DIVISION OF ECONOMICS

Professor Hal Hill, Convener
Professor Prema-chandra Athukorala, Deputy Convener

AUSTRALIAN SOUTH ASIA RESEARCH CENTRE

Professor Raghbendra Jha, Executive Director

CENTRE FOR APPLIED MACROECONOMIC ANALYSIS

Professor Warwick McKibbin, Executive Director

INDONESIA PROJECT

Associate Professor Chris Manning, Head of Project

POVERTY RESEARCH CENTRE

Professor Peter Warr, Head of Centre
Division of Economics
http://rspas.anu.edu.au/economics/
   Working Papers in Trade and Development

Australia South Asia Research Centre
http://rspas.anu.edu.au/asarc/
   Publications

Centre for Applied Macroeconomic Analysis
http://cama.anu.edu.au/
   CAMA Working Papers Series

Indonesia Project
http://rspas.anu.edu.au/economics/ip/
   Bulletin of Indonesian Economic Studies (BIES)
   http://rspas.anu.edu.au/economics/bies/

Poverty Research Centre
http://rspas.anu.edu.au/economics/prc/
DIVISION OF ECONOMICS

The research of the Division of Economics is concerned with the theoretical and applied problems of economic development and international economics, with special reference to the countries of Northeast Asia, Southeast Asia, South Asia and the Southwest Pacific, and Australia’s relations with these regions. Within the broad context of economic development, division staff have interests in the analysis of macroeconomic stability, agriculture, industrialisation, poverty, the role of the state, the environment, and international trade and investment. Country interests include China, India, Indonesia, Japan, Malaysia, Papua New Guinea, the Philippines, Sri Lanka, and Thailand, together with Australia.

During the year five books, 49 journal articles and 23 book chapters were published. Book titles included Professor Raghbendra Jha’s, *Environmental Sustainability: A Consumption Approach* (co-authored with K V Bhanu Murthy) and *The First Ten K R Narayanan Orations*; Professor Ross Garnaut’s, *The Turning Point in China's Economic Development* (co-edited with Ligang Song); Professor Hal Hill’s *The East Asian High-Tech Drive* (co-edited with Yun-Peng Chu); and Dr Archanun Kohpaiboon’s *Multinational Enterprises and Industrial Transformation: Evidence from Thailand*.

Members of the division were highly successful in securing competitive research grants. Particular mention should be made of the 2006–2011 ARC Linkage grant on ‘Rural-urban migration in China and Indonesia’, coordinated by Professor Xin Meng and colleagues Paul Frijters, Xiaodong Gong, Budy Resosudarmo, and Chris Manning; and Professor Raghbendra Jha, who was awarded three grants.

The division hosts four major research centres. These are the Indonesia Project, recognised as the leading centre outside Indonesia for research on the Indonesian economy and publisher of the *Bulletin of Indonesian Economic Studies*, as well as the Centre of Applied Macroeconomic Analysis (CAMA), the Australia South Asia Centre (ASARC) and the Poverty Research Centre.

The division sponsors two major annual public lecture series. The fourth Arndt Memorial Lecture, titled ‘The trading system in crisis: The threat from proliferating preferences’, held on 31 July, was presented by Professor Jagdish Bhagwati, Columbia University. Dr K Kasturirangan, Member, Parliamentary Forum on Water Conservation and Management, delivered the 2006 K R Narayanan Oration.

The Indonesia Project hosted two major public addresses by prominent Indonesian cabinet Ministers, H E Mari Elka Pangestu (Minister of Trade) and H E Indrawati Sri Mulyani (Minister of Finance) in August and November.

Division staff were active in organising and presenting at a wide range of conferences both in Australia and abroad. Professor Andrew MacIntyre and Associate Professor Ross McLeod convened the Indonesia Update and Professor Ross Garnaut chaired the China Update, ‘The Turning Point in China’s Economic Development’. CAMA held three major conferences and a special training course on dynamic methods for modern macroeconomics.

The Poverty Research Centre completed a study of the effect of road development on poverty. The centre also published a study of the poverty-reducing power of economic growth, focusing on the four largest countries of Southeast Asia.
The division’s weekly Economics of Trade and Development Seminar series had many invited national and international speakers and continued to be well attended.

Professor Ross Garnaut was chairman of the International Advisory Board of the *Bulletin of Indonesian Economic Studies* and a member of the editorial board of *The Australian Economic Review*. Professor Hal Hill is a member of some 15 academic journal boards. Professor Warwick McKibbin continued to serve on the Board of the Reserve Bank of Australia, and the Prime Minister’s Science, Engineering and Innovation Council.

Professor Prema-chandra Athukorala presented papers at three international conferences, prepared a report for the Asian Development Bank on foreign direct investment in the Greater Mekong Region, and undertook two country studies (on Vietnam and Malaysia) for the World Bank as part of a multi-country research project on distortions to agricultural incentives in developing countries. He was appointed assistant editor of *Asian Economic Papers* (MIT Press) and is a member of the editorial advisory board of the *Journal of South Asian Development* (Sage). Professor Athukorala’s publications included two chapters in edited volumes and papers in refereed journals. A major book was finalised during the year, *Multinational Enterprises in Asian Development*, to be published by Edward Elgar. He also reviewed 15 papers for refereed journals.

Professor Jha completed a project on poverty-nutrition traps in India. He wrote chapters on Asian fiscal policy, on efficiency of public expenditure, and on alternatives to inflation targeting in India. He also published two books, one co-authored with K V Bhanu Murthy and the other an edited collection. He published two refereed journal articles and two chapters in edited volumes/conference proceedings. Professor Jha continued to be adviser to the World Institute for Development Economics Research (WIDER) and a Fellow of the World Innovation Foundation as well as a member of the Panel of Experts, Fiscal Affairs Division, International Monetary Fund. He organised the 2006 K R Narayanan Oration, and Kompal Sinha, one of his PhD students submitted her doctoral dissertation for examination.

Professor Heather Anderson had two journal articles published, and a third article published as a chapter in a book. She presented seminars at ANU, The University of Melbourne and Monash University, participated in workshops on ‘Mathematical Applications in Economics and Finance’, ANU; ‘Macroeconometrics and Model Uncertainty’, Reserve Bank of New Zealand. Professor Anderson’s research was supported by two ARC Discovery grants and one ARC International Linkage grant.

Dr Renee Fry had a paper accepted by the Econometric Society World Congress in London (joint with D Baur) and was a visitor to University of Cambridge and University of Oxford.

Dr Xiaodong Gong was on the supervisory panel for five PhD students. He collaborated on several research projects, including two on Australian families. Dr Xiaodong Gong, Xin Meng, Tao Sherry Kong, Chris Manning, Budy Resosudarmo and Paul Frijters applied for a large ARC linkage grant in social sciences. With this grant they started a five-year project studying domestic migration in China and Indonesia, and have since spent the majority of their time working on questionnaire design, travelling to China to test questionnaires, and other project preparation.
Dr Gong presented at a labour economics workshop at Adelaide and gave a seminar at Macquarie University. He served as the seminar convener, and finished a contracted consulting project with Chris Ryan and Stephen Whelan for FaCSIA on senior Australians in workforce. He refereed for several economics journals.

Professor Hal Hill completed editing *The Dynamics of Regional Development: The Philippines in East Asia*, jointly with Arsenio Balisacan, University of the Philippines, and with support from the Asian Development Bank Institute. A co-edited volume, with Chu Yun-Peng, Academia Sinica, Taipei, *The East Asian High-Tech Drive*, was published by Edward Elgar. His international conference/seminar presentations included plenary addresses to annual conferences of the Indonesian Economics Association and the Philippine Economic Society. He also presented at conferences in Jakarta, Tokyo, Singapore and Beijing. In Canberra, he gave seminars to the Economic Society, the Australian Institute for International Affairs, AusAID, in addition to several presentations on campus. He coordinated and was the principal teacher of a semester-long course on the economics of Southeast Asia. He served as a policy advisor to the Indonesian Minister of Trade and the World Bank. As well as serving as convener of the Division of Economics, Professor Hill was supervisor/committee member for eight PhD students, served on the board of 15 academic journals, examined two PhD dissertations, and refereed a dozen journal papers and book proposals.

Dr Chris Manning’s research efforts focused on various dimensions of labour market regulations and developments in Indonesia. He completed two papers on this subject with Indonesian colleagues. Related contributions in this area of research included an address at the annual Asian Development Bank meeting in Hyderabad on labour regulations and employment in Southeast Asia and an address to a group of Indonesian academic experts set up by the Coordinating Minister of Economic Affairs to examine labour policy alternatives. He also gave two seminars on labour issues at ANU. Two other major activities on Indonesia included co-authorship of the ‘Survey of recent economic developments’ for the *Bulletin of Indonesian Economic Studies* and planning of research for a major comparative research project (ARC-AusAID funded) on the economic (and social) implications of rural urban migration in China and Indonesia. A major workshop with invited guests from Indonesia and other universities was held on the Indonesia part of this project in November, funded by ACIAR. Other work on migration included presentation of a paper on post Second World War international migration in Southeast Asia at the International Economic History Congress in Helsinki in August and the publication of a joint paper with Pradip Bhatnagar.

Professor Warwick McKibbin organised the three major conferences held by CAMA in 2006.

Dr Ross McLeod continued work as editor of the *Bulletin of Indonesian Economic Studies* during its 42nd year of continuous publication. He was involved in each of the three surveys of recent developments and with many of the other articles published during the year. Working with associate editor Liz Drysdale, he oversaw the introduction of a new web-based manuscript submissions and refereeing system for the journal. He was co-organiser of the two day Indonesia Update conference. The conference brought together 13 speakers, including five from Indonesia. He completed a large case-study of Indonesia in the context of the World Bank’s new series of *Doing Business* reports, which seek to measure the difficulty faced by private
sector companies in doing business in various countries around the globe. He also wrote a further report on a similar research project by the World Bank. He made presentations of the resulting paper, ‘Governance and growth in Indonesia’, to audiences in Taiwan and Japan in December.

Professor Xin Meng had two journal articles published, three chapters, and finished three papers. She is supervisor/committee member of six students.

Dr Budy Resosudarmo collaborated with Frank Jotzo on an international workshop and a book on Development and Environment in Eastern Indonesia: Papua, Maluku and East Nusa Tenggara. He was supervisor/committee member for 11 PhD students.

Professor Peter Warr completed a study of the effect of road development on poverty. He also published a study of the poverty-reducing power of economic growth, focusing on the four largest countries of Southeast Asia.

During the year, the division farewelled Professor George Fane, welcomed Dr Tao Kong, reappointed Dr Budy Resosudarmo and was pleased to see the promotion of Professor Xin Meng.

The division continues to support an active and diverse PhD student community. Some 30 PhD students from 13 countries were enrolled in the division. Four students completed their dissertations and six students graduated. The range of methodologies and interests of the students is eclectic and broad, from advanced modelling technologies to in-depth country work. Several students achieved high academic distinction in the demanding ANU graduate coursework program. Broad areas of dissertation research include poverty, macroeconomic management, financial development, comparative growth performances, industrialisation and foreign investment, the political economy of economic policy and reform, environmental economics, and spatial patterns of development. Three of the division’s incoming doctoral students obtained the new and prestigious Australian government scholarship, the Australian Leadership Award. Doctoral students in the division published their research in international outlets including World Development, Asian Economic Papers, and Economics and Finance in Indonesia. The dissertation of Archanun Kohpaiboon, who graduated in 2005, was published by Edward Elgar under the title Multinational Enterprises and Industrial Transformation: Evidence from Thailand.

The division wishes to thank its general staff and school administrative staff for their support during the year. We are most grateful to division administrator, Carol Kavanagh, together with Karen Nulty, Sandra Zec, Kurt Richards, Glen Luttrell, Caroline Ashlin, Liz Drysdale, Karen Guest, Trish van der Hoek, Nicole Mies, Stephanie Hancock, Chris Wilcox, Georgina Gowans, Kate Stone, Sue K Campbell, and Kayla McGarvey.

Prizes, Honours, Awards
Professor Prema-chandra Athukorala accepted an invitation to serve as a member of the advisory board of the European Centre for International Political Economy, an international think-tank based in Brussels.

Professor Ragbhendra Jha was included in International Who’s Who of Professionals 2006–2007.
Teaching Innovations
Professor Hal Hill taught a course, Southeast Asian Economic Policy and Development, to 36 undergraduate and graduate students from ANU College of Business and Economics and Crawford School of Economics and Government in second semester.

POSTGRADUATE EDUCATION AND RESEARCH

Doctoral Degrees Conferred and Thesis Topics

Claus, E
Monetary policy and inflation targeting

Kong, T
Growth effects of political institutions

Narjoko, D A
Impact of Asian crisis on Indonesian industrial sector

Tan, K Y
Dynamic learning in macroeconometric models

Tang, H C
Information content of financial markets and implications for monetary policy

Zavkiev, Z
Optimal monetary policy regime for transition countries: A focus on Tajikistan

Doctoral Students and Research Topics

Ang, B J
Financial intermediation and economic development

Chanthapun, P
Macroeconomics and financial markets

Dang, N T
Exchange rate regimes – theoretical

Gong, C H
Inequality and economic growth in China

Hasni Shaari, M
Assymmetric response of monetary policy

Hill, S
Macroeconomic policies and growth

Liu, R
Comparison between data driven and theoretical macroeconomic models

Liu, X
Monetary policy regime in developing countries

Machmud, A
The search for a new framework for monetary policy after 1998

Matsui, M
Female labour supply, marital status and fertility decisions: Australia and Japan
Miranti, R  
Regional poverty in Indonesia

Nashihin, M  
Consistent measures of poverty in Indonesia across provinces and over time: 1987–2002

Nguyen, J D  
The aging of Japan: Implications for Japan and the rest of the world

Posso, A  
Trade liberalisation and labour market outcomes: A comparative study of Latin America and Asia

Ruangkajorn, J  
Macroeconomic analysis of Thailand's recovery options

Sinha, K  
Pattern of food demand, nutrition outcomes and poverty in India

Suphannachart, W  
Agricultural trade policy in Thailand

Taborda, R  
FDI – Comparative case study – Columbia

Tanaka, K  
Empirical and theoretical coherence of macroeconomic models

Temenggung, D  
Foreign direct investment and industrial transformation in Indonesia

Thomson, R  
Intellectual property protection and technological innovation

Tran, Q Tien  
Foreign direct investment in industrial transition in Vietnam

Vidyattama, Y  
Regional growth patterns in Indonesia since 1970

Yamashita, N  
Trade growth nexus East Asia

Yang, Y  
Environmental implications of China’s future energy needs

Yee Chong San, L P K F  
The use of alternative financial instruments for monetary policy in developed countries

Yeo, C  
Healthcare utilisation, saving and retirement decisions in response to health system reforms in China

Yusuf, A  
Poverty and environment in Indonesia

Zhang, D  
Employment, inequality and poverty in China
DIVISIONAL PUBLICATIONS

In-house Publications
ASARC Working Papers

Bulletin of Indonesian Economic Studies (BIES)
Ross McLeod (Editor)
Published by Routledge

CAMA Working Papers

Working Papers in Trade and Development

Alisjahbana, A and C Manning

Anderson, H M, G Athanasopoulos* and F Vahid#
Nonlinear Autoregressive Leading Indicator Models of Output in G-7 countries,
CAMA Working Papers 14/2006, Centre for Applied Macroeconomic Analysis,
RSPAS, ANU, Canberra, 24 pp.

Anderson, H M and C N Low#

Anderson, H M, C N Low# and R Snyder#
‘Single source of error state space approach to the Beveridge Nelson decomposition’,

Anderson, H M, F Vahid# and J Issler*

Athukorala, P C
‘Foreign direct investment in ASEAN and India: Trends and prospects’, in N Kumar, R Sen and M Asher (eds), India-ASEAN Economic Relations: Meeting the Challenges of Globalization, Institute of Southeast Asian Studies, Singapore, 145–82.
— ‘International labour migration in East Asia: Trends, patterns and policy issues’,
Asian-Pacific Economic Literature 20(1), 18–39.
— Multinational Enterprises and Manufacturing for Export in Developing Asian Countries: Opportunities for Latecomers, Hi-Stat Discussion Paper Series 193, Institute of Economic Research, Hitotsubashi University, Tokyo, 40 pp.
— ‘Production Fragmentation and Trade Integration: East Asia in a Global Context’,

Athukorala, P C and W Gebeyehu*

Athukorala, P C and A Kohpaiboon

Athukorala, P C and B Resosudarmo

Athukorala, P C and K Sharma*

Balisacan, A M*, H Hill and S F A Piza*

Baur, D* and R Fry

Benge, M* and G Fane

Bird, K*, S Cuthbertson* and H Hill
*Legal and Institutional Arrangements for Indonesian Trade*, report prepared for the World Bank and the Minister of Trade, Republic of Indonesia, 81 pp.

Bird, K* and H Hill

Bond, S A*, M Dungey and R A Fry
Cai, F*, J Giles* and X Meng

Cameron, G*, P Gai and K Y Tan

Chu, Y-P* and H Hill (eds)

Claus, E, M Dungey and R Fry

Clements, K W* and R Fry

Daly, A*, A Kawaguchi*, X Meng and K Mumford*
‘The gender wage gap in four countries’, *The Economic Record* 82(257), 165–76.

Dungey, M, R A Fry, B González-Hermosillo* and V L Martin*

Dungey, M, R Fry and V L Martin*

Du, Y*, R G Gregory# and X Meng

Fane, G

Forneri, C*, J Blaser*, F Jotzo and C Robledo*
‘Keeping the forest for the climate’s sake: avoiding deforestation in developing countries under the UNFCCC’, *Climate Policy* 6, 275–94.

Gai, P and N Vause*

Garnaut, R
— ‘Renew efforts on reform or regret lost chances later’, in B Nelson and R Jeffrey (eds), Capturing the Year 2006, ANU College of Asia and the Pacific, Canberra, 163–6.
— ‘Some questions raised by the “China Resources Boom”’, in B Nelson and R Jeffrey (eds), Capturing the Year 2006, ANU College of Asia and the Pacific, Canberra, 55–8.

Garnaut, R and Y Huang#
‘Continued rapid growth and the turning point in China’s development’, in R Garnaut and L Song (eds), The Turning Point in China’s Economic Development, Asia Pacific Press, Canberra, 12–34.

Garnaut, R and L Song# (eds)

Garnaut, R and L Song#
— ‘China’s resources demand at the turning point’, in R Garnaut and L Song (eds), The Turning Point in China’s Economic Development, Asia Pacific Press, Canberra, 276–93.

Garnaut, R, L Song# and Y Yang*

Gupta, S* and R Jha

Hill, H
— ‘The power of ideas: How actors and advocacy have made a difference in reshaping post-Soeharto Indonesia’, in B Nelson and R Jeffrey (eds), Capturing the Year 2006, ANU College of Asia and the Pacific, Canberra, 215–21.
— ‘Why does this country run into trouble so frequently?’ in B Nelson and R Jeffrey (eds), Capturing the Year 2006, ANU College of Asia and the Pacific, Canberra, 125–8.
Hill, H and P Warr

Hill, H and Y-P Chu*

Hughes, H and G Sodhi*

Hunter, B# and M Dungey

Jha, R

Jha, R (ed.)

Jha, R and K V Bhanu Murthy*

Jha, R and U N Bhati#
*Emerging Opportunities for Australia in India’s Paper and Paperboard Market*, ASARC Working Paper 2006/05, Division of Economics, RSPAS, ANU, Canberra, 18 pp.

Jha, R, R Gaiha* and A Sharma*
— Mean Consumption, Poverty and Inequality in Rural India in the Sixtieth Round of the National Sample Survey, ASARC Working Paper 2006/11, Division of Economics, RSPAS, ANU, Canberra, 26 pp.

Jha, R and S Gupta*

Jha, R and I S Longjam*

Jongwanich, J

Kam, T*, K Lees* and P Liu

Kohpaiboon, A

Kuncoro, A* and B P Resosudarmo

Lee, J W* and K Shin*

Liu, P

Low, C N*, H M Anderson and R Snyder*

Manning, C
‘Potential winners and losers from labour regulation in the formal sector: The case of Indonesia’, in C Brassard and S Acharya (eds), Labour Market Regulation and Deregulation in Asia: Experiences in Recent Decades, Academic Foundation, New Delhi, 111–37.

Manning, C and P Bhatnagar*
‘Coping with cross-border labour flows in Southeast Asia’, in A Kaur and I Messner (eds), Mobility, Labour Migration and Border Controls in Asia, Palgrave Macmillan, Basingstoke, UK, and New York, 52–72.

Manning, C and K Roesad*
‘Survey of recent developments’, Bulletin of Indonesian Economic Studies 42(2), 143–70.

Manning, C and A Sidorenko

McKibbin, W J
‘A climate change policy to manage uncertainty’, Australian Chief Executive March, 36–41.

McKibbin, W J, Y C Park* and J W Lee

McKibbin, W J and P J Wilcoxen*

McLeod, R
Monfries, J (ed.)
Different Societies, Shared Futures: Australia, Indonesia and the Region, Indonesia Update Series, Institute of Southeast Asian Studies, Singapore.

Narjoko, D and H Hill

Resosudarmo, B P and A Kuncoro*

Resosudarmo, B P and N L Subiman*

Resosudarmo, B P and Y Vidyattama
‘Regional income disparity in Indonesia: A panel data analysis’, ASEAN Economic Bulletin 23(1), 31–44.

Resosudarmo, B P and A A Yusuf
‘Is the log export ban an efficient instrument for economic development and environmental protection? The case of Indonesia’, Asian Economic Papers 4(2), 75–104.

Robalino, D A* and P Warr

Tang, H C

Vidyattama, Y
‘Regional convergence and Indonesia economic dynamics’, Economic and Finance in Indonesia 54(2), 197–228.

Warr, P
Yusuf, A A and B P Resosudarmo

* author does not belong to ANU
# author belongs to another part of ANU

STAFF

Convener and H W Arndt Professor of Southeast Asia Economies
H Hill, BEcon(Monash), DipEd(La Trobe), MEc(Monash), PhD(ANU)

Deputy Convener and Professor of Economics
P C Athukorala, BComm(Hons)(Ceylon), PhD(LaTrobe)

Professors
H Anderson, PhD(UCSD)
G Fane, BA(Oxford), PhD(Harvard) [retired 29 July]
R G Garnaut, AO, BA, PhD(ANU), FASSA
R Jha, BA(Hons), MA(Delhi), MPhil, PhD(Columbia)
W J McKibbin, BComm(Hons)(NSW), AM, PhD(Harvard), FASSA
X Meng, BEcon(Beijing), ME(CASS), ME, PhD(ANU)
P G Warr, BSc(Syd), MSc(Lond), PhD(Stan), FASSA

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C Manning, BA(ANU), MEcon(Monash), PhD(ANU)
R McLeod, BEng, BA(Melb), PhD(ANU)

Fellows/Research Fellows
R Fry, BEcon(Hons)(La Trobe), PhD(Melb)
X Gong, BSc(Fudan), MA(Reinmin Uni of China), PhD(Tilburg)
F Jotzo, Dipl-VWL(HU Berlin), MECDev, PhD(ANU) [RMAP/Division of Economics joint appointment]
T Kong, BEcon, BA(PKU), PhD(ANU)
B P Resosudarmo, BSc, MSc(Indonesia), PhD(Cornell)

Adjunct Professors
J W Lee, Korea University, Seoul
H Soesastro, Centre for Strategic and International Studies, Jakarta
D Vines, University of Oxford

Emeritus Professors
H Hughes, AO, MA(Melb), PhD(London), FASSA
J A C Mackie, BA(Hons)(Melb and Oxford), MA(Oxford)

Information Technology Officers
G Luttrell
Division of Economics

Divisional Administrator
C Kavanagh

Assistant Divisional Administrators
K Nulty
K Richards [until 16 June]
C Wilcox [from 1 July]

Administrative Assistant
S Zec

Personal Assistant to Ross Garnaut
G Gowans [until 18 July]
K Stone [from 18 July]
Kayla McGarvey [from December]

Visiting Fellows and Divisional Visitors
Mr Muhammad Adnan, ACEH students
Mr H Alhamid, Department of Forestry, Papua
Professor Bambang Brodjonegoro, University of Indonesia
Dr M Chatib Basri, University of Indonesia
Professor J N Bhagwati, Columbia University
Ms I Claus, New Zealand Treasury
Professor G Elliott, University of California, San Diego
Dr P Van der Eng, ANU College of Business & Economics
Dr R Gaiha, University of Delhi
Dr A Gulati, International Food Policy Research Institute
Dr S Gupta, Institute of Technology and Management, Haryana
Professor V Hall, Victoria University of Wellington
Adjunct Professor K Kalirajan, GRIPS, Tokyo
Dr A Kuncoro, University of Indonesia
Professor A Kundu, Jawaharlal Nehru University, New Delhi
Adjunct Professor J W Lee, Korea University, Seoul
Dr A Lester, Brown University
Dr Kacung Marijan, University of Airlangga
Dr G Menzies, University of Technology, Sydney
Dr K Mizuni, Kyoto University
Dr J Monfries, Consultant
Dr D Muers, Universite de PARIS II
Ms L Napitapulu, University of Indonesia
Dr Suahasil Nazara, University of Indonesia
Dr Arianto Patunru, University of Indonesia
Professor B Preston, Columbia University, New York
Ms R Rahmawati, ACEH student
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Dr Pasquale L Scandizzo, Universita di Roma, Tor Vergata, Roma
Mr S J Stehn, University of Oxford
Dr C Sugianto, Gadjah Mada University
Professor K Sugihara, Osaka University
Dr Tulus Hamonangan Tambunan, University of Trisakti, Jakarta
AUSTRALIA SOUTH ASIA RESEARCH CENTRE (ASARC)

The Australia South Asia Research Centre (ASARC) is at the forefront of the research into South Asian economies in the Australia-New Zealand region. ASARC completed its Department of International Development (UK) funded research project on poverty-nutrition traps in India and submitted a final report. ASARC augmented its economic database relating to the South Asian economies and had contact at high official levels with the governments of India, Sri Lanka and Bangladesh. ASARC provided a research chapter on Asian fiscal policy to a UNDP publication on financing needs for attaining MDGs in Asia; a chapter on efficiency of public expenditure for Asian Development Bank’s *Key Indicators 2006*; and a chapter on alternatives to inflation targeting in India for a United Nations project.

ASARC posted eleven working papers, eight of which were either authored or co-authored by ASARC staff. These papers are posted on the ASARC web site (http://rspas.anu.edu.au/economics/asarc/). ASARC staff also contributed three working papers to the Division of Economics working paper series. A number of research papers in journals and edited books were also published.

ASARC submitted for publication by ANU E Press the edited volume *The First Ten K R Narayanan Orations: Essays by Eminent Persons on the Rapidly Transforming Indian Economy*. This volume is available as a ‘print on demand’ hard copy or a downloadable electronic version from the internet. A copy of this book was presented to H E Dr A P J Abdul Kalam, President of India, in December. ASARC received a grant from the Australia India Council for this publication.

The annual K R Narayanan Oration was presented on by Dr K Kasturirangan, Director of the National Institute of Advanced Studies and a member of the Indian Parliament (Rajya Sabha). As with previous years, this year’s oration, ‘India's space enterprise: A case study in strategic thinking and planning’, has been posted on the ASARC website and is available for purchase as a booklet from the RSPAS bookshop.

ASARC hosted Dr Suman Bery, an ANU-Toyota Public Lecture Series speaker, and assisted in entertaining and supporting international visiting lecturer, Professor Jagdish Bhagwati (a former Narayanan orator).

ASARC co-hosted a workshop on ‘Risk, Vulnerability and Poverty in Asia and the Pacific’ in August, immediately prior to the 26th ‘Conference of the International Association of Agricultural Economists; (IAAE 2006) in Gold Coast, Queensland. Papers were presented at the workshop for final comment prior to the conference.

ASARC held an interactive session with 47 senior Indian bureaucrats who had come to Canberra as part of a delegation from the Indian Institute of Public Administration. ASARC hosted Mr Vayalar Ravi, Minister for Overseas Indian Affairs in the Government of India and senior ministers from this ministry.
ASARC’s ARC Linkage grant Application with AusAID to study social safety nets in India was successful. ASARC received a grant to support the 2006 Narayanan Oration from the Australia Indian Council.

Dr Gary Pursell, former senior consultant to the World Bank, joined ASARC as a visiting fellow.

**PUBLICATIONS**

see Divisional Publications, above

**STAFF**

*Executive Director*

R Jha, BA(Hons), MA(Delhi), MPhil, PhD(Columbia)

*Administrator*

S Hancock

**CENTRE FOR APPLIED MACROECONOMIC ANALYSIS (CAMA)**

The CAMA network consists of 46 active research associates and 13 doctoral student associates from around the world interacting in eight research programs in applied macroeconomics. The goal of bringing together researchers through joint projects, visitor programs and collaborative conferences was furthered with conferences in two countries.

Three major conferences were held in 2006:

- A joint CAMA/Reserve Bank of New Zealand conference on ‘Macroeconometrics and Model Uncertainty’ on 27-28 June in Wellington, New Zealand. Conference papers presented a wide variety of methods including Bayesian estimation, Bayesian model averaging, and forecast averaging to account for uncertainty. The keynote speaker was Professor Lucrezia Reichlin of the European Central Bank.

- The Econometric Society Australasian Meetings 2006, co-organised and co-hosted with the University of Melbourne, Queensland University of Technology, and University of Technology Sydney. Keynote speakers were Professor Yacine Ait-Sahalia (Princeton University), Professor Lucrezia Reichlin (European Central Bank), Professor Paul Milgrom (Stanford University), and Professor Michael Keane (Yale University and University of Technology Sydney).

- A joint CAMA/National Centre for Economic Research workshop on macroeconomics at National Centre for Econometric Research, Queensland University of Technology.

In addition, a special training course was held on ‘Dynamic Methods for Modern Macroeconomics’, presented by Dr John Stachurski of The University of Melbourne, and co-hosted with ANU Macroeconomics Study Group.

CAMA hosted six overseas visitors: Professor Viv Hall of the Victoria University of Wellington; Dr Iris Claus of the Reserve Bank of New Zealand; Professor Bruce Preston of Columbia University; Professor Ashley Lester of Brown University;
Professor Graham Elliott of the University of California San Diego; and Professor David Vines of Oxford University.

Twenty-five papers were published in CAMA’s working paper series. The working paper series is catalogued on Repec and papers are available for download at no cost. Since the inception of the series, there have been 8028 page views and 3480 papers have been downloaded.

**PUBLICATIONS**

see Divisional Publications, above

**STAFF**

*Executive Director*

W J McKibbin, BComm(Hons)(NSW), AM, PhD(Harvard), FASSA

*Administrator*

N Mies

**INDONESIA PROJECT**

The Indonesia Project continued to focus on four core activities: publication of *Bulletin of Indonesian Economic Studies*, the holding of the Indonesia Update and publication of a book on the update, a regular seminar series (the Indonesia Study Group), and hosting a number of visitors from various Indonesian universities and research institutes.

The project also hosted a series of public events. These included public addresses at ANU by two of Indonesia’s prominent cabinet members, H E Mari Elka Pangestu (Minister of Trade) and H E Indrawati Sri Mulyani (Minister of Finance) in August and November. The project co-sponsored a major seminar on the edited volume from the 2005 Indonesia Update, *Different Societies, Shared Futures: Australia, Indonesia and the Region*, in collaboration with the Center of Strategic and International Studies in Jakarta in July, and held book launchings in Singapore and Canberra. The 24th Indonesia Update conference was held on 22–23 September, on the theme ‘Democracy and the Promise of Good Governance’. It also organised a workshop on ‘Development and Environment in Eastern Indonesia: Papua, Maluku and East Nusa Tenggara’, in April at ANU. In November, the project organised a three-day workshop on the substantive issues and methodology in the Indonesia segment of a China-Indonesia comparative rural-urban migration project. It co-hosted a seminar on the Indonesia Update with the Lowy Institute in Sydney in September, and a conference on lessons from the international response to natural disasters, two years after the tsunami hit Aceh, Sri Lanka and Thailand. The latter was organised in cooperation with the Asian Development Bank Institute, the University of Indonesia and the Indonesian Economics Association and was held in Jakarta in December.

The project hosted four prominent researchers from the University of Indonesia, Dr Suahasil Nazara, Professor Bambang Brodjonegoro, Dr M Chatib Basri and Dr Arianto Patunru, as well as Dr Catur Sugriarto (Gadjah Mada University), Dr Firman Witoelar (most recently a postdoctoral fellow at Yale University), Dr Tulus Tambunan (University of Trisakti, Jakarta) and Dr Kacung Marijan (University of...
Division of Economics

Airlangga). All presented seminars on ongoing research and interacted with the large number of Indonesian postgraduate students now studying in the Division of Economics and the Crawford School of Economics and Government.

PUBLICATIONS
see Divisional Publications, above

STAFF
Head
C Manning, BA(ANU), MEcon(Monash), PhD(ANU)

Administrator
K Guest

Librarian
T van der Hoek

Editor, Bulletin of Indonesian Economic Studies
R McLeod, BEng, BA(Melb), PhD(ANU)

Associate Editor
L Drysdale, MA(ANU), DipEd(Melb)

POVERTY RESEARCH CENTRE
The Poverty Research Centre was engaged in several research projects, in Laos, Thailand and Indonesia. Professor Warr conducted a modelling study on the effects of road development on rural poverty incidence in Laos using a small general equilibrium model of the Lao economy. The results were presented at a workshop in Vientiane, Laos.

Work also proceeded on a project funded by the Australian Centre for International Agricultural Research (ACIAR) concerning the effects of productivity growth in Thailand and Indonesia, and in particular their effects on poverty incidence. This project is due to be completed at the end of 2007. Workshops were held in Bangkok, Thailand, and Bogor, Indonesia on the progress of this work.

Professor Warr was also involved in a major international study of agricultural protection in developing countries. He was responsible for studies on Thailand (with Archanun Kohpaiboon) and Indonesia (with George Fane).

PUBLICATIONS
see Divisional Publications, above

STAFF
Head
P G Warr, BSc(Syd), MSc(Lond), PhD(Stan), FASSA