreement on Trade in Services (SAFAS) by 30 June 2008. “Subsequently, a Draft SAFAS was submitted to the SAARC Secretariat on the due date. In the Thimpu Summit (2010) the Agreement has been signed.

B.20. Potential for Economic Integration in Trade in Traditional Medicines in the SAARC Region

Research Team: Dr. Ram Upendra Das

The area of trade traditional medicines in trade has thus far remained largely neglected in the SAARC region despite the presence of both demand and supply within the region. The study aims at identifying potential for trade in traditional medicines among the SAARC countries by focusing on an integrated approach whereby trade in goods is combined by trade in services under different modes with respect to the traditional medicines sector. The study aims at making policy recommendations relating to the creation of a framework for increased commercial interactions among service providers; dimensions of services trade infrastructure, among others. This study is being conducted for the Department of Commerce, Government of India.


Research Team: Ms Beena Pandey

The New Asia Forum is a dedicated network of think-tanks in Asia devoted to assist the process of regional integration and thus help in building a New and Economically Integrated Asia with ideas. It has been set up by RIS as a part of the Asian Economic Integration programme. The New Asia Monitor, a quarterly journal of the Forum, was launched in March 2004 to disseminate the news, viewpoints and analysis of the economic outlook and developments in the region among policy circles and think-tanks to promote the cause of regional economic integration. The New Asia Monitor has been received well. The Forum has also set up a dedicated website www.newasiaforum.org as a melting pot for all the relevant information and resources on the subject. This site is kept up-to-date and is being linked with those of the think-tanks connected with the Forum.

C. SOUTH-SOUTH COOPERATION, NEW TECHNOLOGIES AND DEVELOPMENT

C.1. Emergence of Large Developing Countries: Implications for Co-Developing Countries

Research Team: Dr. Biswajit Dhar, Dr. S.K. Mohanty and Dr. Sachin Chaturvedi along with researchers in Brazil, China and South Africa

This study maps the role of emerging economies in the development of developing countries with special reference to Africa. In particular, the study begins by documenting the rise of emerging economies and their growing importance in terms of various parameters of the global economy and integration. Then it examines the importance of emerging economies as markets for developing countries, and their emergence thereafter as sources of investments and technology. Finally, the study discusses the role that emerging economies are playing and may play in shaping the global economic architecture including the world trading system, thereby making it more development-friendly. The study concludes with some broad lessons for international development policy that could facilitate a fuller exploitation of the potential of such cooperation between emerging economies and other developing countries especially...
in Africa. The study has been undertaken with the support of the Commonwealth Secretariat, London. The initial drafts of study were presented and discussed at an International Workshop on the subject organised by the RIS and the Commonwealth Secretariat in New Delhi in June 2007. The report was submitted to the Commonwealth Secretariat in March 2010.

C.2. New Shades of Collective Action from IBSA

Research Team: Dr. S.K. Mohanty

This is a continuation of the ongoing RIS study on India-Brazil-South Africa (IBSA) Partnership. The earlier studies, while finding significant synergies between the three countries in different sectors concluded that FTA with a trilateral arrangement or with more members may not work efficiently unless there is strong institutional mechanism associated with the regional forum. This institutional mechanism would oversee and monitor day-to-day functioning of the FTA. It was felt the necessity of reviewing institutional mechanisms of various successful regional groups, which have performed effectively over a period of time. Among various RTAs that are in operation the European Union has emerged as one of the most vibrant regional grouping in the world with strong institutional mechanism. RIS has launched a study to examine the evolution and efficacy of various institutional mechanisms in the European Union. The possibility of indigenization of the institutional mechanisms is to be examined in the context of IBSA. Preliminary findings suggest that potential gains from the proposed arrangement could be substantial, but these potential gains may not be realized unless some the institutional mechanisms are not adopted by the proposed grouping.

C.3. IBSA Academic Forum

Research Team: Dr. Nagesh Kumar (up to May 2009), Dr Biswajit Dhar, Dr. S.K. Mohanty and Dr. Sachin Chaturvedi

The IBSA Summits are preceded by a meeting of the IBSA Academic Forum. Government of India nominated the RIS to be the coordinator of the IBSA Academic Forum from India. RIS hosted the Academic Forum on 13-14 October 2008 at the Third IBSA Summit held in New Delhi on 15 October 2008. The Academic Forum was participated by academic delegations from all the three countries and covered the themes of financial crisis and global economic governance, food and energy security and the potential of IBSA partnership. The forum was inaugurated by Shri Pranab Mukherjee, Hon’ble External Affairs Minister of India.

RIS was represented in the Academic Forum during the Fourth IBSA Summit held in Brasilia during 12-13 April, 2010 by Dr Biswajit Dhar. At the end of the meeting of the Academic Forum, a decision was taken to develop a work programme for Forum.

C.4. India’s Exports in Globally Dynamic Sectors

Research Team: Dr. S.K. Mohanty

India’s export sector has expanded more swiftly than the country’s total output since the country undertook economic reforms. This improvement in India’s export sector performance has been the outcome of the domestic restructuring and also the influence of varying global situations. The changing global economic regime in the form of pushing the agenda of multilateral and regional processes has significantly influenced the overall performance of the external sector. India’s stake in the global trade has improved significantly in diversified sectors during reforms, but full potential is yet to be realised. The study, prepared at the behest of Ministry of Finance, Govt of India, concluded that India’s export performance can be made more external shock resistant, provided its export basket is in harmony with the globally dynamic products.

C.5. Global System of Trade Preferences: Towards the Third Round

Research Team: Dr. S.K. Mohanty

The Agreement establishing the Global System of Trade Preferences (GSTP) among Developing countries entered into force on 19 April 1989. Till date, 44 countries, including India, have ratified the Agreement. The Agreement provides for exchanging tariff preferences on products of mutual interest. The Third Round of negotiations under the GSTP was launched in June, 2004. The negotiations are to be held on a request and offer basis and will be multilateralised
among the Round participants. China and other Members of the G-77, who have not acceded, have also been invited to accede to the Agreement. In order to identify Member countries with whom India will engage in market access negotiations and draw out request lists to these countries, the Department of Commerce has requested the RIS to undertake this study. The study has identified items on which India should seek tariff concessions under the GSTP. It has also identified country-wise products (6 digit HS level) on which India should seek and negotiate preferential market access from the negotiating GSTP Member countries by taking into account the current trends of trade with them in the bilateral as well as global context. The inputs based on detailed analysis were submitted to the Department of Commerce for their preparations for the ongoing negotiations.

C.6. Emerging Trade and Investment Linkages between India and Africa
Research Team: Dr. S.K. Mohanty and Dr. Sachin Chaturvedi

The economic relationship between India and Africa picked up in the last decade, but this steady flow of bilateral trade was affected by the emergence of global meltdown in the latter part of 2008, creating a situation of business uncertainty between India and African states. The implications of global recession are predicted to be disastrous for large number of African economies, but mitigation of the adverse effects of global recession could be possible with further economic engagement with large economies by accessing their domestic market through exports. The study examined the implications of partial opening of India's domestic market for importation of competitive industrial intermediates from African countries. The empirical findings suggest that India has ample space to accommodate exports from Africa during the period of global recession in order to meet her domestic demand in diversified sectors. This would not only empower African countries economically but also finding a large market when the global economy is facing a downturn. The study also observed that the potential of India-Africa trade and economic cooperation need to be harnessed for mutual gains.

C.7. South-South Cooperation in Genomics Innovation
Research Team: Dr. Sachin Chaturvedi

The relevance of South-South collaboration has expanded manifold in the recent past. Several new initiatives have been launched to on the emerging opportunities in the area of genomics as several developing countries have enhanced the allocations for biotechnology. In this context, RIS has joined hands with the Toronto University for a multi-country study to understand the nature of collaborations in genomics and health biotechnology amongst developing countries. The project is also looking into the issues like, the factors and conditions that contribute towards successful South-to-South collaboration and the pattern of these collaborations in genomics/health biotechnology and how they compare between formal and informal collaborations. The project involves collaborations with institutions in the developing countries like Centro de Desenvolvimento e Sustentabilidade, University of Brasilia, Brazil; University of Zambia, Zambia. Each partner institution is expected to pick up one small and one large sized economy for detailed analysis. RIS is looking into the linkages with Brazil and Bangladesh. The project is funded by Genome Canada with co-funding from the International Development Research Centre (IDRC) in Canada. The Final report has to be submitted to IDRC in 2010 and is proposed to be published in the form of a monograph by IDRC.

C.8. South-South Cooperation in New Technologies
Research Team: Dr. Sachin Chaturvedi

RIS in this study focused on international framework Access and Benefit Sharing (ABS) in collaboration with other partner countries. In addition to this, RIS also launched a detailed study on possibility of including human genomes in the definition of biodiversity. This issue is also being discussed at Working Group on ABS under United Nations Convention on Biological Diversity. The Final workshop of the project is to be organized in the second half of 2010. The other partner institutions in the research project are University of Preston, United Kingdom; University of
the Witwatersrand, South Africa; Centre d'Ethique, France; Vilnius University (VU), Vilnius, Lithuania; and University of the Philippines (UP), Manila, Philippines. This project established an interdisciplinary team of economists, ethicists, lawyers, medical doctors, specialists in gender studies, representatives of indigenous communities and policy advisers from five continents. The teams are studying four paradigmatic international case studies (from India, South Africa, Iceland, and Kenya) to provide a state-of-the-art analysis for benefit sharing in the context of human and non-human resources.

Based on this comparative research, the main aim of this project is to promote policy developments by developing “economies/ethics health check” for benefit sharing agreements involving vulnerable groups and communities in the area of human genetics.

D. STRATEGIC RESPONSES TO GLOBALIZATION

The world economy in the context of globalization has thrown up many policy challenges that require to be supported by analytical inputs. RIS work in this area deals with some of the important emerging challenges for policy as summarised below.

D.1. Strategy for Export-Oriented Manufacturing

Research Team: Dr. S.K. Mohanty and Dr. Robert Arockiasamy

This research study, supported by the Department of Commerce, Govt, of India, made an attempt to formulate a comprehensive export strategy to improve its stake in the global trade. The study identified the potential of India in the manufacturing sector and has hinted at the need for undertaking the required restructuring of the domestic manufacturing sector to meet with the specific requirements of importing countries. The study explores the possibilities of venturing into new markets for exports besides consolidating its position with the traditional trade partners. It examined the competitiveness of India's export basket. The study found evidence to support that, in recent years, India’s exports consistently matched with the global demand for different products in broad sectors. The study identified certain key sectors which need to be prioritised in the ‘medium term export strategy’ for boosting export. The study also examined the possibility of extending certain state-sponsored WTO-compatible incentives/schemes to domestic industries to enable them to manufacture export-oriented products for specific export markets.

D.2. Development Cooperation Policies of Emerging Economies: Implications for India

Research Team: Dr. Sachin Chaturvedi

The economic cooperation programme of India is very different from the OECD economies in more than one ways. India’s development cooperation programme is more in the South-South cooperation framework as is also evident from the policies of other emerging economies. The study has brought out the consolidation efforts India has announced for the outgoing assistance and the placing of economic cooperation related programmes under a specialised agency. In this study, RIS along with researchers from South Africa, China and Brazil have tried to explore what all policy options are available to the emerging economies for establishing international linkages of their respective national agencies and how well they are placed in terms of adopting various global commitments as part of their efforts towards the global discipline for the global aid flow, as OECD economies move ahead with standard harmonisation on lines of the Paris Declaration. In this context the option of UN led Global Development Forum and its feasibility for conducting aid related debate is being explored.

D.3. The Indian Seed Industry

Research Team: Dr. Sachin Chaturvedi

The final report on the Indian seed industry, sponsored by the International Food Policy Research Institute (IFPRI) Washington has been submitted. The study finds that, Indian seed industry has emerged as one of the biggest seed markets in the world, with annual sales at around US $920 million. However, it is important that necessary policy support mechanisms are evolved to support measures related to transfer of
technology, IPRs and seed clusters. Seeds are an important source for accessing the advanced technology, which in the recent past has benefited the farmers but there is need to evolve framework to support competition policy related issues rather than any ad hoc policy response. Of this, domestic off-take accounts for US $900 million and sales in the global market account for the remaining US $20 million. Since the New Policy on Seed Development (NPSD) was launched, in 1988, India has sizeable public and private sector seed businesses. New role for giant public sector players like the National Seeds Corporation (NSC), the State Farms Corporation of India (SFCI) and the thirteen State Seed Corporations (SSCs) is an urgent issue. The study was undertaken within the Industrial Organization (IO) framework of Structure-Conduct-Performance (S-C-P), which is frequently used in the investigation of agricultural sub-sectors and the framework.

D.4. Outward FDI from India: Trends, Patterns and Determinants
Research Team: Dr. Nagesh Kumar

Outward investment is becoming an important aspect of the corporate strategy of enterprises in developing countries such as India to strengthen their international competitiveness especially in knowledge-based industries. Outward investment by Indian enterprises has grown rapidly over the past decade and has undergone a change compared to earlier investments. This study takes stock of the patterns, trends, motivations and determinants of outward investment by Indian enterprises. It will also undertake case studies of select industries and companies that have emerged as important players. It builds on an earlier study on the strategic approach to international competitiveness in knowledge-based industries as a part of which an exclusive data base was created on outward investments by Indian enterprises.

D.5. The Impact of Information Technology (IT) in Trade Facilitation on Small and Medium Enterprises (SME) in India
Research Team: Dr. Sachin Chaturvedi

Trade facilitation (TF), it is generally assumed, incorporates IT related various measures. The idea is that IT would expedite the clearance and release of goods including the goods in transit. However, not all the stakeholders in the trade sector have equal access to the various options TF has provided due to high cost of IT facilities. Though, various governments in different developing countries have launched various initiatives for minimizing digital divide, however, there are not many studies which have looked into these various measures. In this context RIS launched a study on impact of IT related trade facilitation measures on Small and Medium Enterprises (SMEs), in collaboration with Asia-Pacific Research and Training Network on Trade (ARTNeT), UNESCAP.

D.6. Identification of Gender Sensitive Items of Trade in the Case of India
Research Team: Dr. Ram Upendra Das

The study focuses on identification of gender-sensitive items of trade at HS 6-digit level in the case of India so as to facilitate incorporation of gender-related concerns in the trade policy-making process. It tries to relate employment of women with trade with the help of an analytical framework and detailed empirical work based on the NSSSO and DGCIS data sets. The study was conducted as part of the project undertaken for the Ministry of Commerce and Industry, Government of India which is sponsored by the Commonwealth Secretariat. Dr. Ram Upendra Das is representing RIS in the Government’s Project Steering Committee overseeing this project and handling the project at RIS on behalf of the Project Steering Committee.

D.7. Non-Tariff Barriers
Research Team: Dr. Rajesh Mehta

This project has been approved by European Union and has been launched in March 2009. RIS will be associated with an inter-country project for conducting a long-term study on Assessment of the Impacts of Non-Tariff Barriers. The goal of the project is to conduct comparative research on the impacts of non-tariff barriers (NTBs) on the competitiveness of selected countries. The project is based on the following specific objectives: (i) to map and to classify the existing NTBs in...
order to define the NTBs to be targeted in the various project analyses, (ii) to create a database on NTBs that obstruct or can obstruct agro-exports for select countries, like US, Russia, Canada, Japan, etc., (iii) to conduct a comparative analysis for assessing the level of limitations of EU’s NTBs towards direct trade competitors such as Argentina, Brazil, Australia, New Zealand, US, Russia, Canada, Japan, China and India, and (iv) to generate additional quantitative information through case studies for the comparative analysis in (iii). We have identified areas of the research and case studies which will be conducted for India. These identifications have been done in collaboration with other institutes of the project study.

D.8. India 2050: Long Term Prospects, Implications and Challenges
Research Team: Dr. Ram Agarwala

The study explores whether it is feasible for India to achieve by 2050 the level of social and economic development that the developed countries have today. It will begin with conventional sources of growth analysis which will assess contributions of the growth of labour, capital and total factor productivity to India’s growth in the last fifty years. Then the study will explore alternative scenarios in the growth of these factors so as to achieve by 2050 the developed country per capita income as of today. It will proceed to identify the likely constraints in achieving this target and explore the policies and programmes needed to overcome these constraints. The study will also assess the relative role of India in the world economy and world society in 2050 if the goal of becoming a developed country by 2050 is to be realised.

D.10. Innovation System in Pharmaceuticals in India
Research Team: Dr. Biswajit Dhar and Mr. Reji K Joseph

The process of innovation in pharmaceuticals from a systems perspective is the focus of the study. The study takes cues from the experience of Japan and other East Asian countries, which have build up effective innovation systems, to assess the strengths and weaknesses of the innovation system in India.

D.11. Emerging Trends in the Direction of R&D in Drugs and Pharmaceuticals in India
Research Team: Dr. Biswajit Dhar, Mr. Reji K Joseph, Mr. K M Gopakumar and Dr. S Visalakshi

It is felt that strengthening of patent regime in developing countries would encourage investments in pharmaceutical R&D. The study attempts to verify this proposition by collecting data on R&D expenditure, therapeutic category-wise, in the private sector. Information on private sector R&D gathered from patent applications and company annual reports. The study also attempts to see the trends in the public R&D investments. The information on public sector R&D is being collected from Department of Science and Technology, which is them categorized therapeutic category wise.

D.12. Sustaining High Growth in India: Lessons from the Global Financial Crisis and Other External Sector Developments
Research Team: Mr. Rajeev Malhotra

Keeping in view the full effects of the 1990s economic reforms working through the system, the Indian economy has moved to a higher growth path. The new challenge is to maintain high growth over an extended period of time, which, as events over the last two years bear out, has become more complex due to the growing influence of global developments, economic as well as non-economic on the domestic economy. The analysis of recent developments in the economy brings to fore the importance of understanding and responding to global economic impulses in a timely and an effective manner if the new found growth momentum of the Indian economy is to be sustained.

The proposed study would analyze the specific challenges that confronted the Indian economy in the last two years and the policy response to the developments. It would examine the short-term macro-economic challenges of monetary and fiscal policy and the medium-term challenge of returning to the high growth path. This would cover issues such as the trade-off between inflation and growth, the use of
monetary policy versus use of fiscal policy, their relative effectiveness and coordination between the two. It includes the tension between short- and long-term fiscal policy, the immediate longer term imperatives of monetary policy and the policy and institutional reforms necessary for restoring high growth. The study would also analyze the current understanding on the global developments that led to the collapse of the financial markets and an unprecedented slowdown in the developed economies and the implications it has for the growth of the Indian economy in the medium to long-term. In terms of policy relevance, the study would attempt to highlight the reforms that need to be pursued, including in the financial sector, to make the economy more competitive and the economic regulatory and oversight systems more efficient and sensitive to new developments.