

Highlights of Research Workshop

Joint Research Workshop on "Economic and Financial Barriers and Opportunities to the Green Transition in Emerging Economies." | July 24-25, 2023 | Mumbai



CAFRAL and Warwick Business School organized a collaborative conference on July 24th and 25th, 2023, at the Taj Mahal Palace in Mumbai. The conference revolved around the theme "Economic and Financial Barriers and Opportunities in the Green Transition in the Emerging Economies." Over two days, the event featured two keynote addresses, a round table discussion, and four academic presentations, all focusing on the challenges of the green transition.

The conference began with introductory remarks by Shri B.P. Kanungo, Director of CAFRAL. The first keynote, by Dr. Ralph De Hass, Research Director at the European Bank for Reconstruction and Development, examined credit constraints in green technology investment and related firm challenges.



Dr. Ralph De Hass, Research Director, European Bank



Shri B.P. Kanungo, Director, CAFRAL

Following this, a Round Table discussion centered on the "Role of Green Finance in addressing economic, social, and development priorities." The panel included Dr. Sitikantha Pattanaik (Executive Director at RBI), Dr. Aparna Krishnan (Project Director, J-PAL South Asia), and Dr. Shloka Nath (CEO, India Climate Collaborative), moderated by Dr. Giorgia Barboni (Assistant Professor,



Panel Discussion L-R: Dr. Sitikantha Pattanaik, Executive Director, Reserve Bank of India, Dr. Giorgia Barboni, Assistant Professor, Warwick Business School, Dr. Aparna Krishnan, Project Director, J-PAL South Asia, and Dr. Shloka Nath CEO, India Climate Collaborative

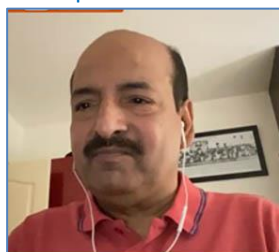
Warwick Business School). Dr. Farzana Afridi, Professor at ISI Delhi and Research Fellow at IZA, delivered the second keynote, discussing policy implications of transitioning to clean energy in rural Indian households. The second day showcased academic presentations and subsequent discussions on topics like citizen involvement in environmental governance, economic impacts of carbon tariffs, macroeconomic effects of green transition in small open economies, and environmental regulations' impact on manufacturing firms. The second day featured an array of research presentations, accompanied by engaging academic and policy discussions. The first presentation delved into an in-depth examination of the direct and indirect consequences of citizen participation in environmental governance in China. The author presented their compelling findings stemming from a nationwide field experiment designed to assess the effects of assigning firms to either public or private citizen appeals treatment when they deviate from pollution standards. In the second presentation, the focus shifted to investigating the pivotal role of market power in quantifying the welfare implications of a carbon-based trade policy reform. Employing a structural trade model, this presentation explored the intricate dynamics of this policy shift and discussed the distributional impact of trade policy in reducing global emissions. The third presentation offered insights into the meticulous design of small open economies, providing a framework to study the dynamics of green transition. The paper examined fiscal costs and evaluated welfare throughout the process of transitioning towards green economies, employing various metrics for a comprehensive analysis. Lastly, the fourth paper contributed by assessing the profound impact of environmental regulations on Indian manufacturing firms, shedding light on the multifaceted aspects of this critical issue.



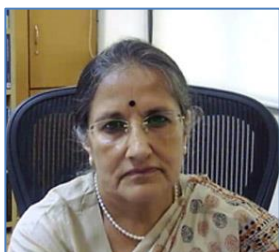
Dr. Farzana Afridi, Professor, ISI Delhi and Research Fellow, IZA

Highlights of Learning Program

Virtual Program on Stressed Assets Management and Insolvency and Bankruptcy Code: Way Forward | July 11, 2023 | Online



N.S. Vishwanathan



Indrani Banerjee



Manoranjan Mishra



Ravi Mital



Dr. M.S. Sahoo



Abizer Diwanji



C. Sankaranarayanan

CAFRAL had organised a one-day virtual program (VP) on Stressed Assets Management and Insolvency and Bankruptcy Code on July 11, 2023.

The objective of the VP was to deliberate on the broad framework of stressed assets management and resolution with focus on IBC. Discussion of the way forward in making the insolvency process a more effective tool for resolution of stressed assets for all

stakeholders enriched the understanding of participants. It also provided a platform for peer level discussion and interaction with the regulator. Topics covered in this VP were Credit Culture and Credit Costs - How IBC can Revolutionize Credit Risk Management; Management and Resolution of Stressed Assets: Regulatory Perspective; Implementation of IBC: Learnings for Bankers; Issues in Resolution during CIRP & Liquidation; Impact of IBC and Behavioural Changes in Credit Market.

N.S. Vishwanathan, Senior Fellow, Centre for Public Policy, IIM Bangalore & Former Deputy Governor, Reserve Bank of India delivered the keynote address and Indrani Banerjee, Additional Director, CAFRAL made the opening remarks. Other speakers in this VP were Manoranjan Mishra, Chief General Manager, Reserve Bank of India; Ravi Mital, Chairperson, Insolvency and Bankruptcy Board of India; Dr. M.S. Sahoo, Former Chairperson, Insolvency and Bankruptcy Board of India; Abizer Diwanji, Head - Financial Services, EY India.

Program on Know Your Customer (KYC) and Anti Money Laundering (AML) | July 17-18, 2023 | Mumbai



Smt. Indrani Banerjee, Additional Director, CAFRAL and other speakers with participants at Program on Know Your Customer (KYC) and Anti Money Laundering (AML).

CAFRAL had organised a two-day program on Know Your Customer (KYC) and Anti Money Laundering (AML) on July 17-18, 2023 at the Taj Mahal Palace in Mumbai.

This program sought to sensitize senior officers of REs about the risk & strategic dimensions which need to be factored in the KYC-AML framework and simultaneously to address the challenges in respect of compliance. After a quick review of extant regulations, it provided updates on recent changes in the KYC & AML regulations including the requisite management oversight, systems & controls and related matters.

Topics deliberated upon in the program were KYC & AML Risk Management – Regulatory Perspective and Expectations; Supervisory Observations on KYC & AML Compliance; KYC & AML Framework: Risks and Strategies; Transaction Monitoring: Key Issues; Trade Based Money Laundering; Advanced Technologies & Regtech for Effective KYC & AML Compliance; Central KYC Registry & Compliance by REs: Issues and Challenges; Using Data Analytics in AML & Financial Crime Investigation; KYC & AML Implementation and Compliance: FIU Perspective; KYC & AML: International Experience.

Indrani Banerjee, Additional Director, CAFRAL delivered the opening remarks. Other Speakers were Umesh Kumar Singh, MD & CEO, CERSAI; BVS Saikrishna, Founder & CEO, Divsight Intelligence Private Limited & Pinaca Technologies; Santosh Kumar Panigrahy, Chief General Manager, Department of Regulation, Reserve Bank of India; Shailesh Thakur, Additional Director, Financial Intelligence Unit – India; S. Ramakrishna, General Manager & Principal Officer, AML-CFT Cell, State Bank of India; Muralidharan R, Deputy General Manager, Department of Supervision, Reserve Bank of India Hemang Sheth, Executive Director, Principal Officer, JPMCB NA, India; Charan Rawat, Head Compliance, Cooperative Rabobank U.A; Suveer Khanna, Partner, Forensic Services, KPMG; K V Karthik, Partner, Financial Advisory Services, Deloitte.



Dr. Sitikantha Pattanaik, Executive Director, Reserve Bank of India, Smt. Indrani Banerjee, Additional Director, CAFRAL, other speakers and participants at Conference of Chief Economists - Emerging Macroeconomic Challenges

CAFRAL had organized a one-day conference of Chief Economists on July 27, 2023 at the Taj Mahal Palace in Mumbai.

The objective of the conference was to provide Chief Economists and their team members opportunities to discuss the state of the Indian Economy and review global macroeconomic developments. Apart from discussing the challenges faced by the financial sector in facilitating a cleaner and a greener growth story; the economic and business opportunities of extending banking access & the requisite strategies, implications of platform economies, and risks posed by geopolitical developments were also discussed.

A wide range of topics were discussed in the conference which included the Macroeconomic Prospects and Challenges; Headwinds to Global Growth Prospects & Inflation - Resilience of the Indian Economy; Evolution of Platform Economies and its Implication in Financial Intermediation; Decoding Geopolitical and Macroeconomic Landscape: Outlook 2023-24; Elements of ESG Principles – Impact on Financial Stability; Inclusive Banking and its Impact on Socio - Economic Outcomes.

Dr. Sitikantha Pattanaik, Executive Director, Reserve Bank of India delivered the keynote address and Indrani Banerjee, Additional Director, CAFRAL made the opening remarks. Other speakers included Dr. Sajjid Z. Chinoy, Managing Director and Chief India Economist, J.P. Morgan; Dr. Vijay Singh Shekhawat, Chief General Manager, Department of Supervision, Reserve Bank of India; Dr. Ajit Ranade, Vice Chancellor, Gokhale Institute of Politics and Economics; Madhura Mitra, Executive Director - Climate Change, Carbon Markets & Sustainability, PricewaterhouseCoopers Private Limited; Dr. Sarat Dhal, Director, Department of Economic and Policy Research.

Program on Cyber Security & Resilience: Emerging Trends and Challenges | August 22, 2023 | Mumbai



CAFRAL had organised a one-day program on Cyber Security and Resilience: Emerging Trends and Challenges on August 22, 2023 at the Taj Mahal Palace in Mumbai.

This one-day program aimed at contributing to capacity building at senior & top executive level, providing insights into the emerging trends in cyber-defence & cyber resilience from the perspective of governance and strategy. Recent trends in cyber risk were discussed to facilitate building of improved cyber defence mechanisms.

Topics deliberated upon in the program were Cyber Security & Resilience: Emerging Trends and Regulatory Expectations; Responding and Managing Cyber Attack: Cyber Crisis Management Plan; Innovative Solutions to Counter Cyber Risk –Case studies; Cybercrime and Trends-New Tools for Combat: Developing a Robust Threat Intelligence; Cyber Risk Insurance - Implications and Way Forward.

Indrani Banerjee, Additional Director, CAFRAL delivered the opening remarks. Other Speakers were T.K. Rajan, Chief General Manager, Department of Supervision, Reserve Bank of India; Natarajan Suganandh, General Manager, Department of Supervision, Reserve Bank of India; Murali Rao, Cyber Leader & Partner-Technology Consulting, Ernst & Young India; Krishna Sastry Pendyala, Partner, Cyber Security, Ernst & Young India; Mohan Sharma, Head Operational Risk, ICICI Bank; Ramesh Kumar Y, Deputy General Manager (IT Risk), State Bank of India.

Conference on Central Bank Digital Currency | August 25, 2023 | Mumbai



Shri Ajay Kumar Choudhary, Executive Director, Reserve Bank of India, Smt. Indrani Banerjee, Additional Director, CAFRAL, other speakers and participants at Conference on Central Bank Digital Currency

CAFRAL had organized a half-day conference on Central Bank Digital Currency on August 25, 2023 at the Taj Mahal Palace in Mumbai.

This half-day conference provided a platform for discussion on the various issues in CBDC including impact on financial intermediation, cyber security & privacy and confidence building measures required amongst users for its higher adoption. CBDC being a potential 'game changer', the conference analyzed the issues involved including associated operational risks, for Banks, NBFCs and Financial Institutions who have a customer facing role in the CBDC ecosystem.

Topics covered in this conference were Central Bank Digital Currency (CBDC) – Road Ahead: A Policy Perspective; Regulatory Framework for CBDC – Interoperability Challenges of Retail and wCBDC; CBDC – International Experience, Evolving Trends and Road Ahead; CBDC – Operational Challenges, Risk and Mitigation.

Ajay Kumar Choudhary, Executive Director, Reserve Bank of India delivered the keynote address and Indrani Banerjee, Additional Director, CAFRAL made the opening remarks. Other speakers in this conference were Suvendu Pati, Chief General Manager, FinTech Department, Reserve Bank of India; Nicholas Drury, Research Affiliate, Cambridge University's Centre for Alternative Finance (CCAF) and Mentor Tutor at Mapua University (Philippines); Sumanta Kumar Panda, General Manager, State Bank of India; Lalitha Nataraj, Head - Digital Partnerships, Digital Acquisitions and Payments, IDFC First Bank Ltd.

Highlights of Research Activities

Research Paper Publications

Dr. Nirvana Mitra published a paper titled **"Political Constraints and Sovereign Default"** (co-authored with [Marina Azzimonti](#)) in the Journal of International Money and Finance. The article is available online and will appear in the October 2023 issue of the journal.

Abstract:

We study how political constraints, characterized by the degree of flexibility to choose fiscal policies, affect the probability of sovereign default. To that end, we relax the assumption that policymakers always repay their debt in the dynamic model of fiscal policy developed by Battaglini and Coate (2008). In our setup, legislators bargain over taxes, general spending, debt repayment, and a local public good that can be targeted to the region they represent. Under tighter political constraints, more legislators have veto power, implying that local public goods need to be provided to a larger number of regions. The resources that are freed after a default have to be shared with a higher number of individuals, which reduces the benefits from defaulting in per-capita terms. This lowers the incentive to default compared to the case with lax political constraints. The model is calibrated to Argentina and the results conform to robust empirical evidence. An event study for the 2001/2002 sovereign debt crisis shows that political constraints had an important role in the buildup that led to the crisis.

The article can be accessed using the following link: [Political Constraints and Sovereign Default](#)

Dr. Nirupama Kulkarni published a paper titled **"Cash is King: The role of financial infrastructure"** (co-authored with Bhavya Aggarwal and S. K. Ritadhi) in the Review of Corporate Financial Studies (forthcoming).

Abstract:

This paper examines whether a one-time, extensive, but temporary shock to cash supply can affect the adoption of digital payments. We exploit the 2016 demonetization episode in India, which overnight discontinued 86% of cash in circulation. Using novel administrative data from retail debit card transactions, we identify a 12% increase in digital payments in areas adversely affected by the cash shortage, which persisted well after the restoration of cash supply. Examining mechanisms, we find a limited role for social networks and stronger support for learning by doing. Further, information frictions hinder the immediate adoption of digital payments.

The article can be found through the following link: <https://academic.oup.com/rcfs/advance-article-abstract/doi/10.1093/rcfs/cfad018/7241523>

Presentations to industry and academic institutions.

Dr. Gautham Udupa presented the paper **"Food, Fuel, and Facts: Distributional Effects of External Shocks"** at SERI Ninth Annual Workshop, GIPE, Pune held on July 9, 2023.

Abstract:

In this paper, we investigate the distributional implications of rising global food and oil prices using rich consumption and income panel data from India. We show that these external price shocks pass-through to domestic prices. We document that consumption inequality rises for the entire horizon of one year following a positive shock to global food and fuel prices. Using a household panel local projection method, we estimate heterogeneous consumption effects along the income distribution. We find robust evidence that lower income deciles are hit harder by the rise in food prices, whereas the rise in fuel prices hits both the lower and the middle income deciles. For both shocks, however, consumption of top income deciles is largely unscathed. The effects of external price shocks on inequality are quantitatively large and economically meaningful.

Dr. Gautham Udupa presented the paper **"Dollar Funding, Trade Invoicing, and Real Effects: Evidence from India"** at a research seminar organized by the National Institute of Bank Management, Pune on July 21, 2023.

Abstract:

We present a comprehensive political-economy theory to explain the cyclical behavior of fiscal policy and sovereign default decisions across countries at different stages of development. Our approach diverges from the conventional public finance literature, which typically presumes a debt repayment commitment mechanism in developed countries and the sovereign default literature which assumes a lack of such commitment in emerging economies. Instead, we highlight the institutional context in which fiscal policies are made and implemented, focusing on the degree of democratic representation and the level of corruption within a government. Using a dynamic political economy bargaining model based on Azzimonti and Mitra (2023), we show that nations with higher levels of corruption and weaker democratic institutions often face frequent default episodes and greater fiscal and economic volatility. In contrast, countries that manage corruption effectively and maintain a high

degree of democratic representation are better prepared to mitigate the effects of economic shocks. Our results are in line with stylized facts drawn from a panel of 58 countries between 1990 and 2022.

Dr. Sankalp Mathur presented his paper “**Protectionism in a Green Suit? Market Power and Carbon-based Trade Policy**” at the CAFRAL and Warwick Joint Research Workshop on Green Transition in Emerging Economies on July 25, 2023

Abstract: Carbon tariffs have received widespread support as a second-best policy tool to regulate foreign emissions indirectly. In this paper, I document novel evidence suggesting that carbon-intensive sectors have higher market power and thus charge higher markups. Thus, carbon tariffs lead to sizable profit-shifting across countries. I build a multi-industry structural model of international trade with input-output linkages to analyze the welfare implications of a carbon-based trade policy reform. I study the nature of profit shifting in response to the carbon-embodied tariffs and quantify the aggregate and distributional effects on welfare and emissions. The findings suggest that accounting for market power increases the effectiveness of trade policy in reducing global emissions. However, it generates heterogeneous effects across countries where countries may lose as high as four percentage points after accounting for profits with the counterfactual trade policy reform.

Dr. Yogeshwar Bharat presented his paper “**Women in Labour Force: An India Story**” at the **Institute of Human Development** on August 10, 2023.

Abstract: An increase in female labour force participation can lead to better economic outcomes for all economies and the world. Greater participation of women in the workforce and, in particular, trade can help in achieving greater gender equality and empowerment of women. In this study, we are trying to understand the interplay of gender and international trade by reviewing trends for the world, and in particular, looking at India’s growth story. For the purpose of the study, we use mostly publicly available data published by the Indian government (NSSO, Economics Census, DGCIS, and various ministries) and multilateral organizations (ILO, World Bank, IMF, CEIC, etc.).

EXTERNAL ENGAGEMENTS

- Dr. Vidhya Soundarajan - Organizing committee member for the Society of Economics Research in India (SERI) annual workshop held on July 8-9, 2023, and CORE Committee Member for SERI for the year 2023.
- Dr. Nirupama Kulkarni - Discussant at ISB CAF Conference held on July 27-28, 2023.
- Dr. Nirupama Kulkarni - Jury member for the doctoral track at “Yes Securities Benchmark 2023” organized by S. P. Jain Institute held on July 29, 2023.
- Dr. Nirupama Kulkarni Reviewer for “Pricing of Interdealer OTC Derivatives in a Limit Order Market” under RBI Working Paper Series held on August 31, 2023.

Co-Authors and Visiting Scholars at CAFRAL

- Dr. Chetan Subramanian, Professor at the Indian Institute of Management, Bangalore, visited CAFRAL as a Mentor on July 13-14, 2023.
- Amil Dasgupta, Professor at London School of Economics, visited CAFRAL as a Mentor from July 31, 2023 to August 4, 2023.
- Dr. Pavel Chakraborty, Associate Professor at Lancaster University, visited CAFRAL as a Visiting Fellow from July 24-28, 2023.

Highlights of CAFRAL Research Seminars

CAFRAL invited speakers from leading academic institutions and other central banks. A sampling of the abstracts of papers presented are given below:

Towards a well-targeted interest rate policy by Prof. Gurbachan Singh, Professor at Ashoka University, on July 12, 2023

Abstract: The central bank faces a trade-off while using its interest rate policy. So, the policy is not very effective. Also, the prevailing policy for macroeconomic stability has adverse side-effects for asset price stability, interest incomes, and pension funds. The prevailing interest rate policy includes a quasi tax-subsidy scheme by the central bank. This paper proposes a clear tax-subsidy scheme by the treasury. This is not just a very different form; the change provides an additional policy tool. With this, the proposed policy regime can achieve macroeconomic stability effectively, transparently, and with minimal adverse side-effects.

Liquidity Dependence and the Waxing and Waning of Central Bank Balance Sheets by Rahul Singh Chauhan from the University of Chicago on July 19, 2023

Abstract: When the Federal Reserve (Fed) expanded its balance sheet via quantitative easing (QE), commercial banks financed reserve holdings with deposits and reduced their average maturity. They also issued lines of credit to corporations. However, when the Fed halted its balance-sheet expansion in 2014 and even reversed it during quantitative tightening (QT) starting in 2017, there was no commensurate shrinkage of these claims on liquidity. Consequently, the financial sector was left more sensitive to potential liquidity shocks, with weaker-capitalized banks most exposed. This necessitated Fed liquidity provision in September 2019 and again in March 2020. Liquidity risk-exposed banks suffered the most drawdowns and the largest stock price declines at the onset of the Covid crisis in March 2020. The evidence suggests that the expansion and shrinkage of central bank balance sheets involves tradeoffs between monetary policy and financial stability.

Past and Future of Indian Finance by Dr. Ruchir Agarwal, Research Fellow Harvard Kennedy School on July 26, 2023

Abstract: India's growth story depends on the vitality of its financial system. Within the span of five years, the Indian economy has endured two unprecedented shocks: the 2019 economic slowdown triggered by a financial crisis, and the COVID-19 pandemic. As we navigate the aftermath of these episodes, one vital question emerges: how resilient will India's financial system be in the face of future challenges? This paper embarks on three missions. First, it dissects the origins and aftermath of the Indian Financial Crisis of 2018-20, sparked by a run on the shadow banks. Second, it examines how India fortified its financial system in the wake of this financial crisis and the pandemic, consequently shielding itself from the global banking disruptions of 2023. Finally, it gazes ahead at potential challenges and opportunities, sketching a blueprint for key reforms. Overall, the future trajectory of India's economic growth, whether a modest 5.5% or a bold 7.5%, rests significantly on the progress of ongoing financial sector reforms.

Self-Serving Fiduciaries? Board Discretion in Publicly Resisting Takeover Bids by Prof. Pradeep K. Yadav, Professor at the University of Oklahoma on August 2, 2023

Abstract: In sharp contrast with Britain and most E.U. countries, the board of a U.S. takeover target firm has virtually total discretion on whether to offer post-bid resistance. There has long been an extensive debate among legal scholars about the normatively optimal level of board discretion in this context. We accordingly investigate empirically whether U.S. target firm boards function as bona-fide fiduciaries for shareholders when they exercise this exceptional level of discretion. We use a research design that enables causal inferences. Exploiting well-documented, directly relevant, and plausibly exogenous instrumental variables, we find a positive causal relationship from existing antitakeover provisions (ATPs) to post-bid resistance, and no causal relationship from bid premiums to post-bid resistance. Alongside our accompanying conceptual framework, our results enable us to infer that the target board's decision to resist is, on average, not motivated in the best interests of shareholders, but by entrenchment considerations. Our empirical results underscore a need to revisit the issue of board discretion and director primacy in relation to takeover resistance in U.S. law and practice.

Exiting Anomalies by Prof. Nagpurnanand Prabhala, Professor at Johns Hopkins University on August 8, 2023

Abstract: Trading strategies to exploit asset pricing anomalies hold positions for a fixed time period, usually a month. We consider early exit strategies that can close positions sooner, with possibly different exit times for different stocks in the anomaly portfolios. We show that early exit strategies, specifically ones based on machine learning techniques that use encoders to re-represent time series features, produce significant alphas and Sharpe ratios for three major anomalies, profitability, value, and momentum. Early exit strategies restore anomaly alphas in recent periods when fixed-horizon alphas have been insignificant. The results are robust to transaction costs.

[Upcoming CAFRAL Research: Seminar Series](#)

Dollar Liquidity, Trade Invoicing, and Real Effects: Evidence From India by Dr. Gautham Udupa, Research Director, CAFRAL | September 29, 2023 | Reserve Bank of India, Fort, Mumbai

Abstract: We provide causal evidence using granular transaction level trade data and an unexpected monetary policy shock in the United States that a shock to the cross-border credit of dominant currencies (such as United States Dollar) adversely impact trade invoicing in those dominant currencies. We perform various cross-sectional tests to show that ex-ante stronger bilateral financial ties between exporter and importer countries as well as stronger internal capital markets at the firm level help dampen adverse effects of such credit shocks on invoicing. Additionally, we document strong spillover effects of credit shock through firms having multiple trading partners. We further demonstrate the real consequences of such cross-border credit shocks by documenting a fall in trade and destruction of trade relationships. Moreover, we document that the ex-ante reliance on dominant currency

invoicing amplifies the negative real effects of such cross-border credit shocks to dominant currencies, thereby establishing a novel "dollar invoicing channel".

Presenter Bio: Dr. Gautham Udupa is a Research Director at CAFRAL. His research uses Indian household and firm micro data to understand issues related to international finance and macroeconomics, household finance, and monetary policy. His recent work analyses the impact of international shocks on household consumption and international trade and their implications. One of his papers evaluates the impact of international financial shocks on the dollarisation of international trade. His work also looks at how global food and fuel price inflation impacts household consumption and inequality. He has a Ph.D. in Economics from the University of Houston and an undergraduate degree in mining engineering from NIT Karnataka.

If you wish to be included in the mailer list of CAFRAL Research Seminars [please click here](#)

Upcoming Research Annual Conference

Call for papers - CAFRAL Annual Conference: The Financial System and Macroeconomy in Emerging Economies
| December 11-12, 2023 | Thiruvananthapuram (Trivandrum), Kerala, India

About Conference:

KEYNOTE SPEAKERS: Dr. Michael Patra, Deputy Governor, Reserve Bank of India; Dr. Satyajit Chatterjee, Vice President, Federal Reserve Bank of Philadelphia; Prof. Amil Dasgupta, Professor, Department of Finance, London School of Economics.

TOPICS OF INTEREST: We invite completed working papers on macroeconomics and finance, preferably with a focus on emerging economies. We especially welcome papers that examine national and global issues surrounding macroeconomic, financial and policy linkages between emerging and developed economies. Papers addressing the theme of the conference in the context of specific countries, especially India, would also be very welcome. We will consider papers on other topics as well. Doctoral students on the job market are encouraged to submit papers.

PAPER SELECTION: We aim to have about ten papers in the program. The deadline for submission of papers is September 25, 2023. We hope to have the decisions finalized by October 10, 2023. Please submit your papers to macrofinconf@cafral.org.in

FUNDING: The conference will provide round-trip airfare for presenters and discussants as well as pay for their local expenses (including hotel). Participants who receive funding are expected to stay for the full duration of the conference.

PROGRAM COMMITTEE: The papers will be reviewed by a Program Committee chaired by Nirupama Kulkarni (CAFRAL). Committee members:

- Nirupama Kulkarni, CAFRAL
- Gautham Udupa, CAFRAL
- Kaushalendra Kishore, CAFRAL
- Yogeshwar Bharat, CAFRAL
- Nirvana Mitra, CAFRAL
- Vidhya Soundararajan, CAFRAL
- Sankalp Mathur, CAFRAL
- Sanjay Singh, FRBSF and UC Davis
- Saroj Bhattarai, UT Austin
- Pascal Michailat, UC Santa Cruz

We warmly welcome researchers, faculty members and doctoral students from India and outside to attend the conference without any charge. However, participants who do not have a paper or discussion in the program will not be provided any financial support. Please do email us in advance if you are interested in attending with your CV to the above email address by November 30, 2023.

For more details: <https://www.cafral.org.in/AnnualConference.aspx>

Participants' Profile

Academic researchers in economics, finance, and related areas. Economists at policymaking institutions, financial institutions, and regulatory organizations. Bankers and Central Bankers

Upcoming Learning Program

Program on Customer Education & Protection: Evolving Trends, Role and Responsibilities | October 6, 2023 | Mumbai

Background:

The operations of regulated financial sector entities have become increasingly complex while their technological capabilities have enabled them to offer a wide range of products and services. It also becomes incumbent on banks and NBFCs to create greater awareness of various products and services that would aid in building a more assured and protected customer base. In order to do so, regulated entities should have robust institutional & technological framework, well-defined policies and response mechanism, customer service culture and a zeal to create greater awareness of the appropriate financial products and services. This could also include enhancing customer experiences with requisite Customer Relationship Management systems, AI-powered chatbots, and data analytics tools to gain insights into customer preferences and behaviors.

Objective:

The program will focus on the need to ensure high standards of customer service, besides enabling participants to become well conversant with the institutional and technological framework required for enhanced customer service, customer protection and grievance redressal. The program will provide opportunities to develop a better perspective on addressing the challenges arising from complexities of products & services and technological issues that may often result in deficiency of services to customers.

Participants' Profile

- Board Members of Banks and NBFCs
- Heads of Customer Service of Banks & NBFCs and their team members

[Nominate Now](#)
Program on Credit Risk Management & Securitization | October 17-18, 2023 | Mumbai
Background:

The approach to Credit Risk Management has undergone a paradigm shift along with changing market dynamics, impacting the overall credit portfolio. Over the years, financial institutions have developed various measures & analytical tools to mitigate the credit risk in their portfolio and there has been a perceptible improvement in credit underwriting standards. The constant regulatory emphasis on credit risk management from identification methodology to measurement and eventual provision requirements has paved the way for improved credit risk management in Banks/FIs. As part of prudent Credit Risk Management, securitisation of assets is gaining ground for which the necessary regulatory guidelines are in place. The prolific growth in Retail lending has contributed substantially to the credit growth in recent times, which may lead to certain sectoral/portfolio risks. The advent of technology and digital lending has opened up a plethora of opportunities for lending, but also brought in new risks in a lender's credit portfolio.

Objective:

This two-day program seeks to provide an opportunity to the senior officials from Banks/FIs/NBFCs to enhance their understanding of the salient aspects of credit risk management and securitisation. It will also provide a platform for peer level discussion and interaction with stakeholders.

Participants' Profile

Senior officials who are involved with credit, recovery/stressed assets and risk management functions of Banks, NBFCs and FIs.

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CAFRAL Advanced Leadership Program (CALP) - In collaboration with McDonough School of Business, Georgetown University, Washington DC, USA | October 27-28, 2023 [Indian Leg](#) and October 30, 2023 to November 3, 2023 [Overseas Leg](#)
Background:

The financial sector in India has been rapidly integrating with global processes and systems and is not immune to global challenges. While the Indian financial sector has made great strides such as in payment ecosystem, there is a growing realization on the importance of fostering interaction between academicians, bankers, stakeholders and regulators who have played a critical role in the recent financial crisis. These key players have provided essential policy assistance, adopted non-conventional policies and provided critical support during the period of financial instability. There is, thus, a felt need to interact with these experts that would help understand their approach, leverage on their insight and capitalize on the emerging opportunities that would be beneficial to the Indian economy at large and the financial system in particular.

Objective:

The outbound program seeks to provide an opportunity to the participants to be amongst academicians and institutions that have been at the forefront of the global crisis that the financial markets have faced in recent years. The program also aims to provide participants an exposure to a different environment and culture, exposure to diversity and an opportunity to interact with policy makers, academicians and other stakeholders. Besides cultural immersion and problem-solving challenges in a foreign environment, it would also provide

opportunities to the participants to interact and develop better lines of communication between themselves and with others. In addition to imbibing soft skills that this exposure would enable, besides banking and financial concepts, it would also provide richness in the inputs to be disseminated by world class academicians, supplemented by first-hand experience by practitioners at one place.

Participants' Profile

Senior and top management functionaries at the level of General Manager or equivalent and above including EDs, DMDs, MDs as also Non - Executive/ Independent/ Nominee Directors of banks, financial institutions and regulatory institutions.

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