Economics Association
Sri Venkateswara College

ECON EXPRESSIONS'23

ANNUAL MAGAZINE

Battleground Buisness Cycles

Econ-Expressions'23

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FROM THE PRINCIPAL'S DESK

The Economics Department of Sri Venkateswara College is one of the most sought-after in the University of Delhi, and Blisspoint, its annual festival, is awaited by students from India. It is heartening to note that the Econ Expressions, the annual Newsletter of the Department, is being brought out yet again, as part of the fest.

The dynamism and vibrancy of the Department are manifested through the enthusiasm and collective endeavour of the Student Editorial Team of the Economics Association, which is truly commendable. I also see in the pipeline, a number of entrepreneurial and innovative events planned for the 2-day festival, around the theme "Ongoing Recession'. The efforts being put in are indeed praiseworthy. I congratulate the team as well as the Teacher-in-Charge, Dr. M Padma Suresh and Faculty Advisor, Mr. D Brahma Reddy for their constant support and guidance to the Association.

Apart from Blisspoint, the Department of Economics has been active throughout the year. With a great set of alumni in the world of academia, civil services, the fourth estate, as well as in the corporates, a number of mentoring sessions were organized featuring them. Skill-based sessions such as Mathematica training were also organized for the benefit of students.

In my humble recognition of every student's efforts as well as the faculty's, I wish the Economics Association yet another success and a feather in their hat.

FROM THE TEACHER-IN-CHARGE'S DESK

On behalf of the Department of Economics, I heartily congratulate the Economics Association for organising Blisspoint 2023. Blisspoint is indeed a much-awaited event especially since this year we are organising the economics festival in offline mode after a gap of two years.

Every year Blisspoint sees students from colleges across India meet, participate and exchange ideas in multiple events over two days. Over the years, we are proud that many eminent economists and policy makers have accepted our invitation to deliver the keynote address of Blisspoint. Some of the notable speakers include Dr. Manmohan Singh, Dr. C. Rangarajan, Mr. Montek Singh Ahluwalia, Prof. Kaushik Basu, Prof. K. L. Krishna, Dr. Isher Judge Ahluwalia, Dr. Shankar Acharya, Prof. Abhijit Sen, Prof. Y. K. Alagh, Prof. V. K. Chetty, and Dr. Charan Wadhwa.

The theme for this year's Blisspoint is the "Post-Pandemic Recovery: India & the World" with respect to the ongoing recession against the backdrop of the COVID-19 pandemic which has caused great economic and social disruption across the world. The policy dilemmas from containing the pandemic have impacted growth adversely and led to unequal access and exacerbating inequalities across multiple dimensions. I congratulate the Editorial Board for bringing out the latest issue of Econ-Expressions, the Annual Magazine of the Department of Economics that showcases the research and writings of our budding economists.

The Department of Economics is committed to academic rigour and excellence and is proud of its students and the excellent research they have undertaken as part of coursework and projects. Econ-Expressions is another step towards encouraging students to publish their work. I am happy to see that this issue of has an interesting and diverse set of articles that reflect varied interests of students. The success of Blisspoint, year after year is due to dedicated team effort and hard work of students.

I thank the Principal, Prof. C. Sheela Reddy for her support and the faculty adviser Mr. D. Brahma Reddy for his guidance and encouragement to the team. My heartfelt appreciation and gratitude to the faculty and students of the Department of Economics, the Economics Association, and the Editorial Board.

Wishing you all the very best!

FROM THE FACULTY ADVISOR

The Economics Association of the Department of Economics after a gap of 2 years is coming up with the physical edition of Blisspoint. This year, the theme "Post-Pandemic Recovery: India & the World" with respect to the ongoing recession against the backdrop of the COVID-19 pandemic has been chosen to reflect the uneven recovery and the uncertainties surrounding the global economic recovery.

The core teams of the Association, namely Editorial, Marketing, R&D, IT, Outreach and Sponsorship have been working in full swing for more than a month to deliver their best to make the event truly a memorable event for the participants.

The list of events include Case Study, Quiz, Paper presentation, Treasure Hunt, Football Auction & Fantasy League, Market Mayhem, Turncoat Debate, Documentary Creation & Shark Tank have been designed to meet the diverse competencies of participating students.

The fest is an opportunity to improve leadership potential, creativity and originality, ability to work in a group, self-discipline time management and punctuality, managing in new environment, maturity, self-confidence, independence, initiative, intellectual ability, written and oral expression.

It may not be an exaggeration to say that the Blisspoint is the best in the class of intercollege festivals held in Delhi University. I wish the entire team work with joy and accomplish the event.

THE PRESIDENT SPEAKS

As I pen down this message for Econ-Expressions, I am at a loss of words to express my journey in college as a whole, and especially as part of the Economics Association. My journey started off as any student who passes out of school, filled with aspirations, curiosity, and above all, cluelessness. I embarked on a journey to redefine, explore and push my boundaries to take in more than what I could imagine. And one of my greatest sources of guidance and motivation has come from this association, or rather, the family that I found in Delhi.

My three years in college were nothing less than a roller coaster ride. Even today, I remember the warmth with which my seniors welcomed us to college, introducing us to what it meant to be a part of college and helping us break free from the barriers we had built when we were in school. While the seniors were as lovely as they could be, our juniors were nothing less. Time flew and we transitioned from the executors to the organizers in no time. When I stood for the position of President, I knew and realized the duties and responsibilities that the role entailed.

Even when I passed through a phase of self-doubt, it was the strength and potential of the team, that instilled confidence in me that "Yes, I can do it". And there started our 2023-24 journey. Transitioning into the offline mode was a challenge faced by us, however, even during this time, the team showed resilience. And this led to us successfully organizing multiple sessions including distinguished lectures, by prominent professors, in the field of economics and various alumni sessions as well. The team also played a crucial role in organizing the environmental excursion to Kasol-Kheerganga in the month of March.

One of the greatest achievements we accomplished this year was the starting of our podcast series “Economically Speaking” which is the brain-child of Aryaman, the Vice President of the association. The team in every sense has given their best to ensure that the podcast reaches a greater audience and has also come up with creative ways to make it both entertaining and informative at the same time. Reserving the best for the last, as the team embarks on the path to organizing BlissPoint’23, I have strong hopes and beliefs that the team would stand strong, deliver and be a wonderful host in every manner possible.

The Association members are my strongest pillars of support, and it gives me so much joy to be working with a creative and talented lot like this. Furthermore, I would like to express my heartfelt gratitude to our Principal, Dr. C. Sheela Reddy for her unwavering support throughout the year, Teacher In-Charge, Dr. Padma Suresh for her unparalleled guidance, Faculty Advisor, Assistant Prof. D Brahma Reddy for his wise counsel, and most importantly, ex-Faculty Advisor Ms. Yogita Yadav for her support like none other's. I'd also like to express my gratitude to the team working on this issue of Econ-Expressions. Last but not the least, I'd like to extend my sincere thanks to the entire Association, who brought fun and life to all the activities thus far and continue to do so with all their hearts and brains.

As I script the last pages of this chapter called “College”, my memories of the association and its members shall be highlighted in bold, for if someone is to read the book of my life, they would realize the indispensable role this family has played. I rest my pen here, filled with honor and happiness, as I entrust the association into safe hands who will hopefully strive to take it to greater heights.

- SURAJ P KUMAR

THE VICE PRESIDENTS

Like all real love, my love for the Economics Association has a flavour of infinity. Every role I played here, every task I completed, and everyone I met in this society, transformed me into a stronger individual than I imagined was possible.

Believe me when I say I never dared to dream before I stepped into college and joined the Association. Thanks to the opportunities I grabbed onto here, I was able to do justice to the latent potential in me. I published the longest edition of our annual magazine, led a flagship event, and co-launched a podcast. I also discovered that despite my introverted nature, I could have fun while talking to people, that work never ends, and that if I persisted, receiving permissions from the admin was possible.

One thing I take away — apart from the thousands of memories — is that if you desire real growth, you must hold yourself up to inconceivable standards. As a timid first year, I almost didn't apply to any college society, and now I have filled in the shoes of those I looked up to. So I know they don't lie when they say Anything Is Possible. And at the Economics Association, anything indeed was possible.

What an honour it has been serving as its Vice President this year!

- RISHIKA CHUTANI

It has been an experience of a lifetime being a part of the Economics Association for the past 3 years. I joined the society as a member of the Editorial and IT departments in my first year where I learned the ropes under the guidance of our seniors. I became the Joint Secretary the following year where I learned how to manage a team and put up a national-level fest even though it was online. Now, as the Vice President, I still continue to learn every day as I strive to take the association to greater heights.

I have made some wonderful memories during my time in the association. Heading our flagship event at our annual fest Blisspoint 2022, Shark Tank is an experience that I would treasure forever. Starting 'Economically Speaking', our podcast was something I never thought would be possible but is now an integral part of the Association. With just a month left, I feel quite emotional thinking that the journey is coming to an end but I look forward to ending the year on a high note, working with some of the best people I have ever met.

- ARYAMAN BAWA

Over the past three years, I have been a member of the Economics Association, which has been an unforgettable experience for me. When I first joined, I was a new and enthusiastic member, and in the following year, I was promoted to the position of Joint Secretary. Currently, I am serving as the Vice President of the Association. One of our significant accomplishments has been fostering a greater comprehension among our members regarding the importance of creating a more inclusive world of economics. Heading and being a part of several events in Blisspoint, including the Football Auction has been a core memory. This journey has been full of happiness and has given me many precious memories to hold onto. The most significant lesson I've learnt is the importance of teamwork.

- HARRY YADAV

FROM THE SECRETARIES

GENERAL SECRETARY

My first year in college was an exciting journey as I became a member of the IT department and also joined the organizing committee of Bliss MUN. It was a wonderful opportunity to develop my skills and learn about event management. As I progressed to the second year, I was promoted to being the treasurer and then eventually became the general secretary of the association in my final year of college.

The responsibilities of managing funds and coordinating events across different departments were challenging, but they helped me develop my management and soft skills.

Throughout this journey, I gained immense confidence and formed lasting connections with the people in the association. Being a part of the Economics Association has been a transformative experience that has enriched my life in countless ways.

- KHUSHI

JOINT SECRETARY

I feel ecstatic and privileged to be a part of the Economics Association. This has been a journey of learning and growth. During my first year in college, I joined the marketing department. It was a thrilling experience as I got to work on the front line of society, interacting with people one-on-one, promoting events, and handling queries. It was an excellent opportunity for me to learn new marketing skills and gain confidence.
I eventually received a promotion to General Secretary of Economics Association. I was responsible for managing funds, planning events, and coordinating the efforts of many departments in my position. I acquired new skills in problem-solving, effective communication, and people management.

I developed many relationships and met some incredible people during my time in the college society. It was an excellent experience that advanced my managerial and interpersonal abilities. I am appreciative of the chances I was given and the self-assurance I acquired during this journey.

- KAVYA SETHI

MEET THE TEAM

THE ILLUSTRIOUS FACULTY OF THE DEPARTMENT OF ECONOMICS, SRI VENKATESWARA COLLEGE

ECONOMICS ASSOCIATION, 2022-23

CORE TEAM

EXTENDED CORE

OFFICE BEARERS

EDITORIAL DEPARTMENT

MARKETING DEPARTMENT

RESEARCH & DEVELOPMENT DEPARTMENT

SPONSORSHIP DEPARTMENT

OUTREACH DEPARTMENT

IT DEPARTMENT

YEAR IN GLANCE: 2022-23

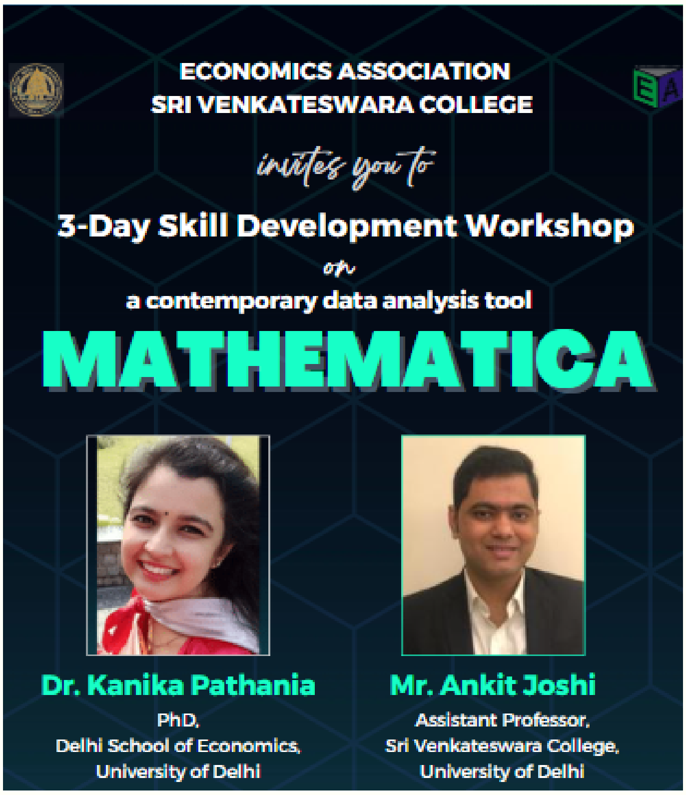
EVENT SNAPSHOTS 2022-23

The academic year 2022-23 witnessed a plethora of webinars spanning different fields and speakers — from subject lectures, Alumni Inspire Sessions to skill development workshops targeting technical skills that go beyond the ones in the student curriculum. This year, we also launched an official Podcast 'Economically Speaking'.

Let's take an in-depth glance at this eventful year!

SEMINAR ON 'CURRENT SOCIAL CHALLENGES THROUGH THE LENS OF ECONOMICS'

The session 2022-23 commenced with an advocacy program held on 23rd August 2022 on the theme "Current Social Challenges Through The Lens of Economics" by Prof. Rohini Somanathan, Professor of Economics from Delhi School of Economics. Dr. Somanathan talked about the importance of heterogeneity — in classrooms and society. The session concluded with her reminiscing about her college days and an interactive session between the speaker and the audience. It was a lecture well-received by all and made the department more eager for more such enlightening sessions.



SKILL DEVELOPMENT WORKSHOP ON MATHEMATICA: A STATISTICAL SOFTWARE

The Economics Association, Sri Venkateswara College organised a 3-Day skill development workshop on MATHEMATICA (a contemporary statistical and data analysis tool). This fruitful session conducted by Dr Kanika Pathania and Prof. Ankit Joshi engaged over 50 participants through MS Teams. In the span of these 3 days, she introduced all the basics and working of the software, the syntax of plotting different types of graphs and equations and also the regional plotting of some economic equations. She also taught how to use calculus in the software — differentiation, integration and area under the curve.

POTRAIT HANGING - NOBEL LAUREATES

Portraits of four Nobel laureates: Paul Krugman, Robert M Solow, Kenneth J Arrow, Simon Kuznets were put on the walls of Economics Department classrooms 101 and 218.

The objective was to create awareness amongst students about the fundamental contributions made by these laureates to economic theory and analysis, and to further motivate students to learn more about them, some of whom came from a lower strata of the society.

DISTINGUISHED LECTURE ON REGIONAL INEQUALITIES

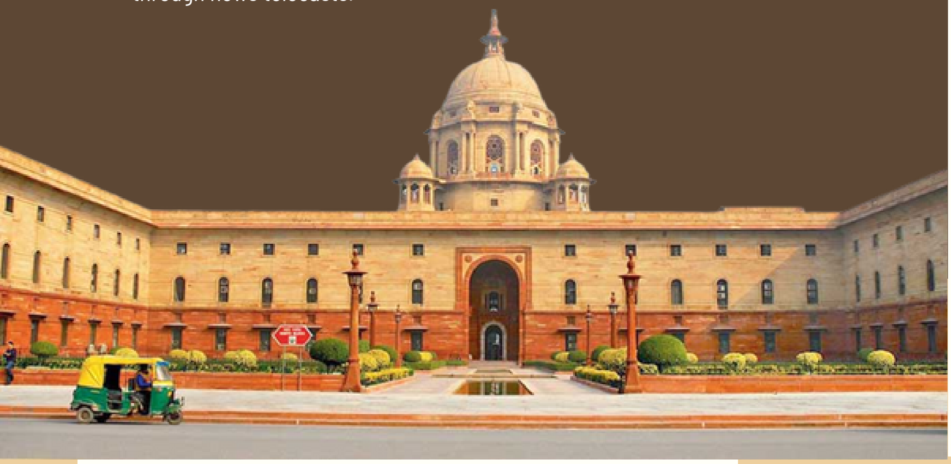
A distinguished lecture on the topic "Regional Inequalities: Convergence or Divergence" was organized on 12th October 2022. The Guest Speaker was Prof. Aditya Bhattacharjea, Senior Professor, Delhi School of Economics, University of Delhi.

Sir explained the Neoclassic Solow Model of growth which is based on the assumption of Diminishing Returns of Capital that explains why the rich and poor countries eventually converge in terms of growth rates. This was followed by an engaging Q&A session.

A VISIT TO THE PARLIAMENT HOUSE

The batch of 2024 was provided with the rare opportunity to witness the functioning of the supreme legislative body of the country: the Parliament. The tour included a documentary of the Parliament house providing a brief about its history, structure and functioning, followed by a guided tour to the library and the House of Commons — The Lok Sabha.

The students were apprised about the various sections of the Parliament and its proceedings and got the opportunity to interact with the officials to clear their doubts. It was an insightful and educational experience helping the students to gain a deeper understanding of the Indian democratic process and have a one on one experience in an institution which is otherwise only seen through news telecasts.



SEMINAR ON COOPERATIVE SECTOR IN INDIA: CHALLENGES AND PROSPECTS

The 20th lecture of the Distinguished Lecture Series at the Economics Association was held on 24th March, 2023 on the topic, 'Cooperative Sector in India: Challenges and Prospects.' The seminar witnessing over 80 participants was undertaken by Dr. KK Tripathy, IES officer, and Officer on Special Duty to Hon'ble Cooperation Minister of India. Mr. Tripathy explained the types of cooperatives, the seven golden principles of cooperation, the three tier cooperative structure in India, its functioning and finances and TEAM cooperation.

He also shed light on various public policies including Atmanirbhar Bharat, creating rural entrepreneurs and infrastructural development and the COOP Policy 2002. The session concluded with an engaging round of Q&A and made the department look forward to having more such sessions with distinguished guests offering perspective, enlightenment, and insight.

ALUMINI INSPIRE SERIES

The tradition of the Association was upheld by organizing two alumni inspire sessions with the objective of bringing the alumni in touch with the current students and sharing their experiences and learnings.

The first alumni session took place with an exemplary talent that our department produced back in 2008 — Dr. Gaurav Chiplunkar, Assistant Professor of Business Administration at the University of Virginia Darden Business School. Having done his Ph.D. at Yale University, he also served as a Consultant to the Chief Economist at the World Bank.

The next session was held on 10th September 2022 and was an interactive session with five distinguished alumni of the college - Ms. Bhavya Malik, a Senior Analyst at Bain and Company, Mr. Yash Jain, and Mr. Rajesh Gopal pursuing a Master of Science, in Quantitative Economics from Indian Statistical Institute (ISI) Kolkata and Delhi respectively, Ms. Manya Bhatia; currently working in the Climate Change Unit of the Central Bank of Ireland and MR Subhadeep Haldar, presently pursuing his Doctorate from Indian Statistical Institute (ISI) Delhi.

They all expressed their gratitude to the teachers and chalked out their learnings throughout the tenure. The talks were followed by an interactive and delightful Q&A, where students' queries were addressed profoundly.

Freshers are an integral part of any college and it is important to make them feel welcomed and comfortable in their new environment. Keeping this in mind, the Economics Association conducted a Bollywood-themed freshers - "Freshers' 2023 - Mere Karan Arjun Ayenge" in a physical space for the first time since the lockdown for our new peers, the batch of 2026.

The event was designed to be interactive and engaging, with a range of activities aimed at introducing freshers to the college culture and making their new journey commence on a memorable note. The party kicked off with a welcome address by the faculty, followed by various duo and group dance performances by the seniors.A ton of ice-breaking sessions. A Bollywood and memes-based quiz and 'Who am I' was conducted thereafter by splitting the freshers into groups. The highlight of the event was the talent showcased by our freshers in a contest for bagging the title of Mr. and Ms. Freshers.

After a joyful evening of Bollywood tunes, reminiscing some of our comfort movies, lots of gup-shups and indulging in delectable delicacies, the long-awaited freshers' party ended by crowning Aman as our Mr. Fresher, Lakshita as our Ms. freshers and Bhavya as the best dressed of the evening!

FRESHERS' 2023

DEPARTMENT TRIP: KASOL-KHEERGANGA

The Department of Economics, Sri Venkateswara College organized a 5-day excursion for students and faculty to Kasol-Kheerganga in Himachal Pradesh.

We started our trip with our college as the nodal point and after travelling for 20+ hours, we reached Kovid Camps in Kasol. Next, we went out to explore the famous cafes and German bakeries in the city and tried out their delicacies. Kasol has one of the biggest hippie markets in India and many of us purchased souvenirs for friends and family. The day ended with a bonfire and DJ. The next day, we checked out from the camps in Kasol and left for Barshaini for our trek to 'Kheerganga', the most exciting and adventurous part of the entire trip. We were briefed by the tour guides. The trek was 13 kilometres long, and full of obstacles. The next day was a trek back down to Kasol. At 6 am, we caught snowfall and by 10 am we checked out of our camps in Kheerganga. In the evening, we stopped by the Gurudwara at Manikaran Sahib and finally left for Delhi. With an overnight journey, and we reached back to college around noon.

After a group of cheers and some photos together, we bid farewell to each other. The trip was a hands-on learning experience where everyone saw the current state of the environment and the efforts being made to protect it while taking into consideration economic sustainability.

'ECONOMICALLY SPEAKING' OUR OFFICIAL PODCAST

IDEATION, APPLICATION, CONDUCT AND APPRECIATION

Economics Association, Sri Venkateswara College is committed to elucidate the fundamental nature of economics and raising public knowledge of issues associated with it. In the similar interest, its Vice Presidents Aryaman Bawa and Rishika Chutani, along with ex-Faculty Advisor Ms. Yogita Yadav launched an official podcast 'ECONOMICALLY SPEAKING' on Spotify in October 2022.

A significant milestone reached and with the release of nine episodes which ranged from themes on the Credit Suisse Crisis, Elon Musk and Twitter, the video game Genshin Impact, Budget 2023 etc. It happens to be one of the University's rare student-run podcasts, and was well-received by students and faculty alike.

EPISODES 1-9

BLISSPOINT'22

The annual economics fest of Sri Venkateswara College Blisspoint'22 was organized on 25-26th February 2022. The theme for the year was **Digital Economics** and the fest was marked by a wide variety of events with a collective registration count of 1800+.

Following were the events that were conducted in the fest:

1. Shark Tank - Define Your Legacy
Being the flagship event, Shark Tank was a much-awaited event with 500+ registrations. The competition was a 2-day event headed by three Sharks — Ms. Shefali Chopra, Mr. Akarshan Sethi, and Mr. Tushar Sharma, all hailing from the field of entrepreneurship.

This event comprised three rounds, where all the 3 rounds displayed phenomenal participation by the participants. The First Round included a preliminary quiz, followed by Round 1 and Round 2 where the participants pitched in a business idea. All the teams put forth impeccably innovative business ideas. In fact, few ideas were liked so much that some of the participants were able to grasp internship opportunities from the Sharks!

After many great interactions, fascinating ideas, and copious enthusiasm, the two-day event ended with three teams winning exciting cash prizes and vouchers.

2. Footlocker - Fantasy Football Auction

Footlocker, a virtual football auction event had total registration of 200+ teams which comprised students from the country's top institutions and abroad. The first round comprised a 25 questions-long quiz based on real life football, followed by round 2 - a live auctioning of real football players. The event ended with round 3 all participants take their fantasy teams to task by having them participate in simulated matches. The event was a great success with great feedback from all participants.

3.Quizathon

An unskippable event held every year - the Economics quiz was held over two days, the 25th and 26th of February 2022, and witnessed over 500 registrations. Comprising of 2 rounds the quiz progressed with much zeal and enthusiasm as each team played its finest.
After 16 questions, 4 rounds, and a 1-hour grind for the finalists, the event ended on a great note, and the heads ended it extending congratulations to all participants and the winners.

4. Cluedo-nomics - A Treasure Hunt Event

Cluedo-nomics, a treasure hunt event was organised around the theme of digital economics and took place on 25th February. Comprising three rounds the event took place over Google Meet with WhatsApp group as a backup to relay information. For the first round, the participants were given three questions whose answers were in a word search box.
The second round consisted of five password-protected PDFs containing questions and the final round was a buzzer round. The organizing committee kept tabs on the score and announced the results soon after.

5. Conspectus - A Paper Presentation Competition

Conspectus, the Paper Presentation event required participants to present their research papers on topics related to economics. The event comprised two rounds, a preliminary round, and a final round.

The final round of the event took place at 1 pm on 25th February 2022 over Google Meet. Ms. Yogita Yadav and Mr. Ankit Joshi, professors from the Economics Department, at Sri Venkateswara College judged the event. The event ended on a good note as the judges were left impressed by the ideas presented by the budding researchers and the participants and judges were thanked for their presence.

6. Case-à-Dilla - A Case Study Competition

Case-à-dilla was a case competition comprising three rounds. The first round was a quiz and it was followed by two rounds of case study-based screening. The top 8 teams made it to the final round which took place on 26th February 2022.

We had on board with us the following esteemed judges to help us decide the winner:

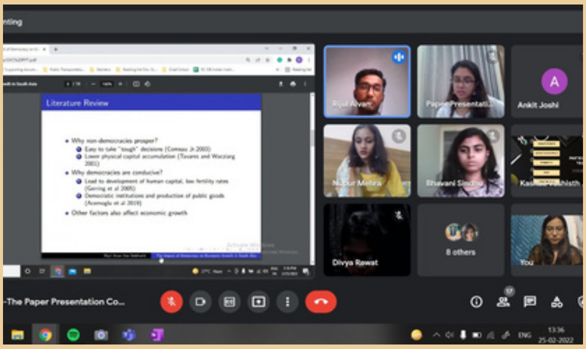
- Aayush Verma, working with Google and Youtube
- Anmol Aggarwal, Senior Consultant at Capgemini

After almost three hours of presentation of thoughtful solutions to the given business problems, followed by a rigorous QnA session by the judges. The event was extremely well received by the participants, judges as well as organizers.

7. Cryptox - Crypto Mockstock

Cryptox , the Mock Cryptocurrency trading competition was held on the second day of the fest. It was conducted in two phases.

The First Phase consisted of a rigorous quiz to test the financial aptitude of the participants. The Second Phase began with a thorough briefing of the teams regarding the rules of the hand-crafted simulation that was about to follow. The final event began in the evening with a number of nervous faces and clenched teething.



BLISSPOINT'23

BLISSPOINT'23

After a two-year online organization, the much-awaited fest – Blisspoint'23 – has returned for PAN India audiences on 17th-18th March 2023, at the campus in Sri Venkateswara College. This year's theme is 'Battlegrounds: Business Cycles', with several exciting events lined up:

1. Shark Tank: A Quest to Invest (Flagship Event)
2. Bid for Glory: Football Auction & Fantasy League
3. Case-e-Rola: The Case Study Competition
4. Conspectus: Paper Presentation
5. Econquizta: The Economics Quiz
6. Filmorama: The Documentary-Making Competition
7. Market Mayhem: Where Chaos Meets Strategy
8. Speak Up: Turncoat Debate
9. Trade-Off Trail: The Treasure Hunt

Post-Pandemic Recovery of India & the World: BATTLEGROUND BUSINESS CYCLES

Blisspoint'23 Theme

Rising unemployment, declining corporate earnings, plunging financial markets, and a collapse of the housing industry. Is it possible to sum up these advances in a single word? In fact, "recession." The impending recession will be severe and protracted- that is what economists are jawing about on a global scale.

The global economy is a rapidly changing landscape, and predicting future economic trends is always a challenge. Despite this uncertainty, many experts are forecasting that a worldwide economic slowdown could be on the horizon in 2023.

As the economies worldwide take a fresh breather from the last few gruesome years of the pandemic, IMF predicted yet another blocky road ahead in the form of a global recession as the main engines of global growth- The United States, Europe, and China are all experiencing weakening activity.

The hit of the pandemic, the Russia- Ukraine war, rising inflation, supply chain disruptions- energy and food crisis along with a volatile job market are some of the factors pointing towards this upcoming doom.

One of the main contributors is rising inflation. In many countries, prices are rising at their fastest pace in years, driven by increased demand for goods and services, higher commodity prices, and supply chain disruptions. This is putting pressure on households and businesses, leading to a potential slowdown in spending and investment.

This is merely the surface of the vast information we have included in our magazine. In this edition, as the world prepares for this potential economic shift, we will explore the reasons behind the predicted recession, examine the past and present state of the global economy and answer some burning questions- What would the effects of the recession be if these forecasts come true? Up to what point? And what would it mean for individuals, businesses, and governments around the world?

CHIEF GUESTS: BLISSPOINT'23

Guest Speaker

Prof. Ram Singh

Prof. Ram Singh is a Senior Professor in the Department of Economics at Delhi School of Economics as well as the Director at the Delhi School of Public Policy and Governance.

Sir has more than 12 years of diversified experience in key economic institutions and regulatory bodies. He holds a post doctoral degree from Harvard University, Massachusetts, and a Ph.D from Jawaharlal Nehru University, New Delhi.

Having worked with top global universities such as the London School of Economics and Political Science (LSE), Brown University and Heidelberg University, he has given talks as an invited expert in many international conferences and published papers in national dailies on economic problems and various policy options for policy makers.

He has also recently been nominated as a World Fellow - India at the World Inequality Lab jointly hosted by University of California, Berkeley and Paris School of Economics.

We're honoured to have him as a guest speaker for Blisspoint'23 wherein he'll engage with the topic "Who Should Pay Income Tax and How Much? A Political Perspective".

Distinguished Alumni

Aditya Dugar

Aditya Dugar has pursued his masters from Boston University and bachelors in Economics from Sri Venkateswara College.
He is an entrepreneur, he has taken his family business of Imported Marble and Granite to the next level of growth and who is being trusted by many top brands. He has deep knowledge about his subject and is an enthusiastic business mentor and guest speaker on various platforms.

Harsha Malik

Harsha Malik works as the Head of Marketing, at a startup, Bored Beverages. She holds a bachelor degree in Economics from Sri Venkateswara College, DU, and has pursued her masters in management from Goa Institute of Management. Her strengths are brand management, product development and marketing strategy, while she's also been recognised as a national level swimmer.

VInayak Malhotra

Vinayak Malhotra successfully runs two startups being the Co-founder at Bored Beverages and at Kesowa. Holding a bachelors degree in Economics from Sri Venkateswara College, Vinayak has worked as an analyst in companies like KPMG and Deloitte.

NOBEL PRIZE IN ECONOMICS

For discoveries that improved how society deals with financial crises

This year's laureates in the Economic Sciences, **Ben Bernanke, Douglas Diamond,** and **Philip Dybvig**, have significantly improved our understanding of the role of banks in the economy, particularly during financial crises. An important finding in their research is why avoiding bank collapses is vital.

For the economy to function, savings must be channelled into investments. However, there is a conflict here: savers want instant access to their money in case of unexpected outlays, while businesses and homeowners need to know they will not be forced to repay their loans prematurely.

In their theory, Diamond and Dybvig show how banks offer an optimal solution to this problem. By acting as intermediaries that accept deposits from many savers, banks can allow depositors to access their money when they wish, while also offering long-term loans to borrowers.

However, their analysis also showed how the combination of these two activities makes banks vulnerable to rumours about their imminent collapse. If a large number of savers simultaneously run to the bank to withdraw their money, the rumour may become a self-fulfilling prophecy – a bank run occurs and the bank collapses.

These dangerous dynamics can be prevented through the government providing deposit insurance and acting as a lender of last resort to banks.

Diamond demonstrated how banks perform another societally important function. As intermediaries between many savers and borrowers, banks are better suited to assessing borrowers' creditworthiness and ensuring that loans are used for good investments.

Ben Bernanke analyzed the Great Depression of the 1930s, the worst economic crisis in modern history. Among other things, he showed how bank runs were a decisive factor in the crisis becoming so deep and prolonged.

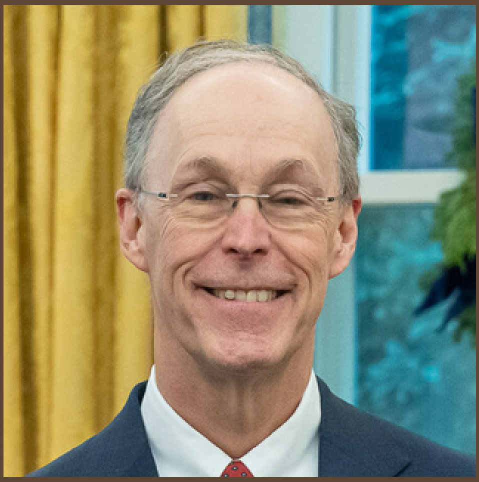
When the banks collapsed, valuable information about borrowers was lost and could not be recreated quickly. Society's ability to channel savings to productive investments was thus severely diminished.

"The laureates' insights have improved our ability to avoid both serious crises and expensive bailouts," says Tore Ellingsen, Chair of the Committee for the Prize in Economic Sciences.

NOBEL LAUREATES

BEN S. BERNANKE

Born 1953 in Augusta, GA, USA. PhD 1979 from Massachusetts Institute of Technology, Cambridge, USA. Distinguished Senior Fellow, Economic Studies, The Brookings Institution, Washington DC, USA.



DOUGLAS W. DIAMOND

Born 1953. PhD 1980 from Yale University, New Haven, CT, USA. Merton H. Miller Distinguished Service Professor of Finance, University of Chicago, Booth School of Business, IL, USA.

PHILIP H. DYBVIG

Born 1955. PhD 1979 from Yale University, New Haven, CT, USA. Boatmen's Bancshares Professor of Banking and Finance, Washington University in St. Louis, Olin Business School, MO, USA.

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A CARBON-FREE ECONOMY: MILESTONES TO TREAD

KASHAA SWAMI
B.A. (HONS.) ECONOMICS

Carbon-Free Economy

An economy based on energy sources that emit little or no greenhouse gases (GHGs) is known as a low-carbon economy (LCE) or decarbonized economy. Since the middle of the 20th century, human-caused GHG emissions have been the primary factor in the observed climate change. The potential of severe, pervasive, and irreversible repercussions on people and ecosystems will increase if greenhouse gas emissions continue to have a long-lasting global impact. Globally moving towards a low-carbon economy might benefit both developed and developing nations significantly.

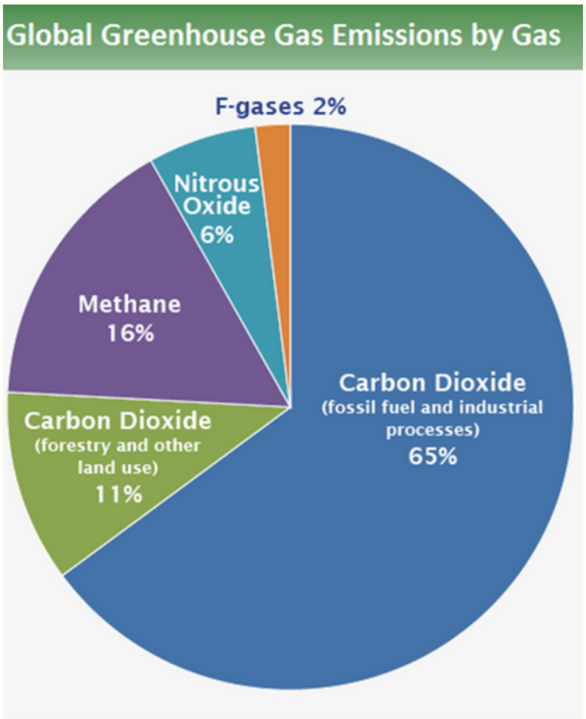
Background

- Green and renewable energy missions are now more important than ever. Around 80% of the entire increase in greenhouse gas emissions from 1970 to 2011 was caused by emissions from the burning of fossil fuels and industrial operations. Since 1970, CO2 emissions have increased by about 90%.
- The Energy Information Administration (EIA) predicts that by 2050, the world will use approximately 50% more energy than it does today.
- There have been reports indicating an increase in energy prices and limited supply from all around the world as economic activity increased following the removal of lockdowns caused by COVID-19.

- The Energy Information Administration (EIA) predicts that by 2050, the world will use approximately 50% more energy than it does today.
- There have been reports indicating an increase in energy prices and limited supply from all around the world as economic activity increased following the removal of lockdowns caused by COVID-19.
- World leaders decided to keep global warming far below 2 degrees Celsius, ideally to 1.5 degrees Celsius, relative to pre-industrial levels at the 2015 Paris climate change summit.
- The policy should consider the long term, increase access to digital connectivity, and invest in green infrastructure to keep global warming to 1.5 degrees Celsius.

Why is it so difficult to replace carbon-emitting fossil fuels?

Take The Clean Power Plan, which is the Obama administration's standout climate initiative. The power plan achieved almost nothing when using the same climate prediction model as the UN. Even if the clean power plan's carbon dioxide emission reductions were fully implemented throughout the remainder of the century, not just for the 14 years that the Paris Agreement is in effect, the global temperature increase in 2100 would have been lowered by just 0.023 degrees Fahrenheit.



The president had made more sweeping commitments to reduce future American carbon emissions, but these commitments were very loosely described. Yet even if they had stuck to the highlights, the temperature drop would only have been 0.057 degrees overall.

Normally, if the US had lived up to its president's extremely ambitious rhetoric for the entire century, global warming would have been delayed by about 8 months, and by about 4 years if the rest of the world had followed their course. However, this was improbable because replacing fossil fuels is the hardest part to do.

Given the two significant issues with today's renewable energy sources, this situation is not surprising. Fossil Fuels take up a lot of space and frequently supplant natural resources. For example, replacing one square yard of a gas-fired power plant would require 6,000 square yards of biomass, 239 square yards of on-shore wind turbines, or 73 square yards of solar panels. According to one analysis, to achieve President Biden's goal of a carbon-free economy by 2050, the United States would need to dedicate a land area four times the size of the United Kingdom to "clean electricity."

Secondly, the two renewable energy technologies that are favoured by the vast majority of environmental campaigners are both intermittent or unreliable, which is even more significant. Simply said, at night or during periods of cloud cover, solar energy cannot be generated. A breeze is required for wind energy. Green energy advocates frequently claim that wind and solar energy are less expensive than fossil fuels. That's only true, at most, when the wind is blowing or the sun is out. The cost of wind and solar energy reaches infinity on a still night.

However, since contemporary society expects constant power, backup is necessary and necessitates the usage of fossil fuels when the sun and wind aren't out. Also, fossil fuel backups become more expensive as they operate for fewer hours to generate the necessary return on investment when more solar and wind energy is deployed. What about batteries, then? We currently have battery storage that can hold the world's electrical usage for one minute and fifteen seconds.

Furthermore, the issue won't be solved anytime soon; even in 2030, worldwide batteries will only be able to supply less than 11 minutes of the world's total electrical use.

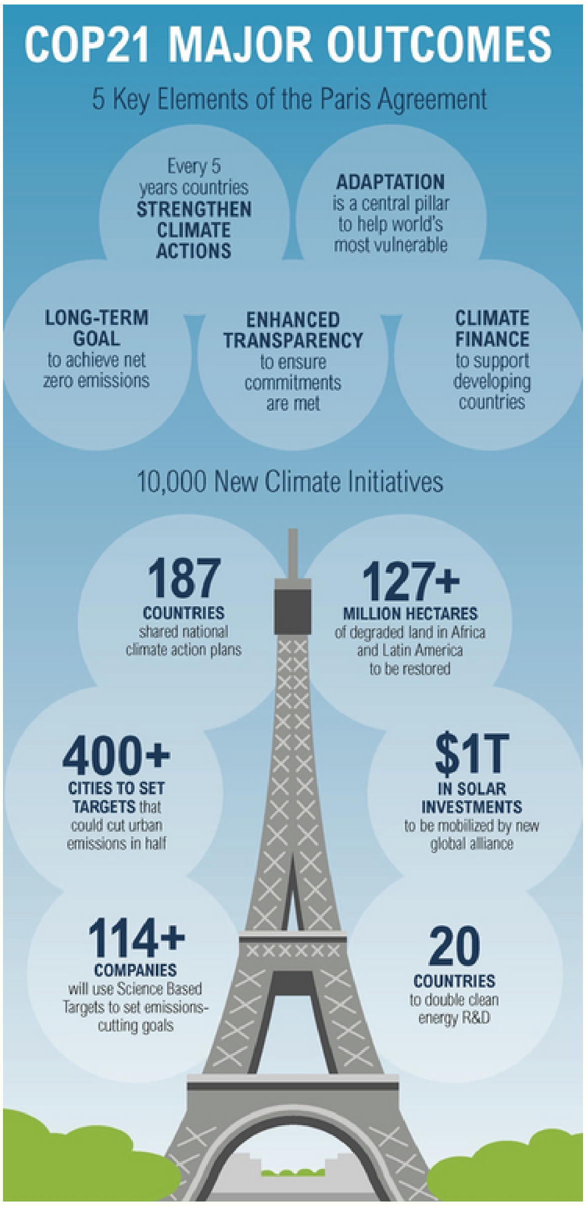
Clearly, with the current technology, combating climate change is essentially impossible. This means that those who design climate policy fiddle about the edges, coming up with dubious fixes and acting immorally. For thirty years, this pattern has been repeated. Most of the commitments made in 1992 and 1997 in Rio de Janeiro and Kyoto were broken. According to a 2018 study, just 17 of the 157 nations that made carbon reduction commitments in Paris approved legislation requiring the necessary steps.

'Miniscule Benefits do not come free, quite the contrary'

Let's talk about the truth about electric cars. While they say that we must introduce the culture of all-electric by 2035, we must realize it is practically a very non-feasible model. The claim of having a zero-emission vehicle is scary because it is impossible to have no emissions, the question being, where does the emission go?
The truth is while we don't eliminate emissions, we export them. We dig up about 500,000 pounds of materials to make a single 1000-pound battery, which takes about 100-300 barrels of oil to manufacture. Just manufacturing the battery can have carbon emissions ranging from 10-40 tons. Lithium, Cobalt, and Zinc are requisites for the production process, and their requirement shall raise between 400-4000%, and we do not have the mining available for that many batteries.
So, the question rises, is there any way sustainability can be practised without the exportation of flaws?
We must change the subject from idealistic net-zero objectives to realistic and just emission trajectory discussions. The wealthy and major polluters must drastically cut their emissions, while the low-emitting poor must slow down their growth rate and put their emissions on a realistic road to zero.

Roadmap to Solutions

We must alter our course if we truly want to solve this problem. It is dangerous and deceptive to claim that the ideal technology solution already exists but is not being put into practice because we lack commitment and willpower. Even worse, it prevents us from working towards effective solutions to the numerous issues we face, of which climate change is just one. For the think tank Copenhagen Consensus, dozens of the world's leading climate economists and three



Economics Nobel Laureates assessed a wide range of climate solutions. If we kept doing what the EU has been doing, reducing carbon with a combination of planning and market diktats, it would cost one pound to save just three pennies of long-term climate damage.

This is due in part to the fact that reducing CO2 emissions in the wealthy, already-efficiently-producing EU is unaffordable, and in part to the fact that EU climate policies are far more inefficient than necessary (for instance, the EU prefers using wind and solar power to reduce CO2 emissions rather than switching from coal to natural gas, which is more efficient).

Instead, Nobel laureates and climate economists concluded that the optimal long-term investment was in green innovation. Why? In the 1960s and 1970s, concern over famine was widespread. We would have demanded that the wealthy consume less while giving the poor access to their leftovers if we had addressed that issue the way we are addressing climate cleanup. That would have failed disastrously, just as our current strategies will fail.

Unfortunately, because private investors find it challenging to reap the rewards, long-term innovation investment is typically underfunded. Public investment and support are frequently necessary for fields where long-term innovation on the private front can be underfunded (due to challenges with monetizing benefits promptly).

A carbon tax might be a better course of action. Bjorn Lomborg, the smartest researcher who has worked with hundreds of the world's leading economists and seven Nobel Laureates to find and promote the most practical solutions to the world's greatest challenges, from disease and hunger to climate and education, makes the case for a carbon tax, as do the majority of economists who have looked into this. According to him, it should begin at roughly $20 per tonne of emissions (the equivalent of an 18 per gallon petrol tax) and rise progressively over a century.

He believes that we should invest a significant amount of money in the study of alternative energy sources and energy storage technologies, such as compressed air storage, which involves pumping air into a salt cavern and releasing it through a generator. He makes a compelling case for refocusing on nuclear energy.

He offers a variety of recommendations for reducing the effects of rising temperatures, particularly in cities, where the majority of us now reside. For example, he contends that roads and roofs should have a lighter colour to reflect heat instead of trapping it as current black surfaces do.

What should we do?

Everyone is urging us to do our part to combat global warming, but attempting to reduce our emissions raises three issues. First of all, people can usually only make minor cuts. For instance, more and more people are expressing "flight shame," but a study reveals that if all 4.5 billion passengers who board flights annually stayed on the ground, and this occurred every year until 2100, the temperature rise would be reduced by just 0.05°F, delaying the effects of global warming by less than one year by that year.

Second, when we take action to reduce global warming, we frequently save money. When we use this money elsewhere, more emissions are produced. Third, we often "moral license" ourselves to undo the consequences of our actions by rewarding ourselves with an activity that we have taken.

While studies do not advocate inaction, they do urge us to become more aware of the true effects of our choices.

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THE RISE OF UPI

ANJALI RAO
B.A. (HONS.) ECONOMICS

"When digital transformation is done right, it's like a caterpillar turning into a butterfly, but when done wrong, all you have is a really fast caterpillar" by George Westerman. We have heard UPI so many times but do we know what it is? UPI stands for Unified Payment Interface. It is a very popular mobile payment that allows us to transfer funds from one account to another instantly and is free of charge. Developed by the National Payments Corporation of India (NPCI), UPI was launched in 2016 to make the process of digital payments simple and accessible for everyone.

UPI works by linking the user's bank account with a unique virtual payment address (VPA). This VPA acts as the user's digital identity and can be used to send and receive money, pay bills, and make online purchases. The user can create their own VPA or choose from a list of predefined ones provided by their bank. To use UPI, the user needs to download a UPI app on their smartphone.

Some of the popular UPI apps in India are Google Pay, PhonePe, and Paytm. UPI has several advantages over traditional payment methods such as cash, checks, and credit/debit cards. Some of the key benefits of using UPI are instant transactions, security, convenience, and its free-of-cost nature. UPI is available across India in a wide range, making it accessible to a large number of people. UPI has seen tremendous growth in the past few years, with the number of UPI transactions crossing the 1 billion mark in February 2020. This growth can be attributed to the increasing adoption of smartphones and the government's push towards a cashless economy.

However, UPI is not without its challenges. One of the main issues is the lack of awareness about UPI and digital payments among the general population, especially in rural areas. There is also the issue of cyber attacks, as digital payments are vulnerable to hacking and other forms of fraud.

To address these challenges, the NPCI has taken several steps such as increasing outreach and awareness programs, introducing new security measures, and partnering with banks and financial institutions to expand the reach of UPI.

Overall, UPI is a significant step towards modernizing the payment system in India and making digital transactions more accessible to everyone. With its wide reach, convenience, and security, UPI has the potential to revolutionize the way people make payments in India.

In a lockdown, the usage of UPI increased rapidly as people were avoiding cash. UPI seemed easy and safe. It started with 21 banks in 2016, the UPI has expanded to 381 banks. The total amount transacted on the UPI platform stood at Rs 43.45 lakh crore between 2016-2020. This number increased during a post-pandemic and nearly 793.40 crore transactions occurred between March and August 2020. In the post-lockdown time, cashless payments were more in demand by young customers. Now every shop has QR codes for payments and they are getting comfortable with it. UPI numbers will keep rising as there is a fundamental shift in consumer behaviour.

Street vendors using UPI methods have helped in saving a lot of time as customers don't have loose coins. It has enabled small merchants and businesses to accept digital payments without the need for expensive point-of-sale (POS) machines. UPI-enabled apps such as Google Pay and PhonePe have introduced QR code-based payments, which allow customers to make payments directly to merchants by scanning a QR code displayed at the shop. This has made digital payments more accessible to small merchants and has helped to increase the adoption of digital payments in India.

The success of UPI has been phenomenal, with over 2 billion transactions worth more than INR 4 lakh crore ($54 billion) in December 2020 alone. UPI has become the preferred mode of payment for millions of people in India, with over 200 banks and several fintech companies offering UPI-based services.

TUPI has also gained international recognition, with several countries looking to adopt similar payment systems. Fintech firms have also joined a program under MoHUA (Ministry of Housing and Urban Affairs) and MeitY (Ministry of Electronics and Information Technology). This is a 45 days scheme to onboard the street vendors on the UPI platform of the government. The drive covered 223 cities and 8 lakh vendors (approx). The increased use of UPI in college students, helps youngsters get more knowledge about online transactions and their benefits.

Third-party apps play a crucial role, at present two apps PhonePe and Google Pay hold most of the share. They account for 82 per cent and there are a total of 25 third-party apps in the UPI ecosystem. Seeing the growth of UPI amazon and WhatsApp also started transactions on these apps. However, the rise of UPI has also brought challenges and concerns. One of the biggest challenges has been the security of UPI transactions. There has been an issue of money fraud, phishing, and misleading UPI handles. But there is 2-factor authentication which provides safety if users turn it on. Users are required to enter a 4-6 digit PIN or use their biometric data (such as fingerprint or face recognition) to authenticate the transaction. This has made UPI more secure than traditional methods of payment. 2022 saw a saturation in the usage of UPI users in terms of its growth.

In conclusion, UPI has transformed the way people make payments in India. Its simplicity, speed, and security features have made it a preferred method of payment for millions of Indians. With the launch of UPI Lite and other initiatives, the NPCI has further expanded the reach of digital payments, making it possible for even more people to participate in the digital economy. UPI's impact on the Indian economy has been significant and is expected to grow in the coming years.

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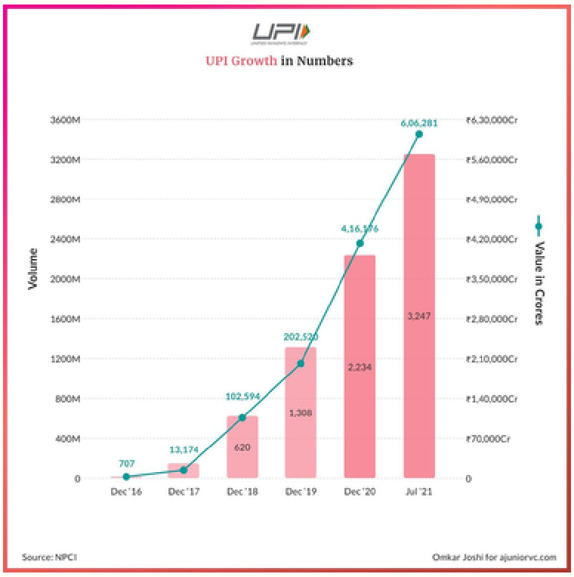

SVB'S DEMISE AND THE PROBLEMS IN MODERN BANKING

ARYAMAN BAWA
B.A. (HONS.) ECONOMICS

March 10 saw the biggest bank failure in the US since the 2008 financial crisis as Silicon Valley Bank (SVB) collapsed due to a classic bank failure. This was something that most worldwide did not think or hoped would happen after the tightening of banking regulations after the Global Financial Crisis. In this article, I look at how the collapse unfolded and why three major banks went under in the space of ten days.

Silicon Valley Bank is a commercial bank in California that offered services specifically tailored to the tech industry. Because of the location and services, the bank grew very fast and its deposits tripled in just three years. It was the largest bank in Silicon Valley, serving nearly half of all venture-backed tech startups.

SVB benefited from the recent surge in startup investments as investors bet on high future returns when other assets had very low-interest rates. Investors hoped to find the next Apple or Facebook and make huge profits. With all its depositors being tech companies, SVB's portfolio lacked diversification as all these startups would fare the same at any particular time. This ultimately played a big role in the collapse.

Most banks saw deposits grow faster than lending during the Coronavirus pandemic and the period immediately afterwards as people saved more.

However, SVB stood out as it had much more spare cash than the others. In the modern fractional reserve banking system, banks keep only a part of depositors' money and lend the rest to firms and individuals in need of money. They can also invest the money to earn a return and make a profit.

57% of SVB's assets were held in bonds and securities at the end of 2022 all of which lost market values when the Federal Reserve increased interest rates. Most of these bonds were Hold to Maturity (HTM) kind for which it didn't have to recognise market value losses in its results. This is in contrast to Available for Sale (AFS) bonds which can be sold more easily if the bank can earn higher returns elsewhere but any change in the value of these bonds has to be reported. As bonds are extremely unlikely to default, the valuation changes wouldn't matter unless the bank had to sell them and realize the losses. This is exactly what happened.

As the economy recovered, SVB's deposit growth ceased and the bank required capital urgently. It decided to sell its AFS bonds on March 8 and buy higher-yielding securities with shorter maturity. While this gave them more liquidity, the sale set in stone $1.8 billion of market value loss. This raised concerns that it may have to sell its HTM bonds which would

Due to accounting rules, bring in significantly higher losses that were not previously in the books. SVB probably had enough assets for all depositors but as concerns about losses rose, depositors started queuing up to withdraw their money. With most of their funds in bonds, many tech companies were left in a financial deep freeze. With this, began the bank run.

With huge layoffs and bankruptcies looming across tech firms, the Federal Deposit Insurance Company (FDIC) decided to take over the bank on March 10. On March 12, the government deemed SVB too big to fail and provided a complete guarantee on all deposits financed by the sale of assets and a fund financed by all banks. March 12 also saw regulators shut down Signature Bank, another midsize bank after it also faced a run due to large amounts of uninsured deposits.

With the banking sector teetering towards collapse, investors looked at which bank was most likely to fail and they landed at Credit Suisse, one of the largest banks in the world. Years of scandals and financial mismanagement finally caught up to them and they headed towards collapse before being bailed out by their biggest rival, next-door neighbour, and fellow Swiss Bank, UBS.

To protect other banks, the Federal Reserve is offering them support on very generous terms. A new policy is ready to secure loans against long-term securities like the ones used by SVB. SVB's failure happened partly due to its exemption from many rules designed to prevent bank failures. Post 2008, the Dodd-Frank Act required banks with more than $50 billion worth of assets to follow a plethora of regulations and create their bailout plan. These were made to protect deposits and the payment system while passing losses onto investors in an orderly way.

Starting from 2018, however, these regulations were diluted, particularly for smaller banks like SVB which never had a bail-in plan. This has meant that regulators had to improvise which also proved to be impossible due to the speed with which SVB lost its deposits through banking apps. Even if SVB had been eligible for the Fed's emergency funds, there might not have been enough time to arrange it.

While full deposit insurance might have saved depositors in SVB's case, it could lead to recklessness in the future by encouraging banks to take greater risks and improve returns to borrowers.

These bank failures make a recession even more likely in the current economic climate. The growing stress in the American banking sector has significantly increased the chances of a recession. This has been compounded by the fact that obtaining loans and investments will become harder after the bank runs as credit restrictions will tighten.

This had made the Fed's task of guiding the American and consequently the global economy away from a downturn much harder. It will have to tread very carefully to keep the economy away from the dreaded recession and protect millions of jobs and companies across the globe.

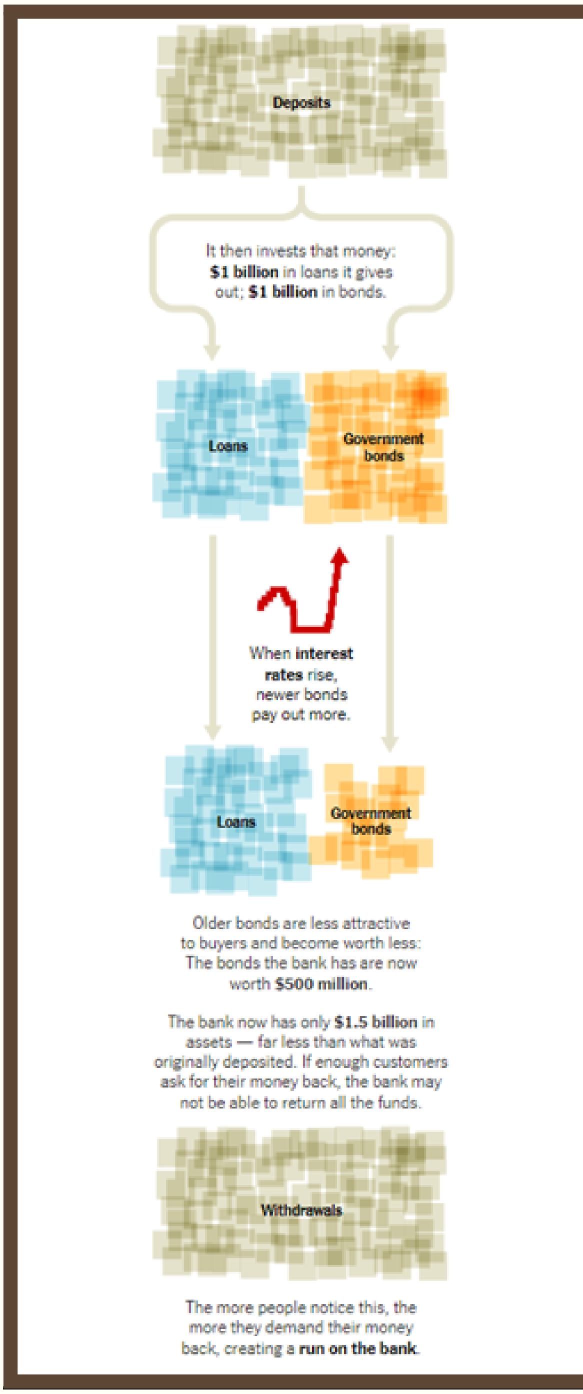

FIG: BANK RUN EXPLAINED. SOURCE: THE NEW YORK TIMES.

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TAXATION: AN EFFICIENT WAY TO TACKLE ECONOMIC INEQUALITY?

KASHAA SWAMI & VISHAVJEET SINGH KAMBOJ
B.A. (HONS.) ECONOMICS

"The best things in life are free, but sooner or later the government will find a way to tax them."
Truly said, but as much as true, as is necessary.

How Do Taxes Work?
Taxes are compulsory payments made to a government, whether local, regional, or federal, by people or businesses. Tax revenues are used to fund a variety of government initiatives, such as security, human resource development and healthcare, as well as public infrastructure and services like roads and schools.

In economics, taxes are borne by whoever bears the cost of the tax whether it is the entity being taxed, such as a business, or the final users of the items produced by the business. Taxes should be taken into consideration from an accounting standpoint, including payroll taxes, federal and state income taxes, and sales taxes.

It is accurate to claim that taxes were instituted to assist people in a nation, to meet their requirements, and to enhance their quality of life. However, 'tax evasion' and 'tax avoidance' always follow in pursuit when we discuss taxes. Tax evasion is an intentional failure to pay taxes. It is obliged to pay taxes at the rates laid down by the government, and it is illegal to knowingly underpay them. However, tax avoidance, i.e., measures meant to reduce your tax liability and increase your after-tax income—is completely permissible.

The situation of income inequality in the world today-
The poorest half of the global population "barely owns any wealth," owning only 2% of the total, while the richest 10% own 76% of all wealth. The Middle East and North Africa (MENA) show the highest levels of inequality while Europe shows the lowest.

Analytically speaking, income inequalities through the past two centuries have not only widened the gap to an intimidating extent between the rich and poor but have also challenged living situations through the lens of poverty, health, education and income.

For example, let us take a look at income disparities. The Central African Republic, the world's poorest nation, and the Netherlands, one of the highest earning nations of the world, which has a GDP per capita of approximately $60000 compared to $980 for Africa, are separated by a factor of 60. The per-capita GDPs of the US and Netherlands are 54,225 and 57,767.88 USD, respectively. This means that the Dutch can spend in 1 month, what people in the Central African Republic can spend in 3 years.

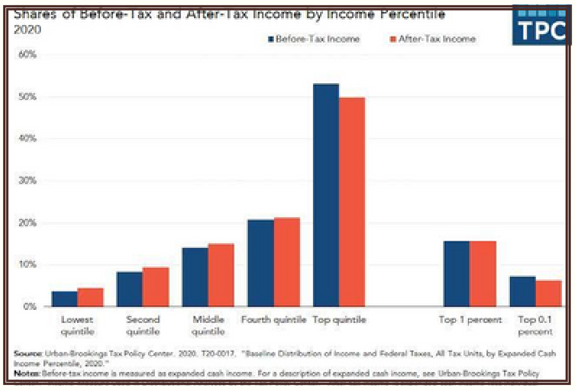
It boils down to taxation being the ultimate solution in an effort to reduce income inequalities.

Does taxation help reduce inequalities in income?
If nothing else, a more progressive tax system would lessen economic disparity. However, even though federal taxes have become more progressive, they have also started to decline since 2001 when compared to income before taxes because of tax cuts implemented by the George W. Bush and Barack Obama administrations. The effect of federal taxes on income inequality remained mostly unchanged as a lower

The Gini index is a frequently used indicator of income disparity. When income is evenly distributed among all income groups, the index has a value of zero, whereas it has a value of one when the highest income group receives all of the revenue. According to this metric, inequality has historically been lower for after-tax income than for pre-tax income.

How much inequality is reduced by taxes is indicated by the difference between the before-tax and after-tax income indexes. Taxes equalize income to a greater extent the greater the disparity. As taxes as a percentage of income decreased for high-income households more than for low-income groups, the gap closed during the 1980s. The difference between before-tax and after-tax income inequality, however, grew as federal taxes became more progressive beginning in the 1990s. In percentage terms, it hasn't changed much since 1980.

The basic conclusion is that, despite an increase in government transfer payments, before-tax income inequality has increased since the 1970s. Federal taxes lessen inequality because top earners have higher average tax rates than the general population. However, the moderating impact of taxes is almost unchanged from pre-1980 levels today. As a result, the gap between rich and poor has grown both before and after taxes. Increasing income disparity has not been made worse by taxes, but they have also not significantly reduced it.



Story of the Netherlands

A country that boasts the most about its strong social security system, retirement pensions and heavy public spending for universal healthcare is the one with a high tax revenue to GDP ratio of about 39.7% for 2021 which is among the highest in the world. At the same time, its public social welfare spending is about 17% of its GDP, which is a fairly high number as compared to other countries but seems lesser if compared to the huge tax proportion in the government's revenue. A report by Credit Suisse once ranked the Netherlands as the most unequal nation according to the Gini coefficient for wealth inequality. This contradicts the basic idea for which taxation is professed- even redistribution of wealth. However, this contradiction can be blamed on some specific reasons like, ancestral wealth with a few rich people from around 400 years and it is passed on to only one heir rather than splitting it up between siblings. This is very uncommon in the rest of the world. Also, In the Netherlands, one can borrow up to and even above the total value of their house as a mortgage, unlike in other countries. So if an individual borrows more than the total value of the house, then her net worth can become negative and that can have a huge impact on the wealth of middle-class and poor people as compared to their rich counterparts.

If we add another complexity to it, then the net worth of the individuals will depend on the price trends of housing in upcoming years. Say, if the value of a house appreciates, then even after borrowing more than the total value of the house as a mortgage, a person's net worth will still not become negative and it will eventually make a huge difference in the wealth inequality measurement. If the price falls, it will decrease the net worth of individuals and increase the wealth inequality index.

Also, mortgage payments are tax deductibles. Thus it is an easy resort for people to redirect their income into a real estate portfolio which leads to tax evasion at a large scale and makes us question the idea of high taxation as a measure to reduce inequality and maximize social welfare.

Apart from that, the Netherlands ranks 12th on the Financial Secrecy Index by tax justice network. This means it plays a major role in enabling financial secrecy around the globe but this in turn enables money laundering and tax evasion in the country. Most of the time, multinational corporations underpays the income tax. Thus, it skews the effectiveness of high tax rates and their role in reducing inequality and increasing social welfare.

Is taxation necessary?

"In this world, nothing can be said to be certain except death and taxes". These words by Ben Franklin, in today's world and economic systems, make sense as taxes are the most significant part of a government's total revenue and the backbone projects and services of a nation are funded by it.

Suppose there is no taxation, then the government has to maximize its non-tax revenue in the form of returns from the assets it holds, fees, fines, and user charges for publicly provided goods but none of these components will generate a stable and significant revenue required to meet the expenses of running a nation.

Nations like UAE, Qatar, Monaco, and Brunei don't have an income tax in place and even before 1913, the US didn't have a federal income tax. But in the end, they still impose taxes and the majority of the government's revenue is still funded by taxes. Tourist countries impose a high value-added tax or sales tax and countries like Singapore impose a high tax on goods that are a choice for a person like cars. This seems fair as people can choose to not pay tax by not buying a car and using its alternatives. Although this too has some problems associated with it. For some people, who do not have accessible public transportation or persons with certain disabilities, cars can be a necessity. Thus, changing the tax composition can encourage progressive outcomes but it is certainly not free from limitations.

Another popular substitute for tax revenue is revenue from natural resources and that is not a very secret reason behind the huge revenue of oil-producing nations. Technically natural resources are the assets of the nation and its people as well and the government is still taking away the assets instead of money. However, it's less worrying for citizens than paying a part of their income.

Anarcho capitalism argument

It suggests that people participate in free markets and society tends to self-regulate itself without the presence of any statute. Under this system, tax is eliminated and people are free to spend the whole of their income on the goods and services they desire. Free cities of medieval Europe are perfect examples. Again there are some basic limitations. People born with disabilities would be kept out of the market and human resource development which will eventually snatch their natural rights. Apart from this, the major drawback for which even the state with a government does not have a concrete solution- Negative externalities. No one is held accountable for things like pollution and society is driven only by a profit motive. No one will care about indiscriminate goods like street lamps which require a huge cost of installation and maintenance without any mechanism for profit.

Here, it can be argued that there might be a company that provides management of negative externalities, defence services, indiscriminate goods etc. in a specific gated community and you just have to pay a regular subscription to that company.

Yes, it is possible and that company is nothing but the government itself that collects its subscription in form of taxes. Thus, even in the state of anarcho-capitalism, one cannot escape the basic idea behind taxation.

Summarizing

Conclusively, we'd try to summarize the article, where we come to closure with how well have the tax reforms been able to help achieve income equality, in majorly two heads- what are the global challenges and ways to overcome the same.

The specific abilities, opportunities, and aspirations of each person can be the focus of policies to address income disparity, or these policies may take a broader approach to change the social, political, and economic systems that foster and sustain income inequality.

There are numerous tax categories, and they are imposed in numerous ways. Taxpayers can manage their finances to lessen the effects of taxes by having a clear understanding of what causes a tax situation. Annual tax-loss harvesting, which equalizes investment gains and losses, and estate planning, which protects inherited income for heirs, are two strategies that can be helpful.

When high-income groups pay a higher average tax rate than low-income groups, a tax is said to be progressive (relative progressivity). In some circumstances, such as when it comes to consumption taxes, high-income groups pay more taxes than low-income groups do (absolute progressivity), even though their average tax rate is still lower. The Kakwani Index turns negative as a result of the classification of taxes as regressive. Similarly, when cash transfers represent a bigger portion of low-income groups' income, they are regarded as progressive. According to this concept, flat financial transfers (such as a universal minimum pension) are seen as progressive. Furthermore, cash transfer programmes that, in absolute terms, disproportionately benefit the wealthy (such as funding for tertiary education) are still regarded as progressive. A valid argument that arises is the redistribution impacts of taxes.

This article assumes that cash transfers are received first and taxes are paid afterwards to calculate the redistributive impact of taxes and cash transfers. Benefits are taxed in many nations. Due to this distortion, the tax system would appear to be more regressive than it is when evaluating the redistributive impact of taxes, by comparing the concentration coefficient of market income with the concentration coefficient of market income minus taxes.

However, in some nations, benefits are mostly determined by market income after taxes. The concentration coefficients for market income and market income plus transfers are contrasted in this situation, producing a skewed measurement of the redistributive impact of benefits. The measurement approach is used in a study of 14 nations (Immervoll and Richardson, 2011) to replicate, as much as possible, the real legal sequence implicit in each nation's tax and benefit system. Specifically, the Gini indices of market income and net-of-tax income for Australia, the Czech Republic, Germany, Israel, and the United States are compared to ascertain the redistributive impact of taxation. Because some benefits are taxable in these nations, this solution only partially resolves the issue (for instance, pensions and unemployment insurance in the US). However, a simulation done on two nations (France and the United States) indicates that overall, a different sequencing does not considerably change the anticipated redistributive impact of taxes (or transfers).

How Could We Improve the Tax System?

A crucial tool for dispersing wealth is the tax system. In addition to being morally and ethically necessary, reducing the gap between the rich and the poor is essential to bringing a market-based economy back into equilibrium. If there is no connection between the effective demand of society's members and their desire to make sure that their basic wants are supplied, the market does not work very well to transmit signals about what should be produced. Weak consumer demand has terrible effects on employment and economic growth at the same time that wealth is becoming so concentrated in the hands of a small number of people.

By encouraging people with middle- and lower incomes to spend more on consumer goods and services, a more progressive tax system can contribute to reducing the widening income gap and fostering economic growth. Higher tax rates should be reinstated for higher-income groups. However, restoring higher income tax rates alone won't make sure the wealthy pay an equitable amount. Because they employ a variety of legal and illegal strategies to evade taxes, the majority of extremely wealthy persons do not pay income taxes that are even close to the highest marginal rate.

The fact that investment income is taxed at a considerably lower rate than other income is one of our tax system's most unjust aspects since investments account for the majority of the income of the very wealthy.

A) A dynamic economy may require incentives for some sectors. Such a policy includes giving specific emerging industries tax advantages. But it must have an expiration date. Businesses need to understand that this is only in effect for a certain number of years, and the government needs to have an exit strategy for such programmes. The same strategy applies to programmes like the Rural Employment Guarantee Scheme, which has significantly reduced poverty in rural India. Complex tax regimes can encourage corruption and generate a culture of tax avoidance. Take Latin America as an example: The typical business may anticipate spending 547 hours annually processing 22 different tax payments. Unsurprisingly, tax evasion cost Latin American and Caribbean nations $340 billion in 2015. According to a World Bank Group analysis from 2014, a 10% decrease in both the number of payments and the amount of time needed to comply with tax laws can reduce tax corruption by 9.64%. More small enterprises entering the taxable formal sector could result from a simpler law. Additionally, it makes the environment more predictable for foreign investors, luring capital and increasing tax receipts. We are pleased that nations are acting and seeing the advantages of these developments. 50 economies now only have one tax for each tax base. 57 economies have combined or removed specific taxes over the previous 13 years.

B) Though development is uneven, many countries are working toward digitizing taxes. For instance, Cote d'Ivoire saw a reduction in tax preparation and filing time in 2017 from 270 to 205 hours as a result of the implementation of an electronic filing system for firms. However, in Gabon, preparation and filing times lengthened in 2017 despite the advent of an e-filing system. Many nations will need to overcome fundamental IT infrastructure challenges before universal e-filing can be implemented. However, if the fundamentals are in place, nations can advance by combining digital taxes with other cutting-edge strategies like digital identity, digital banking, online tracking of invoices and sales, or auto-filling tax forms that individuals only need to confirm.

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GLOBAL RECESSION 2023: WILL EUROPE NAIL IT OR BE NAILED BY IT?

RITIKA SHARMA
B.A. (HONS.) ECONOMICS

As we enter a new year and the whole world rejoices in being able to celebrate after three gruesome years of the pandemic, the economies worldwide witness a new shadow lurking in the form of the upcoming global recession. It is the most discussed and heard topic on news channels and in newspapers nowadays and has become a hot potato that every nation is religiously trying to evade. With the onset of a new year and new hopes come new hurdles- this time, the hurdle being a worldwide economic slowdown.

Kristalina Georgieva, Managing Director of the International Monetary Fund, during an interview with The Associated Press in Berlin, Germany, said that half of the European Union and one-third of the world will face recession in 2023. According to her, this year will be challenging as the main engines of global growth - the United States, Europe, and China are all experiencing weakening activity. In this article, we will focus on one of the engines- Europe.

Paths to recession

Dwight Eisenhower famously said, "Plans are useless, but planning is indispensable."
Executives do not ponder when the recession will happen but rather on the paths which pave the way to it. Majorly there are three paths to an economic slowdown:

- **The slowdown of the real economy** (firms and consumers) in the form of a declining or negative real GDP growth rate and loss of consumer confidence can cause a recession. It can prompt consumers to stop buying, thus reducing the demand for goods and services. This reduced demand causes firms to cut back on their production and as their profits fall, they employ less labour or may even lay off some, leading to declining jobs and, consequently, a rising unemployment rate. Rising unemployment implies lower demand and thus this process keeps continuing in a vicious cycle.

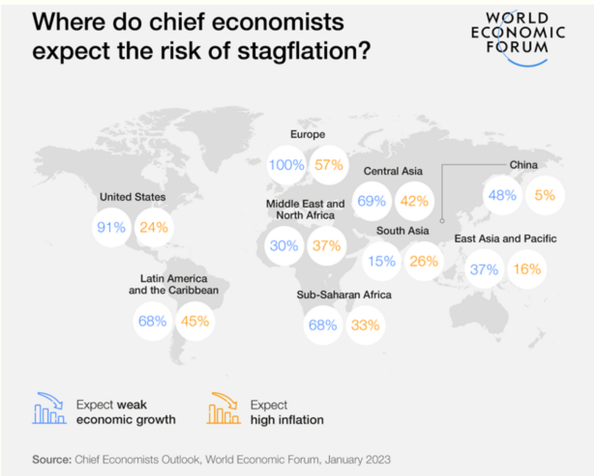
- Second, monetary policies can cause a recession. Policies leading to a hike in interest rates make borrowings expensive, discouraging consumers and firms from borrowing money to make their purchases or investments. Reduced spending leads to decreased demand for goods and services, causing firms to cut back their production and leading to the same cycle as in the earlier case. Generally, monetary policies that are too far or too long can choke the economy, leading to a recession.

- Lastly, financial recessions occur due to stock market crashes or shocks that disrupt the banking system. When the stock market turns bearish, investors will have less capital to invest in businesses. If businesses can't raise money for growth and operating costs, that can lead to layoffs or hiring freezes. The Global Financial Crisis in 2008 and the European Sovereign Crisis in 2011 were financial recessions. For the Eurozone, a very deep real economic recession can be seen underway due to the energy crisis or if a new unexpected shock hits. Moreover, there can also be a policy-driven recession due to the hiking of interest rates and rising inflation.

Projected growth rates for 2022 and 2023

The European countries were amongst the ones worst affected by the pandemic. They had witnessed consistently increasing infections and deaths and a consequential detrimental effect on the economy due to the lockdowns. The onset of 2022 witnessed an energy price crisis, with gas prices at record highs and its direct effect being reflected in the consumers' electricity bills.

After the worst recession in 2020 due to covid-19, the euro area witnessed a strong rebound in the first half of 2022 with a projected annual real GDP growth of 2.7%. The Eurozone quarterly economic growth was revised slightly higher to 0.3% in the third quarter of 2022 from earlier estimates of 0.2%, following a 0.8% expansion in the previous three-month period. The GDP growth rate of the EU and the euro area is, however, forecasted to be a mere 0.3% in 2023 with few countries like Finland and Turkey even showing negative growth rates owing to the Russian-Ukrainian war, tight monetary policies, and increasing prices. Let's discuss these factors in detail.



Russian-Ukrainian War and the Food and energy crisis

One word that caught everybody's attention last year was inflation and it will continue to do so in 2023. The rising inflation due to the increasing prices is said to be majorly driven by the higher energy and food prices to some extent. From the second half of 2021, there has been a sharp increase in energy prices in the EU and worldwide.

The price of fuels further rose due to Russia's unprovoked aggression against Ukraine, and Russia's decision to suspend gas deliveries to some EU member states has further impacted the situation. Due to its close geographical proximity to the war and high dependency on gas imports from Russia, the EU is among the most exposed advanced economies to rising prices. The reduced supplies of gas and crude oils from Russia with increasing demands have aggravated the energy price crisis leading to increasing price levels and inflation.

Inflation is predicted to average 9.3% in the EU and 8.5% in the eurozone for 2022. While prices are expected to decline in 2023, inflation is still estimated to be at 7% in the EU and 6.1% in the eurozone, before decreasing to 3% in the EU and 2.6% in the euro area for 2024.

Ukraine is also the world's largest producer of sunflower oil. Along with Russia, both countries are major exporters of vegetable oils. The region also exports over a third of the world's wheat. Thus this war along with the sanctions on Russia has disrupted the food supply chain leading to a global food crisis and increasing prices of foodgrains.

As a response to the war and to reduce its dependency on gas and crude oil imports from Russia, the EU has taken several measures and imposed certain sanctions on Russia. In May 2022, the European Council agreed to ban 90% of all oil imports from Russia by the end of the year.

Thus the sanctions against the Kremlin, with an abrupt end to Russian gas imports, and the need to provide financial support to firms and households struggling with the energy crisis has darkened the economic outlook for the EU. Consumer confidence has plunged so severely that the recession will likely not be shallow.

The real GDP growth

Consumer confidence in the economy had hit its lowest in September. As said earlier, lower consumer confidence leads to declining demand, reduced supply, a decline in jobs, and a higher unemployment rate. Consumer confidence has improved slightly since then, but people still fear for the future and their financial positions.

The euro-zone real GDP (adjusted for inflation) is estimated to contract sharply in the 4th quarter and the first quarter of 2023 with a cumulative drop of 1.7%. Even if the euro area can emerge from recession in the first quarter, the subsequent months of 2023 will still be challenging, according to the economists. The recovery is expected to be slow as the hike in interest rates three times so far by the ECB has prevented the upturn of the same.

Measures undertaken by the European Council :

Tackling the energy crisis

As the prices of fuel, energy, gas along with food were skyrocketing, the European Council undertook measures. It imposed certain sanctions on Russia to reduce the butterfly effect of the war. Some of them are-

- The council, consisting of 27 member states, agreed to impose a ban on almost 90% of all Russian oil imports by the end of 2022 to phase out dependence on Russian fossil fuels.
- To ensure the security of the gas supply, the council undertook measures to ensure better coordination of joint gas purchases by adopting a new regulation on gas storage in June 2022. It ensures that the member states' storage tanks are filled before winter and can be shared with those members not owning a storage facility.
- To tackle the high energy prices, the council imposed an oil price cap at $60 per barrel on all crude and petroleum oil exported from Russia. This will limit the price surges and significantly reduce revenues earned by Russia.

Tackling Inflation

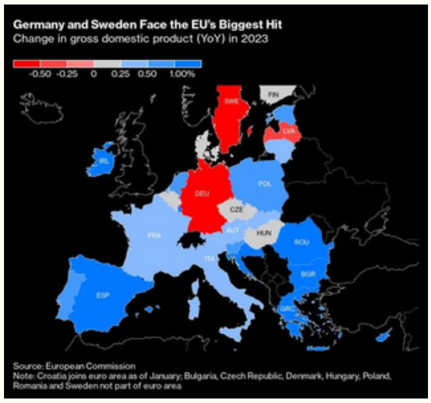
Interest rates have been the primary tool used by the ECB to tackle increasing prices. It has raised rates by 200 basis points since July and flagged yet more policy tightening via rate hikes, reduction of its 5 trillion euro ($5.2 trillion) debt holdings, and more expensive bank funding. Price regulations, transfers to the most vulnerable, and lower taxes are some other steps taken by different member states.

Having discussed all the root causes, forecasts, and some steps undertaken by the EU to tackle the said hurdles, comes the question - **Are there any members who can avoid a recession?**

According to some economists, the answer is yes. There are vast differences in the forecasts across different European cities. While some are expected to grow by around 2%, others are likely to see contractions. Overall, the euro area is predicted to grow by only 1.4% in 2023-

- Relative to others, Amsterdam is expected to do particularly well in 2023 as it has made solid gains since the pandemic. Dublin, Bucharest, and Copenhagen are also expected to hold up better than most cities, followed by Madrid and Oslo.
- The UK, Germany, Spain, Sweden, and Italy are among the states predicted to enter a recession. The higher inflation in the UK has a more severe impact on real disposable incomes and thus translates into a much weaker outlook for consumer spending in London.
- **Germany- Europe's largest economy- is forecasted to shrink by 0.3%** in 2023 by the IMF due to its heavy dependence on Russian gas, which Moscow has cut in retaliation to the Western sanctions. It's said to be already on the brink of recession along with Sweden and Spain.
- **Italy is also forecasted to contract by 0.2%** in its GDP due to its reliance on Russian fuel.
- Some countries are hit harder by inflation- The Netherlands is facing inflation of nearly 12%, Spain and Slovakia 10% and Italy and Greece face the eurozone average of 7.5%.

Thus, while some economists believe there is virtually no way for Europe to avoid a recession, some feel Europe may avoid it due to the tight labour conditions of some countries and due to the gradually growing confidence of the investors since the sanctions and containment of the war.



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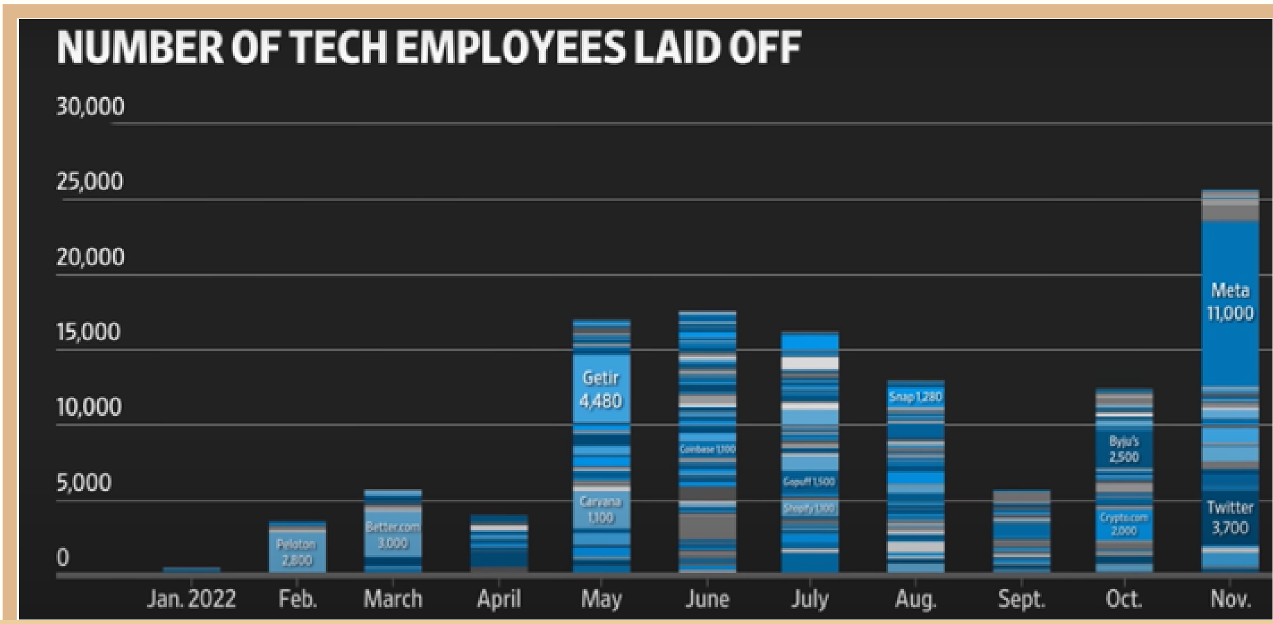


TECH BEHEMOTHS AND LAYOFFS

Indolence is stagnation, Employment is life
~ Seneca The Younger

AKANSH GANDHI
B.A. (HONS.) ECONOMICS

The year 2022 remains infamous as "the year of layoffs". The first question that would strike a rational mind is what does laying off mean? The answer to this is pretty simple, when at least 50 employees are fired within 30-days or less resulting in the laid-off employees equalling more than one-third of the company's workforce or 500 employees are laid off within 30-days or less, no matter how large the company's workforce is, a mass layoff is said to have been made.

These mass layoffs were with about 50 tech giants abandoning 90,000 of their employees in aggregate. These firms range from the big five - the MAANG (Meta, Amazon, Apple, Netflix, and Google) to Twitter, and start-ups like Unacademy, Blinkit, Byju's, and whatnot. This trend continues to prevail in 2023 with McDonald's and Goldman Sachs leading the chain of firms that will follow. A plethora of reasons is believed to have created unemployment havoc in the economy. As we move ahead in this article, we will look at three facets related to these layoffs- reasons, consequences for different stakeholders, and alternatives.

I. Reasons:

- **Pandemic**

The COVID-19 pandemic, which began right in 2019 brought about a drastic shift in consumer habits. It drove a lot of businesses online and increased consumption of platforms for online shopping and binge-watching namely Amazon, Netflix, and a lot more. While some firms, Glassdoor, for instance, embraced the online and hybrid model for time unsaid, others were keen on the movement of their employees back to their cubicles. Also, the consumer base shifted back to pre-pandemic normalcy and online spending declined. During these years, the revenue of these tech companies increased several folds. The pressure of handling the consumer base rose. This led to them hiring a lot of employees. However, these became redundant later. This has led to a workforce that is not required and hence the layoffs.

- **Declining Advertising Revenue**

As Elon Musk said and I quote, "Twitter has had a massive drop in revenue, due to activist groups pressuring advertisers, even though nothing has changed with content moderation and we did everything we could to appease the activists.", it is a testimony to the fact that companies like Twitter, Snapchat, and Google that depend on advertising as the main source of their revenue have had to face vulnerabilities contemporarily. This has forced these firms into firing almost 75% of their workforce causing a chain reaction in their advertising clients causing an even further cut in their revenue. Clear skies seem far off for them.

- **Economic Uncertainty**

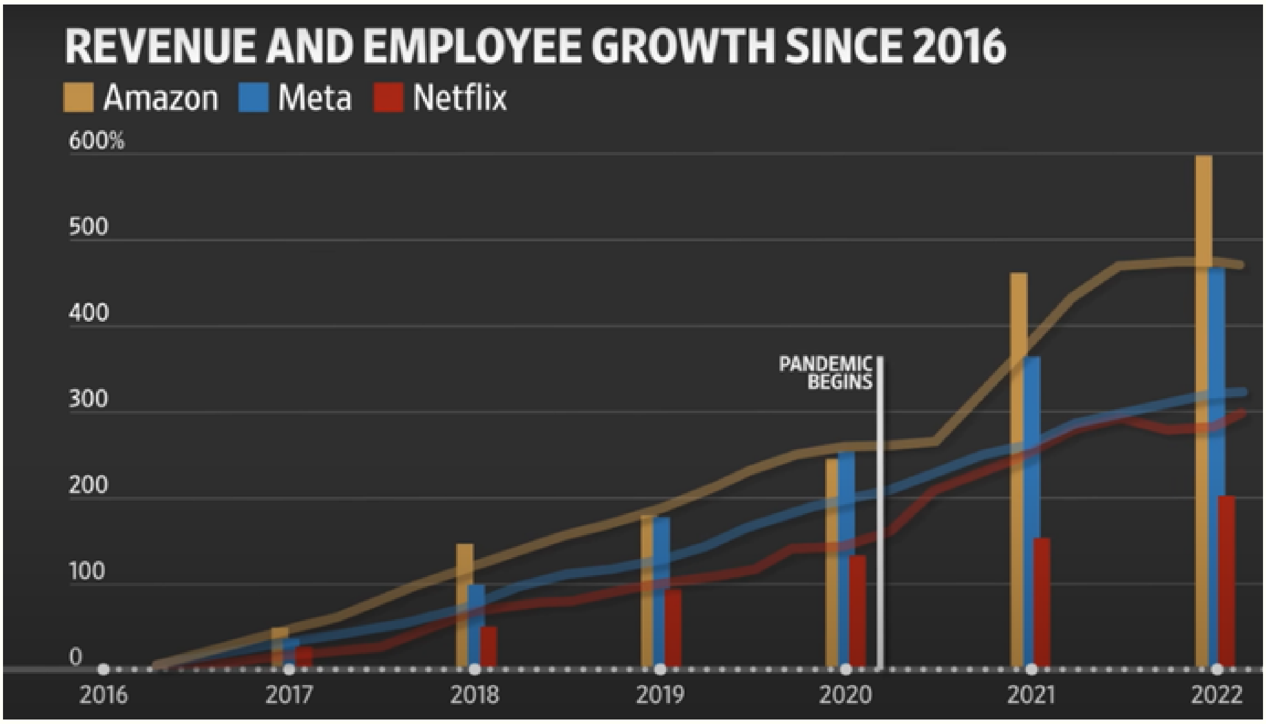
As economists apprehend the onset of global recession, the firms also act based on an uncertain macroeconomic environment. We can't confidently say that the future looks rosy. A recession would mean lower consumer spending and, most importantly for many tech firms, lower advertising spending. At the recent Q3 earnings call, Meta mentioned this specifically, stating that they expected Q4 and early 2023 advertising revenue to be softer than it has been. Tech companies need to reign in their spending to ensure they get through the volatile period safely. We can conclude that layoffs are a company's way to survive uncertain times.

- **Myth - Layoffs Increase Profitability**

The people that acquire the top decision-making posts in most companies work on facts that equate layoffs with profitability regardless of economic conditions. The reasons above support this. In an uncertain economy, layoffs are the purported cure. But even if the economy is doing well, companies still use layoffs as an excuse to improve profits. While there seems to be no evidence that layoffs work, it has become the short-term, go-to strategy. Sadly, employees have to take the fall.

- **Organization**

The layoff of one individual in a company may appear minor, but it often causes a ripple effect in an organization where employees work together to achieve a common goal. A layoff introduces a missing link in the team, which affects the organization in several ways. The company faces a greater challenge when layoffs occur en masse. It leads to decreased customer loyalty. Layoffs indicate a possible crisis in the firm that the consumer might interpret as a delay in the rendering of their services creating a factor of distrust for them. In addition to this, there is an unease that the remaining employees are overcome by. In apprehension, they might switch their associated company or even industry at



II. Consequences:

- **Employees**

Studies show that layoffs increase the
rates of suicide by 2.5 times and quite literally meaning that LAYOFFS KILL. Most obviously, it takes a toll on the mental health of the employees as well. Like many other diseases, mental health disorders like depression are contagious as well causing the worsening of the attitude of managers toward the employees that are not laid off. It also creates a higher unhealthy competition among the unemployed. Apart from this, it seems needless to mention the financial crunch that the employees have to face at times. This creates an acute shortage of the workforce. Therefore, the organization itself might as well face the wrath of laying off.

- **Economy**

Tech sector cuts will have a ripple effect: Fewer companies prepare to go public, so investment banks take a hit. Companies work to quickly conserve cash by slashing advertising spending, which also impacts media companies. Companies reduce their workforce and suddenly don't need HR staff and recruiters anymore. And junior-level workers will be hardest hit as companies tighten their hiring needs and focus on experienced talent when filling new roles. The economy, therefore, turns out to be one of the most important stakeholders when it comes to bearing the aftermaths of layoffs.

III. Alternatives:

Two strategies can work in place of layoffs. These are based on what two of the business tycoons also implemented

- **Lincoln Electric**

One thing that Lincoln Electric, which is a famous manufacturer of arc welding equipment, did well is instead of laying off 10% of their workforce, they had everybody take a 10% wage cut except for senior management, which took a larger cut. So instead of giving 100% of the pain to 10% of the people, they give 100% of the people 10% of the pain.

- **Goodnight**

Companies could use economic stringency as an opportunity, as Goodnight at the SAS Institute did in the 2008 recession and the 2000 tech recession. He used the downturn to upgrade workforce skills as competitors eliminated jobs, thereby putting talent on the street. He was hired during the 2000 recession and saw it as an opportunity to gain ground on the competition and gain market share when everybody was cutting jobs and stopped innovating. And it is an opportunity. Social media is not going away. Artificial intelligence, statistical software, and web services industries – none of these things are going to disappear.

On the whole, it sometimes does become necessary for an organization to do away with redundancies to combat the crisis that it is likely to face. However, it must be noted that the repercussions are directed onto both ends- the employers and the employees. There are better ways to tackle such situations and they must be taken into consideration before any huge step is taken.

What happened with the tech giants was immensely saddening yet seemed inevitable. However, their vulnerabilities could be subjected to better solutions or the laid-off employees should have at least been given added benefits.

Although, it might as well be a "herd mentality" of tech employers to lay off employees following what the pioneer did- basic human psychology. This remains a question.

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BLUEBIRD IS FREED BUT TESLA CLAPPED IN IRONS?

VISHAVJEET SINGH
B.A.(HONS.) ECONOMICS

Elon walked into the Twitter offices on the 26th of October, 2022 carrying a sink after he tweeted "Let that sink in" being the man of his word, not as always. From a market cap of $1 trillion and Elon being the richest person in the world, to losing almost $182 billion in a year establishing a world record for the largest loss of personal fortune ever in history according to the report of Guinness Book of World Records, Elon, and his engagements stepped a long way through a lot of chaos and drama. Let's look at what happened and what are its prospects for Tesla.

TWITTER AT SIXES AND SEVENS

Our story begins with Elon buying a stake in Twitter secretly in January 2022 which was disclosed when it reached 5% of the stakes that needs to be released to the public according to the laws of the land within 10 days, but he missed the deadline and soon it was disclosed that he owns 9.2% stake in the Twitter and its share price shot up with the news. Then, he was offered a seat on the board and he accepted to join it but soon he criticized Twitter and refused to join the board and expressed his ambition of making Twitter a private company. On 14th April 2022, he offered $43 billion for a full stake in the company, and on 20th April, he disclosed his sources of finance which play a major role in our story of Tesla, which was as follows:

- $7 Billion - senior secured bank loans
- $6 Billion - subordinated debt
- $6.5 Billion - personal bank loan
- $20 Billions - cash equity from Musk by selling Tesla's shares
- $7.1 Billions - equity from 19 independent investors

The Twitter board accepted the deal for $44 Billions with certain conditions including the obligation to pay $1 Billion to Twitter if he steps back. After a dinner drama of bot accounts and court cases, Elon sent a termination letter to Twitter three times citing different reasons on 4th October 2022 he took a U-turn and agreed to purchase Twitter and the deal was closed on 27th October and Elon Tweeted "Bird is Freed". On the very first day, the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, and the General Council were fired and as a part of the new revenue model, selling blue ticks for $8 per month was introduced. Finally, on 28th October, Twitter was delisted from the stock market.

TESLA ON A HOPE & A PRAYER?

Elon plans to shoot up twitter's revenue to $26 Billions from $5 Billions and a user base from 207 million to 931 million by 2028. But his ambitious plans have a different translation for his most precious asset - Tesla, which made him the world's richest person at one point. Even when the whole world was under the menace of lockdowns and supply shocks and companies were shutting down and the stock market crashed, Tesla's stock prices increased by 10 times within a year and touched a peak at $407 on 5th November 2021.

But from 28th October 2022, since the bluebird is free and delisted, Tesla's stock prices fell from $229 to half within two months. However, apart from the Twitter takeover, it is often stated by some analysts that there are concerns about weakening demand and logistical problems within Tesla. In 2022, Tesla's stock prices decreased by almost 70% and some of it can be blamed on the fears of a shutdown at Tesla's Chinese factories. But most of it is that Elon sold Tesla's stocks to fund the Twitter takeover. Also, he is currently more focused on Twitter. So the credibility that the broader investment community had on Twitter is diminishing as he said in April that he had no more plans of selling Tesla's stocks but he stepped back from his statement. "Musk set off this five-alarm fire on Tesla's stock and he is the only one who can extinguish it. It's a perfect storm between the Musk Twitter fiasco and now demand cracking." says Wedbush analyst and vocal Musk critic. On 20th December Elon said that he will step down as the CEO of Twitter as soon as he finds someone foolish enough to take the job. At this point, stepping down as Twitter's head would be a huge help for Tesla.

END OF TESLA?

If we consider the other side, even after a huge slump in stock prices, Tesla still operates on a very rich valuation multiple as compared to the broad market. So even if predictions are made about the negative impacts of the downturn in the global economy on Tesla as faith in Musk is diminishing, the global economy is moving closer to recession and Tesla still have oversized P/E(Price of share/Earnings per share) ratio, Tesla still retains a significant value as a company. Retail investors have a general behavior to buy with the hype and sell in fear which contributes a lot to fluctuating stock prices. Markets are often driven less by numbers and more by hopes and wishes. The fact can't be denied that at some point of time in the future, the company has to serve on its valuation which Tesla probably will, considering a strong balance sheet and future EV market.

Even if we argue about valuation, then even tech giants like Meta, Alphabet, etc. are said to be overvalued and their share prices can tank anytime in the future or can continue touching new peaks and records depending upon the market emotions. The 4 things which people generally consider about EVs are performance, battery range, technology, and safety, all of which are still satisfactorily fulfilled by Tesla.

If Elon starts focusing on Tesla as soon as he gets a break from the chaos of Twitter, the ambitious target of a $3 trillion market cap can be achieved in the next five to seven years. Thus, the liberation of the bluebird might have chained Tesla for some time, but once it would be free, its potential can't be curbed. So, If you ever watch a bird escaping the cage or a self-proclaimed foolish CEO entering an office carrying a sink, always remember a lot of things are going to 'sink in' except the one carrying it.

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THE ECO-SYSTEM OF CINEMA

GRACY GUPTA
B.A. (HONS.) ECONOMICS

In today's world, film media and cinema have become a large chunk of everybody's life. Industries and cultures make significant contributions to countries' economic development. The cultural economy is the sum of industries wherein the input is creative and cultural efforts and the output is products, creations, and activities and it is these creations and products that meet with the consumer.

Providing a high economic return on creative business services such as media, music, movies, games, publications, fashion, design, museums, galleries, cultural and art activities, cultural heritage and culture management shows the place of economics in the field of culture.

The cinema industry is one of the strategic industries of a country with the power of turning into economical value, through this concept of cultural economy. Creative industries in recent years have better understood the importance of economic prosperity, and creativity today is an absolute production source. The relationship between the economy and cinema is a complex and multifaceted one, with the two industries influencing each other in a variety of ways. On the one hand, the film industry is a significant contributor to the economy, generating billions of dollars in revenue and providing jobs for thousands of people. On the other hand, the economy also has a significant impact on the film industry, influencing the types of films that are produced and how they are marketed and distributed.

The importance of the cinema and TV series industry has increased and its economic function has clarified with the development of media and technological infrastructure.

The film industry is divided into main branches such as cinema, TV, advertising films, and series. It has strategic importance for the development and promotion of a country. Recognition of this importance and the development of the sector both financially and morally are significant.

One way in which the economy affects the film industry is through its impact on consumers pending. When the economy is strong and people have more disposable income, they are more likely to spend money on entertainment, including movies. This can lead to a higher demand for films and an increase in box office revenue. Conversely, when the economy is in a recession, people tend to cut back on nonessential spending, which can result in a decrease in box office revenue. This can make it more difficult for independent and smaller film studios to secure financing for their projects, as investors may be more hesitant to invest in a risky venture during a time of economic uncertainty. This is what happened when COVID began to sweep the globe in March 2020. Movie theatres were forced to darken their hoardings, close their doors, and lay off hundreds of workers rendering this industry high and dry.

The film industry also has a significant impact on the economy. The film industry generates billions of dollars in revenue and provides jobs for thousands of people. The film industry is also a significant contributor to the tourism industry, as people travel to locations where films are being shot or to attend film festivals. Additionally, the film industry can also lead to the development of other related industries, such as video game development, merchandise sales, and theme parks. A different way to look at the contribution of film technology to the economy is to look at the consumer surplus generated by cinema. This approach assumes that cinema is a wholly new good and therefore the entire consumer surplus generated by it is ‘new’ and would not have existed without cinema. For an individual consumer, the surplus is the difference between the price she was willing to pay and the ticket she paid. This difference varies from consumer to consumer, but with econometric techniques, one can estimate the sum of individual surpluses for an entire country to get the entire consumer surplus for the economy- a great source of revenue that cannot be overlooked in the calculation of the GDP of a country.

Furthermore, the film industry also has a significant impact on the cultural and social aspects of society. Movies are a powerful medium of storytelling and can be used to inform, educate and entertain people. They can also be used to shape public opinion and influence cultural norms. In recent years, movies have become a major influencer, especially for the youth.

For example, films about social issues such as poverty, racial discrimination, and gender equality can raise awareness about these issues and inspire people to take action to address them. In addition, the effect of technology on the film business is another facet of the relationship. As a result of developments in digital technology, more independent and low-budget productions are now possible. This has caused the sector to become more democratic, allowing more voices and perspectives to be heard. Bollywood (the Indian film and music industry) is just like any other industry that contributes enormously to the GDP of our country. Like any other cinema industry, the Indian film and music sectors have production houses that get funding from financiers. They employ artists, directors, actors, and other talents to produce a movie or music CD using a lot of infrastructure.

The rights are subsequently sold to distributors, who in turn resell them to merchants like movie theatres and television networks. There is a complete ecosystem that generates a large number of jobs apart from funds. However, the new business model of web stream services, also known as OTT (Over the top) platforms, is posing a threat to this established and traditional market ecosystem of the Indian entertainment sector. The shift to OTTs became particularly intense after the pandemic led to the shutting of cinema halls for a considerable period. There are currently more than 45 crore OTT subscribers today in India and this number is expected to touch 50 crores by end-2023. The eye-catching expansion of the OTT industry in India has been fueled by factors including high-speed mobile internet at low pricing, a doubling of Internet users, growing use of digital payments, and discounts.

Services like Netflix, Amazon Prime, and others produce their content and communicate with their end users/consumers directly. All of a sudden, the market ecosystem is in danger. The fact that major movie retailers like PVR and INOX, who have invested heavily, might get sidestepped in the value chain for content distribution has made them not only angry but also restless.

To sum up, the economy and the film industry have a complicated relationship that affects each other in several different ways. While the film business can significantly affect the economy by generating income and creating jobs, the economy can also have an impact on the film industry by affecting consumer spending and the cost of production. Government funding and support, advancements in technology, and shifts in audience consumption all play a role in shaping the industry. The cultural and social features of a society can also be significantly impacted by the film industry. The film business must be aware of current economic situations and adjust as necessary, keeping in mind the films' potential to have a positive or negative impact on culture and society.

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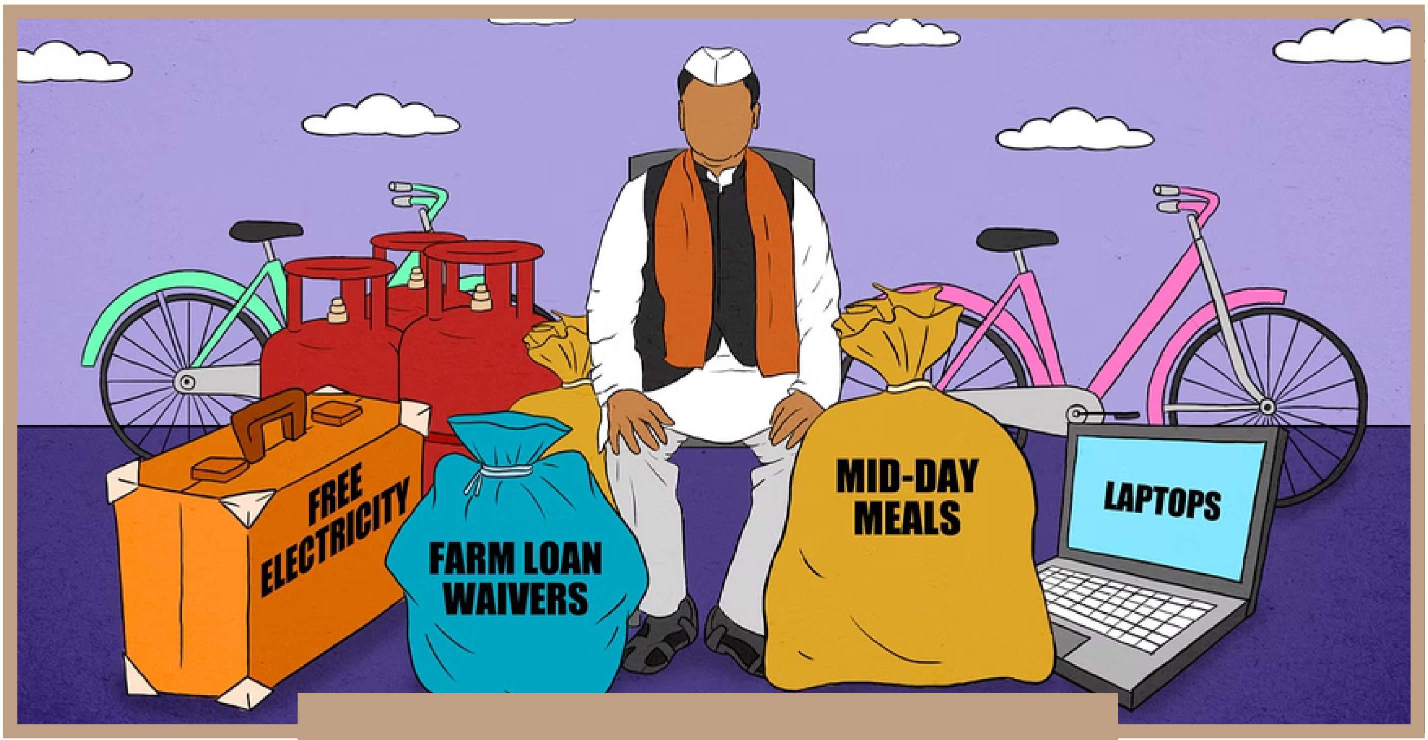

ARE FREEBIES GOOD OR BAD?

AMAN KUMAR
B.A. (HONS.) ECONOMICS

Freebies are often talked about in politics. Free electricity, free water, free education, free buses, free scooters, free mixers, free gold. SERIOUSLY FREE GOLD? Yup, even free gold, 8 grams of free gold, to be given to married women. It has become a major topic for debate now. On one hand, people say that giving free stuff to people isn't a good practice. If freebies are given in abundance, our country's situation would be similar to Sri Lanka's. On the other hand, people also say that if the tax paid by the people is used to give free things to the people, then it isn't wrong. Who's right here? How do you analyze and differentiate between good and bad freebies? What is the impact of the free stuff, on the country, on society, and the people of the country?
The first thing we need to understand is the difference between a merit freebie and a non-merit freebie.

MERIT FREEBIE

Merit freebie is something that benefits the country such as subsidies or free education. So, let's say the government gives out an ₹80000 subsidy to an economically backward student to help him study engineering; now although it costs the government ₹80000 per student it almost serves as an investment for the government. How? Because had the student not studied engineering and gotten into the market as a 12th-pass student, he would barely get a job that pays him ₹10-15000 but after he completes engineering, even a basic IT job would pay him ₹30-40000. So, in the next two years, when he gets an increment and his salary increases to 6 lakh rupees per annum, he would become a tax-paying citizen and after 10 years, he will be making 20 lakh rupees per year and would pay lakhs of rupees per year in just taxes. similarly, when this subsidy produces one lakh engineers tomorrow these IT graduates could serve as a workforce for Infosys and TCS who could then get more foreign clients. So eventually the export bill of India and the software services market increased to a large extent. This is what you call a merit freebie which ends up creating a virtuous cycle with time in the economy of India.

NON-MERIT FREEBIE

It is something that barely has a long-term benefit to society and the economy at large, a classy example of the same is free electricity to farmers. Now you see if the state government gives out free electricity to 10 lakh farmers, an optimistic argument would say that although it caused the government 10000 crores when we give free electricity to the farmers they would save this excess money from electricity bill, invest it in better technology, buy better fertilizers and increase the quality and quantity of the goods and if that is done, they would sell a better and more quantity of the product in the market and make more money. Therefore free electricity could be empowering for the farmers and will lift them out of poverty now this argument sounds pretty good right but in reality what happens is that when the government gives out free electricity, actually, especially in states like Punjab, the farmers leave their pumps sets on even when they don't use them, on the top of that they don't make any investment into better technology or fertilizers because nobody educated these farmers about the latest technologies in the market in addition to that in states like Punjab because of free electricity farmers choose to grow a water-intensive crop like rice even if it's a semi-arid region, this has led to the groundwater depletion in Punjab. So even though on paper it looks like a great scheme of empowerment at the end of the day it cost the government 10-12000 crores capital and that too because of recklessness does not result in anything better in terms of quantity or quality of the product and the worst part is that the most precious resource of all which is groundwater is gets depleted. So, this freebie is practically an economic nightmare.

How freebies tradition got started?

Friends, the first time this topic was taken up by the media, was in 2006. There's a political party in Tamil Nadu called DMK. They come out with an unprecedented offer. They said that they will give free colour TVs to the people. They took the freebies policy a step further. In their manifesto from 2011, they promised to give 20kg of free rice to ration card holders, students will be given laptops in 11th grade, mixers, and grinders would be given to all, and free bus passes would be given to all senior citizens. And Late Jayalalitha promised that women would be given 4 grams of gold to make a Mangal sutra for poor people. In the Northern states, in 2006, Bihar's Chief Minister Nitish Kumar launched a scheme, to give free cycles to SC/ST girls. "But there was a major shift in these policies after 2013 when the Aam Aadmi party won in Delhi, and they launched schemes to provide free electricity, free water, free education, and free healthcare. These schemes were so popular that in the next few years, many state governments and many political parties is offered the same benefits. In 2016, the Odisha Government said that they will give free drinking water to the urban poor. In Punjab, Congress promised the same things before the elections.

But the question that arises here is whether giving freebies is right or wrong. Before we get to this question, let's clarify one thing freebies are something that is given by every political party. Prime Minister Modi criticizes this by calling it free ki Revdi, so you might get the impression that BJP doesn't engage in such practices, but don't be mistaken. This year the BJP Manifesto promised Scooty under the Rani Lakshmi Bai Yojna. Additionally, in Uttar Pradesh, BJP had promised free cylinders on Holi and Diwali, free electricity for 5 years to farmers, and free laptops are also promised. In addition to this, the opposition parties counter-attack BJP by saying that the real free Revdi, is being given to the billionaires and crony capitalists, by weaving off thousands of millions of rupees worth of loans in exchange for political donations.

"Anyway, let's get back to our question, is giving freebies right or wrong? First of all, let's talk about education and healthcare. These aren't very debated because almost everyone agrees that giving free education and free healthcare is a necessity. If we have to eradicate inequality in the country if we want to give the poor to get on the same level as others, and if we want to make one starting line for all, free education is a must.

Freebie Debate: A Timeline

2006: DMK govt in Tamil Nadu is challenged in Madras High Court for distributing colour TV sets as promised before the assembly polls

2007: HC dismisses the petition

2013: SC says distribution of freebies "shakes the root of free and fair elections to a large degree" and directs EC to frame guidelines

2014: A new chapter is added to EC's Model Code of Conduct to regulate manifestos

Jan 2022: Advocate and BJP member Ashwini Upadhyay files a PIL in SC seeking directions against parties promising "irrational freebies"

July 2022: PM Modi warns against attempts to seek votes through "revdi"

Aug 2022: Then CJI NV Ramana sets up a 3-judge bench heade[illegible] Justice DY Chandrachud to hear the matter

Let's get to the points that are up for debate. What about free water? If the people are given unlimited water for free there will be a lot of wastage, people will stop caring about it, it won't be good for the environment, and it will be a big expense to the government. It also wouldn't be good for the economy. But under the scheme in Delhi, 20000 litres of water are given to each household for free every month. Exceeding the limit, the people will need to pay for the excess consumption. It means that the needs of the people can be met, and everyone would want to stay under the limit. So, people will start to save water, they will use it consciously. Overall, this resulted in more people getting a meter at their homes, so that they could benefit from this scheme. This scheme was challenged in the Delhi High Court, and in response, the Delhi Jal Board informed that in March 2015, only 8,57,000 people had functional water meters at home. By 2018, this number was at 1.467 million. This leads to more regularization, which is a good thing. And what did this cost the government?

The next question here is regarding free electricity. What do you think should free electricity be a right of the people? In my opinion, it should be. A basic amount of electricity should be available in every house if they don't get even so much, then recall the stories of the poor kids with no light to study at night, and then studying under street lights, do we want our country to be that way? This is why many countries around the world, have tried to implement similar schemes. Between 1993 to 2019, free basic electricity, water, and gas were provided to the people in Turkmenistan. But to manage giving free electricity isn't a simple task.in India, it was again Aam Aadmi Party that made the scheme popular. In Delhi, electricity is free to a limit of 200 units, and interestingly it encourages people to save electricity. Even so, the government has to bear a lot of expenses, in fact, compared to the other subsidies, the AAP government spends the most money on the subsidy. It is going to be interesting to see the other states which are copying this scheme, and the other political parties promising the same thing, like how BJP and Congress promised free electricity in Himachal Pradesh.

Will their financial management be as good as to allow them to maintain their promise?

and then there are the final hidden categories of freebies, which are seldom talked about. The freebies for the billionaires or the capitalist.

You'd wonder how they're given freebies. Friends, get freebies in the form of loan waivers or bailouts. They get huge subsidies too or land is sold to them at dirt-cheap prices. Some people justify these freebies by saying that this isn't wrong, because these big companies and billionaires, are giving us employment. Therefore, they claim that it Justifies giving them freebies. But, if you look at the data, is there any increase in employment? According to the CMIE data, there was the biggest decline in jobs in India this June, in a non-lockdown month. According to the EPFO filings, the top 100 unicorns in India, the startups, have deposited into the provident fund accounts of only 2,72,000 people. It means that only 10% of the jobs generated by them are in the formal sector. So many companies, all rich and large scale, and how many jobs are being generated? According to the PLFS survey in 2019-20, formal jobs in the organized sector account for only 9.5% of the employment generated. But 50% of the GDP goes to them. In comparison to the unorganized sector, 9 times fewer jobs are being created here. This is known as Trickle Down Economics. Over the last few years, several economists around the world have said that trickle-down economics doesn't work. Giving the rich people tax cuts, subsidies, and bailouts and assuming that the benefits will trickle down to the people, but this doesn't happen.

The bottom line of this discussion is whether a freebie is good or bad, in my opinion, they are some necessities, and those freebies are always good. Apart from that, whether the other freebies are right or wrong should be judged on the fact that it helps equalize the starting line for everyone. Whether it is generating employment. If it is affecting the happiness of the people. Are the people and society at large happier? If yes, then the freebies are good as long as they are financially viable. It means that we have to check individually, on a case-to-case basis, which free be is good or which isn't. The overall situation of the place, in the state or the country. How is it being implemented? All these factors need to be considered, before judging if a freebie is good or bad.

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THE ECONOMICS OF FIFA AT QATAR

SIDDHANTH PANDITA
B.A. (HONS.) ECONOMICS

The FIFA world cup, the world's highest-rated football event, was hosted in Qatar, a peninsular Arabic country. Famous for its futuristic skyscrapers and other ultramodern architecture, it also has one of the world's largest reserves of petroleum and natural gas.

On December 2, 2010, Federation Internationale de Football Association (FIFA) announced Qatar would host the 2022 World Cup, making it the first Arabic country to host it. Since then it has spent 12 years preparing for this Grand Event. Building stadiums, airports, transport links, and accommodations for a perfect kickoff for the event. According to some reports, Qatar spent 16 times more than the previous World Cup hosts, Russia, making it one of the world's most significant infrastructure projects.

QATAR'S ROI

Qatari officials have confirmed spending towards infrastructure was around 200 billion dollars (i.e.1,62,57,01,00,00,000 Indian Rupees). Furthermore, Qatar's finance minister admitted to having spent $500 million per week for years on the infrastructure project. According to a report from The Tass, the cost of building the eight stadiums was $6.5 billion. The figure was spelt out by Fatma Al Nuaimi, the Supreme Committee for Delivery and Legacy of the World Cup's Communications Executive Director. In 2016, Hassan Al Thawadi, the committee's secretary said that the cost of building the stadiums was between $8 billion to $10 billion when he was asked about it in London.

It also directed enormous spending towards building private islands, villas, apartments, and hotels. Doha metro alone costs $36 billion and the Pearl Accommodation Centre was built with $15 billion.

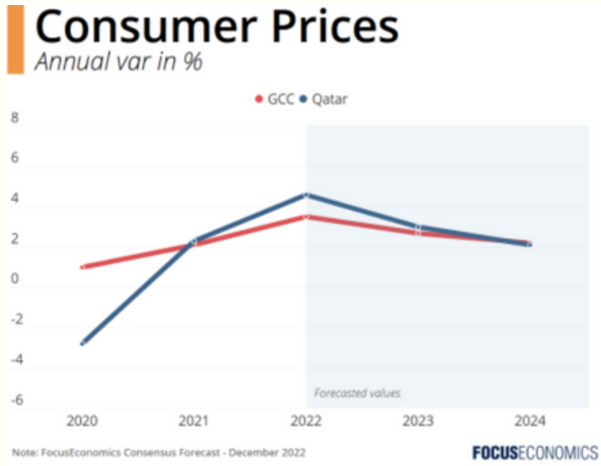
These huge spendings were not just to impress football fans all around the globe but were an investment for Qatar's economy. They added 17 billion dollars to their economy, raised their GDP by 4.1%, and are estimated to stay at an average of 3.2% because of the world cup. An estimate states that an overall of 20 billion dollars would be added to their economy. The country also saw 4 billion dollar foreign inflows.

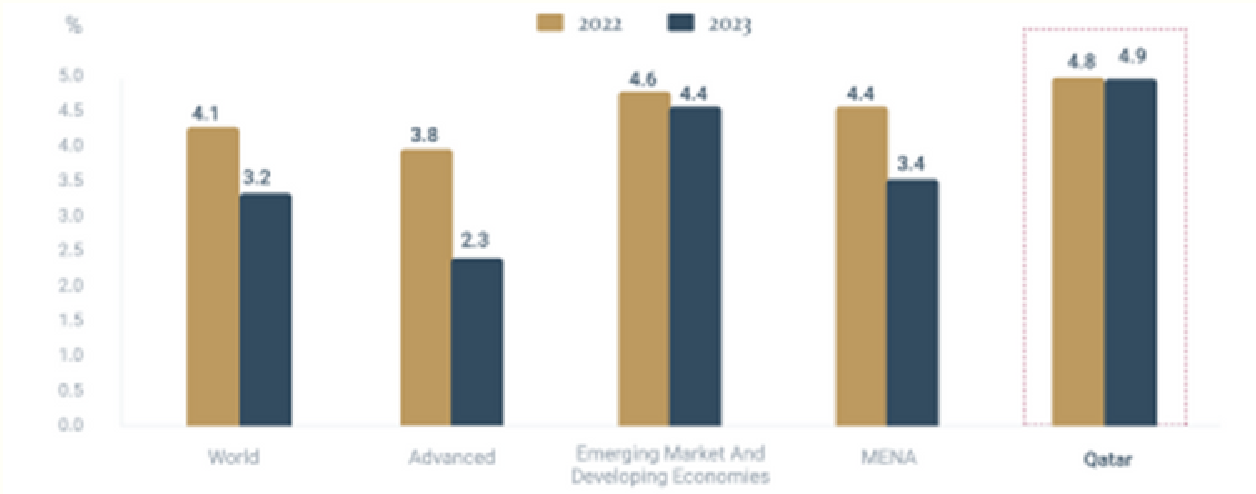
The World Cup was also a way to showcase and nurture more industries in the region and move beyond its dependency on oil and gas. Working with startups like Arvex is encouraging more local businesses and entrepreneurs.

Qatar's Supreme Committee for Delivery and Legacy, Challenge22, had offered mentorship, cash, and training for startups and ideas that had the potential to aid its preparations for the World Cup. A physics tutor from Virginia Commonwealth University, The country, was given a grant for research on a polystyrene composite for insulation materials to be used in the World Cup.

An all-women group of Saudi engineers, who used waste from date palms to make seats in the stadium, were given grants. The Tourism Sector saw a 19 per cent increase due to the over 1.2 million visitors in Qatar.

As a result, the revenues earned by airways and hospitality centres were 10 times and 12 times their normal payment, respectively.
This is commonly called the FIFA effect. The world cup doesn't just affect Qatar alone, it aids many. UAE which is less than 2 hours away from Qatar via airways also saw a massive increase in their tourism due to the World Cup. As for the world, it gets minorly affected by people ordering foods and beverages on a game night while supporting their favourite teams; Thus, there's an increase in revenue from food industries all over the world. Clothing industries worldwide see an increase in their output as fans buy jerseys and merchandise to support their country.





THE STRATEGY

Qatar organized a splendid world cup and it is rated as the best world cup to date. The event ended with a breathtaking finale between France and Argentina, where Argentina bagged the World Cup trophy. Soon after the end of the events, Qatar slipped into an economic slowdown. One major factor contributing to the slowdown is the decrease in demand for construction projects. The building boom that preceded the World Cup led to an oversupply of new buildings and a decrease in demand for new construction. Additionally, with the tournament now over there is less need for the infrastructure projects that were built specifically for the event.

Another factor is the decrease in government spending. The Qatari government had invested heavily in the World Cup but with the event now over it has shifted its focus away from these projects and towards other priorities, such as education and healthcare.

This has led to a reduction in government spending on infrastructure projects, which has further decreased demand. It has a large expatriate population, and many of these workers are employed in the construction and tourism sectors. Lower demand and less focus on these sectors have resulted in job losses for many people. A potential increase in unemployment further leads to a decrease in the economy. Around 2.5 million labour force has left Qatar in search of a better prospectus.

The 8 world-class stadiums which were built are left unused after the world cup. Qatar doesn't have any high-level football team or any other sports team to which these stadiums could have been rented. Thus maintaining these stadiums further puts a burden on government spending. With inflation running high and consumer prices rising 6.03% in September 2022, after the world cup, the huge infusion of money in the economy over such a short period led inflation in Qatar further to increase and economists there fear that the event could lead to an inflationary spiral later this year.

With the rise in the cost of living, middle-class workers and blue-collar workers have been affected the most. New taxes and further subsidy cutbacks will increase upward pressure on prices this year.

Another factor contributing to the economic slowdown is the fall in oil prices. Qatar is one of the world's largest exporters of oil and natural gas, and the country's economy is heavily dependent on revenue from these resources. But the lower prices restrict the Qatar government from pulling back their economy.
The aftermath of the world cup might seem ugly but for a country like Qatar, things are less stressful.

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INDIA - THE 3RD LARGEST STARTUP ECOSYSTEM IN THE WORLD

MANNAT KATARIA
B.A. (HONS.) ECONOMICS

For any Country's progression, in an ideal scenario, one has to create such an atmosphere in the country that there should be more job creators rather than job seekers. Fortunately, in the last few years, India has managed that wonderfully well and henceforth emerged as the 'Third-largest Startup Ecosystem in the World' after US and China with more than 84,400 such businesses operating across 656 districts in the country. The country is often described as "the poster child of emerging markets" for its vast commercial potential for startups.

A potful of the youth of India wants to pursue a career as an entrepreneur nowadays. There is an emerging entrepreneurial culture and buzz about startups in the entire country. Indian economy, in the last eight years, has become the fifth-largest economy in the world. In India's economic progress, the youth have taken the lead by moving forward with a lot of zeal and enthusiasm. Youth is the backbone of the country; they are the future as well. Hence their growing interest towards startups has proved to be fruitful for the country in several ways.

There has been a sudden surge in the number of startups in the country over the last two decades and the numbers are continuously on the rise. The maturation of startups in India has not just been in terms of numbers but in terms of reach as well. Now, with the help of the Government's support, people in every nook and corner of the country are willing to go the extra mile to commence their startups.

Although this change has not happened overnight! It was a gradual process. Few startups did come into the new economy in the late 1990s, but they couldn't expand much; with inadequate technology and low support structures being the major reasons. In the decade that followed, the situation blossomed a bit. India saw an increased number of startups- some of them performed well, and some exits happened. A prime example of this was the major investment received in 2009 by the Bangalore-based e-commerce startup, Flipkart. The subsequent years saw a zestful startup wave in India with an augmented number of incubators, accelerators and support organisations in all dimensions. During the period 2013 to 2018, between 7200 and 7700 tech startups were incepted, which equates to an overall base growing at 12-15 per cent.

Simultaneously, access to external capital increased significantly. Initially, this led to some huge financial losses but gradually investments in startups became more prudent. India becoming the third largest startup ecosystem in the world is a 'double-edged sword' scenario for the country. This enlarged startup base can lead to immense benefits for the nation in terms of increased employment opportunities, the inflow of investments, and GDP growth. It will also inculcate a sense of innovation and invention in the citizens of the country. Moreover, entrepreneurs, these days aren't just aiming for profits but are also sensitive towards the needs of society. This helps our country to develop not just economically but socially as well. Entrepreneurs are looking for loopholes and problems in society and are working constantly to design business models that solve these issues.

Although this bright news does bring with it some challenges. Firstly, establishing and running a startup is not a cakewalk; it is a very complex process that involves a series of paperwork to be filled out and formalities to be fulfilled forcing some people to quit the idea of launching their startup.

Apart from this, there also exists a digital divide in our country which needs to be bridged to build successful products. While the amount of angel and venture capital invested in Indian startups has increased tremendously in recent years, the ecosystem still lacks resources.
These are some areas that need to be taken care of to cultivate our startup base further.

To resolve these issues and scale the number of startups in India, Prime Minister Modi, has also taken various measures including Skill India, Start-up India, Stand-up India, Make in India, Digital India, and Mudra Yojana to empower the youth. This resulted in a significant escalation in aggregate startups in the country with ten per cent being added every year. Furthermore, reality T.V. shows like Shark Tank India also play a critical role in making people understand more about investments and startups and bringing a shift in their mindsets.

Any deliberation about startups is always incomplete without the reference to 'unicorns' being made. The term unicorn refers to any startup that reaches a valuation of $1 billion. The first Indian unicorn was InMobi, an advertising technology startup based in Bangalore India also overtook the UK to have the third-highest number of unicorns after the US and China, which added 487 and 301 unicorns, respectively. As of 7th September 2022, India is home to 107 unicorns with a total valuation of $ 340.79 Bn. The years 2021, 2020, and 2019 saw the birth of the maximum number of Indian unicorns with 44, 11, and 7 unicorns coming each year, respectively. The US$10-billion, One97 Communications, which is the parent organisation of the payment system Paytm and e-commerce platform Paytm Mall, is currently the highest-valued Indian startup.

It's raining unicorns' has been the motto of the year 2021 with 44 unicorns pumped into the ecosystem and many unicorns waiting in line. Whereas, 2022 has witnessed the birth of 21 unicorns with a total valuation of $26.99 Bn. Most of these unicorns are from traditional sectors such as E-commerce, Fin-tech, E-commerce, Supply Chain & Logistics, Internet Software & Services but even unconventional sectors like Content, Gaming, Hospitality, Data management & analytics are also making their place in the list.
There is also a need to build startups in the field of core research.

Over and above that, significant unicorns like Zomato, Nykaa, PolicyBazaar, Paytm, and Freshworks have offered an IPO to grow even further. Talking about investors, as per a YourStory Report2, in H1 2022, 891 funding deals were recorded, 82.8% higher in comparison to H1 2021 (541 deals). The most active investor is Sequoia Capital India.

Additionally, there also has been a shift in the traditional way of funding, wherein startups are now looking at exercising alternate routes such as crowdfunding, revenue-based financing, venture debt, bank loans, etc. Startups such as Zerodha, which have been bootstrapping since inception are changing the unicorn funding norms and promoting independence and revenue generation since the early stages. Since the onset of COVID-19, an unconventional trend observed is the new entries to the unicorn club without any billion-dollar ticket size investment.

The germination of startups has not just been observed in Tier 1 cities but also in plenty of districts of the country as well. Today, one out of every ten unicorns globally has been born in India. In closing, India, with its vast population of 1.3 Bn, is favourably doing great on the startup front.

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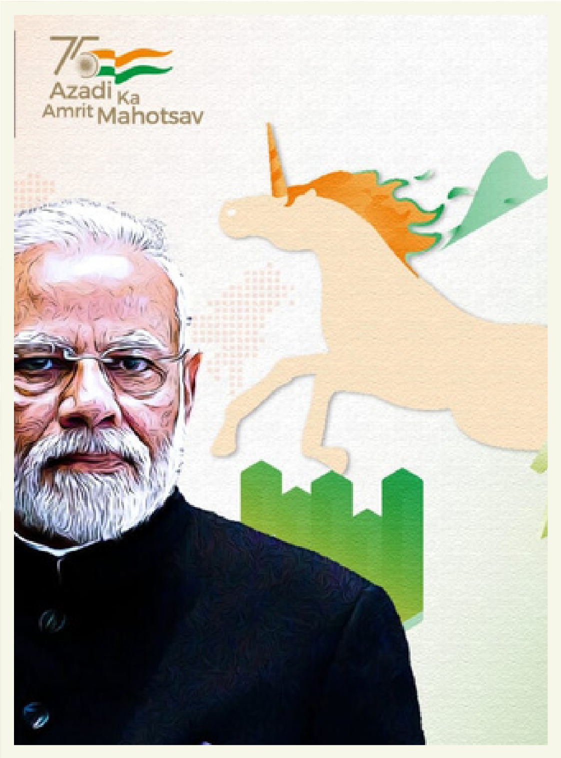


THE ECONOMIC PHILOSOPHY OF MISES

VEDANSH LAMBA
B.A. (HONS.) ECONOMICS

Economics, at its core, is the study of evaluating alternatives and make better choices in life. Since the beginning of time, economics has played a significant role in our societal choices. Even if you are not a student of economics, you would likely have made decisions based on economic philosophies and concepts. Over time, as the world identified the importance of economics in daily life, different economists and scientists produced their philosophies. Amongst all, a radical thinker with his set-in-stone beliefs produced his economic philosophy. This article takes a deep plunge into his life, who many like to call one of the finest minds to ever exist.

Who was Ludwig von Mises?

Ludwig von Mises was an influential Austrian economist. Born in 1881, Mises was raised by Jewish parents who were a part of the Austro-Hungarian nobility. By the age of 12, Mises was fluent in 4 languages. In 1906, Ludwig von Mises graduated with a Juris Doctorate in law and economics from the University of Vienna and began a career as an economist, author, and educator.

What was his ideology?

Before we dig deeper into the philosophy he supported, let us take an overview of the major economic philosophies that exist.

***Capitalism*:** If the government let people and businesses do as they please, they would act out of self-interest and maximize the economic well-being of society.

***Socialism*:** Socialists argued that the government's control of factories, tools, and key industries will promote equality and end poverty.

***Communism**:* Communists believe that all the means of production should be owned by the people. Private property should cease to exist and all the goods should be shared equally.

Mises was a staunch proponent of free-market capitalism and an opponent of socialism and interventionism. He was known for his adherence to the principles of *Laissez-faire* and strong resistance to government intervention.

The theory of money and credit

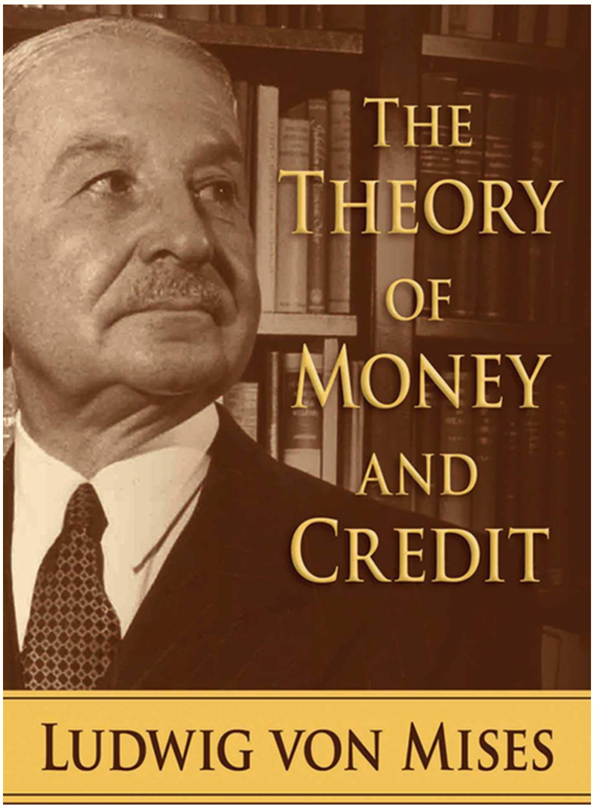
As Mises grew up, he also witnessed the growth of wealth in Austria and all-around Europe. But along with the growth of wealth, he witnessed the growth of hatred for the wealthy. Envy gave rise to the theories of fascism and socialism. Money and a free-functioning economy were under attack. This gave rise to his above-mentioned ideology and philosophy. Subsequently, he published his first book 'The theory of Money and Credit' in 1912. This book was used as a money and banking textbook for two decades and introduced the foundation of monetary theory and the first integration of microeconomics and macroeconomics. He defined how money had its origin in the market, its power as a means of bartering, and how its value is based on its usefulness as a commodity.

The same book also talked about the 'Business cycle' theory. This theory discusses the cause of recurrent business cycles and expansion and recession seen in modern economies.

He argued that business cycles are caused by the uncontrolled expansion of bank credit.

"Socialism must fail?"

Another of his extraordinary claim was that socialism must fail economically. In a 1920 article, Mises argued that a socialist government could not make the economic calculations required to organize a complex economy efficiently. He strongly believed that socialism does not leave room for free-functioning price systems in any market. A socialist economy would lead to absolute chaos and society's wealth and capital would be consumed over time.



Human Action

In his magnum opus, Human Action, Mises explains complex market phenomena as "the outcomes of countless conscious, purposive actions, choices, and preferences of individuals, each of whom was trying as best as he or she could under the circumstances to attain various wants and ends and to avoid undesired consequences." This book uses Praxeology, a distinctive methodology of the Austrian school, to study human behaviour through the choices of individuals.

Praxeology- A brief mention

Mises was the first to apply Praxeology to the Austrian method. He was not only the major draughtsman of this method but also happened to be one of the first economists to apply it to the construction of economic theory. This behaviour is completely in contrast to knee-jerk behaviour, which is a spontaneous reaction to stimuli. Praxeological economics is the structure of logical implications of the fact that individuals act. Praxeology strictly implies that an economic agent adopts goals, beliefs, and values, whether right or wrong.

Conclusion

It is not possible to summarize Mises's philosophy through this article. But it is safe to say that he was one of the most revolutionary economists to ever exist. He belonged with the great experts of his discipline; a scholar who through his intellect took this discipline to newer heights. He has had a remarkable influence despite the unpopularity of his epistemological and political beliefs.

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IPL FOR GDP GROWTH?

DISHI MAHESHWARI
B.A. (HONS.) ECONOMICS

Cricket is more than just a game. It is always celebrated not just as a sport but as a full-fledged festival in India. According to research conducted by International Cricket Council (ICC), cricket has over a billion fans globally with 90 per cent constituting in India. There is no doubt that it has a huge fan base, and with that kind of following, cricket is called a religion by millions in India. The one event that runs in India which is not divided by any religion, but instead united by the religion of cricket, is the Indian Premier League (IPL). The Indian premier league, launched by the Board of Control for Cricket in India (BCCI) in 2008, is one of the most popular leagues across the world. The founder and chairman of the IPL, Lalit Modi started the league to entice an entirely new generation of sports fans.

This game is enjoyed by everyone across the country, be it children or women or the ones who love to criticize, sitting in front of their television screens, all the big celebrities who spend a lot of their money to buy this city-based franchise.

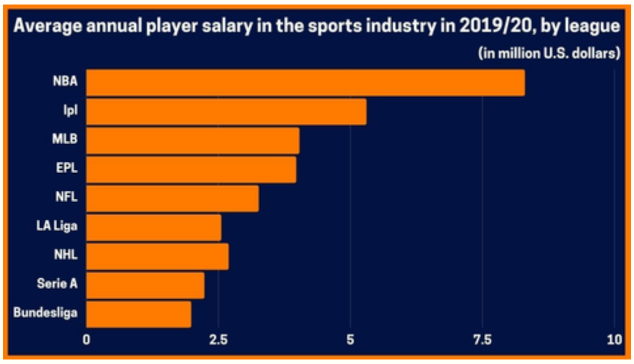
Children can be found playing cricket in the streets, while the elders are occupied watching cricket with great enthusiasm. Every fan's rise in passion during the IPL is also linked to a massive rise in GDP during the IPL. The Indian Premier League has touched great numbers. BCCI being the world's richest cricket body has positively affected the Indian economy. Let's look at the numbers now, because what is cricket without numbers? From hundreds of crores being poured in an Annual auction of the players to deals worth hundreds of crores being struck between BCCI, sponsors, advertising agencies, etc. creates a giant flow of income through various sectors during IPL. During 2021, the 60-day tournament contributed INR 11.5 billion to the Indian economy. IPL's brand value of 4.7 billion has noted a 7% rise as per Feb 2022 reports.

Media rights make up to 60% of the revenue generated. Mumbai Indians, the team with the highest brand value has increased by 13% to become 79.5 million. The IPL generates value for the Indian economy in several ways. Either directly or indirectly, it contributes a big share of the GDP of the country. Not just a big share of the money comes in during the IPL, but it also generates a large number of employment opportunities ranging from high-paying sport-related professionals, like a physiotherapist, commentators, and coaching staff, to Statia-related employees like stewarding, pitch makers, etc. The league also promotes tourism in the country. The UK-based travel company, Cox & Kings, said that there was a 30 per cent surge in travel booking during the 2019 IPL season as cricket fans flooded into India for the competition. It also promotes domestic tourism, as fans travel from different cities to see the matches.

The reports also suggest that the market for sports equipment also expanded rapidly, as a result of IPL, with the market increasing nearly to INR 40 billion.

The BCCI was considered a charitable organization before the IPL. But afterwards, the income tax department declared IPL to be a commercial activity, taxing the BCCI. The IPL increased the revenue of the BCCI, which resulted in greater tax contributions. BCCI has paid around 3500 crores as tax since the financial year 2007-2008. It has been paying 350 crores per year as tax, which leads to high government revenues. Apart from this, the IPL generates a lot of revenue through broadcasting, advertising, tickets, and sponsorship as well. The IPL has signed a five-year contract worth $2.55 billion, with a $510 million annual fee, for its worldwide broadcasting and digital rights with Star India. The IPL teams earn revenue through their sponsors and the sale of merchandise of their kits and garbs.

They even earn revenue from stalls set up in stadiums, and through the revenue shares that are paid to the teams by the BCCI. The winning team also receives a huge amount of prize money. The IPL comes second, right after the NBA. However, we already know how high our cricketers get paid.



The IPL has proved to be a great combination of cricket and entertainment. The contest has earned tons of fame and opportunities for the last many years and it continues to do so resulting in an enhanced economy, and positive growth of GDP in India.

There is a direct relationship between them. IPL and GDP go hand in hand. So, IPL: for GDP GROWTH? Definitely yes.

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THE FARMERS' PROTEST: A NEVER-ENDING ENIGMA

MANHAR SINGH
B.A. (HONS.) ECONOMICS

INTRODUCTION

The farmer's protest which started on the 9th Of August 2020 was one of the most talked about incidents of that year as it gained a lot of momentum very quickly and even reached the global stage. It all began when the government decided to implement the three new farm laws to liberalize the agricultural sector but the farmers thought that these laws would take away their right to the minimum support price and also decrease their control over the market which led to a huge disruption between the farmers and the Centre. So through this article let us take a recap of one of the most influential protests in the country that went on for more than a year.

FARM BILLS 2020:

What were they and Why was it introduced?
In September 2020, President Ram Nath Kovind gave his nod to the three 'Agriculture Bills' that were earlier passed by the Indian Parliament. These Farm Acts are as follows:

1- Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020
2- Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020
3- Essential Commodities (Amendment) Act, 2020

These bills were brought in to make changes in how agricultural products are sold in the market. The basic idea behind these bills was to reform the agriculture sector and to benefit the farmers in terms of getting a good deal for their produce.

Response of Farmers to the Bill:

The major concerns for the farmers from the bill were regarding the Minimum support price(MSP) and the low bargaining power. One of the other reasons also was that Most farming unions and bodies fear that relaxations like this will end up making it much easier for corporations to control the pricing of farmers' products and in the long run, control the entire market machinery.

The farmers revolted against this bill through mass protests. Bharatiya Kisan Union and other farmer's organizations sought permission from the Haryana government for a protest rally. But it was denied by the BJP-led state government, saying that in the prevailing situation of Covid-19, protesting will not be the right thing to do.

But things worsened when the farmers didn't listen and took out a protest which had more than 100 farmers participating in it.

As soon as the acts were passed farmer's unions came together and started the local protests which were mostly seen in Punjab. On 24 September 2020, the "Rail Roko" campaign was started, stopping the train services to and from Punjab, which was later called off. Further aggravated in 2 months farmers started the movement 'Dilli Chalo'.

Seeing that the government was not listening to the concerns of the farmers there was a nationwide strike in November where more than 250 million farmers came in support of it. On the occasion of republic day, thousands of Farmers paraded towards the red fort which led to violent clashes with the police and removed the Indian flag from the red fort and replaced it with the farmers union one.

Supreme Court's Interference: A wise decision?

The supreme court tried to resolve the matter between the farmers and the Central government, the court noted that it could not hinder the farmers from protesting as it is their fundamental right as long as they are adhering to the rules and not doing any sort of violence. The court also formed a body of esteemed members to look into the farm laws although they were said to be constitutional.

Impact of the protest on the economy:

The agitation had a deep impact on the economy as it led to supply chain disruptions, which already impacted the economic recovery going on during COVID-19. As the challenge of economic recovery was already present the Confederation of India urged the stakeholders to reach an amicable solution in the interest of the industry and the economy. Punjab, Haryana, and Himachal Pradesh were the ones who suffered a big blow as they were interconnected economies resulting in a daily loss of approx. 3000-3500 crores. As the roadways were blocked so the transport vehicles were forced to travel up to 50 per cent longer to reach Delhi from the warehouses in Haryana, Uttarakhand, and Punjab. Industries such as textiles, auto components, bicycles, and sports goods which cater significantly to the export markets also were not able to fulfil their orders on time.

Summary

In conclusion, the farmers' protest in India is an ongoing movement that has been sparked by the newly passed laws that the farmers believe will leave them at the mercy of big corporations and reduce their bargaining power. The farmers are demanding the repeal of the laws and the guarantee of minimum support prices for their crops. The protest has highlighted the deep-seated issues in the Indian agriculture sector and the need for reforms that protect the rights and livelihoods of farmers, while also addressing the challenges of food security and sustainable agriculture.

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THE ECONOMIC IMPACT OF THE RUSSIA-UKRAINE WAR

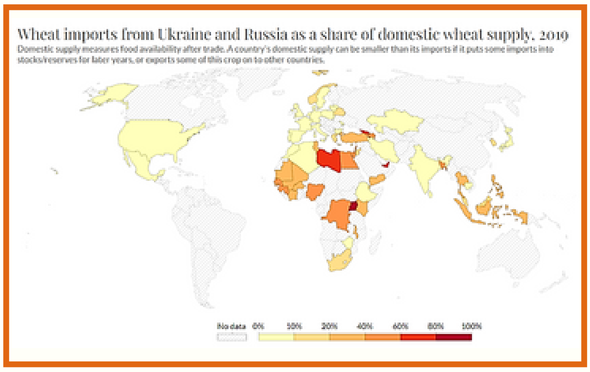
DEVIKA
B.A. (HONS.) ECONOMICS

"A single death is a tragedy, a million deaths is a statistic."

These were the words of the infamous Soviet leader Joseph Stalin while discussing the topic of a famine prevalent in Ukraine in the early 19 century. The above-mentioned famine – under the then-Commissar of Munitions Stalin – went on to be called "The Holodomor" (lit. death by hunger) or The Great Terror Famine. Even after a century, the antagonistic diplomatic relations between the two former Soviet nations have remained the same, if not exacerbated, as was demonstrated by the Russian invasion of Ukraine on 24 February 2022. The subsequent annexation of four Ukrainian oblasts by the Russian military triggered a domino effect and resulted in tens of thousands of deaths on both sides, instigating Europe's largest refugee crisis since World War II. Although the still-ongoing war has had profound social, political, and environmental impacts globally, perhaps the most significant of these is the acutely dynamic shock to the global economy, which is what this article aims to analyze.

FOOD AND CROPS

Ukraine, which used to be a major contributor to the World Food Programme, is now ironically in dire need of food aid due to the war. This has global ramifications, as reduced food outputs from Ukraine and Russia have sent shockwaves throughout the world. The impact has been felt most strongly by countries that directly import these commodities. However, even net importers have been affected by the skyrocketing food prices. The attack on Ukraine in 2022 caused wheat prices to soar to levels not seen in over a decade. Ukraine and Russia are major players in the global food market, accounting for a significant portion of wheat, sunflower, and seed exports. The two countries together export more than half of the world's sunflower oil, with India being a major importer. The war's impact on food security is far-reaching and has significant implications for global hunger.



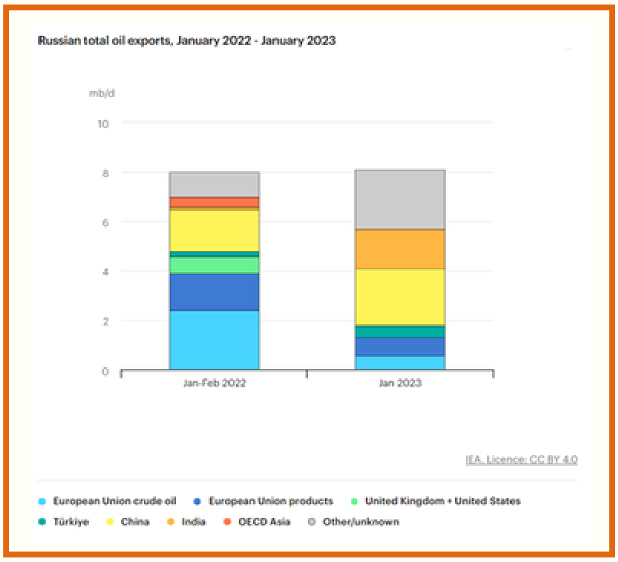
The United Nations Food and Agriculture Organization (FAO) reported on March 4th that the global Food Price Index hit a record high in February 2022, showing a 24% YoY growth. Any possible disturbance in the worldwide wheat supply could worsen the hunger emergency in East Africa, Afghanistan, and Yemen.

The Executive Director of the World Food Programme, David Beasley, almost predicted the above unfortunate outcomes in March 2022 when he said that the war in Ukraine could take the global food crisis to "levels beyond anything we've seen before".

Energy and Oil

The global energy outlook drastically changed one year after Russia's incursion into Ukraine. Consumers in various regions have faced high prices, while geopolitical tensions centered around energy security have continued. Additionally, the world's reliance on fossil fuels has been highlighted, exposing its price and resource instability.

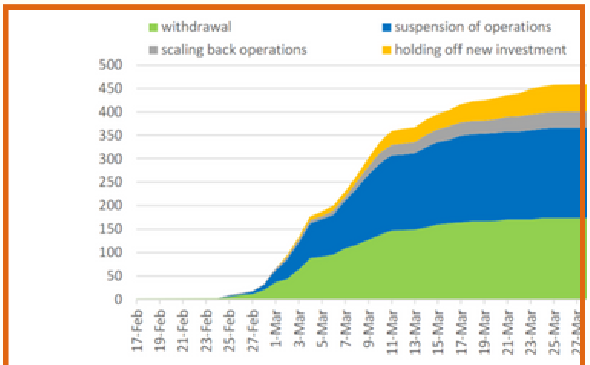
In January 2022, Russia ranked third among oil producers globally, generating 11.3 million barrels per day, with 10 Mb/d of crude oil. Despite this, Russia is the top exporter of oil products and the second-largest crude oil exporter, after Saudi Arabia. In response to Western sanctions, Putin announced on March 31, 2022, that Russia would cease to supply gas to Europe that was not paid for in the roubles. As a part of its economic retaliation for the invasion of Ukraine, the European Commission proposed and endorsed a partial ban on Russian oil imports in May 2022. The European Union also unveiled plans to terminate its dependence on Russian oil, natural gas, and coal by 2027 on May 18, 2022. The invasion threatened the energy supply from Russia to Europe, with natural gas prices in Europe reaching an all-time high and Brent oil prices rising above $130 a barrel for the first time since 2008. European countries have sought to diversify their energy supply routes due to the ongoing supply cut-offs from Russia. Although a mild winter and lower demand have kept the EU's gas stocks relatively stable during the coldest months, a potential shortfall of almost 30 billion cubic meters of natural gas is predicted for this year's winter, which could pose a significant challenge.



Russia's oil supply has held up reasonably well despite sanctions, with Moscow rerouting crude shipments to Asia and the G7 price caps helping to keep oil flowing. Prior to the sanctions, 60% of Russia's oil exports went to European OECD member countries, but now Russia only accounts for 34% of European oil imports. However, Energy Aspects estimates that up to 70% of Russian crude barrels may struggle to find buyers as the Middle East becomes Europe's preferred crude supplier. Even if supply falls sharply, Russia will remain a significant player in global oil markets, ranking third in oil production after the US and Saudi Arabia.

Foreign Investment

The Russian invasion of Ukraine has led to many companies divesting their operations in Russia for various reasons, including reputational risks, volatile market conditions, and practical challenges. According to a Yale University study, around 350 foreign investment companies have left the region, including luxury and retail brands such as Chanel and Zara. Companies like McDonald's, Starbucks, IKEA, and Heineken have also suspended their operations in Russia due to Western sanctions. In addition, about 150 companies, including BP, Exxon, and Shell, have halted their engagement in the Russian market. The suspension of Russia from international football competitions also led to Adidas suspending its contract with the Russian football league, and Warner Bros postponed the release of its films in the country, including The Batman.



Source: Yale School of Management (2022[7]).
Note: Latest data available - 28 March.

Several multinationals that have announced changes to their operations in Russia-

Corporate War Profiteering

The major oil and gas companies, including Shell, Exxon Mobil, Chevron, Phillips 66, BP, and Sinopec, and the major weapon manufacturers, such as Raytheon, Lockheed Martin, and BAE Systems, reported sharp rises in interim revenue and profits.

The "ABCD" companies, which refer to the four companies – ADM, Bunge, Cargill, and Louis Dreyfus that dominate world agricultural commodity trading - have seen large profits as a result of the war in Ukraine and rising food prices.

Population

Reports indicate that Russia is currently facing a wave of emigration due to its worsening economic situation and civil unrest, which could have a significant long-term impact on the economy. Over 50,000 information technology specialists have already left the country. Those who remain in Russia are facing high inflation, unemployment, capital controls, restricted travel, and shortage of goods, leading to comparisons with conditions following the collapse of the Soviet Union. Additionally, in response to entertainment industry sanctions, Russia is reportedly considering the legalization of software piracy.

How is This Different from 2008 GFC or COVID 19 Crisis?

A group of five British university professors conducted a study on the impact of the Russian-Ukrainian war on global financial markets, finding that the war has caused significant volatility. Unlike the 2008 Global Financial Crisis or the Covid-19 pandemic, the market response to the invasion was immediate, indicating that investors considered it to be real news. However, the duration of the crisis suggests that its severity was not as great as that of the previous crises, likely due to market expectations that the war would not be prolonged.

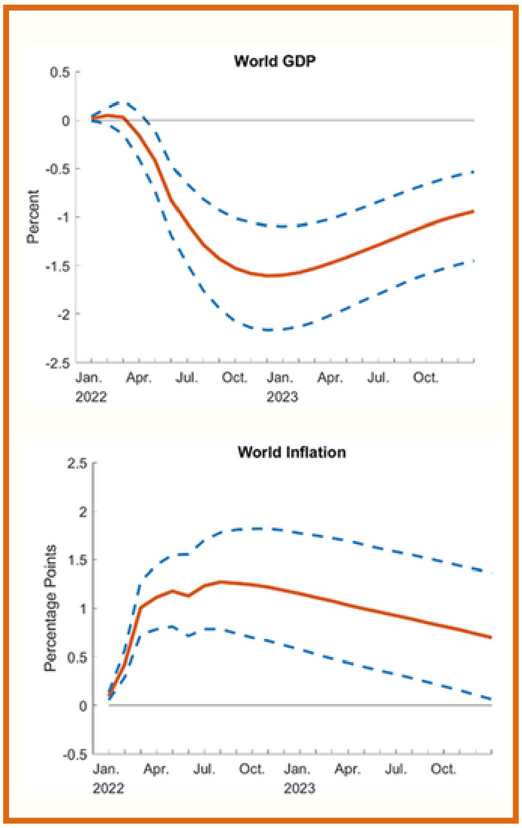
Macroeconomically Speaking

The world has been rocked by escalating geopolitical risks ever since Russia invaded Ukraine. Those involved in the markets - investors, policymakers, and traders alike - have been anticipating that the conflict will cause a substantial drag on the global economy. There is a strong belief that the conflict will push up inflation, increase uncertainty, and lead to the possibility of adverse outcomes. As a direct consequence of the war and the sanctions imposed on Russia, both the Russian and Ukrainian economies are shrinking rapidly. The situation has caused commodity markets to go into disarray, and financial markets have been experiencing high levels of volatility since the start of the conflict. In light of these developments, an important question arises: how significantly will these geopolitical tensions impact economic activity not only in 2022 but also in the years to come?

Effects of Higher Geopolitical Risks on GDP and Inflation

Elevated geopolitical risks have historically had significant negative impacts on the global economy. Wars lead to the destruction of both human and physical capital, shift resources to less efficient uses, and disrupt international trade and capital flows, causing global supply chains to suffer. In addition, changing perceptions about the potential outcomes of such events can further affect economic activity by delaying investment and hiring, eroding consumer confidence, and tightening financial conditions. By simulating the effects of increased geopolitical risks since January 2022 on global GDP and inflation, it can be seen that world GDP is negatively impacted, with a cumulative effect of around 1.7 percent, while inflation increases by 1.3 percentage points by the second half of 2022, after which the effects start to subside.

The Effects of the Recent Increase in Geopolitical Risk-



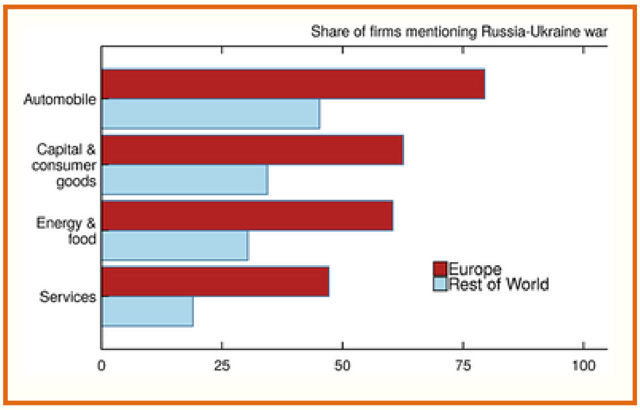
How are geopolitical risks transmitted to the global economy?

The graph depicts the global economic response to a geopolitical risk shock. The heightened geopolitical risks in 2022 lead to declining consumer confidence and stock prices, which weakens aggregate demand. The dollar appreciates, in line with evidence that shows spikes in global uncertainty can trigger flight-to-safety international capital flows. As a result, commodity and oil prices increased, putting downward pressure on global activity and upward inflation pressure.

Country and Industry Exposure to the Conflict

Geopolitical risks tend to have varying economic impacts across different regions, with those in close proximity to the conflict being the most vulnerable. This suggests that the economic repercussions of the current geopolitical risks may not be evenly distributed globally. The evidence suggests that European countries are likely to be the most affected, while the rest of the world may not experience the same intensity of impact. Overall, this raises concerns that European countries may bear a larger brunt of the economic fallout resulting from the ongoing conflict.

The impact of the ongoing conflict is expected to vary across industries. Industries that produce goods seem to be more affected, particularly European automobile companies, which were already experiencing supply chain issues prior to the Russian invasion. On the other hand, industries that are less prone to supply disruptions, such as services, appear to be less affected by the war.



Firm-Level Geopolitical Concerns by Industry in 2022

Deglobalization Risk

The risk of deglobalization has increased significantly since the invasion of Ukraine, with calls for more resilient supply chains and less reliance on imports. If trade between advanced economies and China also drops, it could have a significant impact on globalization, leading to higher costs and less "creative destruction" in the economy.

Moreover, deglobalization could exacerbate upward inflation pressures and have negative effects on a country's institutional development. This could be a huge negative shock for the world economy, with estimates suggesting a 2-3% lower GDP for the US and 3-4% for China. The realignment of the global economy could also have negative effects on geopolitical stability.

Respite Ahead?

The recent Russian invasion of Ukraine has heightened geopolitical risks, which are expected to cast a shadow on global economic conditions for the year 2023 and beyond. These effects are projected to shrink GDP and raise inflation, adding to the policy dilemmas that central banks around the world already face. While these effects are not significant enough to disrupt the world's recovery from the pandemic, the unpredictable nature of the conflict leaves room for further surprises that could increase geopolitical risks and exacerbate its economic impacts. The path onward is far from certain, and the world may need to brace itself for unforeseen challenges.

John Adams, the 2nd US President, said "Great is the guilt of an unnecessary war." And more than 200 years on, it still echoes loud and clear.

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UNSTOP CONTEST ARTICLES

SECOND HAND ECONOMY: A SECTOR WORTH FOCUSING FOR DEVELOPMENT?

Ishita Garg
BA (H) Economics
Sri Venkateswara College

India's second hand markets, whether it be of mobile phones, automobiles or of luxury goods, are continuously growing and seem to have a huge scope of further expansion. Undoubtedly, second hand markets have positive impact on the environment. But there is uncertainty on how this sector contributes to the economic growth of any country? Let's delve deeper into this discussion.

Second hand practices increase the utility of goods in the economy. The lifespan of the products increases when other individuals are provided the used goods. It can take place in different ways: second hand purchasing, exchange, donation, sharing or lending of durable and semi-durable goods.

CONTRIBUTION TO GDP

Let's now examine the impact of second hand goods on economic growth of any country. People have varied views on this topic. Different studies show different results on the relation between second hand markets and new goods market. Some economists argue that second hand market activities increase the demand for new goods. Presence of these markets ensure that the durable products can be easily resold by their original buyers. This increases the consumer's wealth, hence, indirectly increases the overall demand in the economy. There are certain goods which are affordable for only upper and upper-middle class people in a society. Others too are in need of such goods but cannot afford it because of cost factor. Firstly, if buyers know that they can resale what they have bought, they will be ready to pay higher prices for the new products. Also, they might want to buy a new one after getting a good price for the old one, thereby increasing the industry's total demand. Secondly, the people waiting for these good to become affordable will also be catered as they can buy the second hand goods at reasonable price. On the contrary, there are economic models that suggest the opposite. For instance, economic model improvised by Thomas (2003) concludes that for the goods with "steady long term value", increase in second hand market sales reduces the new goods market demand. The same model suggests that for the goods with "effectively zero second-hand price" (or price including transaction cost only), clothing (say), there might be a direct relation between sales of second hand goods and demand for new goods. Further, this relation is negative in case of "positive second-hand price".

Certainly, the contribution of second hand markets to new goods markets remains ambiguous but second hand market do contribute to the GDP. Businesses that deal in the goods for resale are providing their services as a link between the sellers of these goods to the end buyers. GDP takes into account this value addition. However, GDP measurement is designed in such a way that it is not able to capture all such transactions. For instance, if you yourself are looking for a potential buyer for your old mobile phone instead of paying to a dealer for the same work, this value adding service of yours would not add up to the GDP.

THE CANANDIAN CASE

According to the Kijiji Second-Hand Economy Index Report (2019), second hand market is a significant part of Canadian Economy. It states that Canadians spending in reusable goods contributes close to $34 billion to the country's GDP. An average household there saves approximately $1,150 per year by buying second-hand goods. This help in promoting local economy as otherwise this amount would have been spent on imports. 80 percent of the durable and semi durable goods are imported by the consumers in Canada instead of manufacturing domestically.

CONCLUSION

We can conclude that developing second hand markets plays an important role in economic growth while ensuring economic welfare of the country. Economic welfare of a country is ensured through prosperity and improved standard of living. Existence of second hand market ensure circular economy in the country. Thus, optimum utilization of extracted resources by extending the "use-phase" of the goods and reducing the waste dumped in landfills. Considering the plethora of benefits for the environment and economic welfare aspects of second hand market, India's social and economic policy should support the development of these markets. Indian economy is digitizing at a fast pace, thus, providing an opportunity to set up a significant online marketplace for second hand goods.

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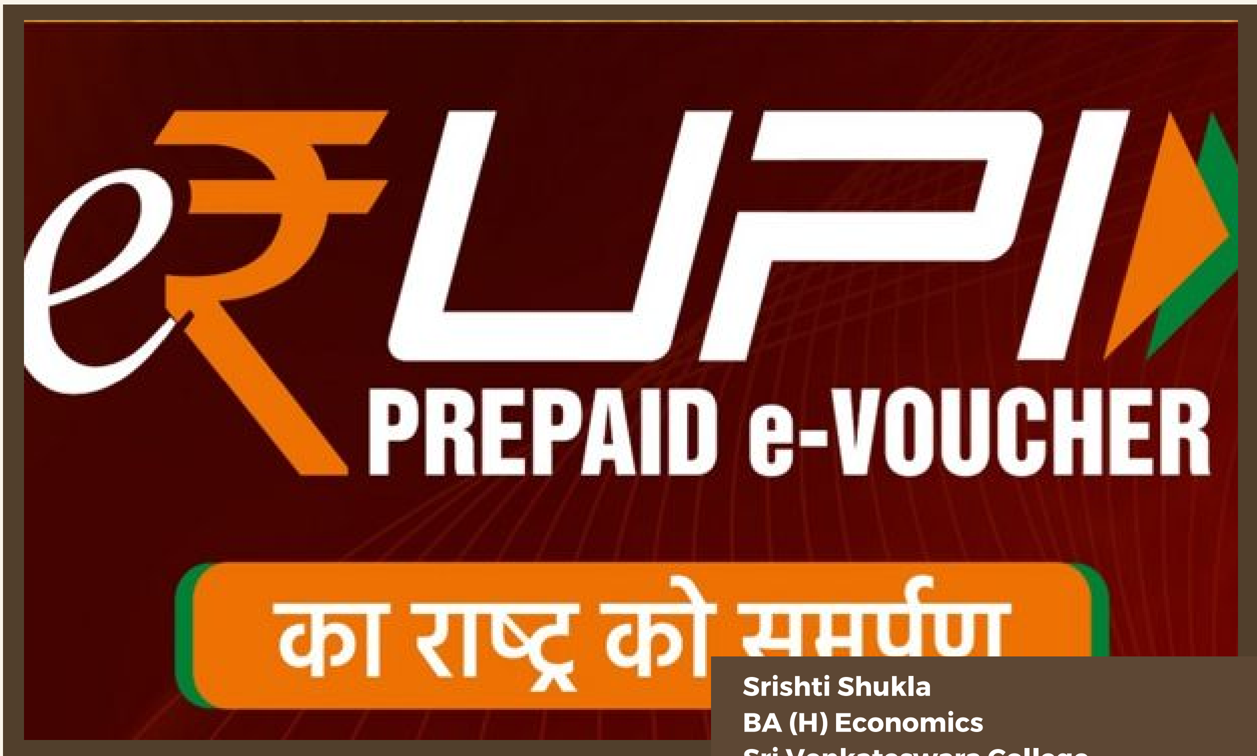
E-RUPI: A GAME CHANGER



Srishti Shukla
BA (H) Economics
Sri Venkateswara College

The recent hype about the growing dominance of cryptocurrency and its related repercussions has been gathering momentum. The growing fear that the **volatile private virtual currencies** may take a toll on the Indian rupee has resonated in numerous economic discussions and symposiums. The subsequent threats that private virtual currencies pose on our domestic currency can neither be undermined nor underestimated. The more one probes this matter, the more vulnerabilities become apparent. There is, in fact, deep insecurity that cryptocurrencies may undermine the **monetary sovereignty** of Central Banks. In a sense, these developments have set the stage for India to issue its own digital currency, **e- Rupi**.

e-Rupi is a **cashless and contactless digital payment** medium, which will be delivered to mobile phones of beneficiaries in the form of an SMS-string or a QR code. The introduction of a **Central Bank Digital Currency (CBDC)** such as the digital e-Rupi marks the **epoch of India's monetary and economic history**. While it may be too early to foretell how transformative this development will be for the Indian economy, the success of e-Rupi largely depends on its accessibility and wide reach to the masses.

The e-Rupi platform, developed by the National Payments Corporation of India, Department of Financial Services, is the first step towards digital currency in the country. It is an electronic voucher based digital payment system, which will connect the sponsors of the services with the beneficiaries and the service providers without any physical interface. It ensures a **leak-proof delivery of welfare services**, since there is no third party involved in the entire process.

The RBI had recently said that it has been working towards a phased implementation strategy for CBDCs, which are necessary to protect the general public in an environment of volatile private virtual currencies. There are four reasons why digital currencies are expected to do well in India:

a. **Increasing penetration of digital payments** in the country that exists alongsidesustained interest in cash wage, especially for small value transactions.
b. The **spread of private virtual currencies** such as Bitcoin and Ethereum may be another reason why CBDCs become important from the point of view of the Central Bank.
c. CBDCs might also **cushion the general public** in an environment of volatile virtual currencies.

In this context, it is prudential to issue e-Rupi at this developmental stage of India.

a. Growing Influence of Cryptocurrencies: The basic motivation for central banks across the globe to contemplate the issue of digital versions of their national currencies, seems to be the fear that their domestic currencies will be displaced by private cryptocurrencies. When Facebook announced in 2017 that it was going to issue a cryptocurrency 'Libra'-since then renamed 'Diem', central banks were jolted. They were paranoid about the potential threats which Diem, backed by a reserve asset such as the US dollar, will pose on their currencies. They were also speculating that this strength synergizing with a huge client base will give Facebook the clout to pull payment transactions away from domestic currencies into its own Diem. Therefore, issuing their own digital currencies is an immediate response of central banks to this threat.

b. Hike in Digital Payments: Since the past few years, there has been an unprecedented hike in digital payments as the low-income segments have also adapted themselves to the change more enthusiastically.

However, the CBDCs have some little-known downsides which need to be assessed adequately:

1. **Negative Impact of CBDCs on Commercial Banking System:** Commercial banks accept deposits and after keeping a stipulated percentage of deposits with themselves, they lend the remaining balance to the needy borrowers at a rate of interest higher than that offered for deposits. This process of financial intermediation has historically driven economic growth in the country. The paranoia of CBDCs is that with their issue, people will move their deposits from commercial banks to their accounts in the central bank. This will gradually diminish the deposit base of commercial banks, raise the cost of deposits and hence the cost of credit.
2. **Bank Runs:** Having a CBDC account with a central bank will make it easier and tempting for people to pull their money out of commercial banks. This may trigger a bank run.
3. **Issue of Privacy:** Payments in form of currency notes do not leave any trail. However, a transaction in a CBDC leaves a trail. While this may help keep any illegal or surreptitious activity in check, it hampers citizens' privacy.

e-Rupi marks a new feat in India's trajectory of economic growth and banking. It may prove to be a game changer by disallowing virtual cryptocurrencies to develop a broader user base in India. Central banks have the moral responsibility of freeing people from the tyranny of virtual currencies, and the inception of CBDC will help them discharge their duty. One possible way of retaining a deposit base for commercial banks while at the same time introducing e-Rupi is to issue the disposable cash even after CBDCs come into play. Indeed, e-Rupi will be a testimonial game changer for the Indian economy.

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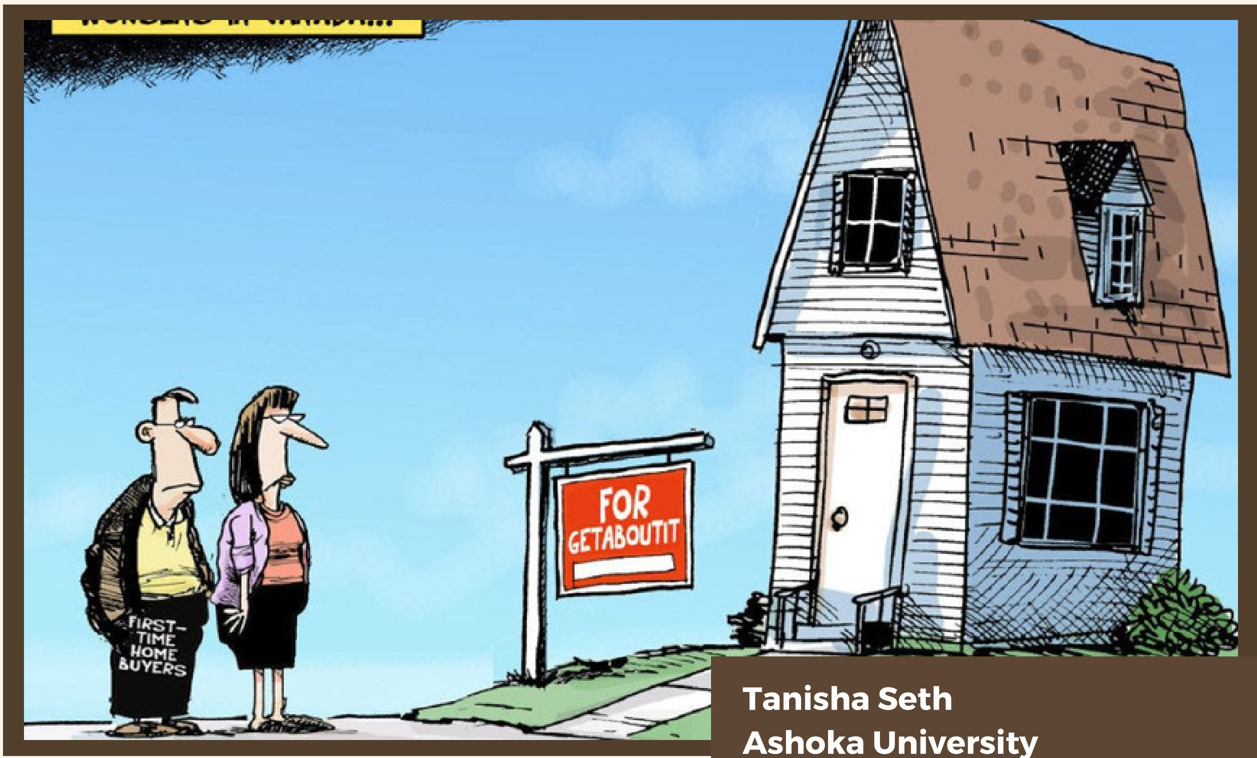
FINANCIALIZATION OF HOUSING



Tanisha Seth
Ashoka University

On 1 March 2017, the Special Rapporteur on the right to housing of the UN Human Rights Council, Leilani Farha, issued a report on the financialization of housing. The report discusses a shift that has occurred over recent years in the global housing markets. Notably, it covers the growing disconnect between housing as somebody's right and housing as a financial instrument for investment. From the consequences of the 'golden visa' in countries like Spain and Portugal to the thousands of foreclosures per day within the US during the world financial crisis in 2008, the rapporteur paints a picture, arguing that the financialization of housing "undermines democratic governance", "exacerbates inequality", "dehumanizes housing" and causes displacement and homelessness, which isn't necessarily true.

Financialization of housing liquidates assets and provides us with a convenient means of accumulating capital. Especially for companies, their business performance directly affects the country's or the world's economy, and thus, the standard of our life.

Moreover, housing is one of the foremost popular assets among high-priced properties. The value of global land is about US$ 217 trillion, nearly 60% of all global assets, with residential assets comprising 75% of the total.

However, we have one problem to consider: the right to housing. Different from ships or forests, housing is a commodity and an indispensable asset that all people need to measure dignity and security. Therefore, after we invest in housing, we must always think much of it. The best example is the 2008 financial crisis. There are many factors in this crisis, but one of the most important reasons why this happened is the financialization of housing. There were bubbles in housing prices, plenty of land, and plenty of financial institutions like Lehman Brothers issued lots of subprime mortgages. People fancied that the value of housing would go up infinitely and almost nobody, even professionals in financial institutions could doubt it. From the point of view of behavioural economics, this can be the foremost typical false belief. If people see the worth of housing increasingly go up till today, they are inclined to think that the value will go up in the future. There are other samples of balancing the advantages and disadvantages of the financialization of housing. In line with the Report, the town of Vancouver recently approved a tenth tax, which might apply to both foreign and domestic investors, on vacant homes. The Mayor of London recently announced that builders are required to make sure that 35% of the latest homes that are built are genuinely affordable. Ofek and Richardson have demonstrated a link between restrictions on a short sale and therefore the dotcom bubble, arguing that when investors are restricted in their ability to short sell a stock, they're unable to "bring markets back to reasonable price levels". While short sale within the housing market remains difficult, certain financial products like Exchange-Traded

Funds (ETFs) that track the inverse of a portfolio of REITs may provide some opportunity for investors to try to do so. Evidently, new financial products that allow investors to short-sell the housing market, will make the markets more efficient and therefore the advent of a bubble less likely.

Finance has helped people insure themselves against life-threatening illnesses, property damage inflicted by natural calamities or human negligence, and even unexpected lay-offs and unemployment. From the invention of inflation-indexed debt (first established in Massachusetts in 1780, which protects investors from the devaluation of government-issued debt thanks to inflation) to Mortgage-backed securities (that have ensured a better supply of capital to potential lenders, making housing cheaper. When a graduate leaves his city to seek out employment and settles elsewhere, it's the financialization that helps the young adult to buy a house at a price that he can afford. The Financialization of Housing has helped millions, but the vulnerabilities within the system and lack of regulations have resulted in the exploitation of some financial products and inventions resulting in widespread crisis and the emergence of public disbelief within the financial set-up.

Thus from an inflation-indexed debt to home equity protection, these examples show a unique side of financialization. They demonstrate that financialization isn't inherently bad or good. Rather, within the housing market financial innovation can have both positive and negative effects.

And while the necessity for extra regulation to counteract the negative effects of economic innovation (as the report recommends) is evident, we must always not forget that new financial products may affect positive change in global housing markets, possibly making this right more cost-effective and accessible to people across the world.

However, above this advantage, we must always recognize that housing is one of the most indispensable commodities for people to measure dignity and security. Human rights are of paramountcy. States, of all things, have subsidized the excessive financialization of housing at the expense of programs for those in desperate need of housing. It is, however, completely imbalanced. What we must do is balance the build-up of capital with the financialization of housing and the protection of the human rights of housing.

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ECONOMICS OF HAPPINESS

Anushka Bharadwaj
Maitreyi College, University of Delhi

Economists in the recent past have devised several methodologies like the calculation of GDP, per capita income, HDI, etc. to compare the growth trajectories of different countries in accordance with which the countries across the world strive to progress. However, in an era where work-life balance and mental well-being are of great concern, happiness economics, which emphasizes the relationship between economic indicators and happiness, has become a popular discipline.

World happiness report 2022 has ranked Finland, Denmark, Switzerland, Iceland, Netherlands, Norway, Sweden, Luxembourg, New Zealand, and Austria as the top 10 happiest countries. Figure 1 consists of a bar chart that shows the number of times various countries have been featured in the World Happiness Report. Since every year, the world happiness report majorly consists of high-income countries, it raises the question of whether income level impacts the level of happiness.

It is conventionally assumed that income level and happiness go hand in hand however, certain instances show that while GDP per capita and other indicators have simultaneously increased with happiness levels in Denmark, it is not in correspondence with happiness levels in India. Costa Rica ranked 12th in the world happiness report 2021 whereas Georgia and Bulgaria, which fall in the category of middle-income economies, ranked at the bottom of the list.

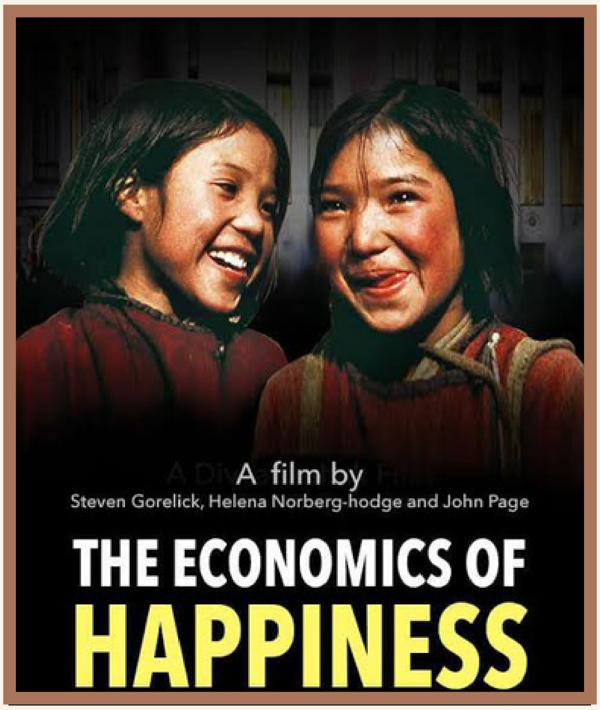
Richard Easterlin, a renowned professor of Economics at the University of Southern California, observed a similar phenomenon in the case of the US economy which had experienced an unprecedented boom post world war yet there was an insignificant surge in happiness levels. This was popularised as Easterlin Paradox, formulated in 1974, which states that happiness varies directly with income in the short run however the same may not be the case in the long run Income inequality may be attributed as one of the reasons for the paradox as an increase in GDP per capita hides disparities between the rich and poor, inducing insecurity, unfairness, and deprivation.

Certain other explanations of this paradox may include education, which in the form of knowledge, skill, and expertise enhances productivity, aspirations, self-esteem, and overall well-being, thus, making a person happy. Though it plays a significant role in economic growth, it may not highlight a reduction in happiness levels due to factors such as drawbacks in the system resulting in immense academic pressure on the students. Elaborating on this further, people seek employment to earn a living which further infuses a sense of self-esteem and makes a person realize their self-worthiness which enhances their happiness level. An increase in employment enables income generation, however, it may hide factors such as organizational workload and an unethical environment which reduces the happiness level.

Freedom and equality with political, social, and economic stability foster happiness. However, an undue advantage of freedom may induce a sense of lethargy and low productivity which may result in the imposition of stringent rules and regulations, thus reducing the happiness level, but enhancing growth at both, micro, and macro levels. For example, a democratic government is favoured due to its accountability, responsiveness, and legitimacy but historic events of dictatorship between 1950-2000 show a higher rate of economic growth.

Economist Jeffrey Sachs, the former director of 'The Earth Institute' at Columbia University once mentioned that the sages taught humanity, time and again, that material gain alone will not fulfil our deepest needs. In simple words, living in a high-income urbanized economy may not always guarantee happiness whereas the same can be achieved in a low-income economy bound with natural beauty if these material gains can be converted to enhance happiness levels. Therefore, the perspective of economic growth incorporated with happiness can differ across borders depending upon the social, political, and economic systems along with the culture, interests, and mindsets of the population.

Economist Paul Krugman said that productivity is not everything but in the long run, it is almost everything. Though the above-mentioned instances show that the factors determining happiness levels are complex, it is very important in today's world as a surge in happiness level can serve as a source of increased productivity of the workforce of the economy, thereby giving positive outputs to income, employment, and overall well-being. Therefore, incorporating happiness as a significant aspect of policy frameworks can facilitate economic growth.



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THE HUNGER GAMES FROM AN ECONOMIC PERSPECTIVE

Kshitija Kulkarni
Gokhale Institute of Politics and Economics (GIPE), Pune

The trilogy of books about the Hunger Games popularized dystopian young adult literature for the generation of the twenty-first century. The fictitious nation of Panem is the setting for the book. The story's core assumption is that there is a society in what was formerly North America that is composed of centralized capital and 12 outlying districts. Each district must send two tributes to the Games, a boy and a girl, who compete to the death until only one person remains, who has then crowned the victor. Some tributes build a coalition based entirely on mutual trust in order to gain the upper hand.

It is governed by the Capitol, a corrupt institution. Every district is required to generate only one kind of product in particular. Each district is an expert in a specific good. The goal of the Government is to maintain control over its inhabitants, not to maximize economic progress. The economic inability of citizens to choose their employment forces them to remain in the same positions despite meagre pay.

In Panem, as the government makes all the choices, it does not let the forces of the market determine the costs and the availability.
A sizable portion of the populace is subsisting on little or no food. As a result, there are shortages or surpluses, which limit the economy's expansion. This a classic example of a command economy.

The outcomes of one's decision are contingent on the decisions made by others, which is how interdependent decision-making is represented in game theory. This a classic example of a prisoner's dilemma. It is difficult to fully entrust others with your life in a coalition, particularly in this situation where one person stands to gain from your demise. The decision matrix represents the possible outcomes when allies decide whether to trust.

In the case of the two protagonists Katniss and Peeta, in order to try to win the games, they can either choose to trust each other or rebel. The best result occurs when both work together, yet logically, each person should choose to rebel on their own. Katniss might survive if Peeta chooses to trust and she does as well. Yet if she decides to rebel, she will undoubtedly survive. Thus, if Peeta decides to trust, she should naturally rebel. So, what if Peeta decides to rebel? Katniss will undoubtedly perish if she decides to collaborate in the face of Peeta's uprising. She can lose her life if she decides to revolt. She should rationally rebel as a result. Hence, Katniss should rebel regardless of what Peeta decides to do. The situation is the same for Peeta. Both should thus rebel.

Their feelings intensify as Katniss and Peeta become closer and pretend to be in love. In a Prisoner's Dilemma game, choices are extremely situation-sensitive.

		ALLIES	
		Trust	Rebel
TRIBUTE	Trust	Both survive	Tribute dies, Allies win
	Rebel	Tribute wins, allies die	Fight each other to death

For instance, social interaction enhances the likelihood that game players will cooperate. In time, cooperation also gets better. Katniss and Peeta gave evidence of this by interacting before the games and growing closer as time went on.

It's interesting how the logically best course of action isn't always the right one. You must also take other aspects into account. While it is in everyone's self-interest to betray others in these circumstances, it is crucial to consider the possibility of treachery in such circumstances. Thus, the trilogy provides a glimpse of what could go wrong and encourages us to reflect more thoroughly on the economics of the society we live in in a world where economic disparity is prevalent and the function of the government is frequently questioned.

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ASYLUM IN EUROPE: ECONOMIC ANGLE

Tanvi Vaidhyanathan
Shri Ram College of Commerce
University of Delhi

In 2015, the entire world was shaken as a consequence of just one image. It was the picture of a 3-year-old Syrian boy, Alan Kurdi, who washed up, dead, on the shores of a beach in Turkey. The horrific scene of the lifeless body of a young child sent chills down everyone's spines. He was one of the refugees, trying to escape the bloody civil war in Syria. Recently, The Russia-Ukraine war led to a similar crisis. As of 23rd March 2022, more than 3.5 million Ukrainians have left their country, and are now refugees. This is significantly contributing to the ever-increasing refugee crisis in Europe. As a consequence of this incident, the refugee movements in Europe were brought back into the limelight.

Many of the refugees seek asylum in countries like Greece, Germany, or Italy. Providing asylum to the displaced is a very noble act.

It gives refugees a second chance to live a happy and safe life, without the threat of their survival looming over their heads. By providing them with the right to earn by working, health, and education, refugees can start productive lives in their host countries. Turning our backs on refugees in many cases might be fatal for them.

The European economy is already very fragile. This has been concerning for the south zone members like Greece, Italy, Spain, and Portugal, out of which as mentioned above, Greece and Italy are the major asylum providers. As a result, many have expressed their concerns over the influx of refugees in Europe.

The most significant concern is that of a possible Shadow Economy, which is the existence of illicit economic activity alongside a country's official economy. It is to be noted that many European countries have placed high minimum wage laws, making the cost of doing business higher. But many business owners prefer employing refugees, since most of them aren't legally authorized to work, and therefore can be paid lower wages. Such businesses are at an advantage as compared to others who abide by the law. So, to have a level playing field, a majority of firms tend to evade laws.

This can be very problematic for a country. A prospering shadow economy makes official statistics on unemployment, official labour force, income, and consumption, unreliable. Policies and programs that are framed based on unreliable statistics may be inappropriate and self-defeating.

The growth of the shadow economy leads to a vicious cycle. Transactions in the shadow economy escape taxation, thus keeping tax revenues lower than they otherwise would be, leading to a reduction in the quantity and quality of publicly provided goods and services. If the assets or tax compliance is eroded, governments may respond by raising tax rates—encouraging an extra flight into the shadow economy that further worsens the budget constraints on the public sector.

In the context of wages, the large inflow of people looking for a source of livelihood can put downward pressure on wages, which means that an increase in wages is at a slower pace than an increase in productivity. Most refugees tend to be uneducated and in search of menial jobs. So, employers in these fields usually find themselves facing an oversupply of workers. It must be understood that European governments are extremely people-centric. This means providing a wide variety of allowances such as subsidized or free medical care, unemployment allowance, and disability allowance. Owing to incoming refugees, the burden on these systems is bound to increase.

Furthermore, the escalation of terrorism, especially after the attacks in Paris and Brussels, has left European officials paranoid. As a consequence, refugees are under constant surveillance, which is a source of harassment for migrants, but also extremely expensive for authorities to keep up with. With the inflow of migrants, the demand for affordable housing options also goes up. The same causes rental prices in low-income neighbourhoods to skyrocket.

But not all is grim. Apart from being under the spotlight as great humanitarian, asylum-providing countries do benefit economically from refugees. One of the major benefits of doing so is the higher tax revenue. The refugees will consume products and therefore will contribute to the economy through indirect taxes. Also, these refugees will make contributions to welfare schemes and pay income taxes, after acquiring citizenship.

Most of the refugees will also be willing to pay additional taxes if levied upon them, as the opportunity to live and work in a safe environment would be worth the price.

As said above, the inflow of refugees can lead to the creation of a Shadow Economy. Though it has various downfalls, it is to be noted that two-thirds of the money earned in the shadow economy is spent in the official economy. Because of this, the overall well-being of the country increases. Even though the competition in low-paying jobs increases, this doesn't affect the European population much since most of them are overqualified to take up such. So, most of the time the refugees are competing amongst themselves for jobs. Moreover, the choking of government welfare systems is unlikely as the migrants tend to be young and able-bodied. Hence, they are not likely to need medical assistance or act as a source of a drain of natural resources. On the contrary, it's highly likely that they're going to work and as a result, create more revenue streams for European governments via higher taxes. Also, they will spend their money within the country. Therefore, they will help in increasing the demand and driving the GDP of Europe higher.

It is to be noted that immigrants are highly likely to be more hardworking than the citizens of a country, and they also expect less in return. This is because of their desperation to live in stable conditions and earn enough to survive. One of the most popular phrases associated with the Statue of Liberty is "Give me your tired, your poor, your huddled masses yearning to breathe free.", signifying the welcoming nature of the United States of America to immigrants. As of 2021, there were 46.2 million immigrants in the U.S., the highest ever recorded in history. Also, the U.S. economy is highly successful. There is a positive relationship between immigrants and the prosperity of an economy.

To summarize, Europe's fragile economy was undoubtedly impacted by the large immigrant influx. The forecast economic apocalypse, on the other hand, is very alarmist. Though refugees have some negative consequences on the economy, these are typically outweighed by the benefits they provide. Overall, the refugee issue not only improves the lives of difficult immigrants but also helps to strengthen the economy.

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2022 SVERIGES RIKSBANK PRIZE IN ECONOMIC SCIENCES

Katamaneni Greeshma Kasturi
Sri Venkateswara College
University of Delhi

Abstract

This article discusses the 2022 Sveriges Riksbank Prize in Economic Sciences in Honor of Alfred Nobel, which was awarded to Ben Bernanke (former chairman of the Federal Reserve), Douglas Diamond, and Philip Dybvig for their groundbreaking research on the role of banks in the economy, particularly during financial crises, as well as the controversy surrounding the award.

Who won the prize?

Ben S. Bernanke is 68 years old and was born in 1953 in Augusta, Georgia. He obtained a PhD from the Massachusetts Institute of Technology in Cambridge, USA. His Nobel-winning work was done while an Associate Professor at Stanford University. He is currently a Distinguished Fellow in Economics in Residence at the Brookings Institution, Washington, DC, USA.

Douglas W. Diamond is 69 years old and was born in 1953 in Chicago, USA. He obtained his PhD in economics from Yale University. His Nobel-winning work was done while a professor at the University of Chicago. He is currently the Merton H. Miller Distinguished Service Professor of Finance at the University of Chicago.

Philip H. Dybvig is 67 years old and was born in 1955 in the USA. He obtained his PhD from Yale University. His Nobel-winning work was done while a professor at Yale University. He is currently the Boatmen's Bancshares Professor of Banking and Finance at Washington University in St. Louis.

So what did these guys do to make them so noble?

Ben S. Bernanke The prize was awarded to him for the research he did in 1983 for a paper he wrote called "Non-Monetary Effects of the Financial Crisis in the Propagation of the Great Depression." It's based on the research he did on the Great Depression of 1929 and the role that banks played in turning a market collapse into an extended depression that effectively lasted until the outbreak of World War II.

Ben explains that if I want to lend to someone privately, the borrower knows more than me about their own financial capacity, plans, and risks, which creates an information gap between me and my borrower. So banks and other lenders specialize in overcoming information problems through longer-term relationships, screening, and monitoring. During the initial market crash of 1929, many banks experienced bank runs.

The collapse of these banks meant that there were fewer institutions to loan money to borrowers, which meant less business activity and less consumer demand, which overall lowered output in the economy for an extended period. Ben proposed that the actual fall in the money supply was not sufficient to explain the subsequent fall in output all by itself.

People had to deposit their money somewhere, so while there were fewer banks, the ones that did survive had more money that they could use to lend to people. The problem was that a lot of business owners and consumer borrowers had no relationships with the surviving banks. Before the standardization of credit scores, banks could only lend money to people they trusted, and gaining that trust usually meant having a long-standing relationship with an individual bank. If they opened an account with another bank and obtained a loan, the interest rate would most likely be higher because the new bank would have to balance the risk of working with a new business that has no history of repaying the loan.

If interest rates get too high, businesses will suffer and won't take loans. Ben recognized that the difficulty and expense of obtaining a new loan as a result of a breakdown in banking relationships were what transformed a large downturn into the worst economic collapse in history. Until Bernanke's work, bank failures were seen as a "consequence" of the financial crisis. He proved otherwise that bank failures were the "cause" of the financial crisis.

Diamond and Dybvig The prize were awarded to him for the research he did in 1983 for a paper he wrote called "Bank Runs Deposit Insurance and Liquidity" In the first paper they wrote about why banks exist—that is, if someone needs money and if I want to lend them I need to know about their financial capacity and constant monitoring and filing some lawsuits if they don't repay But it would be highly costly and impractical if all financial contracts were of this type. They talk about maturity transformation or liquidity mismatch, i.e., bank lending is short-term because a regular household typically wants its savings to be available "on-demand," while investors typically need to borrow money over long horizons.

By pooling funds from many savers, who may each demand liquidity but are unlikely to all do so at the same time, the intermediary can fund long-term projects that offer higher returns. Essentially, it entails converting liquid assets into illiquid assets, which involves risk and vulnerability. "Liquidity goes hand in hand with fragility". They wrote about bank runs when people hear a rumour that a bank is running out of money everyone wants to take their money out, and the bank goes down even though it is stable but current unavailability of liquidity They proved this mathematically using the game theory that with deposit insurance constant and delegated monitoring and assurance from central bank lender of last resort will prevent bank runs

Controversy

The "Nobel Prize in Economics" is not one of the five Nobel Prizes, which were established by Alfred Nobel's will in 1895. Instead, it was established in 1968 by Sweden's central bank to commemorate the bank's 300th anniversary. Hence, it's an independent price that is simply dedicated to the same man. I think it's important to clarify that, and many argue that these works are common knowledge.

But I believe their works are amazing because they did that completely 4 decades ago when banks were considered as some business and now what we take granted as common knowledge is because of their work's influence in society. They highlighted that a bank is not just a business intermediary; it also does the following functions: store capital, mobilize savings, manage risk, monitor managers, and facilitate transactions.

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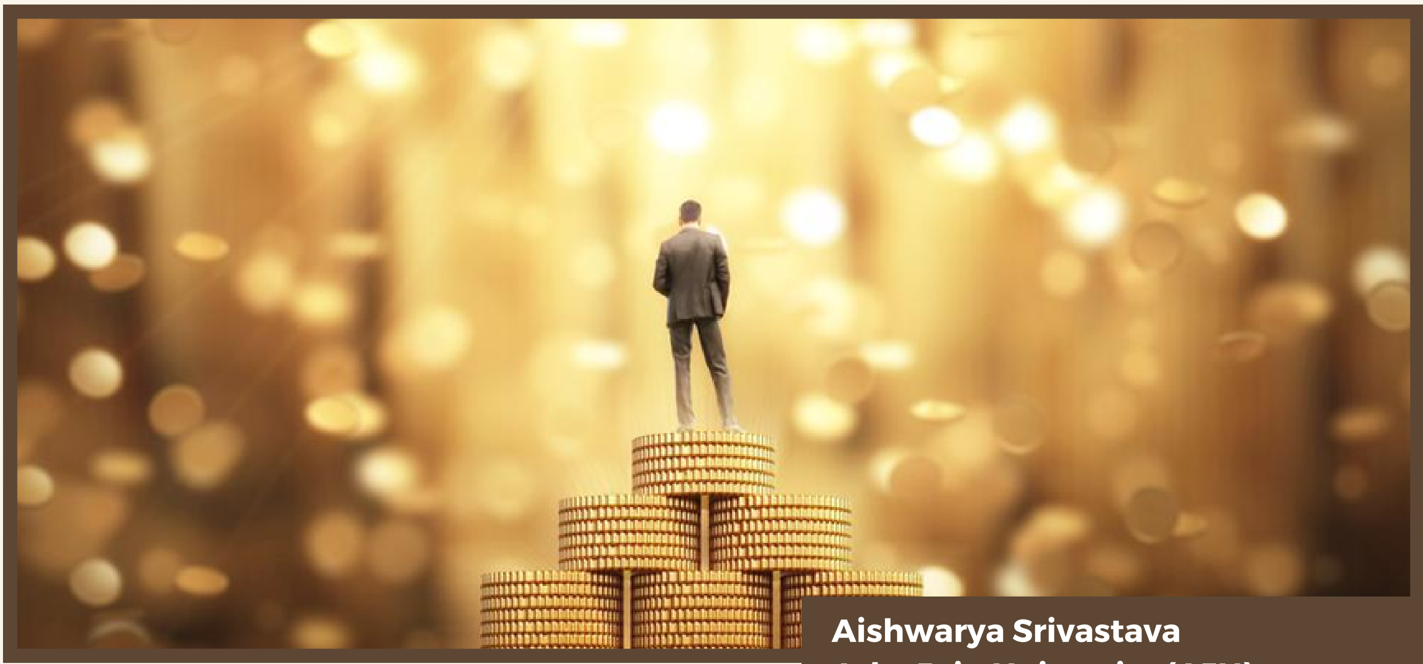
THE GREAT WEALTH TRANSFER AND THE ECONOMY RESHAPE IN INDIA



Aishwarya Srivastava
Arka Jain University (AJU)
Jamshedpur

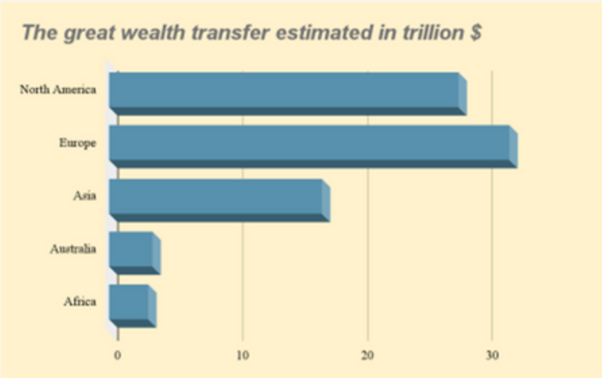
The Great Wealth Transfer

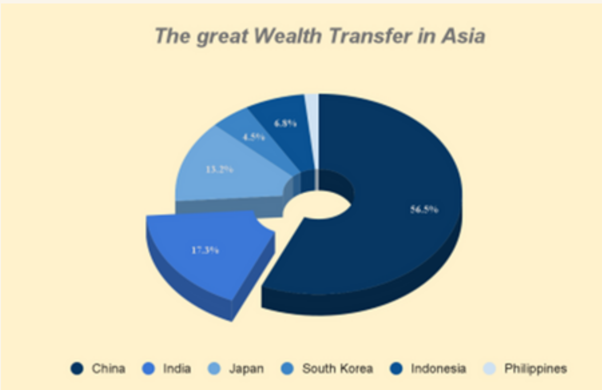
India is on the cusp of a significant economic shift, a once-in-a-generation event that will reshape the country's financial landscape. This shift is called the "**Great Wealth Transfer**," and it's the movement of assets and wealth from one generation to the next. As the baby boomer generation retires, they will pass their wealth down to their children, who will invest it in new ways, driving the economy in new and exciting directions.

According to the experts at the Boston Consulting Group, the Great Wealth Transfer in India is expected to be worth a staggering $4.6 trillion between 2018 and 2027. To come up with this figure, they took into account a range of factors, including the size of the population, the rate of economic growth, and the demographics of different age groups.

Other well-respected sources, like Credit Suisse and Edelweiss Securities, have made similar estimates, predicting that the transfer of wealth between generations will be worth $3.5 trillion over the next decade and $4 trillion over the next 25 years, respectively.

These projections make it clear that the Great Wealth Transfer is going to have a huge impact on the Indian economy. As trillions of dollars change hands between generations, we can expect to see significant changes in everything from investment patterns to consumer behaviour. But what does this mean for India's economy?





The Great Impact

Well, for starters, the transfer will cause a massive influx of capital into the financial system. As the new generation takes control of the country's wealth, they will invest it in businesses, start-ups, and infrastructure, creating new opportunities for growth and development.

This is great news for India's economy, which has been struggling to keep up with the demands of its rapidly growing population.
With new investors taking control of the country's wealth, there will be a demand for exciting and fresh investment opportunities, and a fertile ground for start-ups to flourish.

India has already witnessed a surge in start-ups in recent years, with over 75,000 new companies emerging across the country. These start-ups are utilizing innovative technologies to solve existing problems, create new job opportunities, and drive economic growth.

Of course, with any major economic shift, there are going to be some bumps in the road. We can expect to see some businesses struggle as the economy adjusts to the changes brought about by the Great Wealth Transfer.

Student debt and rising housing costs will impede millennials' ability to invest and shape the economy.

The financial burdens that millennials face, such as student debt and high housing costs, will limit their ability to invest and reshape the economy. This means that the Great Wealth Transfer will not necessarily translate to increased economic power for millennials.

The rise of automation will impact the economy more than the Great Wealth Transfer.

The automation of jobs and the increasing role of artificial intelligence will have a greater impact on the economy than the Great Wealth Transfer. This shift will lead to significant changes in the job market, which will further limit the power of millennials to reshape the economy.

The Great Wealth Transfer will lead to greater inequality.

However, there are some downsides to the Great Wealth Transfer. For one, there's the possibility of a "gilded ghetto" – a scenario where the super-rich continue to accumulate wealth and the rest of society becomes increasingly unequal. It may exacerbate the already-existing wealth gap in India.

The COVID-19 Pandemic's Impact on the Great Wealth Transfer

The COVID-19 pandemic has impacted the Great Wealth Transfer in India, causing temporary disruptions due to economic uncertainty and market volatility. However, it has also accelerated the use of digital technologies, making the transfer of wealth more efficient and accessible. The pandemic has highlighted the importance of estate planning, resulting in a surge in demand for estate planning services.

With the right policies in place, the country can harness the power of the Great Wealth Transfer to create a more prosperous and equitable society for all.

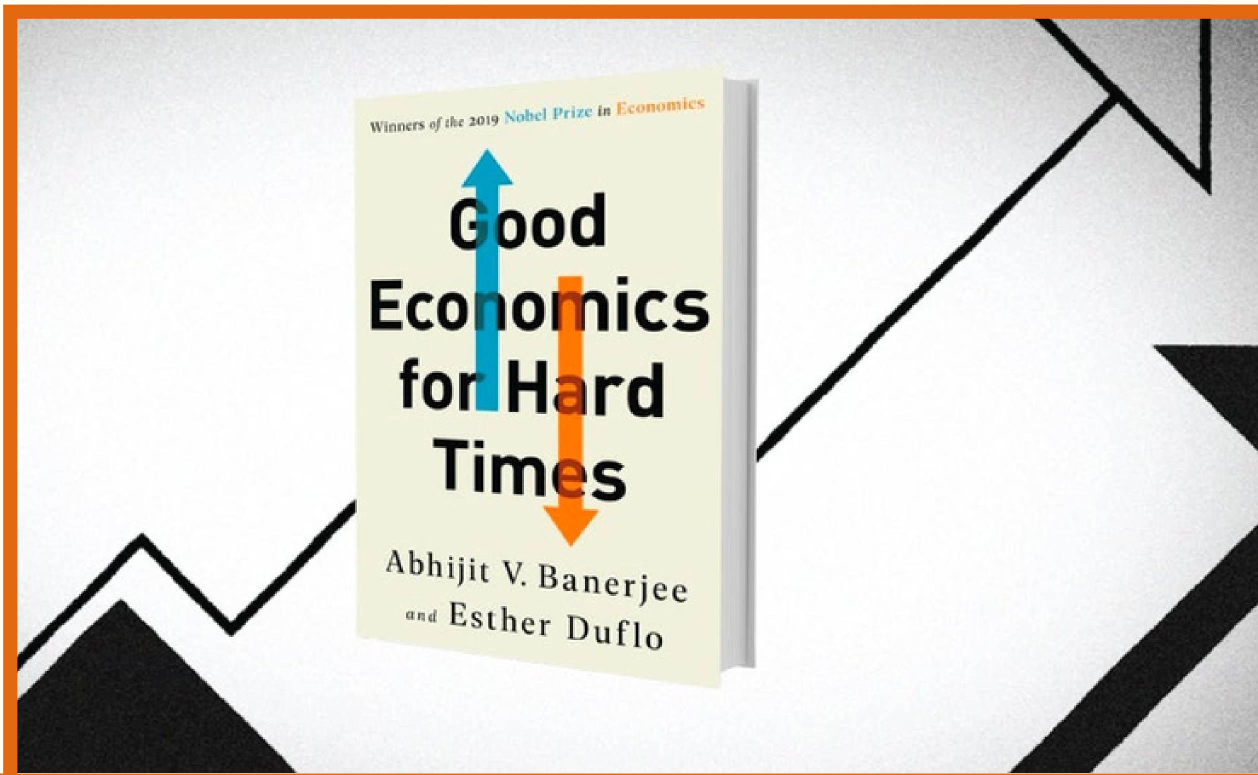
Conclusion

In conclusion, the Great Wealth Transfer presents both risks and opportunities for India's economy for years to come.

To ensure a fair distribution of wealth, we need to approach this change holistically and recognize that it won't necessarily lead to a complete restructuring of the economy. While millennials will receive a considerable amount of wealth, economic policies and societal structures will continue to shape the economy. The wealthiest individuals and corporations will still control the economy, so we need to take a balanced approach.

It will lead to changes in the market and consumer behaviour, but the extent of its impact is yet to be seen. So, buckle up and get ready for this ride - it's going to be wild!

BOOK REVIEWS



GOOD ECONOMICS FOR HARD TIMES

BY ABHIJEET V. BANERJEE & ESTHER DUFLO

About the Author

Written and curated by two of the world's greatest economists, Abhijeet Banerjee and Esther Duflo, this book was published in late 2019. This pair also won the Nobel Prize in Economic Sciences in the year 2019 alongside Michael Kremer.

Abhijeet V. Banerjee: was born in 1961 in Mumbai, India. Ph.D. 1988 from Harvard University, Cambridge, USA. Ford Foundation International Professor of Economics at Massachusetts Institute of Technology, Cambridge, USA.

Esther Duflo: was born in 1972 in Paris, France. Ph.D. 1999 from Massachusetts Institute of Technology, Cambridge, USA. Abdul Latif Jameel Professor of Poverty Alleviation and Development Economics at Massachusetts Institute of Technology, Cambridge, USA. Apart from their groundbreaking contributions to economic sciences, their dogged optimism

about the potential of economics research to deliver makes for a refreshing read.

Summary

In Good Economics for Hard Times, Banerjee and Duflo, anatomize what economists have to say about today's most difficult challenges – immigration, unemployment due to automation and AI, inequality, tribalism and prejudice, and climate change. This is a befitting response to all the critics who argued that devotion to randomized trials had led to a narrowing of economics. The authors make a convincing case that empirical economics contains answers to many bewildering problems, from identity politics to a lack of educational opportunities. Another surprising and refreshing element represented by the authors is humility. They admit, "We clearly don't have all the solutions, and suspect no one else does either." A rather unconventional take on economics, the arguments presented in the book are original, novel, and open-minded.

The writing throughout is informative and never dull. Banerjee and Duflo structured the writing on what is agreed upon and what is controversial in an accessible, often entertaining way.

Backed with extensive research, they have tried to influence patterns of economic behavior with simple logic. Delivering the course of action that needs to be taken into account when we think about t the central issues of policy analysis without any kind of organization is a commendable job.

They have absorbed hundreds of lab experiments, field experiments, statistical studies, and random observations to find regularities and irregularities.

Banerjee and Duflo are the teachers you always wished for but never had, and this book is an essential guide for the great policy debates of our times." says world-renowned economist, Mr.Raghuramajan. Filled with loads of examples, anecdotes, and experiences, this book provides us with a bird's eye view of the policy debates which influence the present's most vexing global problems.

A big learning that I personally took was being less jarring with my views on controversial topics. Each problem can have multiple solutions.

This book is an essential wake-up call for intelligent and immediate action.

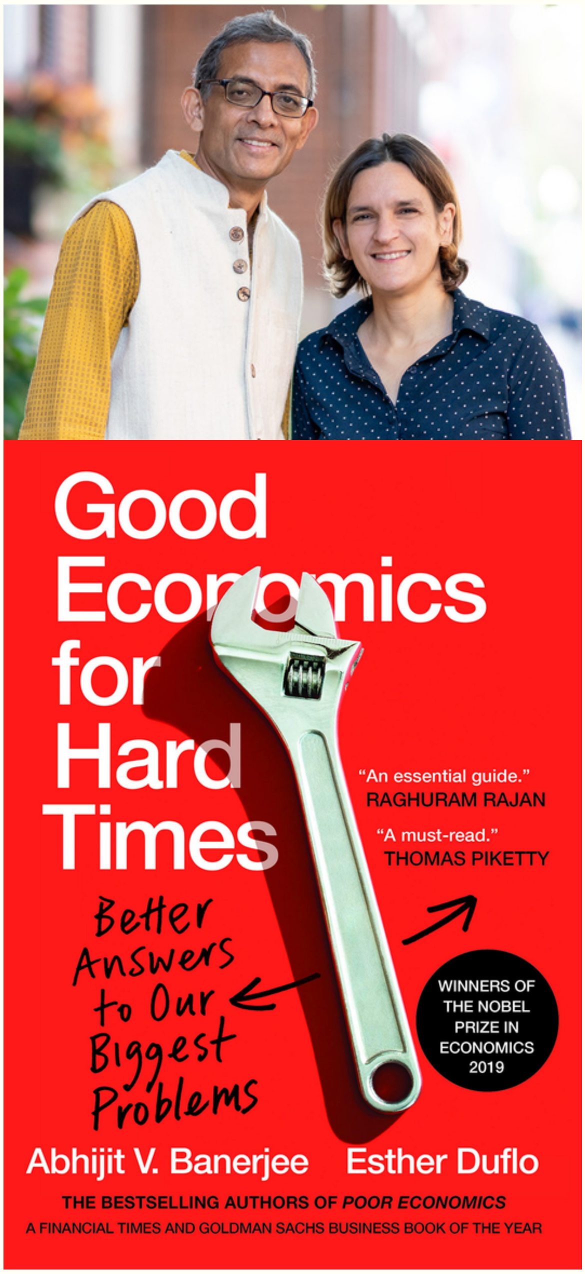
Recommendation

I would recommend this book to everyone and anyone who wants to be a part of a better, saner, more humane world. The reader would feel wiser by the end of this book but still, feel so void of discovering any path of action or stepping stones to be taken to address the current problems. The authors certainly want the world to be a better place, but they do not have a utopian picture painted in their minds, other than tackling the current problems facing us.

A suitable analogy could be a person with a cancer tumor. There are no limits to that person's health status, but the primary focus rests on removing the tumor from the body.

A safe bet for a layman who wants to educate themselves without getting bored. It is rightly said in the last line of the book- "Economics is too important to be left to economists."

Reviewed by: Siddhanth Pandita



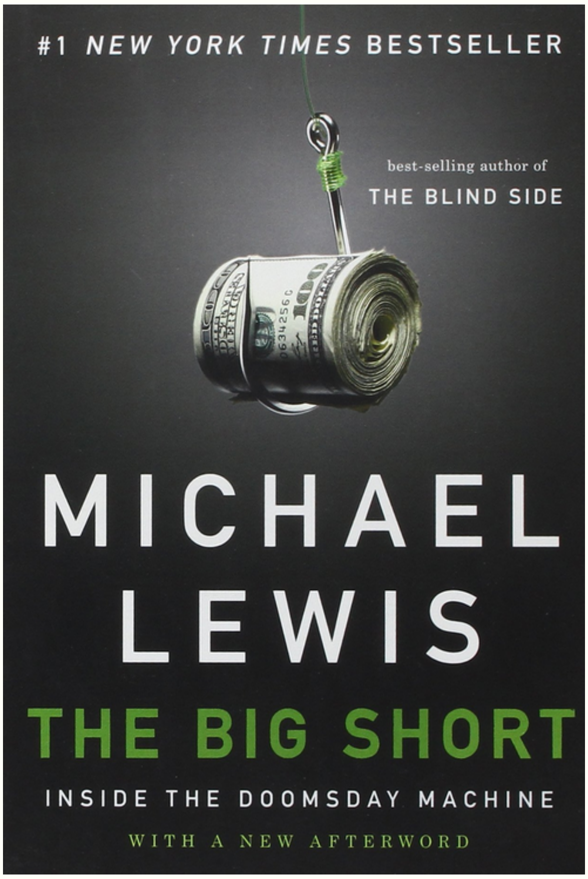
THE BIG SHORT: INSIDE THE DOOMSDAY MACHINE

BY MICHAEL LEWIS

"The Big Short: Inside the Doomsday Machine" is a compelling and informative book that provides a thorough examination of the events leading up to the 2008 financial crisis. Michael Lewis masterfully weaves together the stories of several individuals who saw the collapse of the housing market coming and took advantage of it.

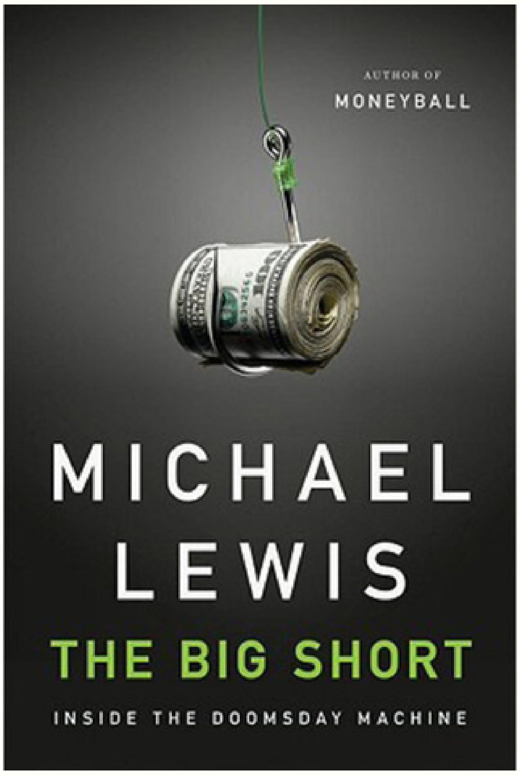
One of the book's strengths is its ability to break down complex financial concepts and explain them in an accessible way. Lewis does an excellent job of making the inner workings of the financial industry understandable to the average reader. He uses real-world examples to illustrate the concepts, and he provides clear and concise explanations of complex financial instruments such as credit default swaps and collateralized debt obligations.

"The Big Short" is also a character-driven book, and Lewis does an excellent job of introducing readers to the key players who bet against the housing market. One of the most intriguing characters in the book is Dr. Michael Burry, a hedge fund manager with an unusual background in medicine. Burry was one of the few people who saw the housing market bubble for what it was, and he bet heavily against it. Despite facing opposition from his investors and colleagues, Burry remained confident in his analysis, and his bet paid off in a big way. Other characters in the book include Steve Eisman, a hedge fund manager with a famously abrasive personality, and Charlie



Ledley and Jamie Mai were two young investors who had little experience in the finance industry but managed to make a fortune by betting against the housing market. Lewis provides detailed profiles of these individuals, including their backgrounds, personalities, and investment strategies.

"The Big Short" is not just a story of individuals profiting from a crisis, however. It is also a scathing indictment of the financial industry and the regulatory system that allowed the crisis to occur. Lewis exposes the greed and incompetence of Wall Street bankers and government officials, and he highlights the devastating impact that the crisis had on ordinary Americans. The book makes a compelling case for the need for greater oversight and regulation of the financial industry, and it raises important questions about the role of Wall Street in our economy.



Despite the serious subject matter, "The Big Short" is an engaging and entertaining read. Lewis has a talent for finding the human interest angle in even the most technical material, and his writing is witty and insightful.

The book reads like a thriller, with the tension building as the housing market bubble approaches its inevitable burst. If there is one weakness to the book, it is that it does not provide much in the way of solutions or recommendations for preventing a similar crisis in the future.

While Lewis does an excellent job of analyzing the causes and consequences of the crisis, he does not offer a clear path forward. However, this is a minor criticism of an otherwise excellent book.

In conclusion, "The Big Short: Inside the Doomsday Machine" is a highly recommended book for anyone interested in the economy, finance, or current events. It provides a comprehensive and entertaining account of the events leading up to the financial crisis, and it raises important questions about the role of Wall Street in our economy.

Michael Lewis is a masterful storyteller, and he has produced a book that is both informative and engaging.

Reviewed by: Siddhanth Pandita

SCHOOL OF THOUGHT

Research Articles by Professors

COMPETITION IN DIGITAL ECONOMY: CHANGING PARADIGM

ASSISTANT PROF. SONAKSHI JAIN

Abstract:
There are three characteristics of the digital economy- network externalities, increasing returns to scale, and data. Network externalities or increasing returns to scale can characterize an industry in the non-digital economy. But it is unlikely to have both simultaneously in the non-digital economy. We examine the impact of these three characteristics on consumers, producers, and competition. We find that the simultaneous presence of these three factors reduces per-unit costs and increases innovation possibilities, thus benefiting the producers and the consumers. It also tends to make first movers and incumbent dominant players with significant capacity to discourage potential entrants and impedes competition.

1. Introduction
Three factors are simultaneously present in the digital economy - network externalities, (extreme) increasing returns to scale, and, data. This makes the digital economy different from the non-digital economy in two ways:

(a) It is improbable for an industry in the non-digital world, but more or less rampant in the digital world for activities to be simultaneously affected by both network externalities and increasing returns to scale ,and

(b) Data generation, and its use, are integral to the digital economy. All three being present together imparts significant first-mover and incumbency advantages.

This could prevent the entry of new players or diminish the "contestability" threat to the incumbents' markets. In addition, the longer the incumbent operates in the market, the greater the size of its data repository increases over time and hence, the advantage it enjoys over its loyal customers also increases. This is important as data is often the source of future innovations, but potential entrants cannot access the data generation procedure as incumbent customers find it costlier to switch due to long-established loyalty.

We, therefore, have a dilemma. While the simultaneous presence of the three factors reduces per-unit costs and increases innovation possibilities, it also tends to make first movers and incumbents dominant players with significant capacity to discourage potential entrants. If that were not enough, the recombinant nature of data allows an entity in one market to leverage the data it generates and enter other markets where that data can be linked to create value.

Section 2 discusses network externalities, and in section 3, we discuss returns to scale. Section 4 delves into the role of data in the digital economy. Section 5 discusses the implications for competition and surplus generation in digital economies.

2. Network externalities

Network externalities are the benefits of using a product or a service because other individuals are using it. Network externalities can arise due to many reasons --- increased compatibility, a signal of goodwill, etc. For example, an individual's choice of a car model is influenced by the number of users of that model. With more buyers, one expects easier and cheaper servicing facilities. Similarly, the choice of a video game console depends on the number of people with the same console. More comprehensive access makes the exchange of games easier and increases the possibility of having more games.

Network externalities are not just restricted to consumers. Think of a retailer deciding to rent space in one of two malls. The larger the mall will accommodate more retailers, hence attracting more customers, and shops in that mall will, therefore, have a larger volume of sales. Observe that the externality here operates both ways --- more customers mean more shops and more shops mean more customers.

Network externalities can be interlinked across various products—for example, the video game consoles and the video game's softcopy. Consumers would buy the consoles for which there are more games and vice versa. Thus, when more consumers use a specific console, the value of the games compatible with it will also rise. In other words, network externalities can spill over into other related products. Network externalities are abound in the digital economy and, more often than not, spill from consumers to producers and vice versa. For example, more consumers join a food delivery application when more restaurateurs use the same app and vice versa. More movies would be launched on a digital platform where there are more subscribers. This is especially true for various two-sided digital platforms with a large consumer and producer base making the platform more beneficial to both entities.

What is particularly different between the digital and non-digital worlds is the cost of additional transactions. Consider a shopping mall in the physical, non-digital world. It soon runs out of space --- the number of shops that can be accommodated, shelf space in each shop, traffic congestion in the roads leading to the mall, etc. These increase the cost of the marginal transaction between the buyer and the seller. On e-commerce platforms, these are either irrelevant or their impact is negligible. While the increasing transaction costs in a crowded mall encourage setting up a new mall, an e-commerce platform makes it increasingly difficult to set up a new platform.

In short, while network externalities tend to disappear in crowded malls, they tend to continue to increase, in-e-commerce platforms as the number of transactions increases.

In the physical world, a consumer's willingness to pay, or utility, increases with additional consumers joining in. However, for the reasons given above, the cost of transactions keeps increasing with more customers. In the digital world, while the utility-improving network externalities are increasing, or at least non-decreasing, transaction costs continue to be negligible. This makes the impact of network externalities different in the digital and the physical world.

3. Increasing Returns to Scale

A firm has increasing returns to scale when output increases by more than double if the inputs are doubled. As more output is produced, the additional input requirement does not increase with each additional unit.

There are several industries characterized by increasing returns to scale, for example- railways, electricity suppliers, etc.

Increasing returns to scale gives a cost advantage to the firm. Due to non-increasing marginal costs, the average cost is also falling. Therefore, the total cost of production is lower if a given output is produced by one firm relative to collective production by more than one firm.

The increasing returns to scale give monopoly power to the incumbent. The incumbent maximizes profits and can charge a price higher than the average cost. This allows any potential entrant to enter the market by charging a price lower than the incumbent and higher than the average cost to make profits.

However, if a potential entrant tries to enter the market by charging a lower price, the incumbent can cut the price further so that it equals the average cost. In this case, it would not be feasible for the entrant to undercut the price any further. Charging a lower price than the cost will result in losses. Thus, the incumbent can deter entry.

The digital economy also exhibits increasing returns to scale. In the digital economy, firms have a near-zero additional cost of serving an additional consumer. Hence, when the firm serves a huge market, the average cost of production is near zero. As the output increases, the total cost of production does not increase. Thus, the incumbent can always reduce its price to zero to deter entry.

If the entrant is technologically efficient to produce the same output at a lower cost, it can outcompete the incumbent. The entrant can then charge a lower price, attract more consumers, and also make profits. This is not the case in the digital economy. Due to the near-zero marginal cost of serving an additional consumer and near-zero average cost, the potential entrant cannot undercut the incumbent. Even with efficient technology, the potential entrant cannot enter as charging a negative price will result in loss.

The distinguishing feature of the digital economy is that it has both network externalities and increasing returns to scale, which re-enforces anti-competitiveness. Besides this, the digital economy benefits from access to data.

4. Introducing data as a tool of innovation

Due to technological progress, the digital economy can accumulate a large amount of data. The ability to collect data is a distinguishing feature of the digital economy. It is absent in the non-digital economy. The use of big data and artificial intelligence is a boon to the digital economy as it enables data to be used in many ways, as discussed below. Access to data adds to the network externalities.

Here we define two kinds of networks namely- longitudinal externalities and latitudinal externalities. Longitudinal externalities come from the history of actions of the same individual. Such externalities result in a better quality of future search outcomes.

Let us take the case where a consumer searches for a pair of shoes on Google. If the same consumer searches for socks again, the outcome would be different depending on whether the consumer's previous search had sports shoes or formal shoes. When the same consumer searches for another good, Google can further refine the search based on the consumer's history of actions.

Latitudinal network externalities are generated by matching the actions of two similar consumers to give better output. For example, two individuals with common interests like Nike shoes, vegan food recipes, and a few other things can be clustered together. The search for a new product or service by one will also help refine the search by the other individual. Thus, data helps in generating longitudinal and latitudinal externalities.

In the digital economy, a firm also gains from data because of its recombinant power. The firm can use data generated in one sector to make gains in another sector. For example, the hospitality industry can use data from consumers making flight bookings. The hotels can then target advertisements more suitably. Similarly, the data collected by food delivery platforms can be used by other sectors. Consumers with poor eating habits can be a target group for fitness centres. Thus, the incumbent can leverage the data generated in one market and use it in another market.

Data brings with it the potential for future innovation as well. As the digital economy is still evolving, firms with more data can benefit in the future by using data in more innovative ways.

The incumbent gains from the recombinant nature of data as well as the potential for future innovation. Therefore, it can afford to give high discounts or charge negative prices. The loss due to discounts can be compensated with the gains from the recombinant nature of data. The first-mover advantage with the incumbent makes it harder for the entrant to start the data generation process. Due to longitudinal and latitudinal network externalities generated by data, consumers find it challenging to switch to a new platform. This makes consumers loyal to the incumbent and discourages entry as the potential entrant would incur an additional cost to entice consumers to switch.

As discussed above, the digital economy has increasing returns to scale with a near-zero additional cost of serving an additional consumer. Due to gains from data, the incumbent can make a positive profit even if it charges a zero price or gives discounts. The potential entrant not just suffers from a lack of data but also from the challenge to entice customers to switch from the incumbent.

5. Competition Impedes Innovation?

We see that network externality, increasing returns to scale, and gains from data restrict competition but benefit the consumers and producers in the digital economy. Consumers benefit from network externalities while increasing returns to scale and the recombinant nature of data reduce the cost of production and prices. Producers can also maximize their profits for there is no threat to entry. Thus, we do not find the absence of competition harmful to consumers or producers.

The entry of a new firm would increase competition. Consequently, it would split the customers across different competing firms. Thus, the competition will reduce the advantage of increasing returns to scale. The incumbent would lose customers and hence their data. This will result in reduced gains accruing from the recombinant nature of data. It would also reduce the potential to innovate. The entry of new firms can also reduce consumer surplus because of reduced network externalities, as the consumers will be split into different firms.

If the incumbent stays in the market for long, then the gains from network externalities, increasing returns to scale, and data help firms evade potential entrants and cover a huge market base, making entry unlikely. The absence of a credible threat to entry can result in abuse of dominance. The incumbent can then charge a higher price and affect consumers after capturing the entire market.

We thus face a dilemma about how to regulate the digital economy to increase competition without hurting the consumers, producers, and the prospects of future innovation.

Acknowledgment: I wrote this piece when I was working in the Centre for the Digital Future under the guidance of Prof Shubhashish Gangopadhyay.

Let us begin with a scenario where there is one product, sold by one platform in a specific market.

⇒ Not everyone in the market can buy the product-reason can be purchasing power. But if the reason is purchasing power and the good is sold for free then everyone should buy.

However, that still does not happen because of the digital divide. People don't have internet or they are technologically handicapped.

⇒ So there is an uncovered market.

⇒ Over time, access to the internet is not a problem anymore and people learn new technology so that the market expands

⇒ If a potential entrant tries to enter because of an uncovered market, there are a few issues

⇒ 1. Why will the incumbent let him enter?

⇒ Ans: if the incumbent is capacity-constrained or consumers do not prefer that platform's services.

⇒ 2. Can the potential entrant enter?

⇒ Ans: potential entrant can enter if the quality of its service is better than the incumbent's

⇒ How do we fit network externalities and increase returns to scale in this?

⇒ Due to NE and IRS, the incumbent can not enter if the market is fully covered. If NE exists but IRS does not exist, then the entry should not be a problem as the entrant can charge a lower price (with the same cost and the incumbent charging a monopoly price) or the entrant can be more efficient. If IRS exists and NE does not exist then a potential entrant can enter if he is more efficient. NE adds to the switching cost.

⇒ However due to access to the uncovered market, the entrant does not only enter and serve the uncovered part of the market but can also shift to the covered market.

⇒ If that is the case, why can not the incumbent serve the uncovered market- can not do any better as he has already undertaken investment/ there exist capacity constraints.

⇒ Building more on the uncovered market- why did not incumbent invest s.t. it can cover the entire market? Ans-?

⇒ Why can't the incumbent make a fresh investment and capture the remaining market?

⇒ Let x be the number of consumers with the incumbent and $1-x$ in the uncovered market. NE from incumbent be $z(x)$, from entrant be $z(1-x)$, the utility of services from incumbent be v, and the utility of services from entrant be w. We need to compare $v+z(x)$ and $w+z(1-x)$. Then answer if one of them can capture the entire market

⇒ Reason for hump, market size is finite?

⇒ Presence of data makes it all more challenging for the entrant.

BANK RUNS IN UNITED STATES AND SWITZERLAND

DR. S. KRISHNAKUMAR

The recent collapse of the Silicon Valley Bank and Signature Bank in the United States followed by the takeover of Credit Suisse by UBS in Switzerland raises concerns relating to financial stability in this interdependent world. One wonders how much of the regulatory apparatus which came up after the global financial crisis continues to be in place.

As one of the most important international financial centres, Switzerland has made a mark as a banking centre providing investment and wealth management services to the high networks of individuals as well as many of the corporations of the world. As of 2021, the external assets and liabilities of Switzerland are at 761% and 658% of its GDP respectively. The assets managed by the banking industry in Switzerland have declined from 800% of the GDP in 2007 to about 500% of the GDP in 2021. The Swiss banking system has been witness to a large process of deleveraging since the last global financial crisis. (Financial Stability Report, SNB(2022)).

The Swiss banking sector can be classified into three sections. One, consisting of the Global Systematically Important Banks like UBS and now crestfallen Credit Suisse which has a lion's share of its assets denominated in foreign currencies (dollars and euros). Another is constituted by the national banks of systemic importance like the Raiffeisen Group, PostFinance, and ZKB, largely domestically focussed banks. And the third set consists of other banks including foreign banks. The immediate trigger to the downfall of Credit Suisse was of course the developments in the US banking sector. In the backdrop of the collapse of the Silicon Valley Bank and the Signature Bank both of which had exposure to the world of crypto-assets, the banking stocks took a beating in the bourses not just in the United States, but in different parts of the world.

To be sure, apart from many of the bad investment decisions and risk exposure it had taken, Silicon Valley Bank had also had exposure to long-term Treasury securities. Given that between February 2022 and March 2023, there have been more than 450 basis points increase in the targetted federal funds rate following the series of various Federal Open Market Committee Meetings which were held throughout the year in the shadow of the crisis in Ukraine and associated oil price increase, it was only logical that the value of the long term bonds which were in the possession of the SVB was on a continual decline. Towards meeting the demand of the depositors, the SVB was forced to liquidate these Treasuries for a loss adding to its troubles in the balance sheet. On this ground alone it sustained a huge loss. Fed President Jerome Powell's interest hike obsession has played no less a role in triggering this crisis.

Wouldn't it be stupid to presume that the balance sheet troubles as a result of the anti-inflation preoccupation of the Fed were simply confined to the SVB and Signature Bank?

Shouldn't the Federal Reserve undertake a forensic audit of the balance sheets of these banks, particularly those mid-sized ones which of late have raised the necessity of full insurance on deposits for two years? If President Biden is to abide by their demands without restoring part of the regulatory capacities which were reversed during the Trump regime, possibly the Congress would be forced to set up another committee on financial crisis inquiry soon.

News spreads like wildfire, and it did not take much time to cross the Alps. Given that there has been a continual reduction in the Moody rating of Credit Suisse from Aa3 in 2008 to Baa2 in 2022 (Financial Stability Report, SNB), it is only logical in an interconnected world that Suisse became susceptible to a run of sorts. Further, with Credit Suisse registering losses in the recent past, many a worthy customer could have speculated that the bank could be susceptible, and there was a flurry of capital outflows. In the current world where banking is easily done through the fingertips of a mobile, the queues in front of the banks signalling the possible bank run like in the Galbraithian description of the Great Depression days have become a matter of the past. Everything including the fall of a century-old bank is so quick and brisk. Despite the large regulatory overhaul which was initiated with the additional capital requirements required of the GSIBs (categorized under different risky buckets), Credit Suisse could not withstand the crisis, requiring the SNB to provide emergency liquidity assistance.

As part of the resolution and the takeover of Credit Suisse by UBS in the deal brokered by the Swiss National Bank in consultation with the federal authorities, the SNB had completely written off the $19 bn worth of the AT-1 bonds. It is far from the truth that the AT-1 bondholders were bluffed. The premium paid to the owners of the AT-1 bonds of financial firms was compensation they took for the risk they shouldered in the eventuality of a bank going insolvent. Much to the bad luck of the AT-1 bondholders of Credit Suisse, the rare event that the world could not predict occurred, with Credit Suisse going underwater, requiring emergency liquidity assistance from SNB.

The higher regulatory requirements which came in the aftermath of the global financial crisis, and, in this case, the additional risk capital requirements required over and above the national capital requirements for G- SIBs had resulted in the rise of issuance of convertible bonds, the subscribers of which range from wealth funds, pension funds, and money managers who were in search for yield in the world economy which was witness to falling interest rates which were near to zero till a year back. Since 2009, as per the BIS data, there has been an issuance of $70 bn of CoCos (contingent convertible bonds) which have been subscribed to, and most of the same has been issued by European banks.

The rationale provided that the write-off of the CoCos of Credit Suisse would have an impact on the market for Coco bonds is also far from the truth. The market for such countercyclical capital buffers picked up during a time when there was a clamour for the search for yield given the extremely low-interest rates which were prevalent in the global economy. Had it not been for this write-off of the bonds by their conversion to capital, the fiscal burden that the Swiss authorities would have had to shoulder would have been enormous.

While state brokered deal has assured the merger of SVB with leading regional banks in the United States extending deposit insurance even for amounts beyond $250000 in the United States, in the Alps countryside, efforts have been undertaken towards passing an ordinance towards facilitating emergency liquidity assistance even without collateral under the initiative of the Swiss Federal Council. Further, the state had a handhold UBS to take over Credit Suisse for $ 3.5 billion.

And, when it came to extending the window of dollar liquidity, the SNB has assured the conduct of dollar repo auctions, thanks to the dollar swap line extended by the Federal Reserve. Far from Walter Bagehot's world wherein central banks would serve as the lender of last resort but with a penalty against collateral, the Federal Reserve is only too ready to play the role of the international lender of last resort. The world has been witness to a huge change, the extent of dollar credit outside the United States as per the recent data of the BIS is at $ 13 trillion. One only hopes that under a similar contingency, the United States would do the same for emerging economies too, given that their share in this growing dollar stock of debt is at $ 5 trillion.

Also pertinent to note is the fact that after all fierce and heated discussions over the Too Big To Fail debate which made a case for the smaller size of financial and banking companies, we are now witness to one G-SIB taking over another G-SIB in the name of setting the possibility of international financial instability. When one of the duopolists in international banking in Switzerland takes over the other with the patronage of the state, would the risks of the system increase or decrease? With “Too Big To Fail” banks transforming into “Too Much to Fail” banks, would the regulators in SNB have many teeth left to do their task? Only time would tell.

ECONOMICS: FUN AND GAMES

QUIZ

Q1) Which was India’s first unicorn startup?

Q2) The term ‘unicorn’ refers to any startup that reaches a valuation of?

Q3) Who is the managing director of the International Monetary Fund?

Q4) Which country is the world’s largest producer of sunflower oil?

Q5) What is described as a collection of binary data which is designated to work as a medium of exchange?

Q6) What is the full form of IFRIC?

Q7) Which Act clarifies what government agencies are responsible for each crypto category?

Q8) Which is the richest cricket board in India, valued at about $2 billion a year?

Q9) What amount has been paid by the BCCI since the financial year 2007-2008?

Q10) Is there a direct relationship or indirect relationship between IPL and GDP of the country?

Q11) When did the farmer's protest start in 2020?

Q12) The major concern of farmers from the bill was regarding?

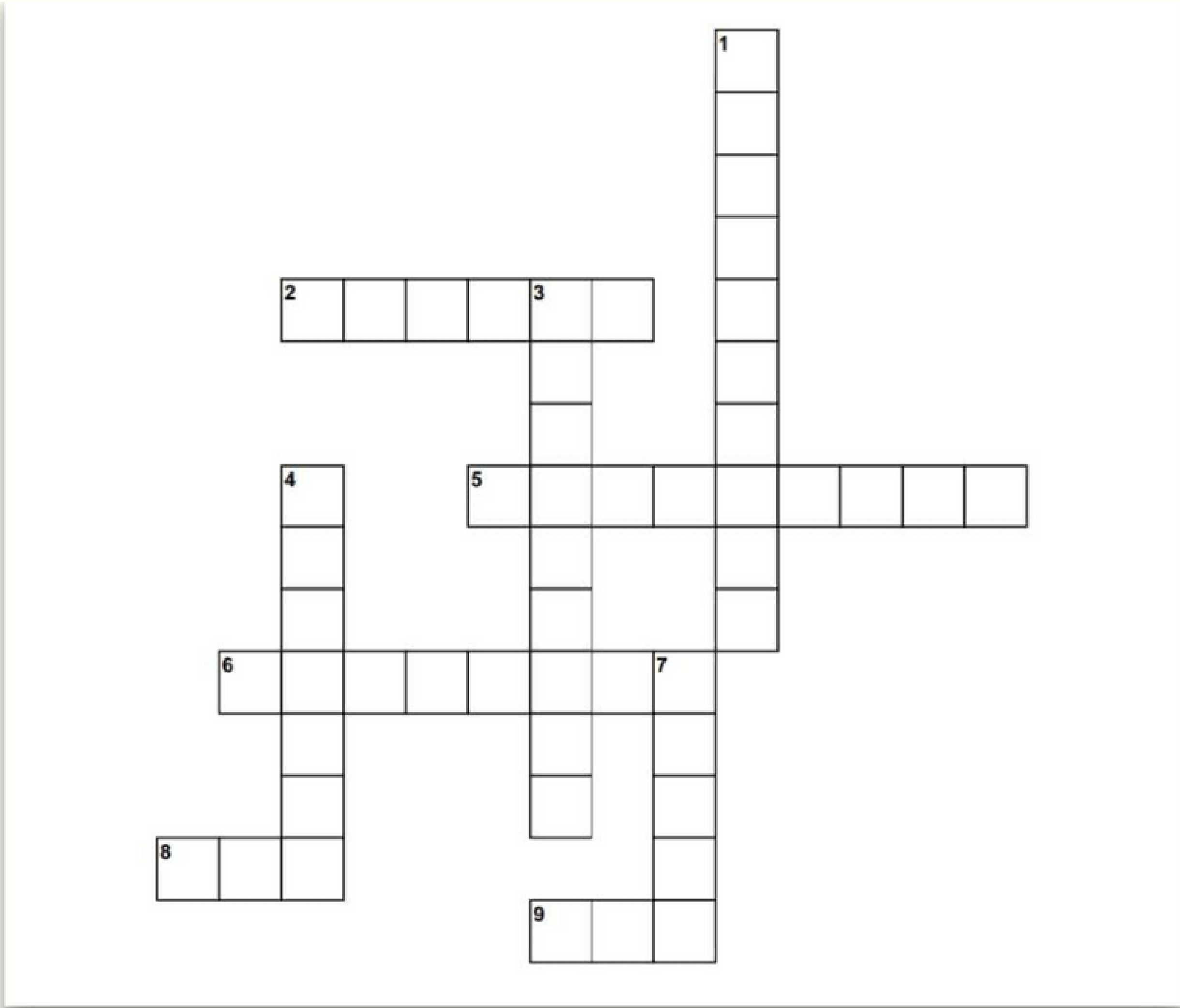
Q13) When was the first time freebies tradition was taken up by the media and because of which political party?

Q14) How does the economy affect the film industry?

Q15) Which country is the world’s 9th largest sovereign fund?

Q16) What's the tax liability on profits earned by Cryptocurrency according to Budget 2023?

CROSSWORD



Across

[2] Release of employees from their jobs due to economic reasons
[5] An increase in the general level of prices
[6] Products or services offered without charge
[8] Guaranteed price at which the government purchases crops from farmers
[9] Indicator of a country's economic performance

Down

[1] Secure digital ledger used for cryptocurrency transactions
[3] Permission to use a company's name and business model
[4] A company or venture in its early stages of development
[7] A prolonged period of economic downturn

INTERVIEWS

DISTINGUISHED FACULTY & ALUMNI

In Conversation With

ASSISTANT PROF. ABHISHEK MALHOTRA
FACULTY OF ECONOMICS, SVC
SECRETARY, Y20 INDIA 2023

Assistant Prof. Abhishek Malhotra has the dynamic profile of a Govt. official, a researcher, and an academician, all in one. Read on to find out about his story and work in this interview conducted by Akansh Gandhi, Mannat Kataria and Rishika Chutani (students, Economics Hons., SVC).

1. Hi sir, thank you for agreeing to do this interview. To begin, could you please tell our readers about your background?

Thank you for choosing to interview me. To tell you about myself, I completed my graduation from Atma Ram Sanatam Dharma (ARSD) College, University of Delhi, and attended a Master's program at the University of Hyderabad. I also pursued my PhD in Urban Economics from there. Alongside, I involved myself in research projects with organizations such as the Indian Council of Social Science Research (ICSSR), Housing and Urban Development Corporation (HUDCO) and IIM-Ahmedabad. In my fourth year, I joined the Ministry of Finance and worked as a consultant to the Chief Economic Advisor for a year.

One thing led to another and I was greeted with the opportunity to serve as the Secretary of Partnerships and Finance of the Youth-20 India Secretariat, a role I'm currently in. And most recently, I've entered academia by joining Sri Venkateswara College as an Assistant Professor in Economics.

2. And how has your experience been at Sri Venkateswara College so far? Please also tell us about the subjects you are taking up this semester.

My friendship with this college is only 2-months old. Thanks to great colleagues, I've been able to find a good place for myself in this space. I'm teaching Development Economics-II (core) to third-year students and Public Finance (elective) to the second-year students. Apart from academics, I am also the G-20 Coordinator of the college. So far it's been so good.

3. Sounds great! We're happy to have you here as well. Now sir, could you let us know about Y-20 in detail?

Before Y-20, you should know about G20.

G20 or the Group of Twenty is an international forum for economic cooperation. It started after the Asian Financial Crisis of 1999 as a meeting of Finance Ministers from across the world who collaborated for a safer financial environment. Over the years it now has 11 engagement groups and one of them is Youth-20 or Y-20.

The idea behind Y20 is to identify global problems. We interact with young leaders, entrepreneurs, local activists, researchers, etc. to find out their opinions on the issues raised by the Y20 team. You can think of the Y20 Summit as providing an audience to youth to share its viewpoints, and a chance for them to offer what could become valuable policy suggestions in the future. A compilation of these diverse viewpoints will be published in our report post-Summit.

Based on such interactions, this year we have identified 5 themes for the Summit:

- Future of Work: Industry 4.0, Innovation and 21st Century Skills
- Health, Wellbeing and Sports: Agenda For Youth
- Climate Change and Disaster Risk Reduction: Making Sustainability a Way of Life
- Shared Future: Youth and Democracy and Governance and
- Peace building and Reconciliation: Ushering In An Era of No War

We released a White Paper highlighting India's achievements in these 5 areas and how it can help the world with its solutions. All countries involved in Y-20 have done something similar, post which negotiations took place in between representatives from the 20 countries. They deliberate on the problem questions given in the White Paper and reach a common consensus.

There is no majority, each of these 20 countries must agree to certain points in every theme, which is then handed over to the G20 as the Voice of the Youth across these 20 countries. That's what Y20 is about.

4. Right. Learned something new today. And what about your role at Y-20, sir?

At the Y20 Secretariat, I am the Secretary of Partnerships and Finance. Before I tell you about my role, I should describe in detail about the structure of Y20. At Y-20 we have a Chair, 3 Official Participants and then there is a Secretariat. In the Secretariat, there is a Convener, 5 Secretaries, different associates working under us and finally, interns. There are 5 Departments – Media, Social Media, Policy and Research, Programs and Logistics, and Partnerships and Finance. I look after Partnerships and Finance.

5. Correct! So, as far as I could understand, Y20 is a sublet of G20 and it prioritizes things that matters to the youth and helps them raise their voice. So how does Y20 engage with youth in India and what initiatives have been implemented to promote their participation in the country and the empowerment of the youth?

There are several initiatives that we have taken – Y20 Chaupal, Y20 Study Circle, Y20 Talks, Y20 Youth Festival, Y20 Consultation events etc. Out of these, at least one event happens every day. And you'd be surprised to know that we have democratized the entire process – it's not just Y20 Secretariat conducting the events or our partners, but also the public who takes an active part in it.

Besides, Y-20 is not limited to a certain group of youth. The aim is to penetrate every corner of the country, including rural areas and Tier-2 and 3 cities, so that the discussion doesn't die even after the Presidency ends.

6. Oh, that sounds interesting! Could you go in more detail about 'Chaupal'? And have you ever been a part of one?

A Chaupal is an open discussion with no main speakers. There is a moderator who ensures that the discussion revolves around the pre-decided topic. After the moderator introduces Y20 and the topic for the day, he/she asks the audience about their understanding of the issue and what they think should be done to resolve them. We've conducted Chaupals in remote villages of Bihar, border districts of West Bengal and several urban Universities.
We will be doing at least one Chaupal in each of the 550 districts of India. Gathering youth concerns, opinions and solutions, we would prepare reports to be released after the culmination of Y20 which highlights the voice of the youth across India.

And yes, I have attended several such meetings. I've also served as a moderator.

7. You head out for Y20 meetings right after our lectures. [Salute to your dedication!] Whom are those with?

Well, there's a different kind of meeting everyday. On the one hand we meet up with youth organizations and NGOs, and on the other hand, with Ministries, their subsidiaries and autonomous Government bodies. We also meet up with our partners – say knowledge partners for the preparation of White Papers or outreach partners, media partners and those for sponsorships. We have also collaborated with and have meetings with organizations such as the UN and the EU.

8. Right. Going slightly off the track, off late we see a rise of youth politicians such as Tejasvi Surya, Raghav Chadha and Hardik Patel in Indian politics. With this, do you think our generation is more active in politics than its predecessors?

Well, I think history is testament that all revolutions have been led by the youth. In the pre-independence era, we had the likes of Bhagat Singh. Even post-independence, especially during the 80’s-90’s, all revolutions were more or less led by student activists. So, according to me, the youth has always had a large role to play in activism, social movements and politics. The question that remians is whether is gets appropriate representation in Lok Sabha or Vidhan Sabha.

I do think that today, with social media, it’s becoming easier for the youth to bypass traditional media channels and directly communicate with their audience and shape political landscape. This can be particularly effective for those who may not have had a voice in the mainstream media previously.

9. And what advice do you have for the youth of today?

Don’t be complacent. Step out of your comfort zones and purposely look for and grab the opportunities that you’re waiting to knock at your door. Opportunities abound; it’s a matter of looking for them. And once you get your hands on something worthwhile, work towards it with sincerity. Also work on creating a reliable group of friends with whom you can mutually grow.

10. That makes a lot of sense! Last question, sir. What are your future plans. Where do you plan to take your career in academia as well as the Government?

I have rough plans of staying in academia and joining public policy. But for now, I’d rather go woth the flow. I’m certain life will take me good places like it has so far.

In Conversation With

VARUN PATHAK
STUDENT,
INDIAN INSTITUTE OF STATISTICS, DELHI
ALUMNUS, SVC, BATCH OF 2021

In this interview conducted by Kashaa Swami and Rishika Chutani, witness Varun talk about his journey to Indian Statistical Survey, and his project on Time Use Survey.

1.Varun, if you were to describe yourself, how would you sum up this wise gentleman before us?

I started my journey in Economics at Sri Venkateswara College and am now pursuing the MSQE program at Indian Statistical Survey. The journey from the former to the latter was full of ambition and hardwork. While those two developed as my definitive traits, I was also able to to instill within myself patience, something that now defines me.

2.Sounds wonderful! Could you tell us a little bit about your pre-dissertation program at Indian Statistical Institute? I remember you mentioned over the phone call it was on the Indian Time Use Survey , 2019.

Sure. We were asked to choose a project under a supervisor in the 3rd semester. I started researching this topic when it was mentioned a couple of times during my lectures.

So, the National Sample Survey Office (NSSO) conducts various socio-economic surveys employing scientific methods. Time Use Survey (TUS) is one of it. It is conducted to measure participation of men, women and other groups of persons in paid and unpaid activities.

When discussing the Time Use Survey in India, we generally emphasize how people use their time daily and allocate their time to different activities. Patterns are analyzed, based on which, policies are made. After implementing them, a second analysis of the pattern helps decide whether the policy made an impact. To be precise, a *positive* impact.

3.That was a great intro to TUS for our readers! Could you tell us about the observations drawn from TUS surveys done so far in India?

Sure. A look into the TUS Surveys done so far tells us about the low participation of women in unpaid domestic services in India. The numbers are astonishing. I believe we need to attract more women to the labor force, which holds more economic growth prospects. Raising awareness about women's empowerment would be a stepping stone, and policies related to this would help greatly. Quality daycare facilities that parents can send their children to, improvement in childcare services and infrastructure, and financial assistance are some other facets that can be looked into.

4.RIght! Varun, do you believe that discrepancy in time dedicated to unpaid household duties and caring for children - between men and women - indicates fundamental problems associated with gender inequality and gender pay disparity?

Certainly, it is notable that women are not showing up to work. The survey results demonstrate a significant contrast in the participation rates of men and women in unpaid domestic services. This difference is particularly striking in rural areas where the participation rate of males is only 27.7% compared to 82.1% for females. Similarly, in urban areas, the participation rate for females is around 80%. Women also spend significantly more time on unpaid domestic services, with an average time of 311 minutes compared to only 98 minutes for men, highlighting a substantial gap. The additional time women spend on activities such as childcare and cleaning their homes, which leaves them with less time to do paid labour, is the primary reason for the significant income gap between men and women.

5. May I inquire if you have had the opportunity to review analogous data from other nations? I am curious to ascertain the corresponding figures for Western countries and determine whether the confinement of women to household duties in India is a consequence of its status as a developing country or whether other factors are at play.

Initially, the research I conducted did not intend to draw comparisons between India and other countries. The study examined leisure patterns across different age groups without conducting a comparative analysis with other nations. However, the motivation behind exploring comparative data stemmed from the Western influence on a higher standard of living, resulting in an unparalleled leisure era.

6. That makes sense. As an undergrad Econ student who wrote her Statistics exam a while back, I'm curious how statistical tools like population sampling helped construct TUS. Please throw some light on it.

Certainly, allow me to provide a basic example to help elucidate this concept. Since it is impractical to survey an entire population, we select a smaller group of individuals to represent the population as a whole. By doing so, we can accurately estimate the population's characteristics. Weighted estimates are then taken to ensure that each aspect of the population is equally represented. In the survey, a two-stage sampling design was employed. The villages were divided into smaller blocks, and a stratification technique was used to select households from each block. So you see, the most basic of statistical techniques that we learned since high school are applied up till the most significant surveys conducted nationally and internationally. Just the complexity increases at each level. But it's gradual and interesting.

That sounds so encouraging! Thanks for the brilliant interview, Varun. It was a pleasure having a big brain who passed out of Venky back as a bigger brain. Wish you all the luck.

In Conversation With

MAANIKA KUMAR
M.A. ECONOMICS, IIFT (pursuing)
ALUMNA, SVC, BATCH OF 2021

Maanika Kumar is a student of Master's in Economics at the Indian Institute of Foreign Trade, Kolkata. Fresh out of Venky, she was also the co-founder of a startup. Read on to find out about her interests in Economics and the business world, and how she has honed them over the years, in this interview conducted by Akansh Gandhi, Anjali Rao, Vedansh Lamba and Rishika Chutani (students, Economics Hons., SVC).

1. Hi Maanika! Happy to connect with our senior from sometime ago. How have been and how would you describe your time at Venky?

Hapy to connect with you as well! Well, at Venky, I remember we were a batch of 60-70 students and we were the first ones to experience the pandemic, which was pretty sad. We attended college for 1.5 years, which is usually the time it takes to get to know the environment and settle in, and suddenly everything went online. That included our farewell, by the way. But to be really honest, when I stepped out of Venky and interacted with individuals from all across the country, I realized how dedicated our professors at Venky were to make even the online experience fruitful for us. I realized also that it is all thanks to my time in DU that I have such a strong base in Economics and could end up at IIFT.

They train you to be a defined individual. From our batch, I see some people in equity, some in venture capital, some pursuing their Master's in premier institutes different fields across the globe. That's probably all thanks to the competitive environment at Venky and DU which was a supreme driving force. I myself was the co-founder of a Startup right after grad, and now am pursuing my Master's.

2.We totally agree with you on that! Could you now let us know about your life at IIFT?

You know I am giving this interview from my hostel right now! Master's is pretty hectic and IIFT being a B-school adds to it because there is an internal competition between Management programs and MA Economics. We need to establish ourselves in the corporate world which is harder when everyone around you is so competitive. You need to hustle every single day. But of course, we get a lot of exposure as well. Certain professors really compel you to think and peer groups push us to do better every day.

3. Sounds amazing! You mentioned you were once a part of a startup. Could you tell us all about?

Yes, sure. So after undergrad, I got an opportunity to co-found a virtual and augmented reality based Ed-Tech startup with my friends who are from different institutes across the country. It was called Million Neurons.

I'll explain in detail what it was all about.

Suppose a teacher wants to explain the solar system, the conventional method is that he will make you watch a video or present a 3D model, but we at Million Neurons wanted a student to walk through the Solar System as if he is actually standing there to observe it all around him.

Also, note that in virtual reality, you are in that environment but in augmented reality, you can interact with the components as well. And we combined both. We wished to do this for all subjects, including those that are classified as 'boring' by the students, such as history.

4. What was your role in Million Neurons?

I worked on all the things apart from the technical stuff. I was responsible for thinking what the concept would be, and handling the business and financed of it. We also started our own blog page which I was overseeing.

5. Are you still a part of the start-up? Is it still running?

I left the start-up last year at the end of January. As the work in it increased, I found it hard to manage it along with a rigorous Master's program. Although it still has an online presence, it does not function anymore. My co-founder is also pursuing his studies now.

6. What do you think went south for the start-up?

The most common reason, which also happened with us was funding. We collaborated with IIT Delhi and Nexus (a collaboration between the Indian Government and The American Embassy) under a program that is supported by the American embassy and Indian Government. We were bootstrapping from the beginning. The equipment and employees are also pretty expensive. We had even developed our MVP but due to Covid-19 they couldn't be put into practice and we couldn't get into the market.

7. What is something you learned about the Indian education market during the time you were invested in it as an entrepreneur? And what is the most important factor for a start-up to stay relevant in the long run?

The Indian education system is a pretty hard market to crack. It is a hard truth to digest but all of the people are there to make profits. There are already a lot of giants present which makes it even harder.

In order to sustain in any market, always ask yourself, "Are you really solving a problem?". For instance, are you solving a problem that is solving rural problems or reaching out to the masses?

8. Makes sense! Now, what do you think about start-ups like Zomato and Nykaa who spend a lot on their marketing but are still running in losses? Do you think this expenditure would make them unsustainable in the market in the long run?

One of the key things to note when it comes to what you're asking about is whether you are B2B or B2C. And if you are in B2C, what type of market you deal in matters a great deal. Zomato and Nykaa are the new operators in B2C markets, and both markets are difficult to penetrate and hence they end up spending a great deal on marketing activities. However, I believe in Product over Marketing. In the long run, investment in the former would trump investment in the latter.

9. Maanika, What is the difference between being an employee and an employer? What it is like on both ends of the spectrum since you've been in both places?

As an employer, your brains are working at 100 percent and you get more exposure as you have to develop expertise in everything. As an employee, work pressure is much lesser in comparison to what an employer face. You don't have everything at stake.

10. Where do you see yourself in the long run? Has your view evolved since you started your life at Venky?

I feel like I have to contribute something to society, through an entrepreneurial venture and/or through research. I plan to have a start-up again, but that would be 10-15 years down the line.

When I entered Venky, it was all about getting the best grades and eventually landing into a good Master's program. And subsequently, get a well-paying job. Start-up was never the plan, it just happened spontaneously. But over time I've realized I have interests in both the domains so I'll go where life takes me.

ANSWERS TO THE QUIZ

A1) InMobi

A2) $1 billion

A3) Kristalina Georgieva

A4) Ukraine

A5) cryptocurrency

A6) International Financial Reporting Interpretations Committee

A7) The Cryptocurrency Act of 2020

A8) BCCI (The Board of Control for Cricket in India)

A9) 3500 crore

A10) Direct relationship

A11) 9th Aug 2020

A12) Minimum price wage and low bargaining power

A13) 2006, DMK Tamil Nadu

A14) Impact on consumer spending

A15) Qatar

A16) Minimum price wage and low bargaining power

SOLUTIONS TO THE CROSSWORD

WELCOMING NEW FACULTY

Mr. Abhishek Malhotra is now an Assistant Professor in the Department of Economics, Sri Venkateswara College. He completed his graduation from ARSD College, University of Delhi, and attended a Master's program and completed his Ph.D at the University of Hyderabad. Alongside involving in research projects with organizations such as the Indian Council of Social Science Research (ICSSR), Housing and Urban Development Corporation (HUDCO) and IIM-Ahmedabad, he joined the Ministry of Finance and worked as a consultant to the Chief Economic Advisor for a year.

He's currently also serving as the Secretary of Partnerships and Finance of the Youth-20 India Secretariat and is the G-20 coordinator of our college.

Ms. Mausumi Mohanty is now an Assistant Professor in the Department of Economics, Sri Venkateswara College. She is also a passionate learner and competitive performer. Having a tremendous educational record achieving five gold medals in her post graduation from Banaras Hindu University, ma'am completed her graduation from BJB college, Bhubaneswar and backed 2nd position in the entire state. She is currently pursuing her PhD from Pondicherry University in Monetary Economics.

She has also worked as a project analyst in the Ministry of MSME, Govt. of India, besides having published extensively in applied economics.

Ms. Sushmitha Naidu is an Assistant Professor in the Department of Economics, Sri Venkateswara College.

Her education comprises a Bachelors from Lady Shri Ram College and a Master's in Development Economics from the South Asian University.

She's a keen researcher and takes interest in development economics and Indian economy.

Mr. Yogesh Malhotra is an Assistant Professor in the Department of Economics, Sri Venkateswara College. He is currently pursuing his Ph.D from Jawaharlal Nehru University.

He completed his masters from Jamia Millia Islamia, M.Phil from University of Madras and Bachelors from Delhi University.

With deep knowledge in his subjects, he has extensive research work in finance, management, econometrics and economics over the years.

Ms. Sonakshi Jain is an Assistant Professor in the Department of Economics, Sri Venkateswara College. She completed her PhD from Jawaharlal Nehru University, Masters from Centre for International Trade and Economics, and Bachelor's from Indraprastha College for Women, University of Delhi.

She was a junior researcher at the Indian Development Foundation. She has deep knowledge about her subjects, especially Game Theory.

Ms. Sheebani Goswami is an Assistant Professor in the Department of Economics, Sri Venkateswara College. She is currently pursuing her PhD from Jawaharlal Nehru University.

She shares deep interest in reconciling economics, finance, education, philosophy and sociology, understanding economic systems within the broader, social, cultural and ethical contexts. She has also published various research papers in the field of statistics and macroeconomics.

She's an avid reader and enthusiastic professional.

Dr. Kanika Pathania is an Assistant Professor in the Department of Economics, Sri Venkateswara College. She holds a PhD from the Delhi School of Economics, New Delhi.

She did her Master's from JNU and Bachelor's from Delhi University. She has received various scholarships and awards like the Amul Vidya Bhushan Award. With her deep knowledge in her subjects, she has conducted numerous workshops in finance, management, and economics over the years.

FROM THE EDITORS' DESK

KASHAA SWAMI

As Econ-Expressions 2023 goes to the prints, the world is ideologically becoming more splintered along the fractals of economic disparity, class, caste, and gender. The magazine intends on bridging the gap between different opinions on a common platform where every opinion is valued and celebrated.

This year's journey has been both enlightening and terrifying, and while I sat mentoring and developing my peers, but more than anything myself, I feel nothing less than gratitude alone. *'From light hearted writing exercises to rigorous and articulate ones, we all grew up'*, is how I would sum up my year as the Editorial Head.

'Battlegrounds Business Cycles', this year's theme for the newsletter instilled in us grit belief in our opinions and thoughts, as we stood compiling the magazine bit-by-bit. Marking new additions such as the Interview Section and the Book Reviews Section, I'd like to take pride into calling this our 'annual production'.

As I talk about the laurels we added to the Association, my journey cannot be successfully summed up without the three pillars of my strength for my writing. My mother, who saw my worked up days and yet always made me realise I can do better, Rishika Chutani (Vice-President, ECOSOC), whose unparalleled support and guidance made me grow immensely as a writer, as a person and as a leader, and Suraj (President, ECOSOC) who trusted me with more than I knew I could handle.

Serving as the Chief Editor of Econ-Expressions 2023 was a privilege and source of great pride for me. Although the voyage was wonderful, the responsibility was enormous. I want to thank my Co-Head, Anjali, for helping me pave through the downs and lows, and the entire Editorial Department for their dedication and enthusiasm in making this a success as well as my core group for putting their faith in my judgement and ability to lead in this capacity. I sincerely hope people appreciate reading it as much as we did putting Econ-Expressions' 23, together.

FROM THE EDITORS' DESK

ANJALI RAO

As the Chief Editor, I reflect upon the journey that brought me to this moment. My progression from being a member of the Editorial Board in my inaugural year to the position of Editorial Head in the following year was marked by a transformative roller coaster ride, one that we embarked on with enthusiasm and unwavering dedication. We seized every opportunity presented to us, embraced the challenges of meeting tight deadlines, and learned the true value of teamwork.

This journey extended beyond the confines of the magazine, encompassing growth in our personal and professional lives. Our experiences enabled us to broaden our horizons and interact with society in a meaningful way, honing our communication and networking skills, and paving the way for future success.

One of my fondest memories has been this one meeting with the members where it was the department v/s me in a Bollywood Quiz and I won it, honing the title of Ms. Bollywood Buff.

As we reflect on the past two months, we take great pride in the completion of this magazine. The countless meetings, long hours, and tireless effort that went into its production were all worth it, and we are delighted to see the culmination of our hard work manifested in the pages before us.

In conclusion, we are honored to continue the legacy of 'Econ-Expressions,' and we look forward to the continued growth and success of this distinguished publication.

CREDITS

EDITORS-IN-CHIEF

ANJALI RAO
KASHAA SWAMI

MARKETING HEADS

HARIPRIYA MURALIDHAR
RIYA KAPOOR

SPECIAL THANKS

MS. YOGITA YADAV

(Ex-Faculty Advisor of the Economics Association for the session 2022-23, for her exemplary contribution towards the society. We thank her for helping us launch our Podcast, organize events, working with us like our friend, and being the backbone of the society.)

RISHIKA CHUTANI

(Vice President of the Economics Association for the session 2022-23 for helping us with the magazine by closely working with the Editorial and Marketing teams to help showcase the content in an engaging and professional manner.)

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