



NEETI

A Contemporary Perspective

Issue 4, March 2022

EDITORS' NOTE



With each passing year, the world witnesses countless changes. Change can be an intimidating process and can be overwhelming in nature, but it is these changes which shape human society, human behaviour and shape the future facing all of us. Against the backdrop of humanitarian crises in several countries around the world, global health crisis, economic disruptions, glaring growing wealth and gender inequalities and the harsh consequences of climate change the world is witnessing; a glimmer of hope still exists, the hope of normalcy and growth. The past year has been one of immense resilience, both for the economy and for the citizenry of India. Thus, the fourth edition of Neeti covers a wide range of issues and brings to its readers a veritable window of perspectives. As economics students, it is crucial for us to analyse all variables, and this is what this year's edition brings to the table. A very special section of our magazine is an interview with Ms Preeti Sudan (Former IAS Officer and Health Secretary of India) which promises to provide an insight into what goes inside a bureaucrat's mind while shaping policies.

Our aim with Neeti this year was to provide budding economists, writers and artists a creative and open space for expression and learning. Through articles, comic strips and graphics, this year's issue perfectly embodies the youthful perspective and spirit. The final product was months of ideation and never-ending discussions. This process was exciting as the entire team was brimming with a fresh set of ideas. Every Neeti team meet was a space to learn from each other, understand other perspectives and was accompanied with the usual laughter and fun involved in every team activity. The overwhelming enthusiasm of each member invigorated us and pushed each other to think outside the box. The countless back and forth of ideas, edits and discussions allowed the Neeti team to present to its readers a magazine which is authentic with articles written by the current students, professors and alumni of Maitreyi College. The contribution of each and every editor, designer, illustrator and contributor to the magazine makes this issue of the Neeti magazine very special and dear.

We would like to thank all the contributors to the magazine, members of Neeti and our respected teachers for their tireless work towards making this magazine what it is today.

We hope that the readers find this magazine insightful, enriching and engaging. Thank you for choosing Neeti, we sincerely hope that this magazine adds to your knowledge base and helps you gain different perspectives.

Happy Reading !

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SOCIAL RESPONSIBILITY of BUSINESS

A Glance at Milton Friedman's article

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II Year, BA (H) Economics

What are companies for? What is their prime motive? The answers may vary but in today's age, there isn't one single answer. The companies in the contemporary world are expected to be socially responsible, environmentally friendly, gender-inclusive and must value their employees and customers. As the world is evolving so are the companies and their responsibilities towards society.

A company's social responsibility has been debated for a very long time but a very controversial article in the '70s pointed out that a corporation's sole responsibility is towards its shareholders.

Milton Friedman, a Nobel-Prize winning economist and a professor in Chicago School of Economics, published his essay titled 'The Social Responsibility of Business is to Make Profits' in the New York Times on 13 September 1970.

The article was discussed and debated rigorously, many singled out the hollow and selfish nature of the idea while others seemed to resonate with it. What the article implied, in simpler words, was that 'Greed is Good'.

Friedman began his article by describing businessmen who supported social causes as, "unwitting puppets of the intellectual forces that have been undermining the basis of a free society these past decades." According to him, corporations are "artificial persons" and in a true sense are run by corporate executives. Hence his article was directed at executives and their responsibilities towards the business. He asserted that an executive's sole responsibility is towards his employers.

He stated that "a corporate executive, the manager is the agent of the individuals who own the corporation or establish the eleemosynary institution, and his primary responsibility is to them."

He went on to establish that social causes and responsibilities are best left to the government. One could understand his narrative through the below-mentioned extract from his article.

"This is the basic reason why the doctrine of "social responsibility" involves the acceptance of the socialist view that political mechanisms, not market mechanisms, are the appropriate way to determine the allocation of scarce resources to alternative uses."

This was no simple article/idea/theory, rather an important one that shaped and influenced a generation of economists, executives and politicians. His idea found voice in the likes of Ronald Reagan and Margaret Thatcher. 5 decades down the line, his article is still embedded in the minds of corporate tycoons. The world is still struggling to see beyond the supremacy of shareholders and the importance of profits.

But the reason why the article has been widely criticised lies in its myopic vision.

A company's lack of social responsibility may maximise the profits but it widens the already existing inequalities in our society. This idea sky-rocketed corporations profit in the short run but damaged their core values and structural working in the long run. What aggravated this idea further was the tying up of the top executives' pay to the share prices of the corporations. This naturally prompted the executives to make decisions to increase the share prices even if the consequences were harmful to the people, employees, environment, society or even the corporation in the long run. No effort was made to improve the working conditions, climate change and environmental problems were blatantly ignored. The idea thus proved to be catastrophic for the world.

The social responsibilities of businesses today, however, are changing. They are beginning to recognise social issues and are motivated to work in areas such as environment, climate change, women's rights, income disparity, racial justice etc. This activism is driven by employees and customers while CEOs lead the change.. As the workspace is becoming more diverse and represented, there is a greater need to pay heed towards the issues faced by the people. A new form of stakeholder capitalism is driving the change where the corporate executives are obliged to their shareholders, employees and customers equally. The companies today have the realisation that embracing socially responsible capitalism is only going to help them get new customers and retain old ones. CEOs today are more vocal and make it their duty to publicly denounce malpractices around them.

A new approach to business and investing which revolves around ESG (Environmental, Social and Governance) is making its way through boardrooms and investor communities. Hence, the corporate world is changing for good.

In an attempt to recognise the importance of social responsibility among companies, India became the first nation to legally mandate Corporate Social Responsibility for specified companies with the introduction of Section 135 under the Companies Act 2013. "The Act requires companies with a net worth of ₹500 crore or more, or turnover of ₹1,000 crore or more, or a net profit of ₹5 crore or more during the immediately preceding financial year, to spend 2 percent of the average net profits of the immediately preceding three years on CSR activities."(Nangia) The objective of this act is to share the burden of the government in providing social services to all sections of the society. Despite such regulations in many countries and companies around the world recognising CSR as an integral part of their policies, the obsession with the primacy of shareholders and profits still inhabits the mind of many. Companies still have to cover a long and strenuous distance to make their approach towards business more socially responsible.

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THE VIRTUE OF ETHICAL CONSUMERISM

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In today's contemporary society, one of the most difficult challenges confronting the entire human civilisation has been to uphold the promise of sustainable practices. The approach to the concept of sustainability has shifted dramatically over the last two decades. And to uphold this concept, humans have been consciously pursuing deliberate and sustained acts to become an integral, and adaptive part of this dynamic system. Based on this notion, we have been constantly facing an urgent need for interventions in post-modern lifestyles and consumer behaviour patterns within modern society, appealing for a more responsible, balanced and smart way of life.

This reflects the behaviour of a certain demographic: the Ethical Consumer.

"Ethical consumerism is a type of political action founded on the notion that market participants consume not just things but also implicitly, the process by which they are produced. Consumers can embrace or reject specific environmental and labour practises, as well as make other value claims based on the ethical principles they hold, by choosing certain products over others, or even not purchasing at all." (Kirchhoff, n.d.)

Ethical consumerism comprises purchasing items that have been responsibly sourced, manufactured, and disseminated. It is the notion that consumers uphold their ethical ideals and principles while spending their money in the market. It indicates that purchase decisions are a way for people to put their values into action.

For example, thrift stores are having a breakthrough these days, not just because second-hand products are cheaper, but also because objects are re-used and so connected with a more morally conscious style of consumerism. It is a reaction to the 'buy and throw away' ideology commonly associated with consumerism. However, it's not just the fashion and art industries making this shift.

According to the Co-operative Bank, the market for ethical products and services also includes sectors such as Ethical food and drink, Green home, Eco-travel and transport, Ethical personal products and Ethical finance.

The shift towards Ethical Consumerism

Robert Reich, a former U.S. Labor Secretary under President Bill Clinton, quoted from his book *Supercapitalism: The Transformation of Business, Democracy, and Every day* that *"there is a difference between the private wants of a consumer and the public ideals of a citizen."*(Singer, 2019)

It is argued that the most promising way to view ethical consumption through an economic lens is through models with heterogeneous consumers, in which some have a strong intrinsic motivation to adopt ethical-consumption practices, while others will adopt if they perceive a practice to be becoming a social norm and its extra costs are moderate, and still, others will be impervious.

People while adopting ethical consumer behaviour focus on a variety of issues, such as:

- Child labour, fair trade, reasonable pay, workers' rights, health, and safety are all examples of human rights.
- Climate change, recycling, renewable energy, sustainable agriculture, and ocean conservation are all examples of environmental issues.
- Animal welfare and veganism.
- Social justice issues.

Although decreasing consumption as much as possible is an important aspect of ethical consumerism, we all need to buy things, and the general thrust of ethical consumerism is figuring out: *how to make the best choices?*

A variety of factors influence purchasing decisions, including price, quality, value, brand, and convenience, among others. Consumers want items that are practical, simple, and well-designed, and that they can rely on. Ethical finance solutions must be simple to understand, convenient to obtain, and offer minimal risk and an acceptable financial return. (Going Green? How Financial Services Are Failing Ethical Consumers, 2006)

The Rise in Ethical Consumerism

Much of the rise of ethical consumption can be attributed to the globalisation of markets and the diminishing ability of national governments to oversee multinational firms. This has occurred in tandem with a shift in market power in favour of consumers.

"Nicholas Chabanne, a French entrepreneur, did some math one day. He calculated that if consumers paid an extra €4 per year for milk, it would provide a better bargain for French dairy farmers than the giant supermarkets were offering.

That's how the food brand C'est qui le patron?! (Who's the Boss?) got its name. Today, it is France's fourth-largest milk brand. Despite the fact that it is more expensive than low-cost supermarket alternatives, one in every five French adults purchases it."(Ethical Consumerism, 2021)



C'est qui le patron?! represents a growing consumer spending tendency. Ethical consumption has increased tremendously in the UK, and it is now growing four times faster than household expenditure. According to consumer research, 66 per cent of worldwide consumers are willing to pay more for sustainable goods that are made with the environment in mind. Between 2011 and 2015, the number of consumers willing to pay more for environmentally friendly products increased by 200 per cent (Ethical Consumerism, 2021). In 2019, the UK ethical spending market grew faster than ever, with a total market value of £14 billion. This tendency has resulted in a significant increase in the demand for sustainable products in the future.

Ethical finance is an important and rising component of the larger ethical consumer movement. On the supply side, banks consider ethical responsibility when deciding which goods – financial or otherwise – to provide clients, while maintaining trust on those who receive and handle consumers' savings (Green, 1989). Ethical investors are more likely to be rich individuals with higher-than-average education and a greater propensity to purchase financial goods with additional ethical characteristics, even if it means paying more.

One of the crucial aspects of the economic study of ethical consumption based on individual preferences is the intervention of social variables and processes involved in its emergence and development. The economics discipline, like other social sciences, has increasingly recognised the potential relevance of social networks and interactions in affecting individuals' behaviours and outcomes.

The Post-Pandemic World

During the epidemic, about 40 per cent of the small firms had a worse chance of surviving and reopening after a disaster, with an additional 25 per cent of small enterprises failing within a year they reopened.

But the COVID-19 pandemic became a tipping point for the movement.

According to the Co-op's Ethical Consumerism Report 2020, the epidemic influenced people's willingness to continue shopping ethically. Shopping locally, lowering energy use, and cycling more appealed to be the big winners. In terms of food buying, Fairtrade and Organic have outperformed the market and are expected to profit more post-pandemic. However, the underlying issue is that the majority of the market's dominant brands are held by only a few businesses. Large corporations like Nestlé and PepsiCo certainly control our food business, whilst others like P&G and Unilever monopolise a range of sectors; from food to cosmetics and detergents. Big corporations make use of the environment and people to acquire a competitive advantage in the market (profit, sales). This has been generally true over the last few centuries of business, owing largely to corporate exploitation of cheap resources and labour in emerging countries.



Source: Oxfam

According to research, 60 per cent of consumers started buying from local stores post-pandemic (compared to 40 per cent during pre-Covid), providing an optimistic indicator for independent retailers. Some people are driven to support local companies and communities for ethical and environmental concerns. The dedication to 'localism' is expected to continue in the future and beyond.

Opportunities

When a large number of people shop in an ethically conscientious manner, corporations may take notice and address their supply chain policies. These reforms, in turn, can help parents all around the world to earn a living income and lower the risk of their children becoming child labourers.

Unfortunately, many children and families continue to rely on the money earned via exploitative labour. It is not as simple as removing a youngster from a hazardous job to solve the child labour problem. It entails a full paradigm shift, with farmers, workers, consumers, businesses, governments, and non-governmental organisations all working together to ensure that children who must work do so in safe and supervised surroundings.

Previously, consumers who were interested in how the product was created and by whom were deemed a niche market should not be targeted. According to studies, 78 per cent of customers in emerging nations like India are actively seeking sustainable fashion. Millennials and Generation Z in particular are leading the push in terms of ethical consumption. This shift in ideals has had a significant impact on the Indian economy.

For a long time, transitioning to a path of sustainable, harmonious economic growth has been a hot topic in industrialised capitalist economies. Gone are the days of naïve obsession with statistics like quick GDP growth, without any critical reflection on growth's side effects, which frequently spill over beyond control, known as negative externalities. Political conflicts with economic consequences, sharp business-cycle reversals, bearish capital-market trends, and, finally, the real threat of a global economic and financial crisis, which have emerged in recent months, have all confirmed sceptics' concerns and many observers' calls for the sustainable growth concept to be put into practise. The EU, several national governments,

and international organisations have made sustainable production and consumption a top focus. Customers that are socially conscious, aware of the fashion industry's links to exploitation and horrific living conditions for nearly 3 million people in India alone, will be more ready to shop with them if they can demonstrate that their products were manufactured in fairness and humane working conditions.

1.

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ANTI TRUST

LAWS

A Major Concern for the Growing
Indian Economy

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In recent years there has been a multitude of massive conglomerates which have come up from Reliance Industries (RIL) in the tech sector, Kodak dominating the photographic film market, to Tata Group having its business operations spread in different sectors, not confined to a particular industry. Such firms might begin misusing their market influence as we have seen happening in many previous cases including 'Standard Oil', where Rockefeller had monopolized the US market by the late 19th century and thus, owned more than 90% of the oil companies. However, the question we need to ask ourselves is that does this paradigm shift compromise the free practice of trade, and is it just another step towards concentrating power in a few hands?

The former Monopolies & Restrictive Trade Practices (MRTP) Commission was condemned by all shades of liberal capitalism and supporters of free-market policy and hence, the Competitions Act 2002 was enacted with the purpose of regulating business enterprises, ensuring a fair marketplace where trade is promoted, and prevention of unlawful and unethical business practices. This branch of economics falls under the jurisdiction of 'antitrust' economics, attempting to explain the structure, competitive behavior of firms, and prohibition of economic terms with a negative connotation like, 'monopoly', 'restraint of trade', or 'lessening of competition'.

The structure of a market selling similar and comparable products or services, from an entirely economics perspective, can be described in three ways-

1. Perfect competition - it's a kind of market where there are no trade barriers in terms of unfavorable government schemes and no single firm has influence over the price.
2. Oligopolistic - there are barriers to entry (in the form of higher taxation system) and a few sellers with some pricing power.
3. Monopoly - it's characterized by visible barriers to entry and a single seller dominating the market and influencing prices.

Globally, antitrust laws are primarily guided by the federal statutory bodies actively regulating the activities falling under the purview of essentially three laws that are, the Sherman Act of 1890, the Clayton Act of 1914 and the Federal Trade Commission Act of 1914. (Does Big Business Need Taming? The Role of Economics in Antitrust Law, 2021). The antitrust economics in India is synonymous to Competitive Act 2002, which encourages competition, safeguards the interest of the stakeholders in this case, consumers, supports liberalisation of trade and dissuades & discourages any kind of activity which has a negative impact on competition (Luniya, 2021). This however, in practice doesn't play out the way it is projected on paper considering internationally each and every step of a big establishment is scrutinized and its effects would be estimated while in India mostly the law restricts entry of new players in the market rather than constantly checking and barricading expansion of existing monopolies at their will.

The egregious impact of the monopolies can be seen from some recent incidents where tech giant WhatsApp was involved in data breaching and a trade off of privacy with its parent company Facebook.

Under its revised "take it or leave it" policy in 2021 WhatsApp had clearly stated that although the messages would be end-to-end encrypted, other sensitive information including the IP address might be shared with Facebook and other companies of the tech conglomerate. This was seen as an exploitation and abuse of its dominance in the market which prompted the Indian watchdog of competition to order a probe into the same (Reuters, 2021).

Owing to Reliance's suspicious motives seeping in the agriculture sector (corporatization of farming practices), farmers ire was turned against them resulting into destruction of 1600 Jio towers in Punjab and a fall of 1.40 crore to 1.25 crore subscribers in Punjab while a loss of over 5 lakh subscribers in a month in Haryana (Mukul, 2021). Farmers Union reported that in alignment with the farm laws, companies including Reliance Industries were procuring vast stretches of land in order to set up contract farming thereby, undermining government set-up mandis. Regardless of such accusations, Reliance Industries or any of its affiliates denied being involved in corporate farming. (Mukul, 2021b)

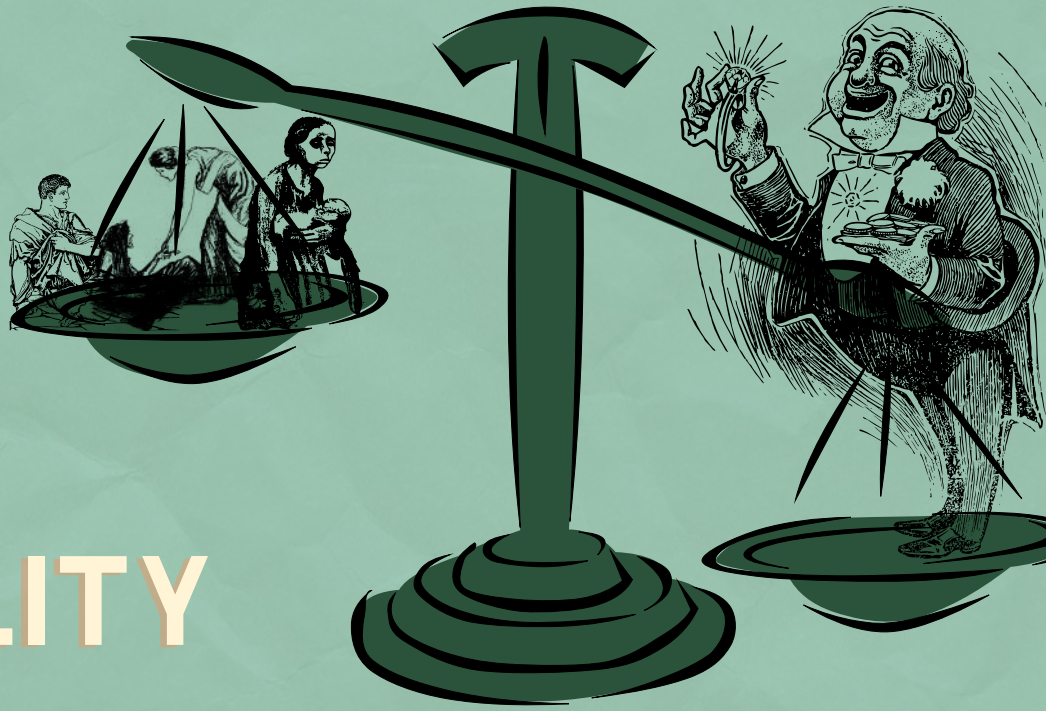
Hopefully, the above scenarios would facilitate in painting a picture of the current archetype of India's place and progress with respect to anti trust laws and would also spark conversations for a better, more ethical and competitive corporate environment.

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INCOME AND WEALTH INEQUALITY

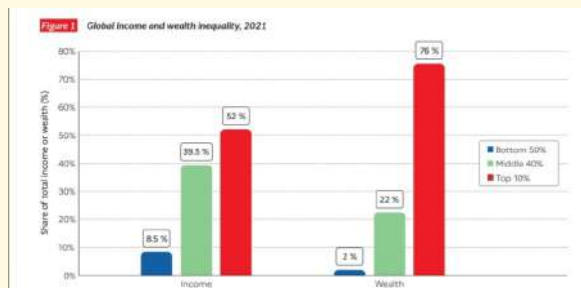
SEEING THE BIGGER PICTURE



Nayanika Mitash | II Year, BA (H) Economics

My fascination with economics comes from its swift interplay between ideologies, politics and how it is intrinsic to humans and our society. The universality of this domain which studies the decisions made by humans makes economics a shared interest and discussion point impacting every sphere of our life. Whether it be household and classroom discussion anticipating the decisions of the much-awaited Budget hoping to lead our economy to a more prosperous direction or the conversation at chai tapris where the never-ending moot of the left vs the right makes us question the trajectory of development required, in all these cases I find myself circling back to the same question-How do you define prosperity and how do ensure that all stakeholders are satisfied? The thing is economics and economic theories devised don't work on "one size fit for all" and the reason behind this is that we live in a society where certain divisions have created differing interests hence making the policy decision sphere a tricky space.

But that being said, certain problems faced by our global world can be perceived as a universal threat ranging from the severe impact of the climate crisis to even the flagrant income inequality which hampers growth possibilities. According to the World inequality report of 2022 "The richest 10% of the global population currently takes 52% of global income, whereas the poorest half of the population earns 8.5% of it. On average, an individual from the top 10% of the global income distribution earns €87,200 (USD122,100) per year, whereas an individual from the poorest half of the global income distribution makes €2,800 (USD3,920) per year" According to the same report the wealth inequality is also stark where the top 10% hold 76% of the total wealth and only 2% is held by the bottom 50%. (Chancel et al., 2022)

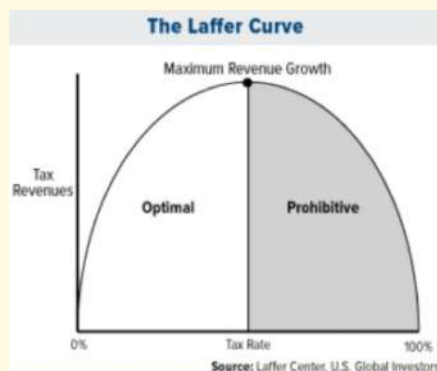


Soure: World Inequality Report

One side of the story which claimed to tackle this growing inequality was the trickle-down economics propagated by the Reagan administration who justified the working of this theory as the prime reason for combating the 1980s recession in America. Trickle-down economics which is a subset of the supply-side economics claims that benefits for the rich and wealthy in the form of tax cuts for corporates, businesses, high-income earners, dividends, the capital return would provide an impetus for growth as the money saved from taxes would translate to the expansion of business hence creating job, employment, boosting income and demand in the economy. However, trickle-down economics has been debunked time and time again. Firstly, the trickle-down economics in its true essence has never been tested- as both the recession in the 1980s in the United States and the recession of 2000s (under the Bush administration) saw recovery due to other forms of stimulus as well- like monetary policy accommodation measures and a large increase in government expenditure, hence leaving little availability of economic data on the validity of trickle-down economics. (Amadeo, 2021).

Secondly, the economic rationale behind this theory which is supported by the Laffer curve is only looked at from one angle. The proposition of tax cuts generating more revenue for the government only holds true when the economy is in the prohibitive range of taxation.

Here the taxation rate is so high, that any decrease in the tax rate would increase the tax base as it incentivises work and generates more revenue for the government. But if tax rates are not in this prohibitive range, any tax cut would decline revenue for the government hence restricting government expenditure and potential opportunities to provide support to the poor. (Amadeo, 2020)



Source: Laffer Centre , U.S. Global Investors

The third drawback of this theory is that it overlooks the fact that rich and wealthy have a lower marginal propensity to consume and so they don't drive up the demand in the economy as anticipated. Tax cuts for middle income and low-income persons would still generate sufficient demand in the economy but the tax cut for the rich exerts a greater fiscal burden on the household income. The economic pie can increase with tax cuts but the redistribution of this pie is still not achieved through the trickle-down effect leaving a very entrenched and persistent inequality in our system. (The Fallacy of Trickle-down Economics: Whom Does 'Wealth Creation,' 2021)

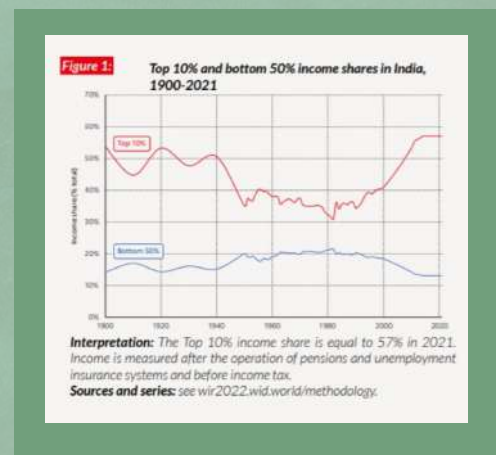
A paper by the IMF also confirmed the same which stated: "We find that increasing the income share of the poor and the middle class increases growth while a rising income share of the top 20 percent results in lower growth—that is, when the rich get richer, benefits do not trickle down." (Dabla-Norris et al., 2015)



In India, the story is no different. India has been home to some groundbreaking innovations and startups. In 2021 itself we saw the rise of 44 new unicorns. Against this backdrop, the inequality present in our society paints a very different picture. According to the Oxfam report of 2022 "In India, during the pandemic (since March 2020, through to November 30th, 2021) the wealth of billionaires increased from INR 23.14 lakh crore (USD 313 billion) to INR 53.16 lakh crore (USD 719 billion). More than 4.6 crore Indians meanwhile are estimated to have fallen into extreme poverty in 2020 (nearly half of the global new poor according to the United Nations.)"

The report also condemns the flawed economic system which supports the rich and wealthy and neglects the poor and marginalised. It also claims that a 1% tax on the richest 98 billionaires of India will be able to finance the Ayushman Bharat Scheme for 7 more years. (Oxfam, 2022) This report also supports the K shaped recovery faced by India where some economic sectors have been able to see a sharp recovery while the rest are still beleaguered.

The World Inequality Report also provided data to show that the top 10% Income Share in India is 57%. (Chancel et al., 2022)



Source: World Inequality report

The inclination of the government to potentially cut corporate tax to incentivise investment and generate demand in an economy where the tendency to save is already quite high given the uncertain times can restrict government revenue and scope for addressing income and wealth inequality. However, corporate tax cuts are aligned with the taxation policies of neighbouring countries to ensure that high taxes don't disincentivise investment in our country.

India had reduced its statutory corporate tax rate to 22% in 2019 itself to make it suitable for investment and according to an article by Money Outlook magazine "According to the KPMG, the statutory tax rate in Myanmar is 25 percent, in Malaysia, it is 24 per cent, in Indonesia and Korea 25 per cent and Sri Lanka 28 per cent". This indicates that India does not have a very high tax regime compared to other Asian countries. (Mishra, 2019) If taxes are reduced, another source of financing government expenditure for its social schemes bridging inequality would be through borrowing. But this would hinder the government's path to fiscal consolidation. The policy juncture we, therefore, are at is very precarious and a balanced approach is a must.



So what can be done to address this rising inequality in India? Clearly, a trickle-down approach will not work. We, therefore, need a mixed system where first, a certain degree of progressive taxation is imposed so that we shift the burden of taxation from the middle class and poor to the wealthy so that the recovery is equitable and second, is to optimally leverage this revenue generation and redirect it to the social sector like health, education and social security. Esther Duflo, Abhijeet Banerjee and Michael Kremer's pioneering nobel prize winning research which is an experimental approach towards alleviating global poverty analyses the impact of policy interventions through randomised controlled trials (RCTs). Lessons from their work in policy intervention in the field of education, health, microcredit etc provide useful findings which can be scaled up to large policy projects. More such ground breaking research, RCTs and pilot projects can be conducted to understand what works and what doesn't before a large part of government resources are committed to the implementation of the policy intervention at a large scale. These RCTs, though based on some theory, actually test economic theories and move away from the norm of static theoretical economic frameworks and theories and actually gather empirical evidence to test these theories and provide tangible solutions. (Bandiera, 2019)

Encouraging entrepreneurship even in rural areas through appropriate skill and educational policy intervention can boost employment. There is also a need for better minimum wage policies which are cognisant of different living, geographical and cultural differences. Leveraging and creation of strong labour unions in order to exercise greater negotiating and collective bargaining is also important. Work formalisation and policies which support better working conditions and legal benefits especially for workers belonging to vulnerable groups are essential.

A balanced approach that keeps in mind the inclusion of all stakeholders of the economy is essential. (UN, 2007; Equality (Decent Work for Sustainable Development (DW4SD) Resource Platform), n.d. ; Blanchard & Rodrik, 2019)

Inequality is a global crisis and also has to be addressed in a global manner. To address the global inequality, Thomas Piketty talked about two main ideas:

1. **Social Federalism** emphasised the need for incorporating sustainable and equitable development goals as a premise of trade treaties rather than just free movement of capital and goods. These sustainable goals should focus on policies bridging income and wealth inequality, climate change policies to reduce carbon emissions and taxation policies. It proposed to make globalisation more social in nature. (Pazzanese, 2020)
2. **Participatory socialism** pushes for "inheritance for all" which can be achieved through progressive taxation on wealth and workers rights which will provide an equal footing for the marginalised and poor hence transforming the power dynamics and structure of society (Pazzanese, 2020)

Thomas Pikkety's ideas challenge the status quo structure and calls for wealth and income restructuring as a way forward to income and wealth equality.

The World Inequality Report claimed that inequality is a political choice. To a large extent, this is true. Remember when I said economics is not a one size fit for all? However, in the past few years, our inequitable economic systems have been shaped and justified time and time again to fit the narrative of the social and economic elite and to cater to their needs, completely neglecting one side of the picture.

This rigged economic structure makes it truly one-dimensional in nature catering to only one size of the society. This conscious exclusion of the poor and marginalised from economic decisions can presage a further deepening of this inequality. Policy decisions which are inclusive in nature and actively address this inequality are crucial.

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ECONOMIC GROUPINGS

- Shubhangi Saxena
II Year, BA (H) Economics

Economic grouping/integration helps countries to focus on issues that are relevant to their stage of development and encourage trade between neighbours. There has been a rise of economic groupings with a transition from multilateralism to bilateralism seen in the past decade. An economic block/trade block is basically a free-trade zone, or near-free-trade-zone, formed by one or more tax, tariff, and trade agreements between two or more countries. The pros of economic groupings are trade creation, employment opportunities, consensus and cooperation, etc. The cons are trade diversion, employment shifts and reductions, loss of national sovereignty.

SAARC

South Asian Association for regional cooperation

Founded in: 8 December 1985 in Dhaka, Bangladesh

Member Countries: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka

The objectives of the SAARC Charter signed on 8 December 1985 in Dhaka are to promote welfare and enhance the quality of living of the citizens of South Asia. It aims to accelerate economic growth, social progress and cultural development and provide the opportunity to live in dignity and realise their full potential. The charter promotes and strengthens collective self-reliance, understanding and appreciating problems, strengthening cooperation and mutual trust among the member countries. It also promotes active collaboration and mutual assistance in economic, social, cultural, technical and scientific fields. The Council of Ministers consists of Ministers of Foreign/ External Affairs of the member states. The reports of the Summit are passed on to the Meeting of Heads of State/Government for consideration. India's problem with Pakistan on terrorism, territorial claims, and its role in blocking SAARC initiatives on connectivity and trade are the main reasons that even after 36 years of its formation, SAARC's importance has reduced. However, if India aspires to become a global power, it must aspire to keep its neighbourhood peaceful and build mutually lucrative trade relations for which leveraging the potential of SAARC is necessary.



BRICS

Brazil, Russia, India, China and South Africa

From September 2006, BRICS was known as BRIC (Brazil, Russia, India and China). In September 2010, when South Africa became a full member, the BRIC group was renamed as BRICS. This group is an important grouping that brings together major emerging economies over the world. The BRICS represent 41% of the world population, 24% of world GDP and 16% of world trade. Over the years, these countries have been seen as engines of economic growth globally. The BRICS countries deliberate in three pillars- political & security, economic & financial and cultural & people to people exchanges. The acronym BRIC was coined by Goldman Sachs in 2001. These group of countries have sought to establish fairest international governance. Throughout the first decade, BRICS have formed cooperation in different sectors like technology, trade, energy, health, education, innovation and transnational crime.



Founded In: September 2006

Member Countries: Brazil, Russia, India, China and South Africa (South Africa became a full member in September 2010).

ASEAN

Association of Southeast Asian Nations

Founded In: The charter came into effect on 15 December 2008.

Member States: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

The ASEAN charter came into effect on 15 December 2008. It is a legally binding agreement among the 10 member states. It is a group of nations in the Southeast Asia which promotes economic, political and security cooperation amongst its member states. The ASEAN countries is home to 650 million people and have a combined Gross Domestic Product(GDP) of \$2.8 trillion. This group has played a key role in Asian economic integration and lead negotiations in the Asia-Pacific region. They have formed one of the largest free trade blocks and signing six free trade agreements with other nations in the region. The importance the charter is seen in political commitment, legal framework and personality and enhanced role of the Secretary General among other contexts.



QUAD

Quadrilateral security Dialogue

Founded In: 2007

Member States: United States of America(USA), India, Australia and Japan

QUAD, more popularly known as the 'Quadrilateral Security Dialogue'(QSD), is an informal strategic association. Its primary aim is to work on for a free, open, prosperous and inclusive Indo-pacific region. The objective behind the Quad is to is to keep sea routes away from any military or political influence. At the core, the Quad intents to secure a global political order, freedom from navigation and a liberal trading system. Additionally, it also aims to offer alternative debt financing for nations. It is neither a pure security grouping nor a pure economic grouping because the main motive behind this group is to secure the Indo-pacific region and maintain stability in this region. QUAD is an opportunity to cooperate on climate and security.





FISCAL POLICY AND THE CASE OF EXPANSIONARY FISCAL CONTRACTION IN IRELAND IN THE 1980S

Akanksha Sharma | Alumna, Economics Department (Batch of 2020)

During the mid-1980s, Ireland suffered from high inflation, depressed production levels, a high rate of emigration and brain drain and high levels of unemployment. The government faced a decade of severe budget deficit financed by external sources. The economic change was kickstarted with the election of the Fianna Fail party to power after the Irish devaluation of 1986. Due to a lack of a majority, the Fianna Fail party needed the political support of independents to pass the economic legislature. The budget was introduced in 1987 with the following three objectives:

1. Fiscal management in line with the policy objectives of the economy
2. Reducing the national debt and its servicing
3. Developing the productive capabilities of the economy and generating employment

The government set the target to reduce the 1987 borrowing requirement from 13% to 10.7% of GNP and reduce the current budget deficit from 8.5% to 6.9% of GNP.

The ex-post figures were better than ex-ante. Another important issue was wage growth. The government initiated the National Recovery program in 1988 to index the public sector pay and welfare transfers as per inflation. The wage growth rate was falling, accompanied by the devaluation of currency led to a cost-competitive gain of 3% against the UK, its largest trading partner.

The government also wanted to strengthen the Irish pound. After the Fianna Fail government's strict budget, there was expectation of tighter fiscal management. This fed into the money markets leading to a reduction in interest rates. This reduced the budget deficit and reduced government liability. This was complemented by a boost in cost comparative advantage of the Irish economy vis-à-vis the UK. A portion of FDI and FPI outflows from the UK found its way into the Irish economy.

With increased competitiveness and optimistic sentiments, the Irish economy grew with an increase in domestic demand.



The domestic banking sector benefitted from the official external reserves. With the availability of more and cheaper credit, private investment and infrastructure building were boosted. This helped in shifting the PPF of the Irish economy and reducing unemployment.

The contractionary fiscal policy led to reduced disposable income for households. However, private consumption increased with a fall in the savings rate. There was an onset of the boom in the real estate sector which eventually turned catastrophic in 2010. However, the growth in real estate had a positive cascading effect on other sectors during 1990-2000. Devaluation, improved confidence and lower expected future tax rates led to an increase in domestic demand and investment.

With an increase in employment levels, transfer payments fell. This in turn reduced the fiscal expenditure and the budget deficit. With an increase in taxpayers, the revenue side of the equation improved.

Macro-economic tools employed:

1. Expansionary Fiscal Contraction - The role of EFC is beautifully illustrated in the case of Ireland. Contrary to Keynesian economic theory, fiscal contraction boosted economic activity. The role of expectations is important for EFC to be successful. In the case of the Irish economy, the serious commitment by the government on two grounds: to cut its budget deficit and its borrowing requirement target signaled the private sectors and households that it is serious about correcting its deficits and has a clear action plan in place.

2. Role of Investment Multiplier - With the contraction of fiscal expenditure, private consumption increased with a fall in the savings rate. The fall in savings rate was accompanied by increased private consumption. The increase in the liquidity of Irish banks led to growth in the availability of credit private investment. This in turn led to a fall in employment, reduced social security payments and a wider tax base. All these phenomena led to a cumulative effect on aggregate demand and supply.

3. Role of Expectations - Positive expectations about the future affect consumer and investor sentiment. When investors expect growth in the economy, they invest more expecting a higher ROI. With a fall in interest rates, the credit was cheaper and provided an incentive for firms to invest. The fall of 3% in interest rates helped the government by reducing their interest payment and long-term debt. A strict government spending with higher tax rates led to expectations of lower taxation in the future. A stricter policy stance gave confidence to the investors. This signaled a strong government with a clear plan of action. The anticipated boost in aggregate demand in the future leads to increased investment and the effect of investment multiplier.

Learnings from the case:

1. Role of signaling through public policy - Any policy is as effective as its communication strategy. Just like a product or service, governments have to present their policy action in the right light to gain public confidence.



This point was beautifully illustrated during the massive migrant labour migration during the lockdown. Despite having policies in place, if the government cannot convince its citizens, the policy will fail to achieve its desired results. This was also evident when the US government launched TARP (\$700 billion fiscal package) to shield the economy during the economic recession of 2008. As soon as the TARP was launched, the stock market slid more drastically. This shows how the government's attempt to save the economy was seen as a signal of an economic breakdown which convinced people that the economy is doomed. Another classical example would be Alan Greenspan's era at the Federal Reserve for 18 years. During an interview in 2000, Alan Greenspan as the Chair of Federal Reserve signalled at a sustained low rate of interest. This gave a green light to financial markets and borrowers to borrow more and more without caution. They expected the government to keep the rates close to zero for a long time. However, with an overheated economy, the central bank increased the interest rates. This had a catastrophic effect as borrowers started defaulting. The birth of NINJA loans can be attributed in part to the myopic monetary stance of the Fed. Similarly, effective signalling can actually help governments achieve great results. This was illustrated during Ireland's economic crisis of 2010. When the Irish government brought the IMF (as part of troika) on board, the people's confidence in government policy actions increased. The IMF's history of having dealt with such crises in the past worked to the Irish government's advantage and the economy not only rebounded but grew exponentially after two years. As of 2020, it was the fastest-growing economy in the world with one of the highest per capita incomes in the world. From a protestant agrarian society, it transformed into the technological hub. This was also illustrated in the Greek economic crisis. When Greece entered the Eurozone in 2001, the global sentiment towards the Greek economy improved. The world believed that Greece's conditions had improved, which attracted creditors and investors from all over the world to invest in government bonds.

2. The Role of Private Consumption and Investment-

The reduction in government expenditure, rise in taxes and fall in government borrowings boosted private consumption and investment. The multiplier of private investment was many times that of fiscal expenditure. The expectations of a brighter future boosted consumer and producer sentiments. Both the demand and supply sides were affected. The demand side saw a boost in terms of an increase in consumption despite the increase in VAT. The wage growth along with currency devaluation boosted Ireland's competitiveness. With a fall in government expenditure, the savings rate fell, boosting consumption. The government gave several tax exemptions to corporations making it a financial centre of various leading corporations.

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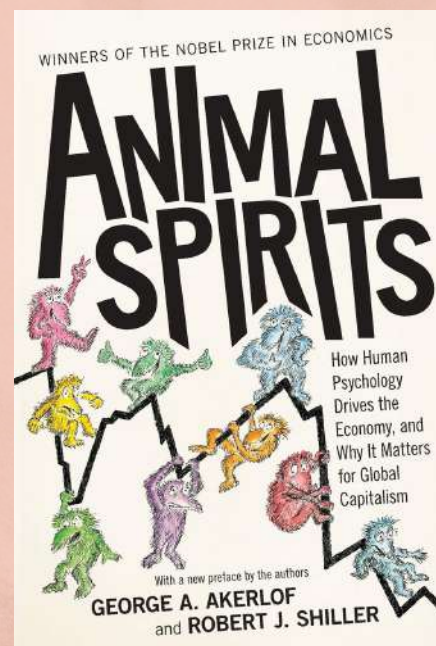
BOOK REVIEW

Purvi Agarwal | II Year, BA (H) Economics

The way Animal Spirits drive the economy is perspicuously described by George A. Akerlof and Robert J. Shiller in 'Animal Spirits: How Human Psychology Drives the Economy, and Why It Matters for Global Capitalism'. The extensive link to economics rather than psychology and a new perspective of looking at the existing theories makes it a thought-provoking read. Though the book is a little dated, the situations and trends it explains are relevant even today. Drawing not just from economic theories and principles, but also from personal anecdotes and the stories handed to us by history, the authors describe this book as a break from tradition.

The book starts with stating the importance of thought patterns that animate people's feelings and ideas- their Animal Spirits. People, reassured by economic theories, devoid of any role of animal spirits, ignored the direction in which the world economy was moving when this book was being written. The authors argue that it was not the time for relaxed vigilance; rather macroeconomic reforms were needed in at least bankruptcy laws, equity, and financial regulations.

The book is divided into two parts. The first focuses on the five psychological factors: confidence, fairness, corruption and bad faith, money illusion, and stories, which are of particular importance for explaining the events that cannot be understood in terms of traditional economic theories alone. Transforming Keynesian economic theory's multiplier to confidence multiplier, the authors look at the feedback of small changes in the confidence level of the people. They claim that in each of the past three recessions in the United States, corruption and bad faith played a major role.



Part two of the book is a normative section. It describes how animal spirits affect economic decisions and answers eight fundamental questions: 'Why do economies fall into depression?', 'Why do central bankers have power over the economy, insofar as they do?', 'Why are there people who can't find a job?', 'Why is there a trade-off between inflation and unemployment in the long run?', 'Why is saving for the future so arbitrary?', 'Why are financial prices and corporate investments so volatile?', 'Why do real estate markets go through cycles?', and 'Why does poverty persist for generations among disadvantaged minorities?'. In their book, the two economists pay special importance to stories and the confidence inspired by them, although they do come a little short in explaining their suggestions quantitatively. They conclude by saying that we need to understand and give the sometimes irrational animal spirits due respect and a place in our policies.

Albert Rees, who wrote the book 'The Economics of Trade Unions', looking back at his life as an economist, confessed in the last paper he wrote: 'as an administrator, he had to constantly decide what was fair but as an economist, the concept of fairness had been lost from his analyses'.

The way different beliefs affect economies, sprinkled with some humorous real-life examples, takes the book not just to economists but also to general readers.



GOING OVER THE TOP

Shubhangi Saxena
II Year, BA (H) Economics



The minutes of consumption in the OTT market increased from 181 to 204 billion minutes in 2021. The subscriber base is expected to grow up to 500 million in 2023 from 350 million currently (HT Brand Studio, 2022). According to a report from RBSA Advisors, the OTT market is expected to expand to \$12.5 billion dollars by 2030 from the present \$1.5 billion (BW Online Bureau, 2022). These statistics well explain the enormity of growth in the OTT world. In 2020 we witnessed a seismic shift in the entertainment sector among others. With nationwide lockdowns, pandemic forced shutdown of cinemas and multiplexes and reruns of old shows taking over TV screens, people were tempted to shift focus to digital screens.

Thus, emphasising a new facet of entertainment. The looming fear and negativity of the outside world and the near to stalled work situations could not find respite in the existing options. The over-the-top (OTT) platforms showed a new ray of hope with a steady inflow of new and original content. The focus shifted to digital. Film houses revamped their strategies to consider a digital release. Netflix Originals, Hotstar Originals, Prime Originals, among many, became sought after content.

Pre-pandemic the OTT platforms were already on the horizon, but still were competing among other options of entertainment. Platforms like Netflix saw a bumpy ride to reach 5 million subscribers in India, but the onset of 2020 saw a paradigm shift in the approach to being entertained.

OTT opened new and diverse content thus, valuing quality over quantity. With access to content from all over the world, originals like Money Heist and Squid Game had a groundbreaking impact on the OTT circuit. The audience had the option to sieve through a plethora of offerings across all languages and cultures. Thus, breaking barriers of language-specific content, notably K-dramas, started buzzing high on the charts of go-to content, helping us to understand and appreciate diversity.

The OTT bandwidth found higher acceptance with the younger generation of 15-30-year-olds given the diverse canvas of content. Netflix and chill created a cosy corner, keeping the stresses of the outside environment at bay. For younger children, OTT became their teacher, serving the dual purpose of edutainment, educating and nurturing the young minds thus helping them learn better especially with schools out given the pandemic. On the other hand, animated children's content presented vast choices. OTT platforms also found newer audiences in the 40+ age group through their all-time favourites and classic hits. Further frequent content updates implied a never-ending watch list. OTT spectrum had enough to offer to each of its own kind.....

Amongst other genres, regional content also gained its prominence on the OTT spectrum. According to Ascent Group India, almost 65% of the consumption of OTT content comes from rural areas where we have only 40% internet connectivity. This kind of response can be attributed more so to cheaper and affordable internet packages from network providers and deeper penetration of hand-held mobile devices. (HT Brand Studio, 2022).

In a diverse market like India with huge demand for OTT viewership, the need for new content is ever increasing. More and more content is being re-suited to meet the local appeal. Indian consumers of OTT content are highly price-conscious so, in an effort to garner greater numbers and a better stronghold, OTT platforms have also considered revising their subscription costs.

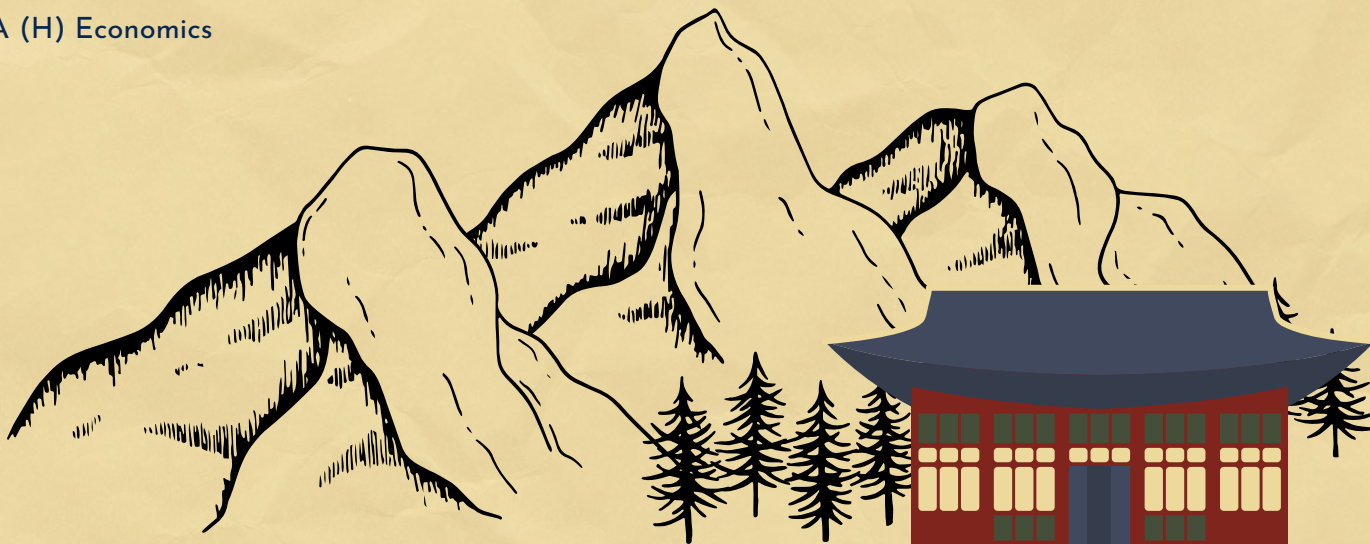
OTT subscription and membership have been major takeaways for most, binge-watching on multiple screens has empowered each. The pandemic alone has hugely boosted digitalization in India. The potential is huge and growing with time. The clamour for new and more will definitely redefine quality parameters and bring enough on centre stage to be lauded and applauded. The show is set to go on.....

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THE IMPACT OF THE HALLYU

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In 2020, Parasite became the first non-English speaking movie to win the Academy Award for Best Picture along with Best Directing, Best International Feature Film, and Best Screenplay. BTS, which stands for Bangtan Sonyeondan (literally meaning Bulletproof Boy Scouts), the seven-member South Korean boy band, has continued to break records. They topped the Billboard Hot 100 with their 2020 single 'Dynamite' and were also named 'Time's Entertainer of the Year' as well as one of Wall Street Journal's Innovators. They became the first K-pop group to be nominated for the Grammys. These unprecedented accomplishments show the growth of Hallyu- a Chinese term, when translated literally means the 'Korean Wave'.

Though many countries support and push the promotion of their cultural content, the South Korean government's push has met astonishing success..

The banning of censorship laws, the shift focusing on the development of infrastructure, the establishment of companies like Samsung, and lifting foreign travel ban for local Koreans, led to the birth of Hallyu. Over the past decade, Korean Culture has spread infectiously throughout the world starting from east Asia in the 1990s. South Korea's GDP took a beating due to the Asian Financial Crisis of 1997.

To generate revenue, change its image around the world, grow the economy, and build good relations with other nations, President Kim Dae-Jung decided to promote their 'soft power' to get the country out of financial disarray (Soft power means mobilising one's cultural resources and shaping other's opinion of one's values and cultures, without the use of any force). Greater importance was given to the production and exporting of South Korean music(K-pop), dramas, food, and films.

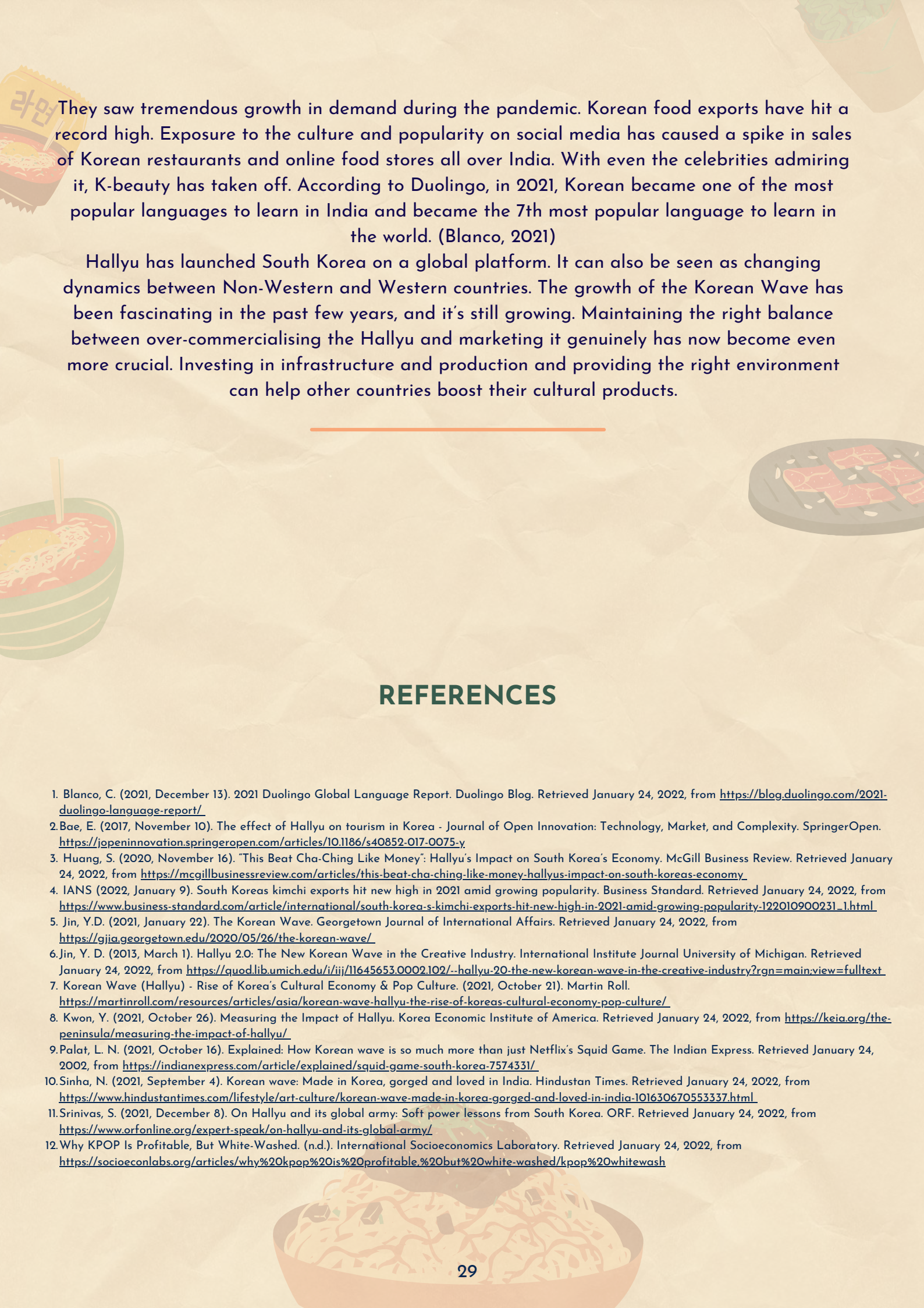
Many Asian countries have integrated Korean culture whereas online gaming and K-pop have entered several European and American countries. The government emphasised the importance of cultural content towards the national economy and advanced and developed it as a new driving force of the economy. The increasing popularity of online streaming platforms has further added fuel to the government's efforts. Netflix has invested almost 700 million in the last 5 years in the Korean Entertainment Industry (Palat, 2021).

In 2020, \$429.7 billion was allotted to fund the Culture Ministry (Huang, 2020). The number of tourists visiting South Korea increased nearly fourfold from 1998 when the Korean Wave began, to 2014, and has been increasing since then (Bae, 2017). Hallyu's contribution to GDP increased from approximately \$1.87 billion in 2004 to an estimated \$12.3 billion in 2019. (Why KPOP is Profitable, But White-Washed, n.d). It has caused a ripple effect in sectors like tourism, food, fashion, skincare, and electronics.(Jin, 2021). According to the World Bank, in 1960, South Korea had a GDP of \$3.987 billion which is a stark contrast from \$1.74 trillion in 2021. The export of kimchi, a traditional side dish, reached an all-time high of \$159.9 million in 2021. (IANS,2022). It is estimated that K-pop contributes approximately \$10 billion each year to the GDP.

In 2018, Hyundai Research Institute had reported that BTS had a direct economic value of an estimated \$3.54 billion and an indirect impact of \$1.26 billion and it has been on the rise since then. (Srinivas, 2021) In addition to stimulating economic growth, the Korean Wave has helped the government with its international policies. This rapid growth has piqued the interest of many.

Korean products have been loved and soaked up in India. A large number of people turned to K-Dramas and K-pop during the lockdown. From popular shows like Goblin and Crash Landing on You to bands like Blackpink and BTS, the huge increase in the army of fans has benefitted Korean-themed small businesses and stores in India.





They saw tremendous growth in demand during the pandemic. Korean food exports have hit a record high. Exposure to the culture and popularity on social media has caused a spike in sales of Korean restaurants and online food stores all over India. With even the celebrities admiring it, K-beauty has taken off. According to Duolingo, in 2021, Korean became one of the most popular languages to learn in India and became the 7th most popular language to learn in the world. (Blanco, 2021)

Hallyu has launched South Korea on a global platform. It can also be seen as changing dynamics between Non-Western and Western countries. The growth of the Korean Wave has been fascinating in the past few years, and it's still growing. Maintaining the right balance between over-commercialising the Hallyu and marketing it genuinely has now become even more crucial. Investing in infrastructure and production and providing the right environment can help other countries boost their cultural products.

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ECONOMICS OF SLEEP

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“ You can boost the country’s economy just by sleeping.”

This might be seen as an absurd sentence but it’s surprisingly true that proper sleep is considered a national duty for the country’s good.

According to a recent study by the RAND organisation, the USA, UK, Germany, Japan, Australia and Canada suffer an economic loss of around \$700 billion every year, only because their citizens are sleeping less. (News 18, 2019). Sleep is critical at any age, according to scientific evidence. Sleep revitalises the intellect, repairs the body, and strengthens practically every bodily system. According to the National Sleep Foundation, healthy adults require between 7 and 9 hours of sleep per night.(Suni, 2021)

Our society has begun to change as a result of the astoundingly rapid growth of technology in recent years. The COVID pandemic has certainly spurred lifestyle changes. The change to online schooling and the work-from-home culture has had a significant impact on individuals' sleep schedules. Increased work shifts and stress levels, as well as the accessibility of various diversions that take away sleeping time, have harmed sleep schedules. People have lost vital resting time in order to generate decent money or even survive this pandemic. .

As a result of this compromise, the general public's health continues to deteriorate, as sleep deprivation weakens immune systems. This deterioration in health has ramifications for our professional performance, social lives, mood, and much more. The downfall of workplace productivity have a broader impact and undermine the country's entire economy.

Impact on Productivity

Sleep deprivation has been linked to lower workplace productivity, resulting in an annual loss of several working days. Each year, the United States loses 1.2 million working days due to insufficient sleep.(RAND, 2016)

Women and employment

Sleep difficulties have a greater influence on women in their forties and fifties, as well as their ability to work. Menopause is linked to sleep disturbances, and a study found that the risk of unemployment was 31 per cent higher for women with menopause compared to those who did not have new-onset sleep problems. Sleep issues were linked to an annual loss of \$517 to \$524 per woman and \$2.2 billion in lost productivity among women aged 42 to 64 across the United States. (Kagan et al., 2021)

The wage returns of sleep

Sleep has a significant impact on labour market results and should be included in a worker's optimization problem. According to a study, improving average sleep by one hour per night results in a 16 per cent increase in pay. After aptitude and human capital, sleep is likely the third most important factor of productivity. A one-hour increase in average sleep enhances productivity by the equivalent of a year's worth of education. (Gibson & Shrader, 2018)

Individuals, businesses, schools, and governments all stand to benefit from this discovery. A worker who wants to earn more money may be able to do it by getting more sleep. Many workers sleep much below the wage-maximizing threshold, resulting in economic losses.

The Market of Sleeping aids

The global sleeping aids market was worth \$78.7 billion in 2019, and it is expected to grow at a CAGR of 7.1 per cent from 2020 to 2030. The prevalence of insomnia and obstructive sleep apnea (OSA) are two major growth drivers for the sleeping aids sector. (Sleeping Aids Market | Revenue Estimation and Forecast to 2030, 2020)

- *Pillows and Mattresses:* In 2019, the mattresses and pillows category accounted for the greatest percentage of the sleeping aids market, which soared by 30% in the pandemic due to increased demand by households and the healthcare sector.(Bomey, 2021) The frequency of sleep disorders is helping to drive up demand for mattresses and pillows.
- *Sleep assisting applications:* The coronavirus outbreak has resulted in a surge of 2 million mental wellness app downloads, with a focus on meditation, anxiety relief, and helping users fall asleep. (Chapple, 2020)
- *The demand for sleeping pills:* Due to the increased frequency of sleep disorders, rising healthcare spending, and other factors, North America held the highest share of the sleeping aids market from 2014 to 2019.(Sleeping Aids Market | Revenue Estimation and Forecast to 2030, 2020) .Individuals' sleeping patterns are hampered by lifestyle changes such as increasing consumption of alcohol, caffeine, extended working hours, a chaotic work environment, and stressful conditions. This sleep disruption has resulted in a strong demand for sleeping pills, which has benefited the sleeping aids business.
- *Investment Opportunities:* Private equity firms might evaluate a variety of entry points and investment theses, ranging from prospective roll-up techniques (e.g., mattresses and bedding) to establishing a holistic portfolio of sleep-health solutions, thanks to the wide range of sleep-health products and services available (e.g., sleep labs, consultants, and monitoring tools).(Goldman, 2017)

Recommendations

- To prevent sleep disorders, individuals can improve diets, avoid caffeine and screens before bed.
- It is time that employers recognise the importance of sleep of their workers, for the company's own profit and build the workplace in such a way that recognises this. Firms may be able to boost profit by altering start timings, providing incentives for employees to sleep more, or implementing information treatments (e.g. information on how to improve sleep quality or consistency).
- The government can frame policies like late school timings, adopt careful policies during online studies and work from home, and encourage to take and pursue medical support for the same. When cost-benefit analyses of policies that change sleep time are conducted, then the government should consider the effect on productivity as well. For example, daylight savings time (the practice of turning the clock one hour ahead of standard time when warmer weather approaches) affects energy savings but does not have a good impact on productivity. (Rampton, n.d.)

The data on the quantity and quality of sleep is still shown less interest by the governments, while the private companies and medical associations continue to delve into the impact of sleep on various other socio-economic factors. Consumers are increasingly looking for novel sleep solutions as they become more aware of the mental, physical, and financial implications of sleep deprivation. The advantages are substantial, and there's little doubt that the sleep-health industry will provide lucrative investment opportunities. For the time being, the economic losses of just six countries have been calculated and it is estimated that the world losses will be high as two major economies i.e India and China have not been included.



Illustrator- Navya Sharma

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THE BIG FAT



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INDIAN WEDDING

Behind the splendour

The wedding industry of India, estimated to be standing at a size of \$40-50 billion according to a 2017 KPMG report, has witnessed enormous growth over the past decades (Tata group, 2019).^[5] Behind the evident extravaganza of this rising industry, there lies an extensive web of linkages with many sub-industries. While major stakeholders such as the hospitality sector and wedding planners are easily discernible associates in this growth, the wedding industry is highly dependent upon a multitude of service providers including caterers, designers, decorators, light and sound providers, make-up artists, fabric and flower vendors, photographers and entertainers (Indian weddings: a billion-dollar industry, 2016).^[3] The industry also contributes heavily to the gold and jewellery sector and to the fashion industries.

Many analysts have attributed the wedding industry as being 'recession-proof' (The recession-proof Big Fast Indian Wedding just got more corporatised, 2018),^[6] based on previous experiences of economic crises and slowdowns, which seemed to have an insignificant impact upon the industry and people's spending choices in this context. However, the Covid-19 pandemic has exposed the industry to an unprecedented jolt. Faced with relentless regulations related to limited allowance and strict norms, the middle-scale players in the hospitality sector have found it difficult to maintain their costs amid intense Covid waves. Event management enterprises have been facing the brunt of increased expenses as a result of the lack of cheap labour due to reverse migration witnessed during the pandemic. Supply-side disruptions in the materials market have posed another expensive challenge to the organisers. The direct victims of this crisis have been small-scale vendors, involved in the flowers and decorations market, who used to rely upon wedding events for a majority of their demand.

With the emergent trend of online weddings observed during peak pandemic times, wedding planners too seemed to go through a tough time. While it would appear that the negative effects of the pandemic had seeped into every corner of the industry, one branch of the wedding industry remained particularly safe from the crisis; the online matchmaking industry in fact witnessed positive trends during the pandemic (Gupta et al., 2021).^[2]

It is evident that weddings are a wholesome affair, not only from a social perspective but also from an economic stance. While the pandemic is yet to wrap up its havoc, the ever-growing Indian wedding industry has a huge scope for progress in the future. Wedding events, for a large section of people, act as integration of celebrations, traditions and emotions. In recent years, the events industry has flourished upon its ability to deliver customised services and fulfil personalised demands. This has changed the way modern weddings are viewed; apart from being familial and institutional affairs, wedding events have now become a means of expression for many. A wide range of emergent themes such as Cruise weddings, Beach weddings, Royal palace weddings, Adventure weddings, Temple weddings (Tiwari, 2018),^[7] reflects that, besides being an expression of love and bonds, modern weddings are also an expression of personal choices and aspirations. The once-in-a-lifetime event holds an intimate space in the psychology of those involved, who then wish to throw a feast as large as they can.

But, does the feast taste the same to all? According to an estimate, an average Indian spends one-fifth of their life savings on a wedding event (India weddings: a billion-dollar industry, 2016).^[3] The observed increase in the numbers for the wedding industry has been dominantly backed by a rising involvement of the middle-class consumer base, which perceives wedding events as ways of flaunting their wealth (Maheshwari, 2018).^[4] The modern flavour of extravagant weddings has largely been influenced by culture and media, such as celebrity weddings in news and magazines, wedding exhibitions, wedding shows on television, etc. (Carter & Duncan, 2017).^[1] This has helped in promoting a fantasy culture, which carries the risk of a societal trap in the garb of luxury spending. Even as we see India advancing its way through numerous social evils in its development process, it is yet to break free from the rooted impacts of patriarchal belief systems that are entrenched deep in the layers of society even today. While laws against dowry might have enacted some role in changing the way exchanges take place in a formal marriage arrangement, it is not uncommon to witness leftovers of the dowry ideology even among the rich today, wherein the bridal side voluntarily takes up the wedding expenses with an intention of making better impressions. The surging desire of meeting social expectations, among the upper middle class, has found fuel in this system of wedding showcases.

As we celebrate the growth of a potentially booming industry, there remains a case for a deeper social conscience, which calls for a shift from spending out of obligation to spending out of delight.

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EXCERPTS OF INTERVIEW

with

Ms. Preeti Sudan

ABOUT INTERVIEWEE_____

Preeti Sudan, retired as *Union Health Secretary* in July 2020, after nearly three fruitful years, during which she handled the COVID-19 pandemic. Prior to this, she was Secretary, Department of Food and Public Distribution, and served in Women and Child Development and Defence Ministries. In the State, she handled Finance and Planning for nearly a decade, including Disaster Management, Tourism and Agriculture. She is an M.Phil in Economics and MSc in Social Policy and Planning from LSE. Amongst her notable contributions have been initiating two major flagship programmes of the country i.e. Beti Bachao Beti Padhao and Ayushman Bharat, Legislation on National Medical Commission, Amendments to the Medical Termination of Pregnancy Act, Allied Health Professionals Commission and Ban of E-cigarettes. She was also a Consultant with the World Bank. She served as Chair of COP-8 of Framework Convention on Tobacco Control, Vice-Chair of Partnership for Maternal, Newborn and Child Health, Chair of Global Digital Health Partnership and member of WHO's Independent Panel for Pandemic Preparedness and Response. Team Neeti had the pleasure to take her interview and address some crucial questions shaping the policy decision sphere of our country.

Q1: The recent trends in the decline in female labour force participation which has also been amplified in the context of the pandemic, can potentially impact gender equality and economic gains and set the tone for employment opportunities for women. Why do you think this has happened?

Ms Preeti Sudan:.....It is a very complex play of both economic factors and social factors. Education attainment, fertility rate, age of marriage, economic growth and cyclic effects, urbanisation and just general mindsets, all affect female labour participation. I used to get intrigued by the fact that especially in the rural areas, as families get affluent, women stop working. So there is a perception that women need not work to support families [ignoring the fact that] women can also work to fulfil their potential..... The first reason I would say is stereotyping in a society where women are supposed to take the responsibility of child care and family care and men are not in the picture. Smriti Irani, the WCD minister in a recent interview was asked how she manages between her children and her job and her reply was "this question itself smacks of gender disbalance". Secondly, the digital divide also adds to the problem.....With the pandemic, this divide would have become wider. I have myself seen that in some families where they just have one device or phone, it is always the boy who gets preference to attend classes. The third reason could also be technological disruption. Women mainly hold administrative and data processing roles that artificial intelligence and other technologies threaten to usurp. As jobs get automated, the pressure on women will intensify.....Also, there is a lack of gender-related data as well which is true even globally.... When I was in WCD there was a lot of talk on household work going uncounted and inclusion of it would increase the participation of women in the workforce. However, putting a value on a mother's work, love and affection are difficult. So at that time, I used to say that we have to value women's work and not put a value on it. But from an economic sense, I would say it is definitely an issue because the estimates don't count women's work. Having said that, I think a lot needs to be done on this front.....

Q2: What measures do you think that policymakers should take to ensure more diverse workforce participation which will also help India to optimise its current demographic dividend?

Ms Preeti Sudan: Some recommendations I have is to provide full-time child care which is already under implementation in the government. ICDS (Integrated Child Development Scheme) provides part-time child care services but we need full-time child care centres which SEWA (Self Employed Women's Association) provides.

They have these Sangini centres where working women can leave their children. We need to expand and create more such centres which also cater to children's nutrition and health. Secondly, we need to bridge the digital divide and for this, we need both public and private partnerships in order to make devices more affordable and to also enhance female digital literacy....Flexible working will also help. With the pandemic working styles have changed where digital platforms have replaced face to face interactions.....Next, we need some physical incentives. Women have a higher elasticity of labour supply than men and lower income taxes for women can incentivise their participation. Already the standard slab for women is higher for taxation which means that only when they earn a certain amount, will women be taxed. So it is in favour of women but we can do better on this front. Also encouraging women entrepreneurship would also prove to be beneficial. Falguni Nayar who is the CEO of Nykaa is an example of how women entrepreneurship can make a difference and lead their companies to unicorn status. We need to create an environment where women can flourish. Also, safe transportation for women to workplaces, to come back home even at odd hours or flexible hours is very important. It is an important initiative that the government needs to take. Delhi was providing taxi services to women with taxi drivers who were women.....Those kinds of special buses, which we already have, need to be put in place in a structured manner in occupational areas so that women can commute properly. We also need to prioritise gender statistics. There is a UN women initiative called "Making every woman count" launched in 2016 to prioritise gender data. So this needs to be taken forward. So basically I would say that skill development, access to childcare and maternity protection, providing safe and accessible transport, flexible working timings are some of the initiatives that the government could take to promote increased female participation in labour.

Q3: From the recent NFHS data we have seen that the current total fertility rate of India has seen a decline to 2.0 which is less than 2.1 that is the replacement rate. But there are some states which still have a high rate of fertility like Bihar, MP, Rajasthan, Jharkhand and Uttar Pradesh. However, this data supports the prediction of population stabilisation by 2050. With this short demographic window, what steps can India undertake to reap the maximum demographic dividend in this period and brace itself for a potential increase in the ageing population in the future?

Ms Preeti Sudan: According to a FICCI-EY Report, concerted efforts towards a flexible, contextual, deregulated, decentralised delivery approach can help. One can make hundreds of policies at the central level but implementation is at the ground level. So unless and until we decentralise, empower the districts, villages and subdivisions then only one can get results as far as job creation, skilling and education are concerned.

The Ministry of Skill Development and Entrepreneurship (MSDE) has initiated a pilot project on the Hub and Spoke Model. The idea is that ITIs (Industrial Training Institutes) and Pradhan Mantri Kaushal Kendras will be leveraged as a hub of vocational education and [encourage] training by schools that will have access to these training hubs. With this energy, the students will be exposed to a wide range of possibilities and can choose the technology they want to master. So by the time students complete school they will have at least one certification of the level of two to four NSQF (National Skills Qualification Framework) Certificates. Such students will come out with some kind of employable skill.....This project is currently in four states only.....The new education policy in my view is a good policy because it not only looks at increasing enrollment but also retention because it is flexible. Especially for girl students, it is a great step forward. We should also recognise the potential of our ageing population. An increase in retirement age, given the improved status of health among the ageing population.....will help. The fact that you are interacting with me because you are hoping to learn something means that the ageing population still has something to offer. So opportunities for mentorship by the elderly for the young will be good. So these are some of the things that could be done to hone in the small window of opportunity that we have. But it is a huge task given the covid environment. It is a difficult call for Policy Makers.

Q4: As we know, the Beti Bachao Beti Padhao campaign, one of the major flagship programmes, is entering its 7th year on 22nd January. We would like to know what was the economic thinking behind this initiation? How do you evaluate its impact on the economy? Do you think India has fulfilled all the objectives of the campaign or is there room for having new measures?

Ms Preeti Sudan: First of all, I would like to mention that I had the good fortune of actually designing and then launching this scheme. I viewed this slogan as an empowerment of women on a lifecycle and if you see the English folder, it says 'Nurture the Girl child and educate her', it doesn't say 'Save the girl child and educate her'. Actually this scheme, I would say, was our Honourable Prime Minister's own idea because a similar scheme called Beti Vadhao in Gujarat was already there before Beti Bachao Beti Padhao and that scheme was for strict implementation of the Pre-Conception & Pre-Natal Diagnostic Techniques Act, 1994 (PC-PNDT Act). Basically, because the child sex ratio was so low and in the Government of India, this actually succeeded the district scheme for skewed child sex ratio where districts were given some funds to actually ensure that illegal abortions and scanning of the foetus were not done. But when we envisaged it, we visualised it as an empowerment scheme because we have been observing that behind the adverse child sex ratio, it is actually the mindset of certain people, again, son preference and all those typical notions.

So to address the mindsets is not easy but I feel very vindicated and happy and proud when I see this Beti Bachao Beti Padhao sign behind trucks and autos as this proves that it has ignited the imagination of people everywhere. It's an extremely heartening sign and also we consciously did not keep any brand ambassador for this scheme. There went a lot of thinking behind it. It is because we felt that people needed to connect locally with this campaign; for instance, in a village, there is a father who is nurturing his daughters or a sarpanch who is encouraging women or in any, say, occupational setting, somebody who is encouraging women employees. So, 'they' became our champions. So there are a lot of champions of this scheme at the local level and that is again very touching. From the economic sense, if you ask me, it is very obvious that we are letting the girl child live and live with dignity, empowering her with education so that she can have an independent life also, she can choose her life. So it is all linked. Therefore, the economics behind it is that women are equal participants in a nation's development and it is definite that as women progress, the nation progresses. So that's how the scheme was envisaged. And I believe that it has done well. The National Family Health Survey (NFHS) data is encouraging. (Talking in terms of sex ratio), There are more women than men now in many parts of the country which is gratifying. But I think it's all about parity, it's all about meeting your full potential.

Q6: What role do you think Ayushman Bharat (a step in the direction of Universal Health Coverage (UHC)) has, especially in the context of the pandemic where employment and income levels have been affected and the importance of health has increased? What are the lessons from the COVID 19 pandemic which can shape the UHC strategy of the country and what in your view should be the elements of this UHC strategy?

Ms Preeti Sudan: Sometimes, now after retirement, when I think back upon the Ayushman Bharat launch, I feel we were guided by god that we had it in 2018. Because of the foundation that we had laid there, it has now helped us to cope with the pandemic in 2020. You see, there are two pillars; one is the Health and Wellness Centre which integrates primary healthcare, and then there is the PM-JAY (Pradhan Mantri Jan Arogya Yojana) which pays for hospitalisation in secondary and tertiary care for about 40% of the needy population, that is, it provides coverage of an average of Rs. 5 lakhs per year to about 50 crore people. Both these pillars of Ayushman Bharat, I would say, have become very handy. Let me share with you, that for Health and Wellness centres, we will have around 1,50,000 of them in 2022. We already have around 90,000 of them. The most heartening thing is that we are doing NCD (Non-Communicable Disease) screening for five diseases, which are, blood pressure, diabetes, and three types of cancer: breast cancer, cervical cancer and oral cancer. I have visited villages where the screenings were done and it was so heartening; there were middle-aged and old women who had never gone through any preventive medical checkup.

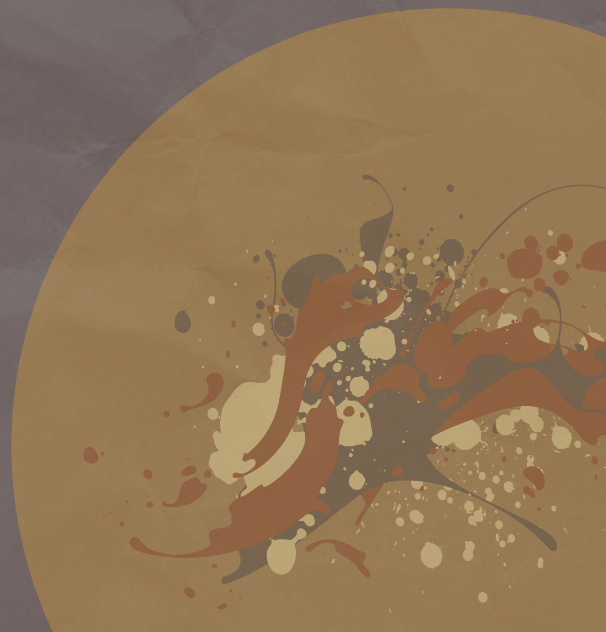
They would discover if they had any threat of oral cancer due to consumption of tobacco (paan), or if they showed symptoms of breast cancer or blood pressure. When Covid started, there were instructions that all of this data would be sent to the centre. Now we have decentralised the whole data with the states themselves, and it need not be with the centre at all. Vulnerable populations in the villages were actually kept under check; patients with blood pressure and cancer getting struck with Covid would need ICU beds or oxygen support. So, I think Ayushman Bharat was launched in a very timely manner. Now it is being taken forward. Urban areas are actually more difficult to handle in primary healthcare than rural areas, I would say. Now, they are also setting up new urban health and wellness centres in urban areas, which focus on disease surveillance and health research. Therefore, the whole Ayushman Bharat program has addressed primary, secondary as well as tertiary healthcare. It's a great step forward in Universal Health Coverage in India. We are an example to the world because we are not only looking at the curative part of it, but also at the preventive and promotive part of it. The Eat Right movement and the Fit India movement are also integrated into this. I hope you know, we have this scheme of health and wellness ambassadors and monitors in schools. NCERT is actually training teachers to impart health education in wellness. Health is not the absence of disease, health is wellness. This new paradigm, this new shift towards preventive and promotive health is really timely.

Q7: Considering the everlasting impact the pandemic has had on our mental health, the subjective nature of mental health and the shortage of qualified medical help for mental health, what policies should India consider to address this looming crisis at hand?

Ms Preeti Sudan:When we started working on our response towards covid, one of the preliminary things we did was create a helpline dedicated to mental issues arising out of isolation, lockdown & confinement. People weren't able to go out, people weren't able to talk to each other, so in response to this, we started a helpline for all the different linguistic groups, in NIMHANS (Bangalore) which has provided tremendous relief to the people. Then I discovered once I visited NACO (National Aids Control Organization) that people infected with AIDS, people belonging to LGBTQ community, had their own set of issues & problems so then we started a covid helpline for those categories of people as well. It's a huge issue (mental health), these days even children are getting adversely affected by it, they aren't able to go out, they aren't able to play, they aren't able to interact..... Hence, mental health issues are a very real thing. Especially for women who are bearing the burden of the entire family all the time. So technologically I would say that these helplines and interactive platforms are helpful. We have three digital academies, in Ranchi, Assam & NIMHANS where peer learning is done and difficult cases are discussed, and people are trained.

Moreover, I do agree that we don't have enough qualified health forces to help with mental health issues, so I want to share with you a bill called, "National Commission for Allied & Healthcare Professionals". Although this was passed last year, I think it's a landmark considering that it has been pending since 1992. Under this, 53 professionals will be there such as speech therapists, psychologists, psychiatrists, mental health assistants and their curriculum will be standardised so that it's recognized all over the world.....Mostly, there are Indian doctors present, only because our curriculum caters to that vocation more than addressing mental health issues. This act will, therefore, increase the number of medical hands in the mental health sector as well as complementary professionals to assist and aid the doctors in the long run. However, in the short run, I think we need to upskill integration of mental health care with general health care at the district and sub-district level. This has already been done at AIIMS and in other medical colleges but needs to be done at the district level also. There was an act passed in 2017 emphasising the importance of mental health but wasn't executed well on the national level, there are some states which are doing well while the others do not so much. Though, I do agree that mental health issues need to be addressed immediately since it has started to impact our lives so much especially since the lockdown.

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WHY SHOULD ECONOMISTS CARE ABOUT WOMEN

A PERSPECTIVE ON MOTHERHOOD, BREASTFEEDING AND UNPAID WORK

DIYA NAGPAL

II Year, BA (H) Economics

If you close your eyes and try to visualise an economist, you would think of a somewhat nerdy, venerable old man or probably just Adam Smith. To be honest, you're correct, because economics has historically been a male-dominated discipline and it somehow still persists. The fact that only two women to date have been awarded the Nobel Prize in Economic Sciences clearly states that there is a problem between women and economics.

When we hear the term "*Feminist Economics*", the first thought that might come to our minds could be about the diverse understanding and meaning of the two very different words; feminist and economics, and the reason behind the discussion on these topics together. Well, you would be amazed when you'll realise that these two words are not so different when put together, after all.

Feminism, in my opinion, is simply about all genders having equal rights and opportunities and economics is the study of the economy, a phenomenon related to the lives of people which investigates human behaviour as a connection between goals and limited resources with many uses. Feminist economics is a branch of economics that focuses on what is required to create a society that is gender-equal. It claims that because contemporary economics is based on the concept of the "economic man," it is ideologically biased toward normalising men's lives, ignoring the experiences of other gender groups. Feminist economics encompasses not just wishful thinking, but an approach to make sure that economic decisions related to the lives of all people are kept at the forefront of research and policymaking. But why all the hustle?

How do you feel when you're being ignored? Now in contrast, how do you feel when you're acknowledged, heard and considered? One of our most powerful humans wants is to be acknowledged. As a business owner or an entrepreneur, would you ignore 50% of your market? No, right? In 2020, famous economist Jayati Ghosh tweeted about a report from Oxfam that essentially shows how economic inequality is built on gender inequality. The report states how only 2,153 persons in the world were billionaires in 2019, out of a total population of 4.6 billion. This huge divide is founded on a defective economic system that prioritises the riches of the privileged few, usually males, over billions of hours of the



most important work – unpaid and underpaid care work performed mostly by women and girls throughout the world. (Time to Care: Unpaid and Underpaid Care Work and the Global Inequality Crisis, 2020)

Despite the fact that women acquire college degrees at a faster rate than males, they do not major in economics; barely one-third of undergraduate economics students are female. There are two males for every woman in economics PhD programmes, three men for every woman among associate professors of economics, and six men for every woman among full-time professors as women ascend the sluggish ladder of academia. (Fadely, 2019) Former Federal Reserve Chair Janet Yellen claims that when she was a young professor on the economics faculty at Harvard in the 1970s, the males in the department shunned her and refused to cooperate with her. Female economists are still less likely than male economists to be promoted, and their research is typically subjected to a longer review process than papers authored by their male counterparts. Because economics lies at the heart of significant government and corporate decisions, the 'women problem' in economics is important.

SO, WHY SHOULD WE STRIVE TO INCREASE THE NUMBER OF WOMEN AT THE TABLE?

Gender has been found to impact attitudes on difficult policy issues in economics. A study of professional economists in the United States holding membership in American Economic Association (AEA) found no substantial differences in men's and women's perspectives on economic technique or strategy, but considerable variations in policy judgments. (May, 2014) The gender wage gap was the policy topic on which men and women were most split. However, there are still significant gender disparities. In many low and middle-income nations, women and girls are more likely than men and boys to die than their counterparts in high-income ones.



Almost everywhere in the globe, women are paid less than males, not just in the field of economics but in various other domains. Globally, the gender pay gap is at 16%, which means that women employees earn 84% of what men earn. The disparity is significantly bigger among women of colour, immigrant women, and women with children. (Explainer: Everything You Need to Know about Pushing for Equal Pay, 2020).. There's a need to bring women to the forefront of economics to uplift our economy. The media's predominance of males discussing economics perpetuates the perception that economic policy is a man's domain. It is plausible to assume that if there were more women in decision-making positions, policy choices on these fronts might be different. (Tank, 2018)

However, as much as women are behind in the field of making economic decisions, real-world mothers are also being devalued and are not given equal status. When the notion of economic man gained popularity, women were still laboring at home. Her self-sacrificial nature (as seen by males) limited her efforts in the private realm, which were deemed economically insignificant. A woman gives birth to a baby, feeds the baby, does the cleaning, cooking and whatnot. Nonetheless, in traditional economics, all of this toil and sacrifice are not measured as products having a market value, and they aren't considered as activities that provide value in everyday life. While unpaid domestic labour by women accounts for about 13% of the global

economy, it is estimated that unpaid domestic labour by women accounts for nearly 40% of India's current GDP. (Unpaid Work: Women and the Burden of Unpaid Labour, 2019)

Breast milk cements the bond between a mother and her child. It is an essential but complex biological process having countless emotional and psychological values. Breastfeeding has biological benefits as it relieves household economic burdens. Despite this, the impact of breastfeeding and maternal care is still omitted from GDP calculations, making it invisible to policymakers. Countries have not included breastfeeding as a productive activity in their national accounting systems, despite some minor revisions in UN guidelines in favor of including household work in GDP. The importance of estimating the economic worth of breastfeeding cannot be understated. It emphasizes the process's scope and value, as well as how distinctive a contribution it makes. GDP, in its current form, distorts our understanding of economic growth by failing to account for changes in the market and nonmarket activities. Because child care given by a stay-at-home parent (typically a woman) is not counted in our national accounts, the boost in GDP that occurs when that care is outsourced and she returns to the formal labor force will be overstated.

If politicians could see the economic benefits of nursing, they would be more likely to favour legislation that supports it, such as parental leave, which has been shown to enhance breastfeeding success. (Before We Continue. . . - The Lily, 2020) I agree that exposing breastfeeding to market forces might be risky due to the absence of financial incentives, yet it is critical in spreading knowledge about the importance of breast milk. "What we measure reflects what we value and affects what we do," argues economist Julie.P.Smith in her article. She believes that international institutions have institutionalized the value of women's unpaid productive and unproductive labor, resulting in



Source : Times of India, June 8,2019



resource allocation distortions and persistent gender inequity. Policymakers should priorities a legal framework that encourages and supports breastfeeding and unpaid work such as childcare if the economic contributions of breastfeeding and unpaid work performed by women were evident. Nobel laureates Joseph Stiglitz and Amartya Sen also agree on the inclusion of human milk in conventionally defined GDP. Breast milk presently qualifies as a "market good" and is eligible to be accounted for in the GDP due to the increasing creation of milk banks. It would be better for everyone if we adopted a system that valued women as equal economic partners, but you can't value economic women if your models don't think she exists. It's a never-ending loop.

In the homo economics market, women have shown tremendous progress over the years too. Despite the fact that women are underrepresented in economics, several have made a significant impact. One of the most prominent development economists of her age, Yale University's Rohini Pande has made pioneering contributions to political economy, international development, gender economics, anti-corruption, and climate change activities. Lisa D. Cook of Michigan State University has used academic methodologies to demonstrate how racism and sexism have had a significant negative impact on the economy in the United States. Women economists have influenced the economy in one way or another, whether they are trying to eradicate poverty, rethink development economics, examine social safety nets, or improve democratic principles. Mothers, daughters and sisters have created a huge influence in the economy in every way possible, be it household work, unpaid work or taking care of children. (2021b)

However, the gender wage gap, the unpaid work, ignored female researchers, fewer women in the field of economics and devalued motherhood of women are all serious issues that still prevail and need to be talked about.

While generally viewed as value-free and unbiased, traditional definitions of the subject matter and teaching of economics reflect significant male biases. The alternative is economics in which practitioners of all sexes utilise the broadest variety of acceptable methodologies in researching the issue of economic provisioning. Full representation is the only way to a new economy. We would have better outcomes for everyone if women were consistently involved in the area of economics. This is about designing an economy that takes into account the reality of the world, rather than depending on ideas that were developed before women were granted the rights they deserved. Social welfare and economic equality should be the utmost priority. It's time for people to start picturing an economist as a confident and independent woman too.

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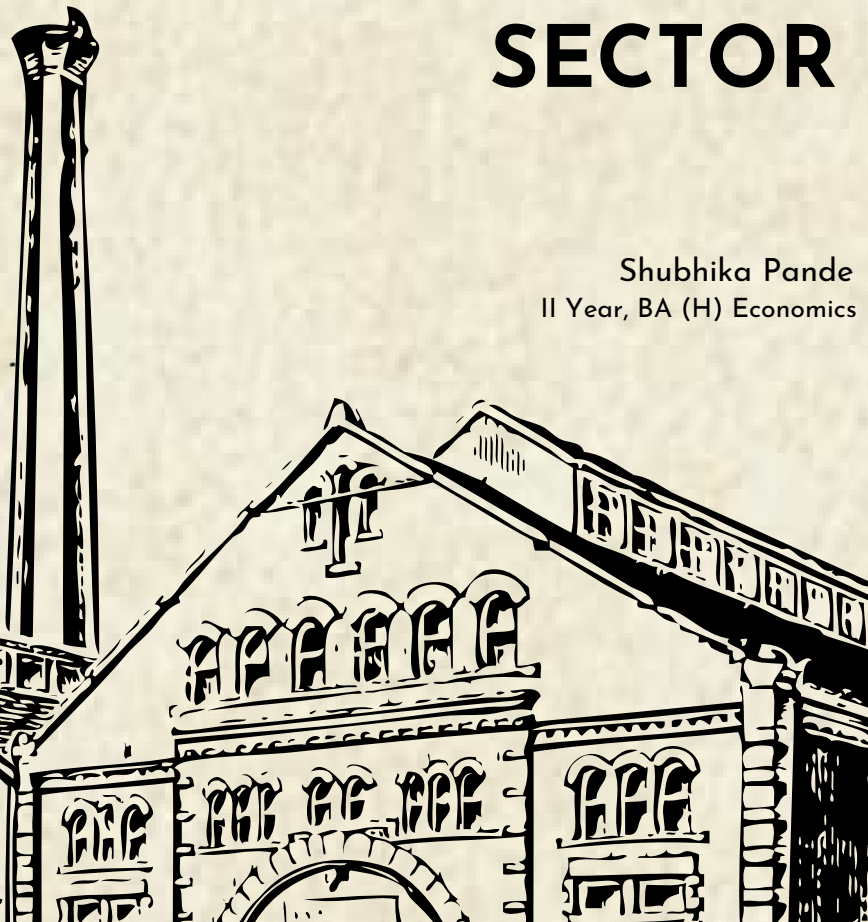
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INCLUSITIVITY of WOMEN



IN MANUFACTURING SECTOR

Shubhika Pande
II Year, BA (H) Economics



The potential of the manufacturing sector in India is being underutilised. It is a sector that can create the most blue-collar jobs giving employment to many unemployed and unskilled labourers.

The Manufacturing sector contributes 16-17% to GDP and gives employment to 12% of the country's workforce. (Sectors, n.d.) History coupled with research and economic data has shown that countries that gradually shifted from agriculture to manufacturing and from manufacturing to service sector have very strong economies and are some of the most developed nations. It is a large employment generating sector yet it is very unfortunate to note that the total participation of women is only 3 percent in core engineering and 12 percent in the electronics industry according to studies. (Panicker, 2020)

Women have proven their worth in banking, finance, IT industry, entrepreneurship, and many more industries in the tertiary sector. The scope of women in the manufacturing sector is huge as there lies a plethora of talent and untapped potential waiting to be explored and utilised. But due to patriarchal norms, the idea of working in manufacturing is not as feasible for women as it is for men.

Problems faced by Women in Manufacturing Sector

Organised secondary sector jobs with fixed wages, fixed working hours, paid leaves, sick leaves, provident funds, etc are not offered to women.

In India, 47% of women are unemployed against 21% of males according to CMIE's data. Even so, the share of women in total employment in the manufacturing sector was recorded to be at a stagnant 10.9 percent from 2000 to 2007. (Jaggi et al., 2016) These figures indicate that women are not encouraged or rather not given access to enough opportunities to take part in the secondary sector. Employers prefer to hire males in both the formal and informal manufacturing sector because of prevailing stereotypes. It is a preconceived notion that men are better at manual labour as well as at technical and managerial skills.

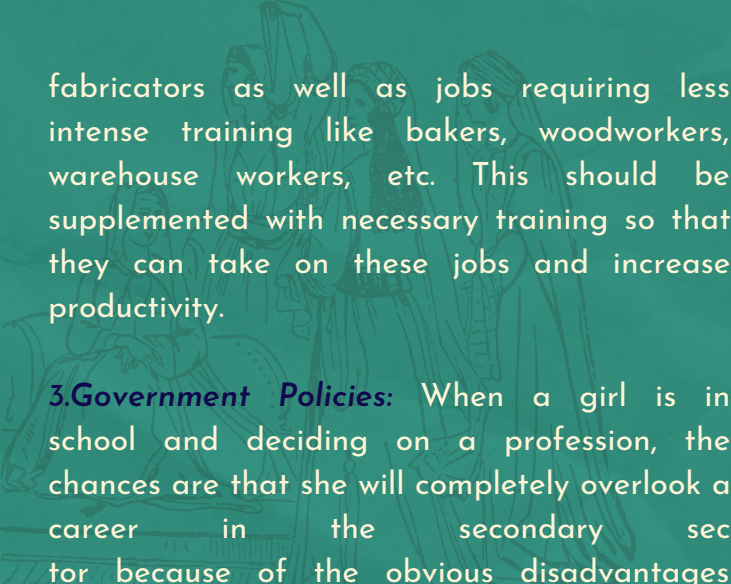
This mindset can potentially hinder women participation. Also women themselves might not prefer to work in the secondary sector as there are still some apprehensions about the working conditions of this sector. Currently, most of the women working in this field are employed at the unorganised level which paves the path to exploitation. Long working hours, no minimum wage assured, extreme pay discrimination, sexual harassment at the workplace, domestic and professional exploitation, night shifts, no growth opportunities are some of the hindrances faced by women.

Practical suggestions to include Women in the Manufacturing Sector

The only way for the manufacturing sector to prosper is to bring strict laws into the picture and increase the participation of women. Jobs should be made more accessible and appealing to women. It can be done in a systematic and step-by-step procedure.

1. Basic Mentality: Girl Child should be treated as an asset and not a liability. Through various Government Schemes, policies, and awareness programs in rural and urban areas, people should be encouraged to educate their daughters so that they have an equal say in their lives. The mindset of people needs to change so that education is able to truly break these stigmas and we as a society are able to move away from these social barriers and conventional mindset.

2. Education: Providing an incentive to educate girls may lure their parents into sending them to schools. But if they understand the value of their daughters they will be obliged to educate them. In schools, not just textbook knowledge, but technical skill building should also be focused upon. Students (not just girls) should be made aware of various careers in the manufacturing sector such as production managers, plant managers, engineers, supervisors, technicians, assemblers,



fabricators as well as jobs requiring less intense training like bakers, woodworkers, warehouse workers, etc. This should be supplemented with necessary training so that they can take on these jobs and increase productivity.

3. Government Policies: When a girl is in school and deciding on a profession, the chances are that she will completely overlook a career in the secondary sector because of the obvious disadvantages currently prevailing in the market. Here's when the government steps in. Government should make such strong laws that automatically stimulate a paradigm shift encouraging participation by women in the manufacturing sector. Laws exist but their implementation is often weak and overlooked and employers take undue advantage of this. The sexual assault laws should be made rigid so that safety of women is ensured where the assaulter and perpetrator is held accountable and punished for their actions. Laws for indiscriminate pay, minimum wages for labourers, sick leaves, fixed working hours, job security should also be rigidly enforced.

4. Woman Leaders: Discrimination against women in every aspect, be it social or economic, is so high that very few women make it to the top. However, if women were to be given equal opportunities purely based on merit then it would be no surprise to see women leaders in top management. A woman CEO will empower a string of lower-tier employees to rise and become departmental heads or lead big projects and in turn, they will empower those below them. With this possible increase of women in the organised manufacturing sector, even the unorganised sector will become relatively safer for women as they would be working under other females who understand their plight and strive to fight for their equality. Women Leaders and Entrepreneurs will inspire millions of young girls in school.

5. Compulsory Skill Development Training: What about the poor, illiterate women who can't afford a fancy degree or even a few year's worth of schooling? Here's where the government and the manufacturing sector need to come together.

A few decades back, firms were operating just for the sake of their benefit or rather the shareholder's benefits. Profit maximisation was the primary objective of every company, where exploitation of nature and depletion of scarce natural resources became the harsh consequences of this one sided approach. But as the effects of climate change started to become very evident, there came an exhaustive list of the laws protecting the environment because it was the need of the hour. Similarly, Corporate Social Responsibility (CSR) was included in the Companies Act in 2013. And now skill development is the need of the hour. The government of India has launched many schemes regarding skill development under the Skill India Mission such as Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Rozgaar Mela, Udaan, Pradhan Mantri Kaushal Kendras (PMKK), Vocational Training Programme For Women, etc. Many of the private enterprises such as TATA Power, GAIL, TVS Motor Company, Ambuja Cements Ltd, etc have taken up-skill training as their Corporate Social Responsibility.

It is a good initiative but CSR should not be the only way in which private players contribute towards the upliftment of our country. Policies which promote the shift from the informal sector to the formal sector will play a crucial role in pushing India to reach the 5 trillion economy mark. Therefore the government and the private sector need to join hands in this initiative and impart mandatory skill development regardless of the gender of the person.

In conclusion, the inclusivity of women in the manufacturing sector will lead to women empowerment as well as gender equality. It will also improve the contribution of the secondary sector to the economy. Moreover, to have meaningful growth, India needs to ensure equal participation from women so that the society and economy can prosper.

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THE DEADLY SHADOW LOCKDOWN

-SWASTI SRIVASTAVA
II YEAR, BA (H) ECONOMICS



The COVID 19 pandemic hasn't been forgiving on anyone. People have suffered from mental illnesses due to loneliness, hopelessness, lack of money, losing their close ones, losing jobs due to the lockdown, and the list goes on and on. However, while many of us were privileged enough to endure this lockdown in the safety of our homes with our loved ones, others were forced to withstand this perilous period locked away with toxic, abusive spouses and other family members.

"I'm calling you from the ration shop as I'm scared to talk from home. My husband lost his factory job a month ago and is always in the house. He beats me in front of the kids, doesn't help around [the house] and flings the liquor bottle at me if I try to reason things with him. I'm trapped in my own house. Please help!" - The Diplomat, April 17, 2020

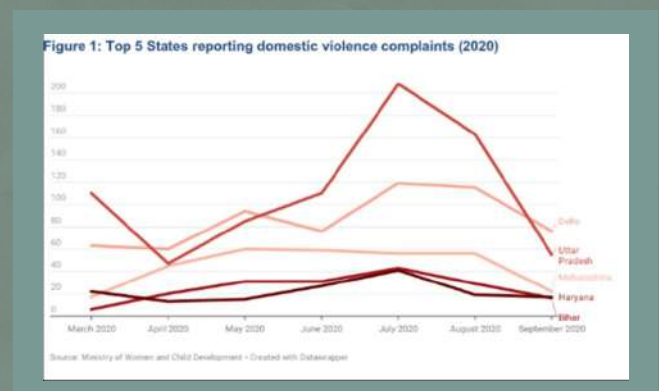
"I can't go back there, I'm really frightened." - BBC News, May 27, 2020

These are just a few statements expressing the plight of many women during the lockdown. There must be thousands of other women, all over the world, from each and every region, religion, culture, and background, facing the same critical issue, domestic violence.

My aunt was married in the early 2010s. Her son is a mere ten-year-old boy, and whenever he is asked about his father, the only words that come out of his mouth are in the form of abuses, and how his father is a 'very bad man who hits Mumma'. I remember before this lockdown was instated, my aunt and her husband gave it another try and started living with each other again as a family. Now, I wasn't told the whole story, all I know is that she moved out to her mother's house a couple of months after the lockdown was initiated and announced divorce. The last time I went to see her, she had faded bruises on her face. My aunt is lucky enough to have a supportive family who instantly understood her decision and stood by her. However, the sad thing in cases like my aunt's is that most families aren't that understanding, and these women, who already suffer violence and abuse at their houses, are no longer welcome in their own marital homes and are told to bear with it.

Aside from the already fatal COVID pandemic, another deadly issue has risen. In the shadow of this pandemic, restricted activity and mobility to essential services have caused a rise in gender-based violence and cases of domestic abuse, hence termed as the shadow pandemic.

"Globally, nearly 243 million women and girls between 15 to 49 years were subjected to sexual and/or physical intimate partner violence in the last year (UN Women, 2020). A survey of 122 community organisations shows that 85% of them reported a rapid increase in violence against women and girls (VAW/G) between March - September 2020 (UN Trust Fund to End VAW, 2020). This alarming increase in domestic violence has even earned a moniker, "the shadow pandemic." - TOI, November 24, 2020



For women all over the country, and all over the world, a safe haven is required. In many third world countries, it is a common belief that once a daughter is married off, she is no longer a part of her marital home, instead, she is now the honour of her husband's house. Cases of domestic violence and abuse are often not reported as women are told to deal with it and given pathetic excuses like this is how husbands are, or maybe he was just angry, and issued warnings, "If you tell anyone, you'll uproot the honour of our house in the society." In India, out of 86% of women who endure domestic violence, 77% don't ask for any help and the remaining who do usually turn to the immediate family who mostly convince them to drop the issue. Domestic abuse is extremely common towards women and these hard times haven't made things better.

Due to the lack of employment, money problems, restriction of movement, diminishing mental health, and other such reasons, cases have increased exponentially, especially in rural areas. The National Commission of Women in India received 257 complaints in the beginning days, March 24 to April 1, 2020, of the lockdown through email alone, and these are just cases that were reported. There must've been hundreds of other unreported cases. India already suffers from gender inequality, one out of every three women have experienced some form of abuse, including girls as young as 15. With the prevailing lockdown and the constant hovering of their abusers around, situations became worse.

What are some solutions for these women?

In India, there are various laws protecting women. The Protection of Women from Domestic Violence Act, 2005, was amended in April 2013, which assured that the punishment for any physical, emotional, verbal, sexual, and economic violence would be stringent. Other laws including the Criminal Law (Amendment) Act, 2013, and Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, etc. have also been passed for this cause, however, it is observed that even in the persistence of these laws, people still tend to conduct such heinous acts, and Indian women fear reporting these cases. So what to do now? Well, many social activists and campaigners have stood by this issue. In India, various NGOs, government, and UN-run initiatives have been brought to light. An NGO called Breakthrough is bringing this issue into the spotlight. Its platform, StreeLink, (<https://inbreakthrough.org/campaign/streelink/>) has helped women exchange information and find strength. This NGO has also started a radio program for the same. Another campaign called 'Bell Bajao' in Uttar Pradesh has summoned boys and men to speak up against this grave reality. Government-run 'one-stop centres' have also been on this case and provide women emergency housing and counselling. The police have collaborated with Women's Self Help Groups and college students to ensure women's safety and security.

Jugnu Clubs in Assam are self-empowered groups, assisted by the UN, which provide safe spaces for women and girls who are victims of domestic violence.

"The government of India, along with women's groups, community advocates, UN agencies, and committed individuals are working tirelessly to address violence against women and girls. We must redouble our efforts to eradicate the shadow pandemic and gender-based violence forever." - United Nations, December 9, 2020

Together, we need to stand up against this shadow lockdown. By helping these NGOs, we can ensure that these women don't lose hope, and keep working for their better future. Education, counselling, and some financial aid could support these women through difficult times. Let's try and do our best to put a stop to domestic abuse, help women and girls feel safe in their homes, and make sure that they are secure, if not in their homes, then in support and self-help groups.

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INDIA @75

THROUGH THE SDG LENS

ASTHA MUKHERJEE, GOPIKA VENUGOPAL | III YEAR, BA (H) ECONOMICS

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. There are 17 such goals, covering a wide spectrum of Socio-Economic factors affecting economies across the world. Through this article we analyze the improvement and position of India with respect to these goals as India enters its 75th year of Independence. We also briefly reflect upon what more can be done to achieve these goals which could take us to a brighter, equitable and more sustainable tomorrow. We have also included the SDG scores for India as per the Niti Aayog India Index and Dashboard, colour coded as below

● Aspirant(0-49) ● Performer(50-64) ● Front Runner (65-99) ● Achiever (100)

1 NO POVERTY



The first person to try and draw an economic pattern for modern India, Dadabai Naoroji took down the major task of estimating the poverty statistics. His as well as many other freedom fighters' idea of freedom was not just from British rule but from a life of poverty. Then with the hard yearned freedom, India also inherited a population base with nearly half the population living in extreme poverty. Though planners came up with actions to bring up growth to good levels, the main focus on poverty reduction in India started only in the 1970s with strengthening of Food related schemes, NREGA, and further supported by ICDS, RTE, National Health mission; expanding the concept of poverty from income to that of capabilities.

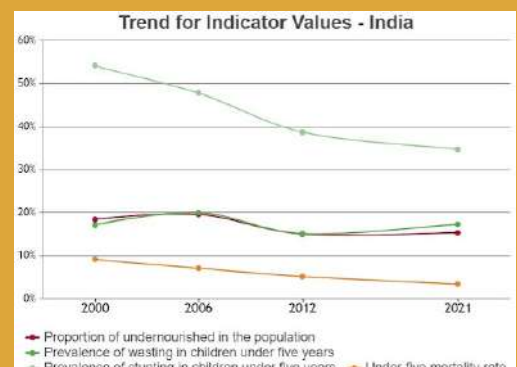
India has been able to bring down the poverty rate from nearly 50% to 21% in 2020 and following a downward trajectory but due to COVID-19 and subsequent lockdown, unemployment has increased and as people's means of earning has decreased, many families have fallen below poverty line.

2 ZERO HUNGER



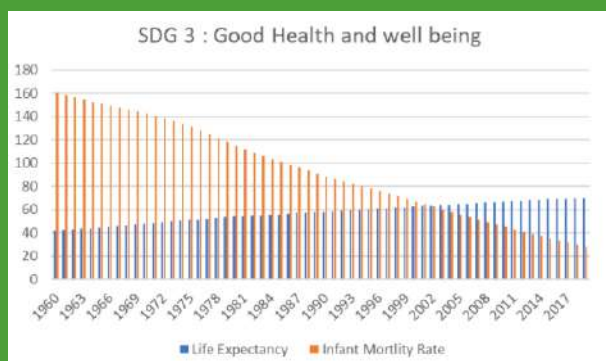
India comes from a history of deadly famines under British rule, like the Bengal famine in 1943, Famines in 1899, 1873 and so on. However, post-independence we have not seen such a gloomy situation but hunger and malnutrition has been a looming problem in the Indian economy, steps like green revolution, MSP and Ration schemes have undoubtedly helped on this front but there is still a long way to go.

In the 2021 Global Hunger Index, India ranks 101st out of the 116 countries with sufficient data to calculate 2021 GHI scores. With a score of 27.5 in 2021, India still has a level of hunger that is serious, despite the fall from the score of 28.8 in 2012.



Source: Global Hunger Index, India. (2022). Retrieved 1 February 2022, from <https://www.globalhungerindex.org/india.html>

3 GOOD HEALTH AND WELL-BEING



Source: World Bank Open Data

Health and well being as a measure of economic development has always been on the forefront since good health determines a person's ability to work and make a standard living. During British rule, there was emphasis on Traditional Public Health (TPH) as there was a different civil services cadre appointed to look after the same. But right after independence major emphasis fell on medical health. This is a prominent reason why we took a long time to reduce IMR and increase life expectancy as shown in the graph. Latest data shows that India spends nearly 4% of GDP on health within which the percentage share by the private sector is the highest.

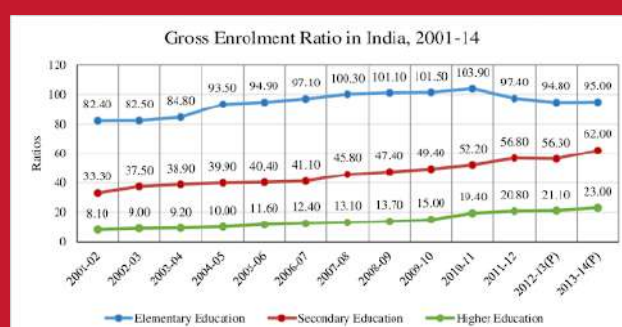
Though Health indicators have improved over time, epidemics have reduced, sanitation improved, still India remains among the top of malnourishment measures. But with schemes like ICDS, we have started efforts to have a better tomorrow. Added to this, RSBY, Ayushman Bharat Scheme among many others, the sector seems to be moving to a good position. With COVID-19 looming over the world, India has shown its resilience by being able to contain the spread of virus, showing the importance of the health sector and the way it has been improving.

4 QUALITY EDUCATION



From the inception of Independent India, there has been inadequate investment and focus on the education sector, with the initial idea of a "basic education" system in the first two five year plans. Although, India has seen a lot of growth in the education sector over the past years, with adult literacy of about 75% and increasing gross enrollment ratios. However, the quality of the education in terms of employability and learning outcomes are still questionable. But the New Education Policy gives some hope. Further the enrollment ratios for Higher education is quite low and the authorities must work on increasing that. The pandemic has further worsened the learning outcomes for many due to closure of schools and colleges for many months and shift to online mode, which is not accessible to all. Thus, we still have a lot of work to do towards imparting quality education to all and optimizing the usage of human capital, which is a major engine of growth to the fullest.

Year	Adult Literacy (in %)
1951	18.33
1961	28.3
1971	34.45
1981	43.57
1991	52.21
2001	64.83
2011	74.04



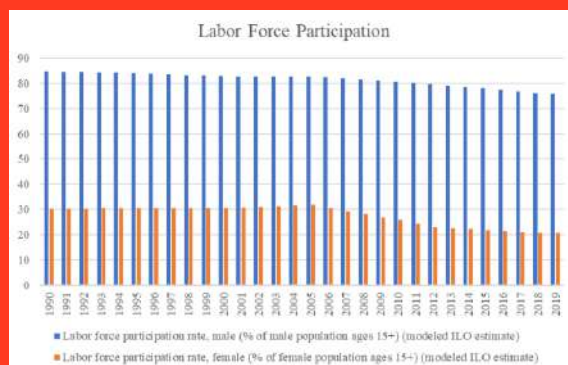
Source: Figure 3. Education gross enrolment ratio in India, (P) is provisional A Policy Review of Public Libraries in India [1] - Scientific Figure on ResearchGate. Available from: https://www.researchgate.net/figure/Education-gross-enrolment-ratio-in-India-P-is-provisional_fig2_324273917 [accessed 3 Feb, 2022]

5 GENDER EQUALITY



48
100

India Status:
Aspirant



Source: International Labour Organization, ILOSTAT database.

India has always had a sex ratio skewed towards males, which can be generally attributed to male child preference, female foeticide etc.. Until this year (Economic Survey 2022), where it stands at 1,020 Females Per 1,000 Males, which is a big feat for a male dominated country like India.

India has also seen big strides in female employment and empowerment in the golden years of growth, but the female labor force participation has seen a decline recently due to factors like withdrawal of women from traditional roles in agriculture, coupled with lack of opportunities elsewhere in the fast growing sectors. The Covid 19 pandemic has further worsened the situation with women being laid off or withdrawing from the workforce to take care of the increased domestic and child-care responsibilities. Hence there is a long road ahead towards gender parity in India. A change in the mindset of the masses is required, along with government support to reach greater gender parity in the country.

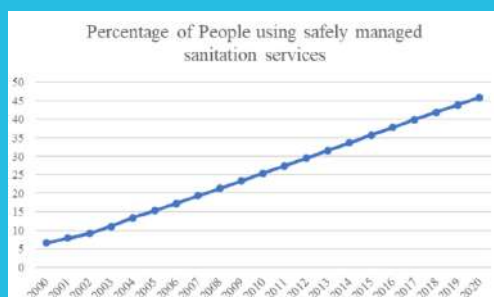
6 CLEAN WATER AND SANITATION



83
100

India Status
Front Runner

According to UNICEF, Less than 50 per cent of the population in India has access to safely managed drinking water. Chemical contamination of water is present in 1.96 million dwellings, mainly through fluoride and arsenic. As the graph also indicates, although there has been a decent rise in access to sanitation over the years, still a large section of the population is far away from this goal.



Source: WHO/UNICEF Joint Monitoring Programme (JMP) for Water Supply, Sanitation and Hygiene (washdata.org).

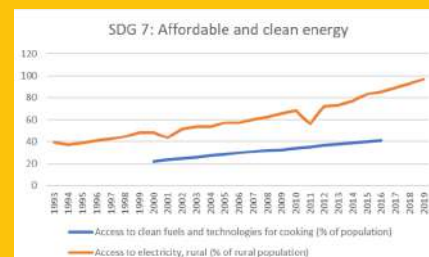
7 AFFORDABLE AND CLEAN ENERGY



92
100

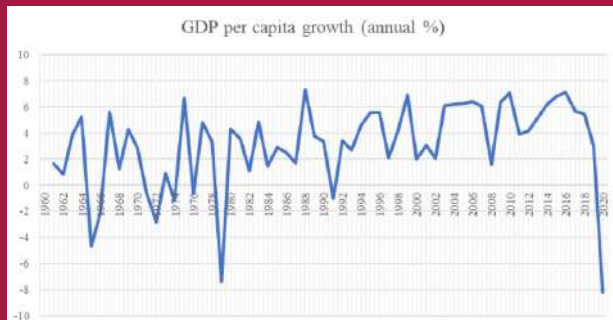
India Status
Front Runner

This SDG emphasizes universal access to efficient modern energy and technology. As per the data records, it can be observed that India is in an upward trajectory wherein the access to clean fuels for cooking has increased and currently, covers nearly 40% of population as per latest data available (2016). Lighting up people's life, the increase in access to electricity has been remarkable with nearly 96% of the rural population having access as compared to really low levels 40% in 1993. The promotion of usage and installation of Solar panels by providing subsidies by the government has led to solar power taking over wind power in terms of total installed capacity.



Source: World Bank Open Data

8 DECENT WORK AND ECONOMIC GROWTH

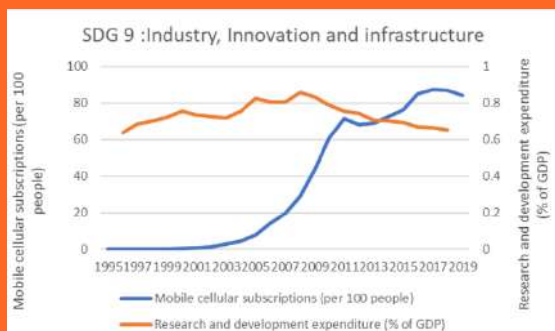


Source: World Bank national accounts data, and OECD National Accounts data files.

India had seen a decent growth in GDP over the years, rarely has it been negative, the latest dip can be attributed to the coronavirus pandemic.

India has a plethora of labor laws governing and protecting the interest of employees across sectors. But one of the problems cooking over India are the high unemployment rates, with a recent fall to 6.57% in January 2022, lowest since March 2021, following a significant dip in rural unemployment. However the working conditions in the informal sector still need betterment along with a push towards higher female and formal sector employment and reduction of unemployment in the economy.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Source: World Bank Open Data

Industrial revolution has shaped history and made the distinction between developed and developing world. As time passes, every country has joined this trail and is innovating and industrializing. With increased industrialisation comes the need to have more infrastructural support as per development model. The Indian infrastructural sector has experienced a boom in recent years with much greater investment in transport infrastructure and urban development.

The graph shows how Mobile phone access has been increasing and stands second in world stage in total number of mobile phone usage. With India bringing out an indigeneous vaccine for COVID 19 and helping other countries in combating this pandemic , India has shown its skill in R&D. But the share of GDP going to this sector is low and stands at 0.65% as per 2018 data. Promoting R&D through schemes like Make in India, Atal Innovation Mission,etc. is expected to bring in more efficient and sustainable practices.

10 REDUCED INEQUALITIES



Inequality is not only characterized as a difference in Income but also inequality in access to other resources. Inequality in India was less during British rule and after independence, with more socialistic economic policies the inequality reduced but the picture was reversed with 1991 reforms after which the gap in income has kept on increasing. Today, India is among the most unequal countries with World Inequality Report 2022 showing that the top 10% of population earns 57% of income and the share of the bottom 50% in national income has declined to 13%.

11 SUSTAINABLE CITIES AND COMMUNITIES



This SDG focuses on making basic services affordable and safe, upgrading slums, improving air quality and strengthening efforts to protect and safeguard the world's cultural and natural heritage. In India, nearly 35% of urban population lives in slums devoid of basic amenities. Though the number is large, it has been following a downward trend. When another indicator - air quality is taken into account, the data is on a dark end with the capital city New Delhi ranking first among the most polluted cities in terms of air quality reaching hazardous levels.

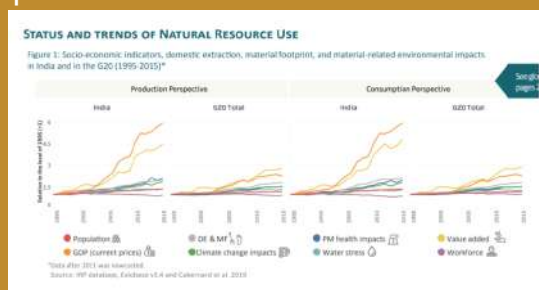
Assessing the other parameter of safeguarding heritage, the government is putting efforts and coming up with policies like Adarsh Smarak, Rashtriya Sanskriti Mahotsav and the Ministry of culture promoting and financing new initiatives. There is still a lot of work left to be done with respect to this goal, but we are moving in the right trend. Trying to bring in more technological solutions to combat the issue of Air pollution is the need of the hour.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



As a developing country, the prime focus of India had been on economic growth and poverty alleviation until the last two decades, when issues relating to sustainability caught the public and government eye. India has seen a steep rise in the usage of natural resources and its impacts over the years as compared to the average of G20 economies as it has continued to expand GDP. But with a looming climate crisis, it is time to take concrete steps towards promoting responsible Consumption and Production.

Source: IRP database Exiobase v3.4 & Cabernard et al 2019



13 CLIMATE ACTION



Climate has become the most talked about topic in recent times and it is the need of the hour too since climate change can bring in a lot of difficulties not just individually but also in attainment of other SDGs. Statistics for the years 1901 to 2020 shows that the mean annual temperature is 24.83 °C, having increased by 0.62°C/100 years and according to Climate Vulnerability Index 2020 findings, India is the seventh-most vulnerable country with respect to climate extremes. In such a case it is really important to bring down greenhouse gas emissions which is

currently at a level of 3374990 kt of CO₂ as of the latest data available (2018). Temperature rise may lead to unpredictability of monsoon further affecting agriculture because more than 50% of population depends on monsoon showers for agriculture. So solutions it is important to spread awareness induce people to use it.



Source: World Bank Open Data

14 LIFE BELOW WATER



Marine pollution and overfishing have an adverse impact on the marine life and biodiversity. According to the Central pollution control Board, Municipal sewage is the main single source of pollution from land-based activities to the coastal waters. In the case of coastal aquaculture, suspended solids and nutrient content are causing pollution to coastal waters.

Although, laws are in place and work is in progress to maintain and promote the sustainable use of water and marine resources. Active steps are required to improve the condition of major Indian rivers and coastlines and protection of the biodiversity present there.

15 LIFE ON LAND



Here the focus is on protecting, restoring and promoting sustainable use of terrestrial ecosystems, sustainably managing forests, combating desertification, and halting biodiversity loss. With Annual Economic Survey 2021-2022 showing that India ranks third globally in average annual net gain in forest area from 2010-2020. But we are still below the safe threshold level of 33% that is aimed by the government and still dwindling around 24% of forest cover. Though policies are at place, their pace has to be increased to reach a sustainable level by 2030.



Source: World Bank Open Data

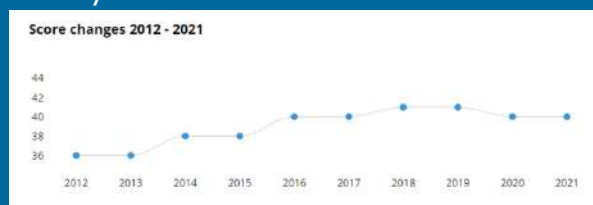
16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Democracy, with all its problems, has been strong in India since independence. And the Indian constitution and judiciary protect the rights and freedom of all its citizens. In the first few decades of Independence, India had been involved in several wars with Pakistan (in 1947-48, 1965, 1971 and 1999) and China (1962) which lead to many casualties and disrupting the lives of many. Apart from which India has faced external tensions with Pakistan and China and internal tensions in the form of riots on several occasions.

Corruption has been a problem in the Indian economy since its initial years, with several steps like demonetisation being taken to curtail it. But still India has a score of just 40/100 in Corruption Perception Index 2021, holding the 85th rank out of the 180 countries involved in the study.

Source: 2021 corruption perceptions index - explore India's results. Transparency.org. (n.d.). Retrieved February 3, 2022, from <https://www.transparency.org/en/cpi/2021/index/ind>



17 PARTNERSHIPS FOR THE GOALS



This goal emphasizes the need for cross sector and cross country collaboration in pursuit of all the goals by the year 2030. India has shown good partnership relations during the Pandemic by distributing vaccines made by Bharat Biotech and Serum Institute of India. Vaccine has been distributed to 98 countries around the world and 13 countries have received vaccines in the form of gifts by India. Furthermore, India is a country actively participating in trading activities and currently has signed 11 FTA and is in the process of signing FTA with major exporters like UAE, Australia and UK.

BUDGET REVIEW 2022-23

READING BETWEEN THE LINES

DEVANGANA JHA

ASSISTANT PROFESSOR, DEPARTMENT OF ECONOMICS

The essence of any Government budget is perhaps best explained by this quote from Kautilya's Arthashastra.

"During the first eighth part of the day, the King should listen to reports on ... Income (āya) and Expenditure (vyaya). ... The Treasurer [our Finance Minister] should know the external and internal revenues even after 100 years, so that when he is questioned, he will not vacillate with regard to expenditures, balances, and revenues." (Patrick Olivelle, King, Governance, and Law in Ancient India: Kauṭilya's Arthaśāstra, pp. xvi, 92, 109.)

This paper seeks to analyse and review the main contours of the Union Budget of 2022-23 that was announced on Feb 1. This budget comes in the wake of the devastating impact of the Covid-19 pandemic, wherein the Indian economy is plagued by a slowdown in economic growth, severe unemployment, growing poverty and crippling indebtedness, worsening wealth and income inequalities, rising inflation, and acute economic distress especially in the agriculture and informal sector. While the economy had been slowing down even in the previous years (as per the revised estimates of national accounts for 2020-21 released by the Ministry of Statistics and Programme Implementation, real GDP growth contracted from 8.3 per cent in 2016-17 to a mere 3.7 per cent in 2019-20), the pandemic has made matters worse. In the light of this, it was expected that the budget will address all these crucial issues and provide adequate measures to stimulate the economy towards sustained economic development. Let us see how it actually fared.

Any informed analysis of the budget must consider both revenue and expenditure aspects, with focus on crucial sectors like capital formation/investment, employment, health and education, agriculture, rural development, and public provisioning for the marginalised sections of the population.

Beginning with resource mobilisation/revenue side, the budget shows a positive trend. Both tax and non-tax revenue receipts of the Centre have increased from Rs. 1426287 crores and Rs. 207633 crores in 2020-21 (Actuals) to Rs. 1765145 crores and Rs. 313791 crores respectively in 2021-22 (Revised Estimates). Tax receipts are projected to grow further to Rs. 1934771 crores in 2022-23 as per Budget Estimates. Likewise, capital receipts are also projected to rise from Rs. 1694812 crores in 2021-22 to Rs. 1740487 crores in 2022-23 (both Budget Estimates). However, a closer examination of these numbers reveals a less rosy outlook.

We know that the estimates presented in a Budget for the coming fiscal year are Budget Estimates (BE), while those presented for the ongoing fiscal year based on the performance in the first 9 months/3 quarters are Revised Estimates (RE). Actuals are reported for the previous fiscal year. However, to assume a one-to-one correspondence between the three can be highly misleading. It is important to remember that 'Revised Estimates' can differ drastically from the Budget Estimates; likewise, the Actuals from the Revised Estimates. To take just one example, the revised estimates for 'other receipts' under capital receipts (which reflect revenue from asset sales/disinvestment) are lower than the budget estimates for the fiscal year 2021-22 by a staggering Rs. 97000 crores!



Furthermore, materialisation of even this revised estimate is contingent on the privatisation/disinvestment of public sector institutions such as the Life Insurance Corporation of India.

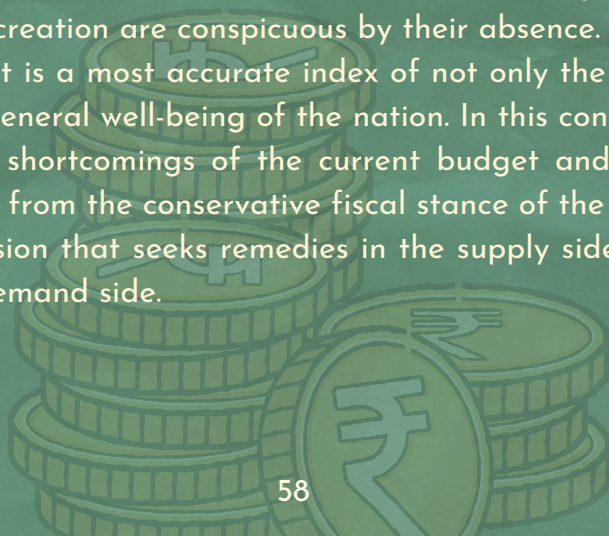
Let us now consider the expenditure side. At face value, the total government expenditure figures show an increase of 4.6% in nominal terms, from Rs. 3770000 crores (RE) in 2021-22 to Rs. 3944909 crores in 2022-23 (BE). However, in real terms (after adjusting for inflation), this translates to near stagnation.

Coming to capital expenditure/capex (which was one of the key focus areas highlighted by the government for this year's budget), the finance minister claimed a rise of a massive 35% in capex from Rs. 554236 crores in 2021-22 to Rs. 750246 crores in 2022-23 (BE). This again does not represent a correct picture. Revised estimates for capex for 2021-22 were Rs. 602711 crores which implies an increase of 24.5% (still substantial but less than the claimed 35%) in the current year. While this expansion in capital outlay is a welcome step and will boost infrastructure, these headline numbers do not provide a complete picture. For instance, the budgetary allocations for the Mahatma Gandhi National Rural Employment Guarantee Programme (MNREGP) (which provided a lifeline to rural poor and migrants) have fallen sharply to Rs. 73000 crores for 2022-23 from Rs. 111170 crores (BE) and Rs. 98000 (RE) in 2021-22. This is despite widespread economic misery and the debilitating effects of the pandemic, which has actually led to a significant rise in demand for work and so makes the cut all the more ironical.

The equally vital sectors of health and education have fared no better. Total spending (revenue and capital) on health, which rose from Rs. 95192 crores in 2020-21 to Rs. 124345 crores in 2021-22 (RE) is budgeted to fall to Rs. 113458 crores in 2022-23. Even in the education sector where the budgeted total outlay has risen by 11.8% to Rs. 104278 crores for 2022-23, it is grossly inadequate. Public expenditure (centre and states) on education as a percentage of GDP is a measly 3%, well below the stated goal of 6% since 1968 and thus perpetuating an old sore.

Another disquieting figure pertains to the food subsidies. Food subsidies routed through the operations of the Food Corporation of India to implement the National Food Security Act (NFSA) are set to plunge from Rs. 210929 crores in 2021-22 (RE) to Rs. 145920 crores in 2022-23, while those provided for decentralised procurement by states under the NFSA will contract from Rs. 75290 crores in 2021-22 to Rs. 60651 crores for 2022-23. This is despite worrisome declines in nutrition indicators and widespread misery. Likewise, measures on employment creation are conspicuous by their absence.

The soundness of a budget is a most accurate index of not only the financial health of the government but also the general well-being of the nation. In this context, it becomes doubly important to identify the shortcomings of the current budget and correct for the same. These proceed in the main from the conservative fiscal stance of the government, as well as from a seriously-flawed vision that seeks remedies in the supply side of the economy while the malady lies with the demand side.



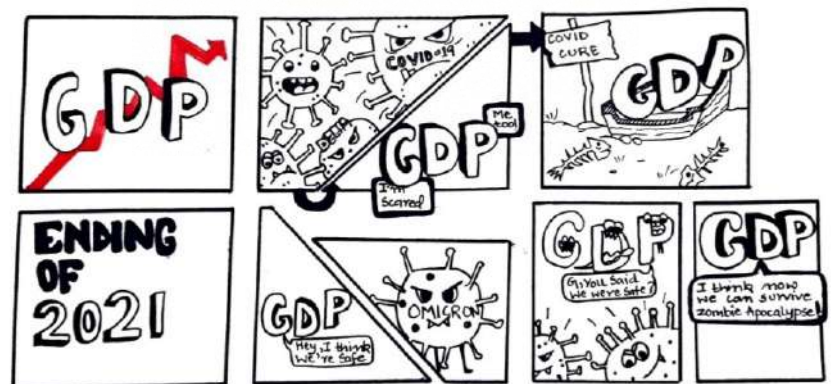
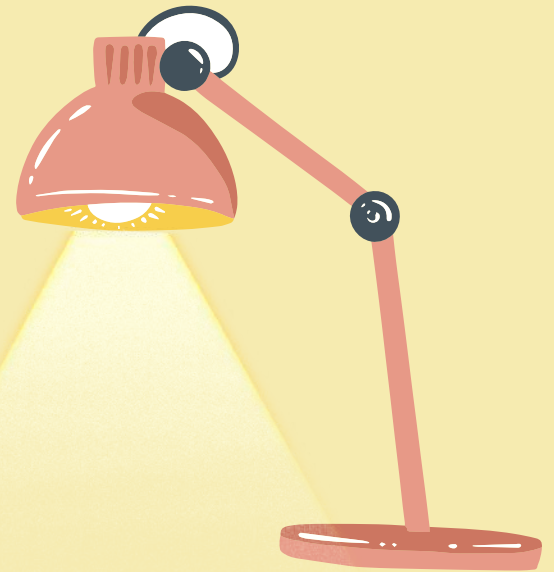
CROSSWORD

ACROSS

6. of assets refers to the conversion of tangible or intangible assets into a source of revenue generation.
8. poverty refers to circumstances in which one is unable to afford the standard of living as per the people living in similar surroundings.
9. David is a famous economist who presented a theory, according to which, the value of a good or service is derived from the proportional labor required to produce it (LTV).
10. operation of the RBI refers to the activity of extracting excess money supply (liquidity) from the economy, triggered by foreign exchange market intervention.
11. benefit tax is a tax paid by employers on the additional incentives paid to employees apart from salary or wages.
12. advantage refers to a country's ability to produce a good or service at a lower opportunity cost than the rest of the world.
13. is an economic situation where an economy is characterised by slow economic growth while simultaneously experiencing inflation and high levels of unemployment.
14. dividend represents the economic benefit obtained from a shift in the demographic of a nation, mainly, the age structure of the working population.

DOWN

1. loss represents benefits lost by consumers and producers owing to the operational inefficiencies of the market.
2. bonds are financial instruments with the purpose of financing projects or prospective ventures which have an affirmative environmental benefit.
3. inflation occurs when the supply falls a lot but the demand remains the same. This arises due to severe supply-side restrictions and mismanagement.
4. is defined by regular payments made to repay an outstanding loan within a specific period of time where the payment is made monthly.
5. tax is a charge levied on past actions but the entity is obligated to pay in the present time. A long dispute on this kind of tax was recently settled between Vodafone and the Government of India.
7. collar jobs refers to jobs where people engage in performing administrative or professional services.
15. is when a bank accepts less than what was due in a certain loan amount.



Illustrator- Preksha

Across: 6. Monetisation, 8. Relative, 9. Ricardo, 10. Sterilisation, 11. Fringe, 12. Comparative, 13. Stagflation, 14. Demographic

Down: 1. Deadweight, 2. Green, 3. Botleneck, 4. EMI, 5. Retrospective, 7. White, 15. Haircut

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