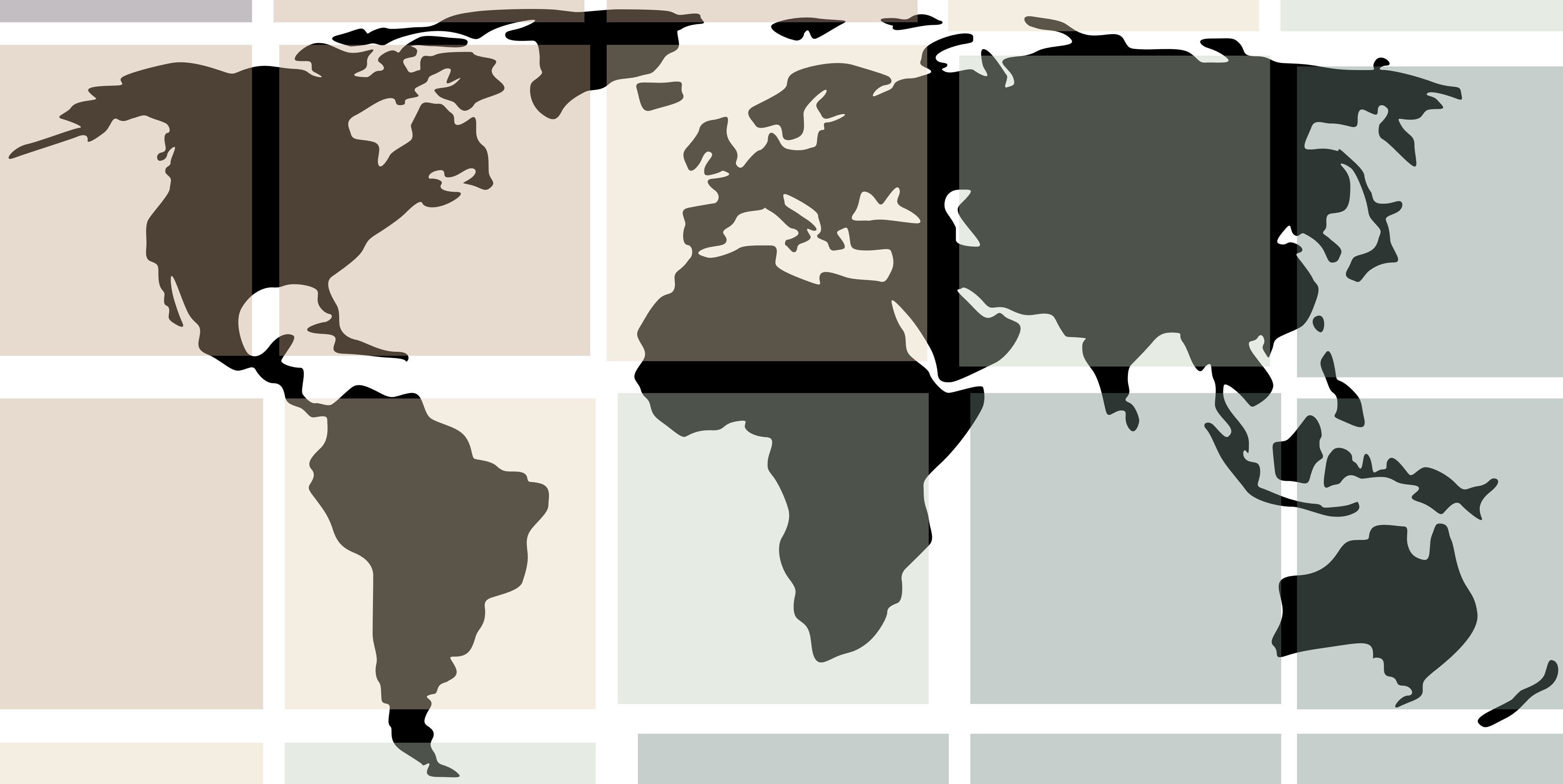
OPTIMA

MAGAZINE

Department of Economics

TOWARDS EXCELLENCE



COVID-19 AND ITS ECONOMIC IMPACTS

2021

University of Delhi

Daulat Ram College

Note from Principal

I am extremely happy to pen down lines for the eighth and special edition of The Annual Economic Outlook, Optima of The Economics Department, Daulat Ram College.

Growth comes only through continuous effort and struggle. The pages that follow in the latest edition of 'Optima' follow this testimony of growth. The efforts put in by students and teachers to bring in the best in this magazine are appreciable.

Education is the gateway to the future and the future belongs to those who prepare for it today. The economics department is the powerhouse of young budding economists of our nation. Children are eager to learn new things. I hope that they may grow to contribute, to share what is best in them to their fellow human beings.

In these trying times, it is great to see the enthusiasm of the students and teachers towards undertaking meaningful projects and creating more knowledge.

At last I wish great success ahead to all these young minds. Congratulations to the department and to the editorial board. May the magazine reach great heights in the years to come.

Best Wishes
Prof. Savita Roy
Principal, Daulat Ram College

Note from HOD, Department of Economics

It gives me immense joy and pride in presenting “Optima, The Annual Economic Outlook, 2020-21”. It represents the culmination of tireless efforts of students and teachers of Economics Department. It is an apt showcase of the considerable potential and creativity of our students and also presents a window into some of the activities conducted during this academic session. Optima is a platform where students present their views on a broad spectrum of economic issues. It is the manifestation of the intellectual prowess, genius and dedication of the members of this department. The idea of an annual economic outlook was brought up in 2013. Since then, I have seen it bloom and improve each year towards a piece par excellence. Similarly, ‘Eclat’, the Economics association, literally meaning ‘brilliance’, has grown since its inception in 1997-98, to radiate complete academic distinction. I congratulate the association in-charge and students in the editorial board of Optima for their hard work involved in bringing out this edition. I hope, with each passing year, students and teachers of the department continue to put in the same effort to take Optima as well as Eclat to greater heights.

I express my sincere gratitude to our Principal Prof. Savita Roy for her unwavering support, encouragement and guidance and above all, for believing in us.

Dr. Malini Sharma
HOD, Dept. of Economics

Note from Faculty Advisor

Optima is the epitome of the Department of Economics students' passion for their chosen field of study. It is part of a glorious tradition, which is carried on with a tremendous sense of responsibility by the current editorial team. Their relentless hard work over the past several months in putting together this newsletter, despite the ongoing pandemic, is reflecting well in every article in this volume.

Optima is a platform for the exchange of ideas as well as a medium for learning how to articulate one's own opinions in a disciplined, orderly, and conducive manner. I am sure not only students who actively contributed to this effort but also those who will simply peruse it will benefit immensely from this bundle of ideas. I congratulate the team of Optima and the student body of the Economics Department.

Best Wishes,
Aisha Ahmed
Faculty Advisor and Convenor Economics Association,
Eclat (2020-21)

MENTORS' VISTAS

The initiative to start an Economics magazine in the college is commendable. It provides an opportunity to the students to be creatively involved and at the same time provide some valuable and interesting insights and information to the readers.The magazine provides platform to polish the literary skills of the students as well as their ability to analyze issues of an economic nature. I wish the students all the best in their endeavor.

Ritu Khanna
Assistant Professor
Department of Economics

“Creativity sounds like a mystical and devine gift that must be caught by those who are lucky enough to harness it. " -Elizabeth Gilbert

I feel proud and honoured to congratulate the team for the successful completion of another edition of Optima. This is a profound example of an effective translation of creative genius. You can't hit a target unless you are aiming for it and you can't achieve a goal without having it. Every edition of Optima sets a precedent. I believe that can be credited to the department’s passion, planning, persistence and purpose. I wish all the best to the students of the Department of Economics and the team Optima.

Dr. Rita Rani
Assistant Professor
Department of Economics

Greetings to all!
It is our immense pleasure and pride to present a great initiative taken by the editorial team of the Economics Department, Daulat Ram College. The compilation of our annual magazine ‘Optima’, is a reflection of the students’ take and understanding of the discipline of Economics. The volume speaks to their ability to apply the Economic theories in daily life. It brings out the hidden economists that are waiting for the right time to contribute to the real world, enlightening it with their economic wisdom. I wish great success to the team and the department.

Pooja Sharma
Assistant Professor
Department of Economics

Eclat over the years has successfully served the objective of providing a forum for debate and discussion of various theoretical and policy-oriented issues of Economic Science. I am confident that , latest endeavour of the Association, will serve as a marvellous avenue for the members of the Department, to put forward their creative ideas and further advance their academic understanding of the discipline. I wish all the best to the editorial team of the Eclat for the successful launch of this platform.

Priyanka Yadav
Assistant Professor
Department of Economics

I am gratified to know that the department of Economics is bringing out another issue of their annual magazine “OPTIMA” for this academic year (2020-2021). This is a great opportunity for the students to showcase their skills and talent. I wish ‘Eclet’ a very big success in all their ventures. I also applaud the coordination and efforts behind the team to bring out this issue. I wish them all success.

Saachi Bhutani Bhagat
Assistant Professor
Department of Economics

I really appreciate the commitment and dedication of Optima Team for providing this wonderful platform to the students and faculties as well. We all know that we live in a time, where perhaps all social relations have been changing rapidly since long. Neo-liberalist notion has entered in our lives as a new version of new normal, which even follows us irrespective of our time and space whether it is private affair or public. Master’s eye always want to see the cattle fat. All masters want to turn the sand to gold. Killing the goose that lays the golden eggs has become new normal in the era of neo-liberalism. Further, I want to tell my socialist friends, that there is better way of encountering than sneering and sneering in the hope that the opponent, vain and touchy intellectuals will cease to argue as soon as he observes that he may encounter ridicule. Therefore, at the end of the day, it is high time for us to revisit historical settings in search of new hope. With this note, I wish you all the best for this great effort.

Ashok Kumar
Assistant Professor
Department of Economics

It's a matter of great pleasure that the economics undergraduates are bringing out the annual edition of Optima, the Department magazine. I'm looking forward to it to understand what draws attention of our young undergraduates and how they undertake and formulate any research. I wish the editorial team a happy learning experience and everyone enjoys reading the magazine.

Nitish Kumar
Assistant Professor
Department of Economics

SENIOR'S SHARE

It is my sheer delight to write this note for Optima 2020-21 by the Editorial Team of Optima – The Annual Economic Outlook of the Department of Economics, Daulat Ram College.
I believe this issue will prove as a witness to new forms of literature on the health crisis the entire world is battling currently. I hope it provides fresh perspectives to the readers and the power, strength, and most of all, the inspiration to keep experimenting with new ideas. At the end, what will survive is our creation; let it reflect everything we stand for.
I present my heartiest congratulations to the team for its tremendous effort in putting together such a wonderful work for all of us. Happy reading!

Best wishes
Muskaan Bhagat
Editor-in-Chief, Optima (2019-20)

It gives me immense pleasure to pen down lines for Optima 2020-21 of The Economics Department, Daulat Ram College, University of Delhi. The pages of this issue follow the testimony of excellence and explicitly exhibits the hard work put in by the existing editorial team.
This issue throws light on the present pandemic situation which has brought world to a standstill and world economy slipping into recession. It has proven to be an ideal platform for the exchange of ideas and helped students to hone their economic sense. I congratulate the editorial team for achieving this landmark and applaud them for their ardor and shrewdness.

With Best Wishes,
Devanshi Malhotra
Editor-in-Chief, Optima (2019-20)

TEAM OPTIMA

Academic writing is one of the most valuable forms of literary expressions. Optima is a wonderful platform for young budding economists to outburst their economics oriented thoughts and opinions.

As the world grapples with the pandemic, students have been at the receiving end of a lot of flak. In such difficult times, this edition has become the outlet of positive creative energy for the students of the Economics Department. We are grateful to this opportunity for giving us a platform to curate meaningful content and enhance our skills during the lockdown.

We are thankful to a lot of people for helping us to bring out the best in this volume and setting higher standards. Above all, we would like to thank our department members, for their commitment and hard work.

It was a joyful as well as a learning expedition. We encountered many challenges on the way that we solved with creativity and acumen. We supported each other on every step of the way and that we think, was our biggest strength.

Happy Reading!
Best,
Editorial Board, Optima, 2020-21

Bhavya Pandey
Editor-in-Chief

Treesha Lall
Co-Editor

Srishty Goyal
Head of Design

Mutasir 2020: The Winds of Change

OPTIMA

Department of Economics

On the 26th of October, after days of meticulous planning, Eclat, the Economics Department of Daulat Ram College threw open the virtual gates to its annual youth conference, Mutasir. Unlike the previous editions of the event, however, adrenaline was running high for the conduct of Mutasir 2020.

Ergo, not just was this conference being conducted online for the first time since its inception in 2015, but it was also playing host to two of the most eminent personalities in the realm of Indian Economics. These were Dr. Krishnamurthy Subramanian, the Chief Economic Advisor of the Government of India and Dr. Viral Acharya, the former Deputy Governor of The Reserve Bank of India.

Given the professional accomplishments of the guest speakers, the conference was set to promise rigorous intellectual discourse. Only fifteen minutes into the programme, it was clear that the evening would achieve what it aspired to. After a brief welcome of the guests and esteemed faculty members, Eclat launched its upgraded webpage. The page was proudly introduced to the audience, replete with information on its latest events and writing contributed by the student body as part of the department blog. Soon after, Bhavya Pandey, the Editor-In-Chief of Optima, the annual economic magazine of Eclat, introduced this year's e-newsletter, aptly themed 'Economics and COVID-19'. The attendees were able to catch a glimpse of analytical and thought-provoking pieces straight from the pens of the members of the economics department.

Finally, the speaker sessions kick-started with Dr. Viral Acharya taking the floor for an insightful, bold and critical talk on India's efforts to revive the economy, its effects on private and banking sectors and alternative courses of action for post-COVID damage control. In his talk, Dr. Acharya furthered some ideas that he has elucidated in his book 'Quest for Restoring Financial Stability in India', specifically pertaining to government expenditure. He talked about the need for more Government Capital Investment to resurrect the economy in the long term and a model that supports the private sectors' growth. He expressed concerns about heavy government expenditure damaging entrepreneurial productivity and a need "to strike a balance" between the current prevailing (albeit necessary) Keynesian policies and those that may suffer from Hayekian drawbacks. He went on to propose actions that may bring the country closer to achieving this somewhat ambitious need. Starting with the need for a more emboldened Fiscal Council which is transparent on the assumptions made while projecting growth rates and the "real" debt numbers, he went on to suggest the significance of publicly released data on government deficits and expenditures.

He suggested that many subsidies currently provided by the government could be converted into a uniform universal basic income (UBI), inviting many questions on its impact/ implementation from the audience. Of particular note were his views on divestment of banking and non-banking public entities, along with a significant lowering of government stakes. Dr. Acharya concluded his riveting speech with the urgent need for capitalisation of banking and financial sectors and possible solutions in the forms of stress tests and the privatisation of public sector banks.

Following Dr. Acharya's session, Dr. Krishnamurthy Subramanian gave an eye-opening and distinct perspective on the Government of India's economic reforms during COVID-19. On the reasons for the intensive lockdown initiated by India, Dr. Subramanian explained the Government's preparedness which stemmed from the global experience of the Spanish flu pandemic in the 20th century. He spoke about the "network effects" that spread the Coronavirus and India's vulnerability both in terms of size and density of population. Enlisting publicly available data, he talked about how the mortality rates would have been much higher in the absence of a lockdown and how the lockdown gave the country "space" to erect healthcare facilities and infrastructure. "The COVID response of the Indian Economy-in India was driven by this humane principle that while GDP growth can be brought back, lives lost can never be brought back," he said, recalling that post the Spanish flu, countries with lower death rates showed economic recovery much faster than other nations. He further discussed the great significance of labour and agricultural reforms placed by the Government of India and their extensive potential in job creation. Talking about the very small portion of the population engaged in the organised sectors, he emphasised on the importance of current labour reforms and their role in kick-starting India's manufacturing sector. On the Agricultural Sector, Dr. Subramanian spoke about the many hindrances Indian farmers faced, deconstructing the role of the Farmer's Bill to prevent debt traps and create more opportunities for small farmers. He concluded with his recommendation to focus India's expenditure on infrastructure and employment to revive consumer demand, key proposals which could set into motion a multiplier effect and stabilise India's economy.

With this, Mutasir 2020 came to a memorable close, spurring all those present into undertaking important discussion and active involvement in the affairs of the Indian Economy. The evening, resplendent with perspective and a powerful dynamism, was one the department and the attendees would not soon forget.

Mutasir 2020

Every new academic session signifies fresh, exciting potential and newer goals to achieve for Eclat, the economics association of Daulat Ram College. This year demanded nothing less. The most recent of our many achievements is the new Optima newsletter.

Optima Newsletter 2020

The newsletter is an initiative of the Economics department and carried out by the newly formed editorial team of Optima, with Bhavya Pandey as Editor-in-chief taking the reins, and two new additions to the team: Treesha Lall holding the post of Co-Editor and Srishty Goyal as the Head of Design.

OPTIMA

Department of Economics

Under the guidance of the Faculty Advisor, Ms. Aisha Ahmed, the newsletter kick-started with the aim of bringing to the students of the department, all recent events of Eclat - the Economics Association of the college, as well as some key contributions and insights into economic happenings around the world with special emphasis on the pandemic. The initiative was graced by the blessings of the Principal, Prof. Savita Roy, Mrs. Malini Sharma, the Head of Department for Economics and the other faculty members.

The guidance and generous contributions of the mentors, the driving forces of the economics department was essential to the making of the newsletter. Moreover, ex-members of the editorial board immortalised their support in print with this newsletter.

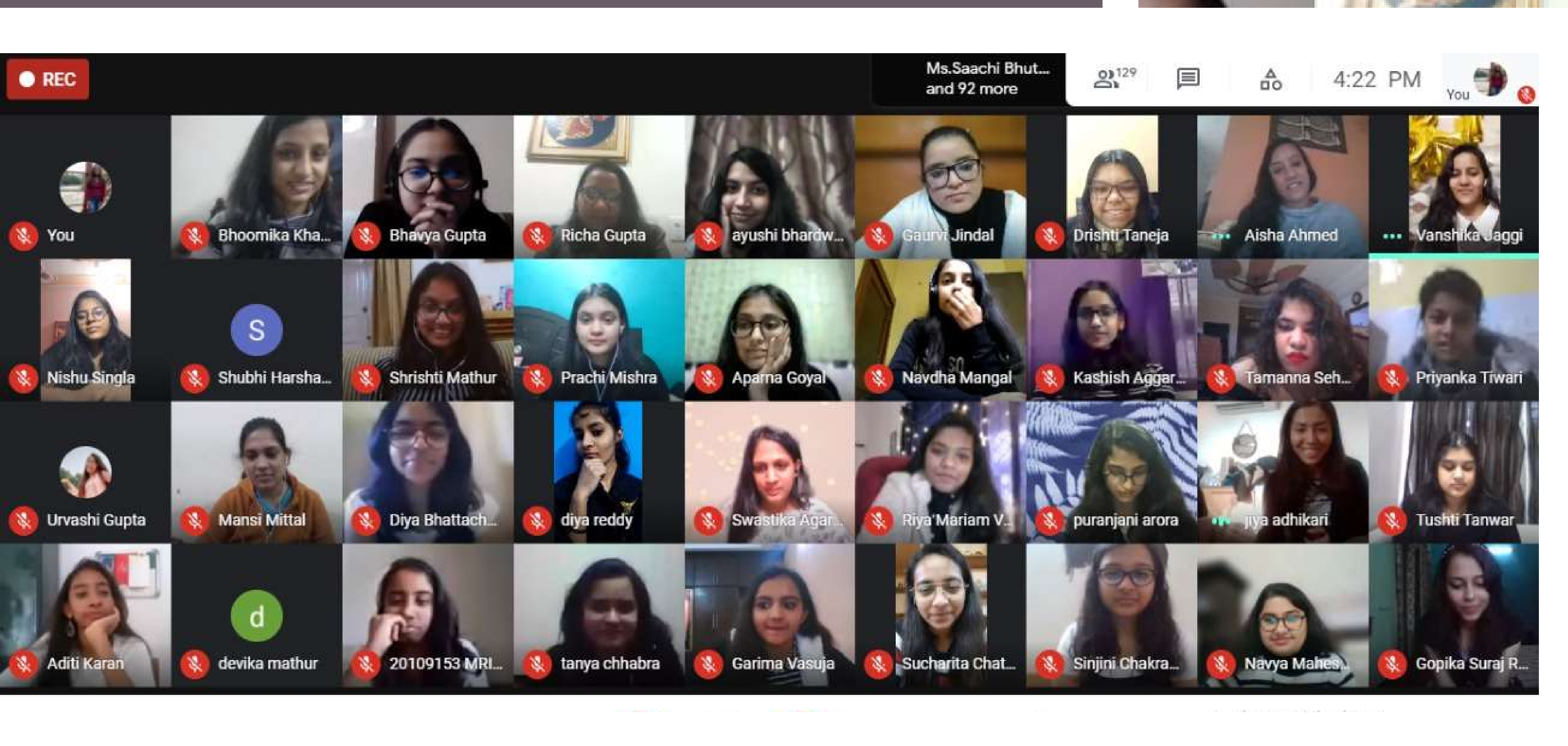
The newsletter celebrates the astounding achievements and the several organisational successes of economics. It takes the reader through the beginning of the new session, with proud felicitations of the student union and a scintillating freshers party on to the annual conference, Mutasir and its stimulating academic effect on the students. It details the incredible fifth edition of the DRCMUN conference as well as the many informative webinars organised to keep the scholarly flame burning within the students in the wake of the pandemic.

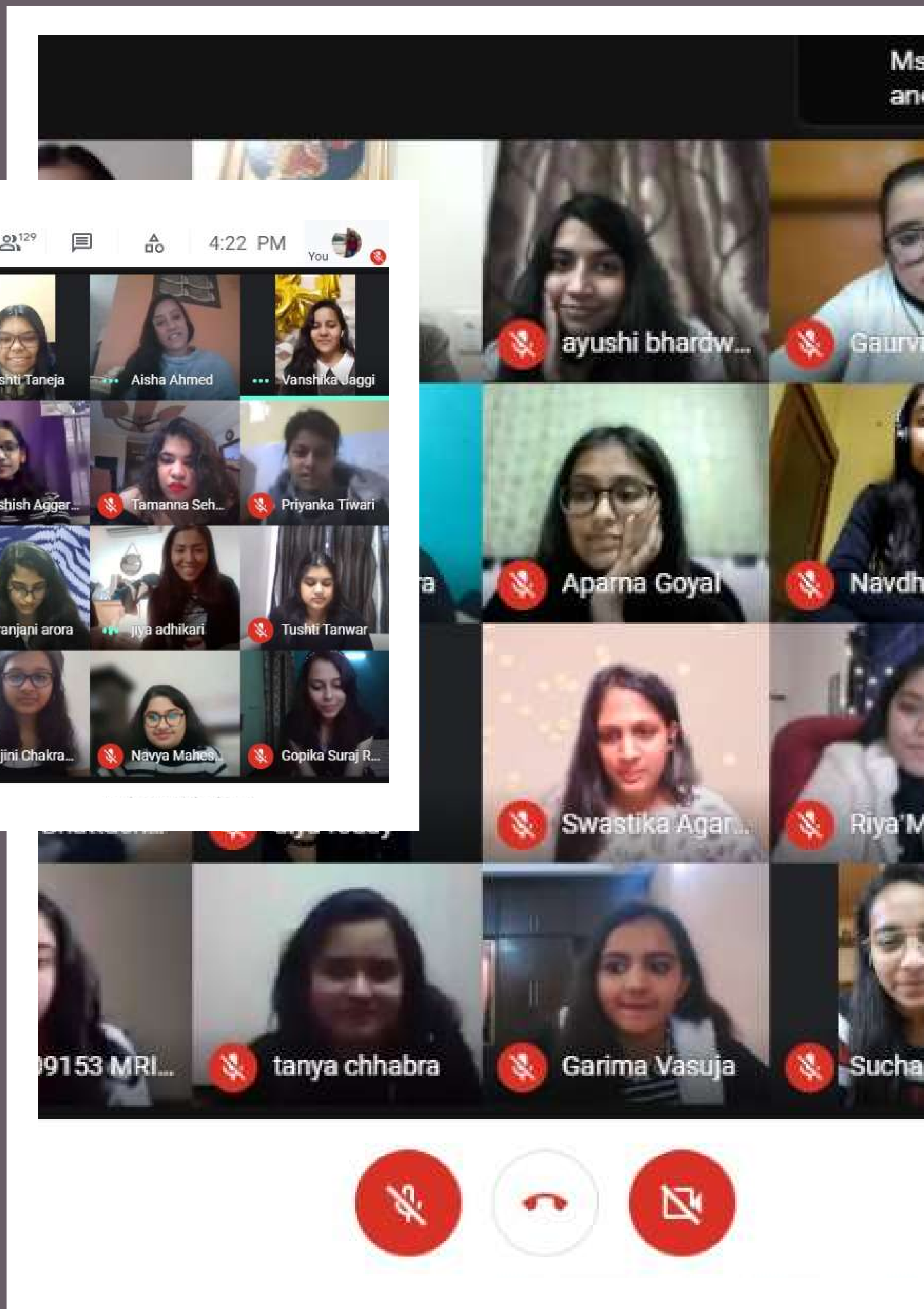
The Optima newsletter, keeping to scholarly tradition, includes intellectual pieces of literature contributed by the students and faculty members alike. Articles include those discussing effects of the pandemic on various economic sectors, the environment and various other socio-political issues. All these articles make for engaging and interesting reads. The newsletter reflects the enthusiastic academic spirit of the economics department, one that it strives to spur ever-further.

An auxiliary of the magazine, the newsletter is a novel initiation that covers recent activities of the department and also includes some key insights of recent economic issues by the students and faculty members alike. It has articles on the pandemic, the environment and various other social, political and inter-linking economic issues.

It can be accessed here:
https://drive.google.com/file/d/1YBy-dKJqsHTSyi-nq8wgWlI_HnSJFFxL/view?usp=sharing

Department Fresher's Éclat, 2020





The world is trying to rearrange itself in the wake of the pandemic, and nobody better than the batch of 2023 can tell this tale.

Despite facing so many odds the excitement of the students of this batch is no less than the others. To keep their spirits high and recognize their efforts in the past few weeks, The Economics Department of Daulat Ram College organized a virtual Fresher's meet on 20th January 2021, through Google Meet.

Dressed in aesthetically monotonic theme of 'Black and White', the program started with the welcoming speech of faculty, followed by Miss Fresher's contest where the girls left us amazed with their enchantingly beautiful talent videos. The title of Miss Fresher's was bagged by Vijeyta Bahuguna, Miss Talent was given to Sanjana Dagar with special mentions to Ruskwika.

Later on, the program was proceeded with games where the new lot left us in splits with their hilarious Storytelling, followed by the game of Myths and Facts where guessing game was tried to the best of its level.

The event concluded with anonymous messages being read which laid the foundations of stronger bonds to be cherished in coming years.

Article Writing Competition, Éclat

On 1st October 2020, Éclat, the Economics Society of Daulat Ram College, initiated an article writing competition open for academic writing enthusiasts all around the country. This being the first of such competitions organized by the newly formed student union, members spent weeks in the throes of meticulous planning and organization.

Participants were to register and send in their pieces written on one of the following topics:

1. The economics of crime. Can identifying economic problems lead to solutions beyond law and order?
2. Economics and healthcare: The imminent shift of developmental priorities post-COVID-19.
3. The economic effects of the stimulus package on MSMEs.

A multitude of entries were sent from across the nation, each offering a new take on these crucial, contemporary economic issues. After passing a detailed short-listing process, selected pieces were appraised by Nitish Kashyap and Ashok Kumar, esteemed professors in the Economics Department. After evaluation, the top three articles were announced as follows

First position: Deshna Jain, Economics of Crime beyond law and order
Second position: Lavina Garodia, Economics and healthcare: The imminent shift of developmental priorities post covid 19.
Third position: Vasudha Upreti: Economic effects of stimulus package in MSMEs.

Webinars 2020

On New Education Policy

The economics department of Daulat Ram College, Delhi University, organised a webinar on the topic "Economics of education: the new education policy" on 30th September 2020. The speaker for the session was Ms. Jyoti Arora, a Delhi University gold medallist and recipient of Basu Memorial Award. She had pursued her B.Ed from MSI and M.Ed from CIE, Delhi University.

The webinar was attended by students all over the country and provided them with the detailed description of the New Education Policy, that was introduced by the Central government as a move to rejuvenate the education system. The webinar began with the speaker highlighting the importance of research work and the difficulty in getting funds and how the nature of quasi-public good is bound to change.

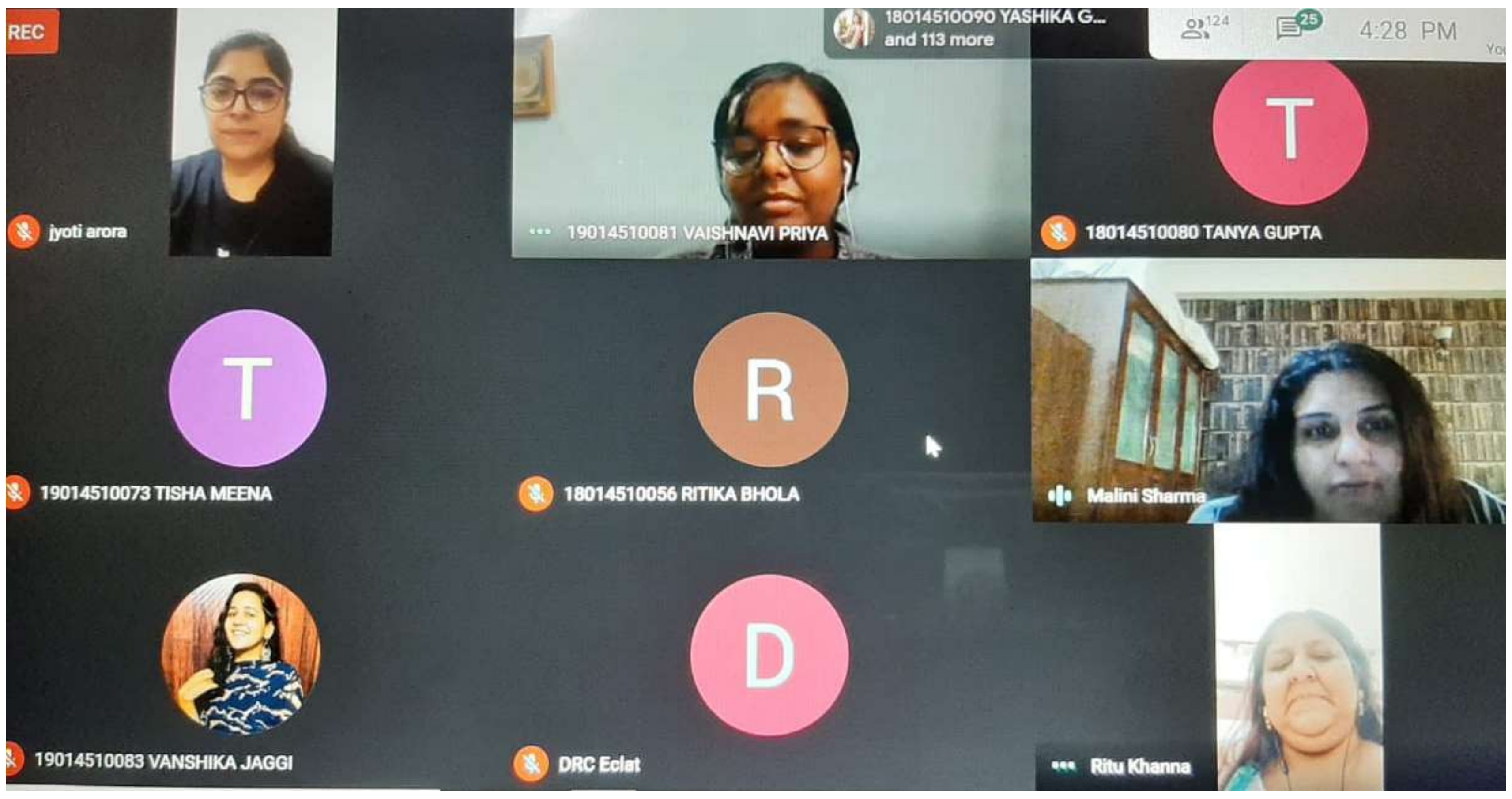
It went on to analyse some of the pointers in the NEP including the "special education zones" as how there is yet a discussion to be made about including foreign universities in SEZs. Many questions were asked to the speaker, on the topic of English language and its importance, Ms. Arora talked about the NEP focusing on the mother language and regional language above English and how it raises a debate. Emphasis was laid on the need to assess the students not just on their marks but other factors as well.

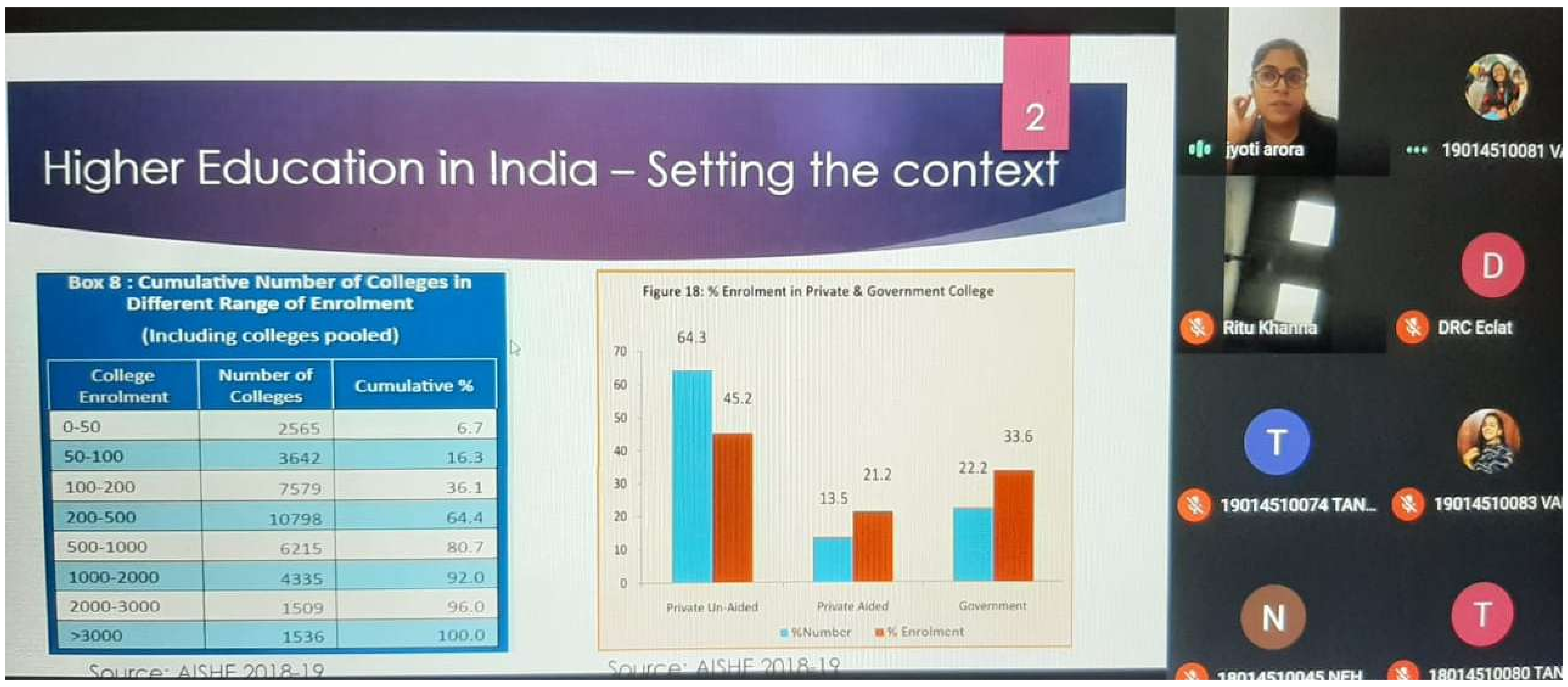
The speaker gave an insightful lecture on the economic aspect of the new education policy. A vote of thanks was given to the speaker along with gratefulness to the convener and other faculty members. The webinar was informative and liked by all the attendees.

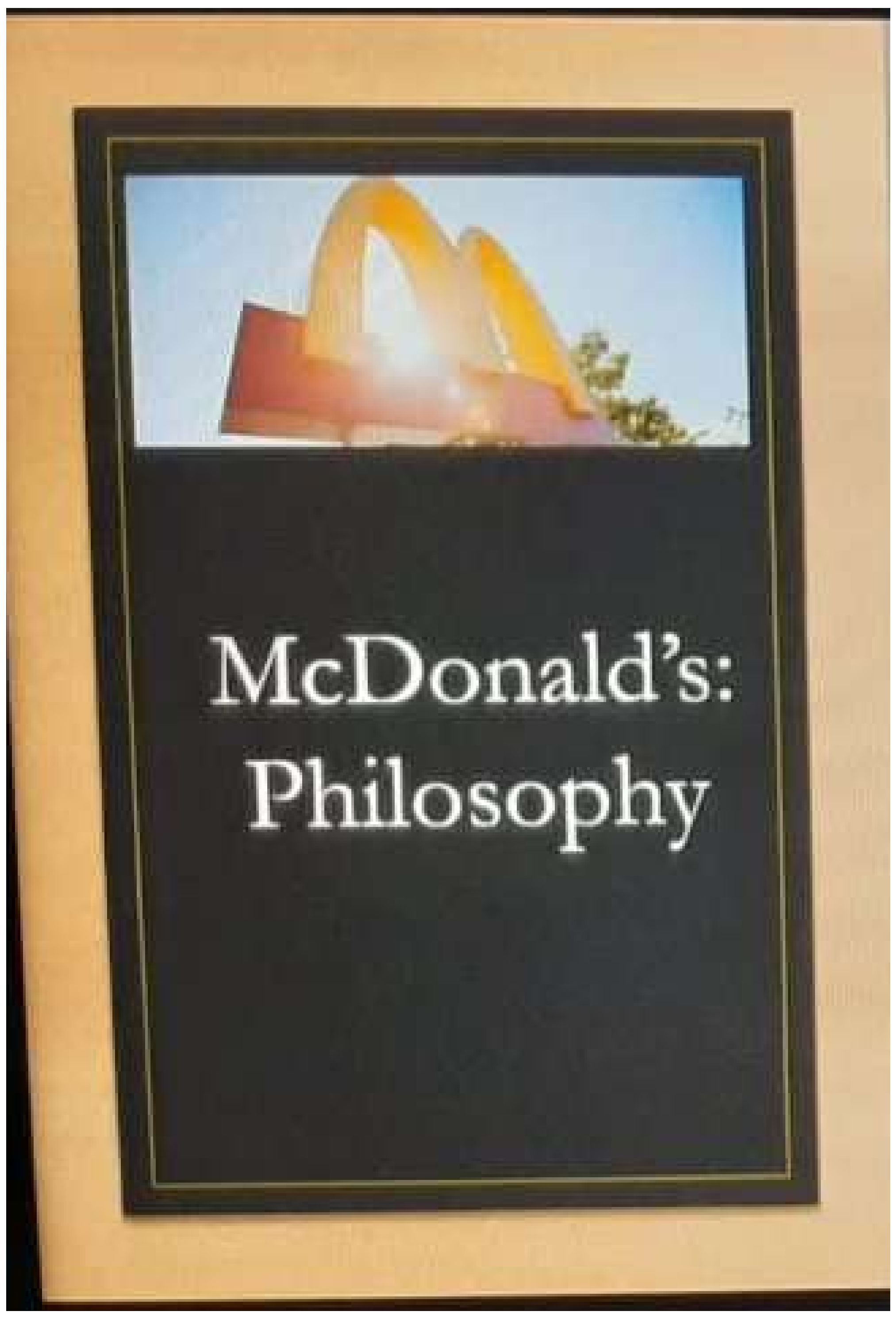
On International Business

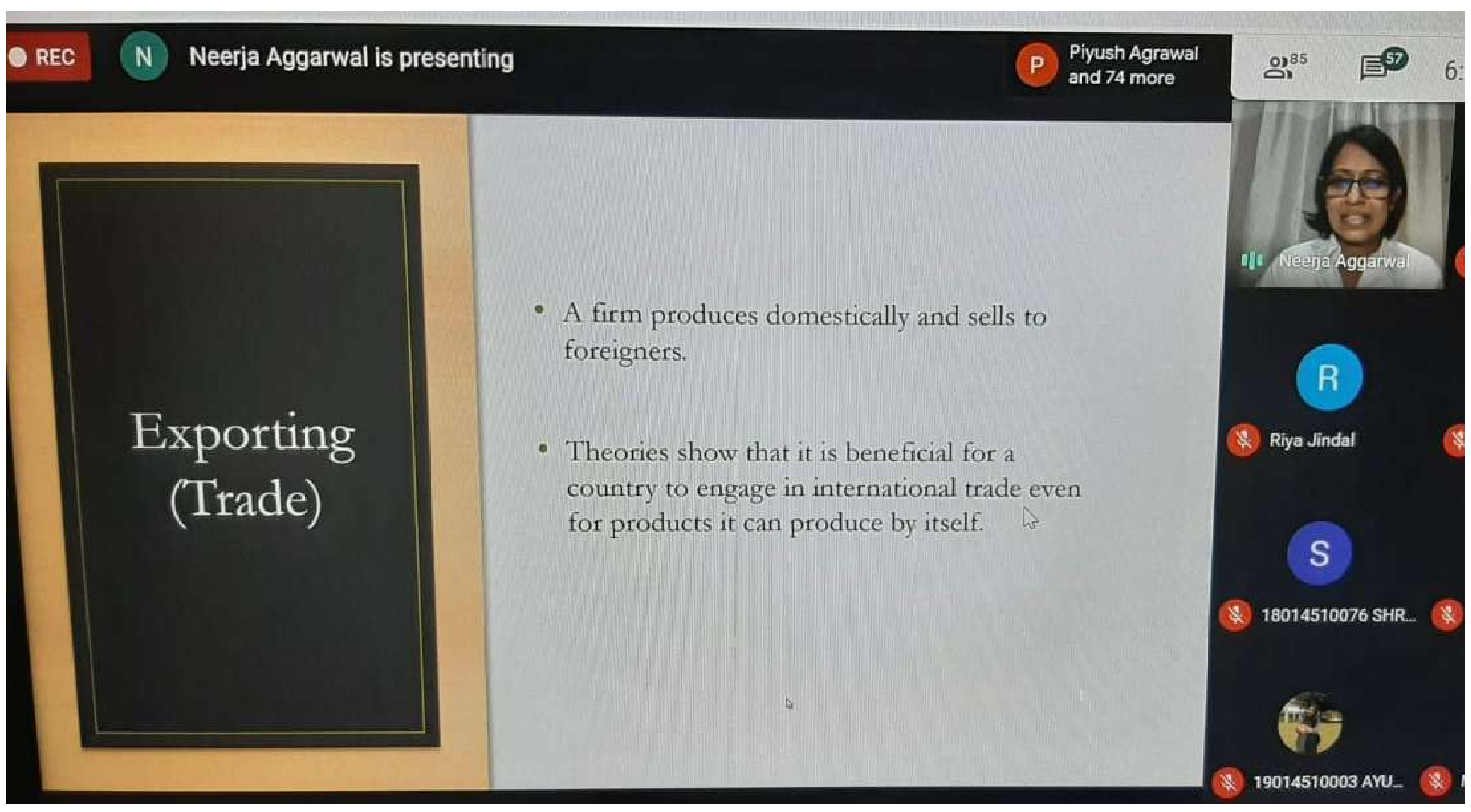
On the 7th of October, Eclat, the Economics Society of Daulat Ram college, held a webinar on International Business with Dr. Neerja Aggarwal as the guest of honour.
Dr. Neerja Aggarwal is an M.A. in Economics from Delhi School of Economics, Delhi, India and has done her Ph.D. in Economics from The University of California, Irvine. She has taught economics at the University of California, Irvine for several years and has been bestowed with multiple awards for excellence in teaching. She has also been granted the lecturer professional development, social science merit fellowship and research fellowships by the university.
Joining students from across the country and beyond its borders, Dr. Aggarwal took to explaining the significance of International business, the various different factors affecting is working and the complex inter-linking of all of them. The conversation took a lively turn as the current state of international business was introduced. Globalisation was analysed from multiple different angles ranging from the problem of stiff competition to the protectionist tendencies of economic super-powers. The talk concluded with a riveting question and answer round where attendees got the chance to ask questions about international business strategies, associated risks and rewards.

Competitions and Webinars









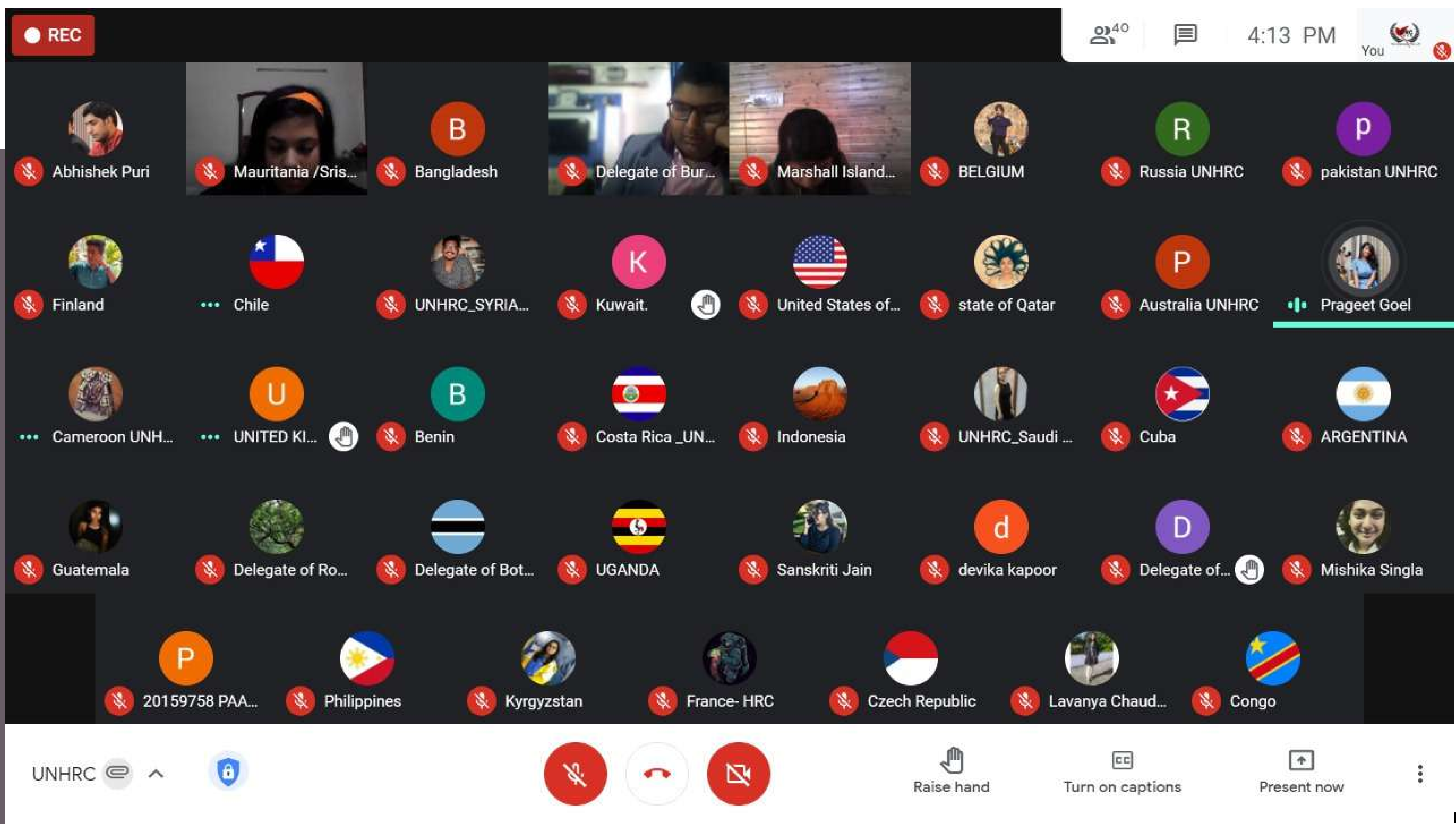
DRC MUN 2020-21

The Sixth edition of Daulat Ram college, Model United Nations Conference'21, was organised by Éclat on 7 February, 2021.

This first ever virtual edition of DRC MUN'21 organised on Google Meet , stimulated the following three committees :
1. United Nations Development Program (UNDP)
2. United Nations Human Rights Council (UNHRC)
3. All India Political Parties Meet (AIPPM)

The conference had the participation of 100+ delegates. We have had the following four delegations :-
1. Amity University, Noida.
2. OP Jindal Global University.
3. Rotaract Club Of Delhi Elite.
4. Aprogen

We have had good participation from Ramjas College and Jesus and Mary College also.
The winners for the three committees are :-
1. **UNDP**
• BEST DELEGATE - Anirudh Bharadia from Amity University , Kolkata.
• HIGH COMMENDATION 1 - Chirag Sharma from Amity University.
• HIGH COMMENDATION 2 - Anushka Saxena from Lady Shri Ram College for Women , University of Delhi.
2. **UNHRC**
• BEST DELEGATE - Pranit from Aprogen.
• HIGH COMMENDATION - Mayank Jain from OP Jindal Global University , Sonipat .
3. **AIPPM**
• BEST DELEGATE - Ayush Tanwar from OP Jindal Global University.
• HIGH COMMENDATION - Kumar Rishabh Parth from UPES School of Law.



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Economics of the Pandemic

Dr. Malini Sharma
Teacher-in-Charge, Departmemt of Economics

Devanshi Malhotra

INTRODUCTION

Global Hunger Index (GHI) is a tool designed to capture hunger at the global, regional, and national levels in a comprehensive manner. Quantifying hunger is a grueling task. GHI uses the following four indicators to calculate scores for each of the countries.

i) Undernourishment: share of the population whose calorie food intake is insufficient to meet dietary energy requirements.

ii) Child Wasting: Children under the age of five who have lesser weight compared to their height. It reflects acute under-nutrition.

iii) Child Stunting: Children under the age of five who have lesser weight compared to their height. It reflects chronic under-nutrition.

iv) Child Mortality: The mortality rate of children under the age of five.

GHI scores on a 100 point severity scale, where 0 represents no hunger, and 100 represents the worst-case scenario. However, in real life, both these extremes are not reached.

CASE STUDY: INDIA

Fact1: Forbes 2020 listed 117 Indian people as billionaires, collectively having $300 billion.

Fact2: According to the world poverty clock 53,513,342 Indians are living in extreme poverty.

The striking facts mentioned above are captured well by the high Gini-coefficient figure for India, i.e. 8.4. India backed 94th place out of 107 countries in the Global Hunger Index with a score of 27.4. India falls under the category of serious conditions of GHI 2020. India has considerably reduced the number of children suffering from stunting. However, a report by UNICEF recognizes India is the home of one-third of the stunted children of the world.

Particularly Indian households are biased towards the nutrition of boy children. Such gender bias deprives girls of proper nutrition. For young Indian women, anemia continues to be an endemic disease.

A study claims that despite taking several measures to control anemia among pregnant women it remains a public health issue of great magnitude . According to UNICEF, a quarter of women of reproductive age are undernourished, with a Body Mass Index (BMI) of less than 18.5kg/m. The major reason for stunting is the undernutrition of women during and before pregnancy.

Undernourished mother gives birth to undernourished children, and this cycle of undernutrition continues from one generation to the next generation.

Green Revolution, along with considerable infrastructural changes in agriculture, made us self-sufficient and an exporter. This revolution helped India in preventing famines, but we miserably failed in controlling under-nutrition compared to the rest of the world.

Among the worst-hit are the scheduled tribes (Adivasi) and scheduled castes (Dalit) people. They are the socially oppressed people who continue to be a victim of endemic discrimination and hence are over proportionally affected by poverty and hunger.

Over time Adivasis have lost control over the forest land and resources due to the restrictions put in by the government to conserve wildlife.

The National Food Security Act (NFSA), 2013, brought a paradigm shift in the approach to food security. It approached accessibility to food as a right and not as a part of welfare. Another scheme launched by The Ministry of Women and Child Development is POSHAAN ABHIYAN, with a vision to attain malnutrition free India by 2022. It aims to provide holistic development and nutrition to pregnant women, mothers, and children.

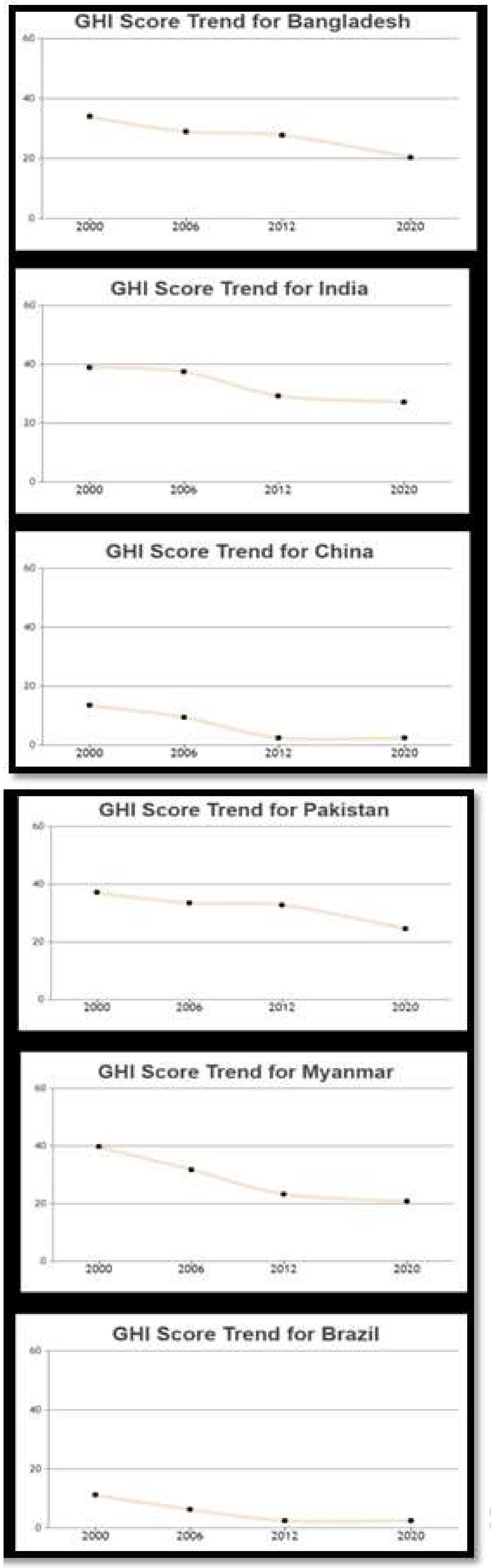
It also targets to reduce anemia and stunting. MIDDAY MEAL SCHEME started by The Ministry of Education aimed at increasing school enrollment and simultaneously ameliorating nutritional status among school-going children. The global coronavirus pandemic, when schools are closed, will deteriorate the health and nutrition level. Nevertheless, looking at the rank of India in GHI, chances of achieving a huger, and under-nutrition free India by 2022 seems to be very bleak and clouded. However, this has come up at the cost of their well being and way of life. Policies like NFSA, 2013, barely benefit such Adivasis, as their areas are often remote and poorly connected. It poses an infrastructural and monitoring challenge for such strategies to put into practice. It is only when public outrage happens due to the increased deaths resulting from undernutrition, the plight of those who suffer from hunger are addressed. These vulnerable groups need to be supported.

Image Source: https://www.globalhungerindex.org/india.html

The GHI score trend for India shows a falling trend over time. With the onset of the 21st century, hunger levels were severe in India. GHI score was as high as 38.9. 2012 marked a significant fall in the GHI score with 29.3.

INDIA IN COMPARATIVE PERSPECTIVE

Nations like Sri Lanka (68), Nepal (73), Myanmar (78), and Pakistan (88) are placed well above India. Afghanistan has been placed after India at 99th rank. It is a shameful performance by a resource-abundant country like India. Several developing countries from the Sub-Saharan region and African region have performed better in managing hunger than India. The most populous country of the world, i.e. China scored <5, signifying lower levels of hunger.



Note: Individual graphs are taken from https://www.globalhungerindex.org/results.html

SUSTAINABLE DEVELOPMENT GOAL 2: Zero Hunger

The SDG aims to end all forms of malnutrition and hunger by 2030 by ensuring that everyone – especially children- have access to nutritious food all the year. After the release of GHI 2020, the aim to achieve zero hunger by 2030 is a bit shady. Because of the ongoing pandemic, more people are expected to slip into the trap of poverty. Therefore, it has become an increasingly difficult task now to provide sufficient nutrition to all by 2030.

CONCLUSION

Looking at the past trends for India over 10 to 20 years, India has experienced improvements. Yet this pace of change has been uneven. There is a long way to go for India to achieve zero hunger. We possess the most valuable human resource in abundance, but it is getting wasted due to undernutrition and poverty and not turning into an asset for the nation. For achieving a healthy and productive population, India needs to improve on two subjects. First, strong policy intervention, whose benefits reach to the person standing at the last in the row. Second, a change in the mindset of people for providing nutrition to their girl child. Hunger and undernutrition levels in India at an alarming stage and will detrimental to our economy in the long run if we did not initiate short-run corrective measures.

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Behavioural Economics & the Beauty Industry

Aanchal Baweja

Beauty industry shows lofty ideals and unattainable body types to induce its consumers to buy more. When saying “beauty industry” I refer not only to the makeup industry but in addition to surgeries like injection and liposuction, transplants, hair removal as well as even gym training programs focused at glute gaining.

Skin care is one of the fastest growing sectors in India and according to a report by Indian Beauty & Hygiene Association (IBHA) Beauty and personal care (BPC) market in India is expected to touch $10 billion by 2021 growing at an annual rate of 5-6 per cent.

With time, our needs have changed and with the introduction of social media our behavior. We live in an age where so many people deactivate their Instagram accounts everyday for the reason that they feel worthless when they see what others are doing. We do not feel happy for others, we feel sad for ourselves. This attitude with other numerous reasons is why a good fraction of people go through paranoia, social anxiety and depression.

On top of that, surprising is the fact that most people understand the tactics yet fall for it. They know this is how the beauty industry endorses its products, by targeting their self esteem issues yet they buy more of these products.

The augmentation in body image issues over the time is clearly visible with the always increasing range of makeup product lines. The evolution of makeup over the period depicts the plight covering over the good old days. Before the 20th century makeup was associated with prostitutes, dancers and movie stars.

It was in 1920 when the silver screen fascinated women. Initially the use of makeup was not to change one’s appearance but to enhance the natural features. Getting a “facial” in a beauty salon was unheard till 1917 but until 1929 there were 18,000 beauty parlors in America. Makeup products in 1920 generally included lipsticks, rogue, eye shadows and sun blocks. But the choice of shade in these products were minimal. The reaction of men over makeup was also notable. They noticed it but they never swooned over it. Now, we have makeup brands for men too. As the decade passed the quality of makeup improved. There was a rapid increase in products from a few dozen to 450 by 1924. By the 1930s there were 1300 brands and shades of face powder, 350 rogues and hundreds of red lipsticks. It was a 52 million industry. Poor women who could not afford makeup relied on home remedies. As decades passed the industry expanded. Today, there are uncountable beauty brands worldwide.

The consumer sovereignty has increased in this industry, there are more shades, types and sub categories in each product. Makeup, now, is not the sole property of women. With time men have also started using makeup. The industry has kept up with the pace of time. With growing issues of mental illnesses and stress, the idea of self care is also capitalized. The industry is now worth 93.5 billion dollar in the US market as of 2019. The annual growth estimated is 25 per cent.
The skin care and beauty industry is growing tremendously and contributing significantly to the GDPs of various nations.

Skin care brands, particularly korean have huge demand among buyers, people are fascinated with the fairer, cool skin tone and their slim faces. It is comical that these features are a result of the climatic conditions in Korea. But Koreans are in fact highly concerned about their appearances and skin.
Hair removal among women was unheard till 1915 when a razor company that could not increase its sales with men tried to target females by introducing the idea that hairless is more feminine. Prior to this period, hair in women particularly armpit hair were considered attractive, sounds odd but it is true! Strange how the idea of hair removal turned a men magnet to a shame. It is this idea that young girls feel embarrassed and consider it unwanted to have natural hair all for the reason that a company desired to increase its turnover.

Every year we see our idols having surgeries or transplants. Various celebrities have had at least one surgery in their entire career course, the most common being nose surgery and lips surgery. Take for example, a time in Hollywood when excessive bust was taken as vulgar and defaming. Producers never casted these actresses. Today, most of the actresses have had transplants and audience swoons over them. This proves that beauty standards are ever changing, all we can do is to be unapologetically our true self. Most of the bollywood wives, own a beauty product line. As soon as a small influencer hits ultimate fame, they launch a product line, mostly beauty related.

A new trend in this section is Law Of Attraction coaches selling people sessions and classes to manifest the body they want. It is so contrasting that the law of attraction is a spiritual belief and instead of telling people that every creation of the universe is beautiful, these “spiritual masters” convince people to buy these sessions. To help people with depression, an idea was spread: Self Love and Self Care. This idea was basically about mental health, changing your thought pattern, taking out time to relax in this busy world and removing any self doubts that you have about yourself. It is pathetic how the idea was capitalized and self care started to be associated with sheet masks, scented candles, moisturizers and lip balms.

Various digital movements that could lead to hindrance in the path of this industry have been shut down. Digital movements like #realme took over the internet for a while but could not increase the reach. It is a growing concern that people are not ready to accept themselves. To stop this path to ultimate self destruction, we have to know and believe that we are perfect as we are and plant a seed of this very thought in the minds of every person we meet.

Snehaanjal

Coronavirus disease also widely known as COVID-19 is an ongoing pandemic and a declared Public Health Emergency by the World Health Organisation on 30 January 2020. It's said to be originated at the now world famous Huanan seafood wet market in Wuhan, China. Many country officials on the other hand are claiming it to be a biological weapon processed in Chinese laboratories.

This COVID-19 pandemic has resulted in unimaginable loss to the global economy and the loss of human lives has been unprecedented in an era of global peace. Apart from affecting the health sector massively, it has brought the global economy to a standstill and the Indian economy is no unimpaired.

Austere lockdowns were imposed by almost all nations. Restrictions were foisted on international travels and on the transportation of goods and services, depriving many global industries, some being even shut down or operating under losses. Developing countries; India and alike had to encounter the bitter truth of their over-dependence on their trading partners and are now struggling to meet their internal customer demands, the situation worsens when countries engage in international disputes.

Aatmanirbhar Bharat Abhiyan

At the outset of ongoing pandemic, on 12 May 2020 in his address to the nation, Prime Minister Shri Narendra Modi announced the Aatmanirbhar Bharat Abhiyan or 'Self-Reliant India Mission' with a view to boost the local business of our country therefrom giving the hashtag #vocalforlocal. The Aatmanirbhar Bharat Abhiyan focuses on five pillars of development viz. Economy, Infrastructure, System, Vibrant Demography and Demand. Additionally, a package of Rs. 20 lakh crore was announced that will assist in reviving every sector of the Indian economy.

India will designate and promote industries and sectors where it has the potential and aptitude to scale up and be globally competitive. Aatmanirbhar Bharat Abhiyan reforms encompass converging the defence and civil aviation sectors to rank India a global hub. When India articulates of becoming self-reliant, it doesn't proponent a self-centered system, it will aspire for whole world's happiness, cooperation and peace. India will not alienate itself from the rest of the world, nor will it adopt anti-trade policies or protectionism.

Globalisation and Interconnected Economies

Until the middle of the 20th century, production was predominantly organised within countries. Foreign trade fabricates opportunities for the producers to reach beyond the domestic markets. Producers can sell their produce not only in markets established within the country but can also compete in markets established in divergent countries. Similarly, concerning buyers, import of goods produced in another country is one way of broadening the choice of goods beyond what is domestically produced.

Globalisation, characterized by the global integration of economies and societies across countries has many dimensions- cultural, political, social and economic. More and more goods and services, human capital, investments and technology are transferring among countries making economies gravely interconnected. Developing countries have an ambiguous relationship with the globalising world, both economically and culturally.

Multitude conditions have aided globalisation viz. improvements in technology, liberalisation of trade and investment policies and pressures from International organisations. Many countries have witnessed improvements in their welfare as an upshot of globalisation.
Despite that, the global economy has confronted the anti-globalisation movements as well. The movement scuffles for multitudinous issues such as global justice, fair trade and sustainable development.

The boons of Aatmanirbhar Bharat Abhiyan are manifold:

Firstly, this will furnish money for additional investments like procurement of new machines and bring in contemporary technology for production. As an exemplification of joint collaboration, Cargill Foods, an American MNC, has bought over smaller Indian companies such as Parakh Foods, fostering its growth.
Furthermore, tech firm Google announced an investment of $10 billion in India over next 5-7 years to “accelerate digitization”.
Secondly, India will beguile investments in industries such as cell phones, automobiles, electronics or services such as banking. These products have a substantial number of well-off buyers both nationally and internationally. In these industries and services, new jobs have been created thereby providing ameliorate employment opportunities. And also local companies supplying raw materials, etc. to these industries will prosper significantly.

Thirdly, sundry of the top Indian companies have been able to make profit from the escalated competition. They have invested in emerging technology and production practices and elevated their production standards.

Moreover, globalisation has empowered some large Indian companies to emerge as multinationals themselves. Tata Motors (automobiles), Infosys (IT), Ranbaxy (medicines), Asian Paints (paints), Sundaram Fasteners (nuts and bolts) are some Indian companies which are extending their businesses worldwide.

It is perceivable that the post-pandemic world will be a poor and disorderly world. Countries will have considerable trade falls, imbalances and disputes with each other and will endeavour to exploit every little opportunity for their gain. Best be achieved, countries need to be self-reliant and self-sufficient. Ergo the necessity of the Indian economy is of Aatmanirbhar Bharat. The meliorist supporting Aatmanirbhar Bharat wishes India to be adequately competitive in sustaining and meeting its internal demands, with a view to captivate the businesses which acknowledge their over-reliance on a single nation.

Presently, India is facing multilateral strains of languishing economy, global pandemic and border issues with neighbouring countries. What followed the the Galwan Valley skirmish was a public outrage against the products manufactured in China but boycotting those products is realistically toilsome in the short term for India as India imports $75 billion worth of goods every year from China, to the extent that parts of Indian industry are uniquely dependent on China.

To recapitulate, it took a global pandemic to retrospect how crucial resilience is. To conclude, India has faced this crisis situation with fortitude and a spirit of self-reliance, that is evident in the fact that from zero production of Personal Protection Equipment (PPE) before March 2020, India today produces 2 lakh PPE kits daily and the launch of JioMeet platform by Reliance as an alternate to Zoom.

However, to fully accomplish the vision of Aatmanirbhar Bharat, India will have to execute an array of reforms and stimulate growth in synchronization with globally interconnected economies.

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COVID-19 and the Future of Globalisation

Anshruta Thakur
Bhavya Pandey

"COVID-19 represents the epitome of globalization in its blind disrespect for borders, but might trigger the most significant reversal of globalization we have seen in decades"
- Prof. Omar Toulan (Professor of Strategy and International management at International Institute for Management Development, IMD, located in Switzerland).

COVID-19 sneaked up on the world towards the end of 2019, transforming into a pandemic of epic proportions, and distorted the image of the world after its discovery in Wuhan, China. Since the outbreak was declared as a pandemic in March 2020 by the World Health Organization, the world has undergone a transition, affecting the global economy as well as politics.

Globalization has been helping connect a world divided by beliefs, geography, cultural barriers as well as fear of the unknown. It facilitates interconnectedness among the various economies of the world, allowing free flow of people, information, knowledge and goods and services. But since the onset of the Covid-19 pandemic, economists have been predicting what can be observed clearly by now, that globalization which was already teetering on the edge due to economic nationalism and protectionism will be suffering for years to come.

The effects of the pandemic on globalization have been far reaching. Almost all economies worldwide imposed lockdowns since March 2020 in various forms and stages, restricting the movement of people and that of trade. Globalization which had once been a boon, introducing each nation to what existed beyond its economy and bringing prosperity worldwide, now became a prime cause for the escalated spread of the virus since most cases were found in people with travel histories.

The global supply chain was affected gravely as countries around the globe suffered due to their dependence on other nations and struggled to meet the local needs. Supply shortages arose due to "panic buying" among masses, increased global demand for equipment such as ventilators and PPE (Personal Protective Equipment), and disruption to logistics. Tourism is one of the worst hit sectors due to the lockdowns and travel bans. The restrictions on movement led to a downfall in the revenues of the aviation sector as travel for tourism or even education purposes was halted, and public places were shut down. Singapore Changi Airport, rated as the world's best airport by Skytrax for the 8th consecutive year, saw a drop in passenger traffic from 5.9 million in January to 25,200 in April, which picked up to only 152,000 in December 2020. Unemployment, a pre-existing problem faced by many nations, including India, has been highlighted further and the income generated in the first nine months of 2020 dropped by 10.7 per cent as stated by International Labour Organization (ILO).

But one should not overlook the light in times of darkness. COVID-19 brought with it a new era which despite being unconventional has shown many what they are capable of, as individuals, as nations, and as a world that is connected in every sense of the word. The world has now settled into a new normal, where students are reading pdfs, teachers are teaching from their bedrooms, meetings have shifted from boardrooms to Zoom and its likes. New ways of connecting with one another have emerged via digital mediums, increasing globalization in terms of the flow of ideas and creativity.

Global connectedness has been helping in the fight to treat the coronavirus with the inventions of new vaccines and in providing the world with an equal opportunity to avail the benefits of the various treatments. Scientists have collaborated, increasing the flow of information, and acting as a ray of hope in otherwise dark times. The lockdowns certainly diminished mobility but capital flow eventually started recovering. While some experienced loss, others gained despite the obstructions caused by the pandemic.

Despite the recovery in certain sectors, the benefits are not enough to overcome the concerns of various economies as many nations are focusing on self-reliance and protectionist trends, and reduced FDIs and world trade in general also seem prominent.

But is that to say it is the end for globalization?

The 2001 Nobel Peace Prize laureate Kofi Annan had once said that "arguing against globalization is like arguing against the laws of gravity". As we have experienced crises such as the Great Depression of the 1930s, the Financial Crisis of 2008 and now the ongoing pandemic, one thing is clear that a crisis in future is unavoidable but the only thing in our control is to be prepared and guide the way forward through a strong network of international cooperation. All economies will certainly follow a few self-sufficiency trends as the pandemic sheds light on the banes of being over-dependent on other nations for its needs, but at the same time globalization can and must move ahead instead of transitioning into deglobalization. The only way to handle the various political and global issues such as pandemics, terrorism, and climate change, is to be connected, and willing to let the goods and ideas flow from one nation to another, so that consumers and producers alike can enjoy the benefits.

Focus should be on regulated globalization in the future as despite the weariness and mistrust surrounding globalization in this new era, the pandemic accentuates the need for regional and international cooperation among nations and economies.

The pandemic has provided an opportunity to improve our perceptions of globalisation that focus on the social good, since we can neither revert to the old ways of business nor slip into a period of de-globalisation. As we face the risk of future crises with worse political repercussions, the world cannot simply continue to function as before, for example, air travel cannot possibly resume normalcy without extensive cooperation globally. Corona virus has exposed the weaknesses of the globalised world and highlighted an opportunity to create a more inclusive approach to a 'globalised world', one that prioritizes people's safety and prosperity, and recognizes its tendency to generate problems that cannot be solved on their own.

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The Brexit Story

Tushti Tanwar

Brexit, a 2016 macroeconomic event that hit the global economy in different ways, had severe implications on Indian economy as well. India-EU ties have always been strategic. It was a mutual relationship that was welcomed both ways and the common areas of interest have flourished through bilateral dialogues among the foreign ministries.It proved to be an opportunity to further strengthen ties with the independent Britain that came with losses to trade and economy in the short run.

On 23 June 2016, a referendum standing with 51.9% votes to “leave the EU” campaign in the United Kingdom was signed. The referendum was initially called by Prime Minister David Cameron, carrying out a promise he made in his re-election campaign in 2015.

Brexit was a term amalgamated from two words, “Britain” and “Exit”. The move led to a reshuffling of politics and affected global markets, including currencies, causing the pound to fall to its lowest level. The new referendum paved focus on four more areas : economic governance, competitiveness, sovereignty and social benefits and free movement of people.

The UK has always been a small trading and investing partner to India, having a share of around 2 percent in India’s merchandise trade, around 3 percent in India’s services trade, and 2 percent in India’s foreign direct investment (FDI) inflows in 2015. India's strategic relationship with the EU goes back to the early 1960s, when India established diplomatic ties with the EEC (European Economic Committee). The first Indian-EU summit held in 2000 marked an evolution in the relationship.

In 2005, a Joint Action Plan was initiated that supported the dialogue and consultation mechanisms in political and economic spheres of both countries, bringing people and cultures together. In the 14th India-EU summit held in New Delhi , a combined statement on combatting terrorism, on clean energy and climate change were adopted amongst others.

Strategic partnerships have become a key foreign policy instrument in a multipolar world. Today both India and EU understands the potential in each other and have mutual stake in strengthening the cooperation. The importance of this tie is reflected in the deeper level of strategic cooperation.The strategic relationship agreement signed in 2004 highlights the importance of the cooperation between the two is accepted. Over time, India and the EU have turned out to be close partners.

India has turned out to be a rising economic power and continues to make tremendous progress ever since independence and it has always offered a productive environment for economic growth and development. The referendum reflected on the Indian Stock Markets. A sudden shift towards safer options like gold, yen etc by investors was observed. India was expected to remark on slower growth in the economy.

The overall impact could be categorised into two : the positive and the negative.

On a positive note, Britain would be a free country post referendum, that makes it easier to strengthen the bilateral ties with the independent nation. Further, it would be more convenient to sign a free bilateral trade pact with Britain.

Also, a boost in the investment cycle has been observed. Lower commodity prices will help the macro fundamentals: fiscal deficit, current account deficit or inflation giving the government more power to pump up the investment cycle.

Since, the value of pound decreased to a certain level, this gives an added advantage to Indian companies for acquisition of higher valued assets. An added advantage goes to tourists and students because of the decrease in the value of the pound. Britain reinstated their travel plans until there was clarity and stability in the currency. Britain even promoted the tourism sector. Brexit was a plus point for India as labour came at a lower cost unlike from the EU. Businesses in the UK preferred locals first and then Europeans.

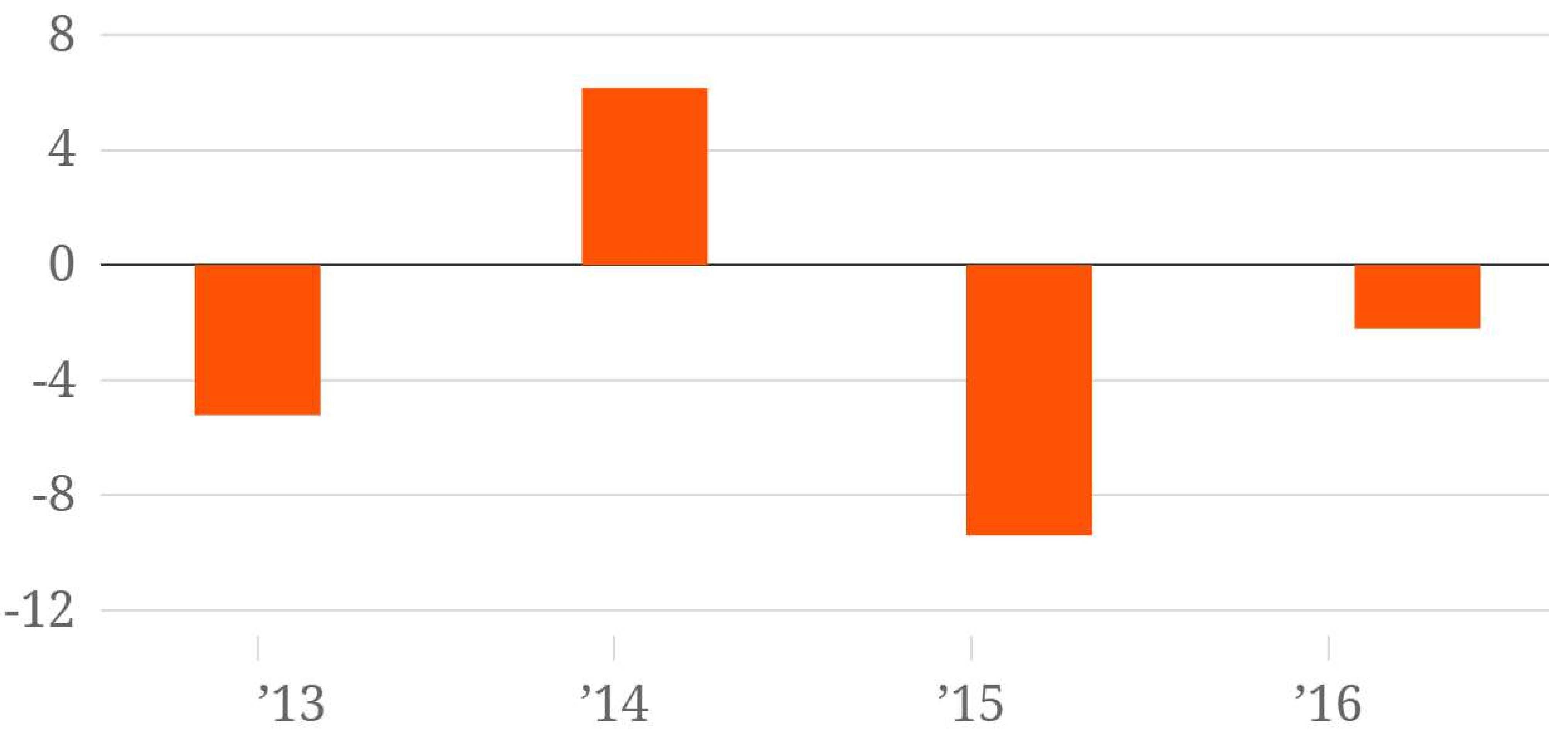
However, uncertainty in the short- and medium- term markets continued as Britain worked out how the Brexit decision will pan out. Global equity markets remained volatile, the effect of which was seen in India. Assocham even predicted that Brexit would result in strong ripples in the Indian markets calling for a contingency plan by the government and Reserve Bank of India.

Moreover, the India-UK bilateral trade is about $14 billion. A slowdown in the British economy as a result of Brexit will also hit India-UK trade.The fall of 20 percent in the value of pound in the case of Brexit, led to losses to be borne by Indian companies. India would have to rework the proposed free trade agreement with the single-currency bloc in view of Brexit. It has caused short term distress among the indian firms.

Even though, in the longer run, it is expected to strengthen the India-EU bilateral relationship, Sensex and Nifty have dipped in the short run. Several losses in the inflow of foreign funds was observed due to market instability. Indian import companies operating in the UK also suffered losses.

During the 21st century, bilateral ties between India and the EU strengthened for strategic purposes. The areas of mutual discussion have now expanded to defence, health, cyber security, environmental issues etc. In the wake of Brexit, the strategic relationship clearly affected Indian interests at a global level in terms of currency volatility and devaluation of the euro. However, Brexit could also help in strengthening India-UK economic ties. As a rising economic power with immense scope in the European market and as an important player in counter-terrorism with a presence of strong Indian diaspora in Europe, India would continue to vie for heightened significance to EU in the near future.

Growth rate of India's trade with the United Kingdom (%)



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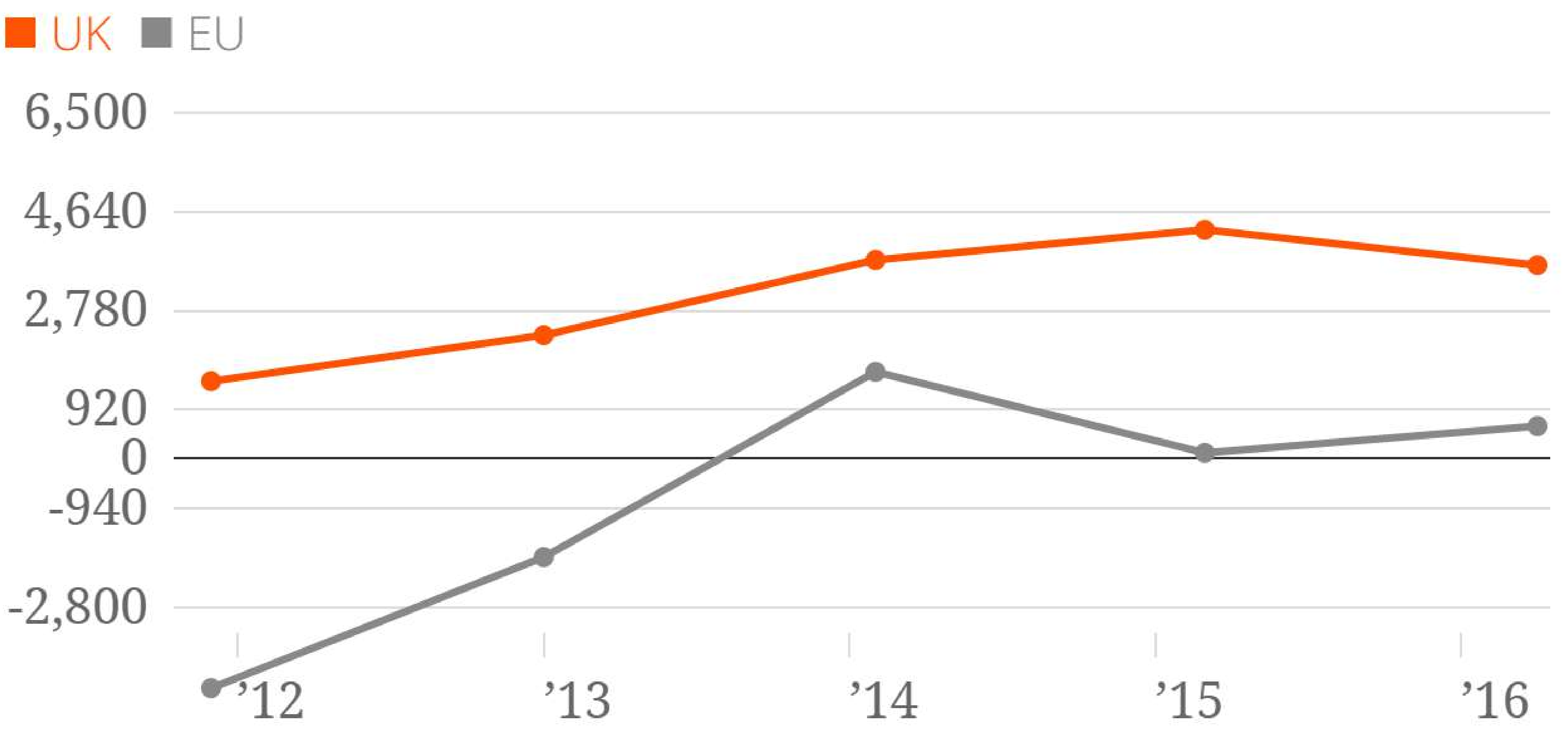
Data: Export Import Data Bank

India's trade balance with UK and EU* ($ millions)



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Data: EXIM Bank (EU includes UK)

E-Governance and its Impacts

Diya Bhattacharya
Bhavya Pandey

"A lack of transparency results in distrust and a deep sense of insecurity."- Dalai Lama
This statement has proved to be a constitutional folklore since its establishment but has seen minimal applicability until recent developments in what is now considered to be the lifeline of governmental efficiency. This lifeline is indeed a recently coined term called E-governance. E- governance is the use of Information and Communication Technology (ICT) by the government to extend and furnish its services, exchange of information, communication transactions and integration of various stand-alone systems and services. When simply put, it is the use of technology to perform government activities and achieve the objectives of governance. Its major role is to make government services available to the masses and the businesses operating in our country in an efficient, transparent and agreeable manner.

Now to understand our topic better, we must know some basic terms and models crucial to the implementation of E- Governance. The first being Information and Communication technology or ICT, which is basically an extension of the term Information Technology (IT) and it refers to all online communication technologies be it the internet, wireless and Bluetooth networks, mobiles, computers, laptops, software, middleware, video and voice conferencing, social networking, and other media applications and services that enable users to access, retrieve, record, transmit, and manipulate information in a digital form across different platforms. This definition is however very general and it is no secret that ICT's do not actually have a universally accepted definition because the domain and models that come under it are developing and transforming steadily, on an almost daily basis.

It is primarily for this reason that discussions or articles on E-governance and its impact are difficult to present in a concise format. Electronic Government entails several agendas under its basic concept and is a multifaceted topic that includes development and incorporation of recent technological services into government administration, launching and managing portals, modernization of state, computerization of records and creation of data repositories for MIS (management information system). Since E-governance is set up to provide efficient and convenient administrative services to citizens, businesses and other arms of the government, it does so by using the following delivery models:

Government to Citizen (G2C) – it is the communication link between government and individuals or residents and these include all the electronic commerce activities like payment of taxes, land and vehicle registrations, providing citizens with firsthand information and administrative procedure updates, public sector activities and many more. It is often managed through online portals (discussed later) but can also be done through mails and media campaigns.

Government to Business (G2B) – it is the relationships between organizations of public administrations or the public sector (government owned) business enterprises operating in the country. The designation can be used for any relationship as one of the basic e-Government models (other models are G2E, G2C or G2G). In the G2B model the businesses are the target group. Some sources distinguish also B2G (Business to Government) where the initiative comes from businesses and the target group being the public enterprises, while other sources consider both G2B and B2G as similar models without much importance given to which side the target group.

Procurement and contracting marketplaces along with contracts for all sorts of goods, services and information come under this model.

Government to Government (G2G) – it is primarily defined as a link between all the E-government models. G2G is used to express the relationship between two government entities. This extends to information and data exchange between government organizations or it can describe the ICT solution that helps in communication between two federal organizations such as document exchange, sharing public administration registers, cadastral system and many more.

Government to Employees (G2E) - this model is essentially very new to India at its current stage and includes employee email policy that is the government employees have an SMS facility through their official Email account for instant information from the employees. Now there is a difference between state employees and employees, this model applies specifically to state or government employees who can work as secretaries, lawyers, public school teachers, public healthcare workers, police officers, and several other positions that are run by a state government system.

Now that we have the basic terminology and delivery models out of the way, we can focus on the different initiatives and recent developments in the form of technological and IT advancements and its impact on the state of E-governance in India, that have flourished in yesteryears.

The Government of India kick started the use of IT in the right earnest by launching a number of initiatives. Firstly, they approved the National E-Governance Action plan (NeGP) comprising 27 Mission Mode Projects and 8 components for implementation during the year 2003-2007.

The NeGP was formulated by the Department of Electronics and Information Technology and Department of Administrative Reforms and Public Grievances that intends to make all government services accessible and affordable to realise the basic needs of the common man. The plan is directed towards laying the foundation and providing impetus for long-term growth of e-governance within the country. It has aimed to create the proper governance and institutional mechanisms at the centre, state and local levels to provide a citizen centric and business centric environment for efficient administration. The vision statement of this plan involves countrywide digitization of records and creating an infrastructure that reaches down to the remotest parts of the country to enable reliable access to services over the internet. For E-Governance to develop in a holistic manner, various policy initiatives and projects have been undertaken to develop core and support infrastructure. The major core infrastructure components are State Data Centres (SDCs), State Wide Area Networks (S.W.A.N), Common Services Centres (CSCs) and middleware gateways like the National e-Governance Service Delivery Gateway (NSDG), State e-Governance Service Delivery Gateway (SSDG), and Mobile e-Governance Service Delivery Gateway (MSDG). These important support projects components include Core policies and guidelines on Security, HR, Citizen Engagement, Social Media as well as Standards related to the internet, Enterprise Architecture, Information Security and all such similar measures. New initiatives include a framework for authentication, viz. E-Pramaan and G-I cloud, an initiative which will ensure benefits of cloud computing for e-Governance projects.

E-governance in India is as previously mentioned, a recently developed concept.

The launch of National Satellite-Based Computer Network (NICENET) in 1987 to computerize all district offices in the country for which free hardware and software was offered to the State Governments played a major role in providing the requisite impetus for E-governance to develop. This is also a very dynamic and ever-evolving topic since e-governance goes hand in hand with the growth of technology. There are a large number of e-Governance services that are offered today, both at the Union and State levels. Listed below are some initiatives enabled under the NeGP

Digital India was launched in 2015 to empower the country digitally and Develop a secure and stable digital infrastructure. It also aims at promoting digital literacy throughout the country in order to impart online services to the people.

Aadhar is a unique identification number issued by UIDAI that serves as proof of identity and address on the basis of biometric data. It is being used to authenticate digital access and identification and is used in a variety of services as proof.

myGov.in is a national citizen involvement platform/ portal where they can share ideas on and be involved with matters of policy and governance.

UMANG is a Unified Mobile Application which grants access to central and state government services including Aadhar, Digital Locker, PAN, Employee Provident Fund services and many more.

Digital Locker helps citizens digitally store and retrieve important documents like mark sheets, PAN, Aadhar, and degree certificates. This reduces the need for physical documents and facilitates easy sharing of documents. Recently enough DigiLocker came in handy in facilitating the distribution of marksheets without contact.

PayGov facilitates online payments that can be made to all public and private banks. Mobile Seva aims at providing government services through mobile phones and tablets. The m-App store has over 200 live applications which can be used to access various government services. Computerization of Land Records ensures that landowner gets digital and updated copies of documents relating to their property. Some State level e-governance initiatives, apart from the central based ones mentioned above include, E-Seva (Andhra Pradesh) Khajane Project (Karnataka) FRIENDS (Kerala) and Lokvani Project (Uttar Pradesh). With return on investment not being the primary objective when e-government projects are conceived, they are mostly driven to achieve operational efficiency and effectiveness in service delivery. But with Governments running on strict and tight budgets, especially in developing countries like India, there is an increasing demand to re-examine their expenditures. Some aspects require evaluation in e-governance and have to be properly scrutinized. One of them being the e-environment, followed by evaluation of the performance of an e-governance programme or a project and the final step is analysing the overall impact of e-governance on general government functioning, economic development and citizen servicing. Under all these barriers initiatives suffer delays and encounter failures as the implementation agencies lack guidance in the areas of planning and implementation. The investment in e-governance tends to produce below par results in the absence of standards so it is critical to have suitable policies, guidelines and specifications well laid out to overcome these problems.

E-governance was particularly important and showcased its importance in the lockdown imposed during the year 2020 due to the covid-19 novel coronavirus epidemic. Under strict restrictions in the form of social distancing, lockdowns, 14-day quarantines, closing of public places and banks, ban on free movement and commutation, there were little possible ways for the government services to reach to the citizens or be used freely in the physical form and place associated. From all activities ranging from paying taxes, obtaining marksheets, filing documents, updating bank details etc, had to be performed online and that's when the role of e-governance really shined. E-portals enabled payment online, telehealth services to frontline workers and people in need to be in public places, in this way patient - to healthcare personnel contact could be minimised and foster the concept of digital health instead. Carrying out health care and banking facilities greatly helped to uphold physical distancing and isolation that was vital during the pandemic. Despite poor infrastructure, poverty, illiteracy, language dominance and all the other reasons India has number of award-winning e-governance projects like the, VAT Information Computerization to Optimize Revenue Yields (VICTORY) under the G2B delivery model with 90% effectiveness in Bihar and many such examples. After implementation of e-governance 81% citizens report reduction in corruption, 95% find cost of e-governance affordable and 78% favours fast delivery of services. So we can conclude that e-Governance is the key to the "Good Governance" for the developing countries like India to minimize corruption and maximize government transparency to provide efficient and effective services to their citizens.

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FAO
Management Mania
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India in USA Watchlist as Currency Manipulator

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In December 2020, after almost a year of being removed from the USA currency watch list in May 2019, India was once again included in the same under the allegations of being a currency manipulator after the U.S. treasury's report to the U.S. Congress. The watch list consists of the countries that are suspected of devaluing their currency for some personal benefits. The U.S. treasury alleged that throughout the year 2020, countries like Switzerland and Vietnam intervened in the currency markets heavily to manipulate their currencies. The Treasury, likewise said its "checking list of nations", that meet a portion of the measures have hit 10 with the increments of Taiwan, Thailand and India. Others on the rundown incorporate China, Japan, Korea, Germany, Italy, Singapore and Malaysia. The report likewise said that India and Singapore had additionally interceded in the unfamiliar trade market in a "maintained, uneven way". However, this didn't meet different necessities to warrant assignment as controllers.

How is currency manipulated?

Currency manipulation is a process defined by the US Department of Treasury (USDT) for countries that engage in unfair currency practices to gain a trade advantage. It is an attempt by the country to weaken/depreciate its currency concerning foreign currency exchange rates, which in this case is the dollar. To do so, a country sells its currency and buys a foreign currency.

What is the USA currency watch list?

Twice a year the USDT releases its semi-annual report where it has to track developments in international economies and inspect foreign exchange rates. The report has the following criteria as per the Trade Facilitation and Trade Enforcement Act of 2015:

A "significant" bilateral trade surplus with the US- one that is at least $20 billion over 12 months.

A material current account surplus equivalent to at least 2% of Gross Domestic Product (GDP) over 12 months.

"Persistent", one-sided trade intervention- when net purchases of foreign currency totaling at least 2% of the country's GDP over a 12-month period are conducted repeatedly, in at least six out of 12 months.

India breached the first and third criteria, which has again landed it in the currency watch list. Previously India was included in this list in October 2018 but removed from the list that came out in May 2019.

Once on the watch list, an economy remains there for at least two subsequent reports, to "to ensure that any improvement in performance versus the criteria is durable and not due to temporary factors," according to the USDT.

Other countries in the watch list:

China, Japan, Korea, Germany, Italy, Singapore, Malaysia, Taiwan and Thailand are different nations in the U.S. watch list. Out of the above nations, India, Taiwan and Thailand were remembered for the checking rundown of significant exchanging accomplices that "Legitimacy Close Attention" to their cash rehearsals and macroeconomic arrangements. Ireland has been eliminated from the watch list in this version of the report. Counting these, Vietnam and Switzerland have been named as cash controllers in this report.

Why do countries devalue currency?

it might appear to be irrational, however a strong currency isn't really in a country's eventual benefits. A weak domestic currency makes a nation's exports more competitive in global markets, and simultaneously makes imports more expensive. Higher export volumes spike financial development, while expensive imports additionally have a comparative impact since customers pick neighborhood options in contrast to imported items. This improvement in the terms of exchange for the most part converts into a lower current account deficit (or a more prominent current account surplus), higher work, and quicker GDP development. The stimulative financial strategies that generally bring about powerless cash likewise emphatically affect the country's capital and real estate markets, which thus helps homegrown utilization through the abundance impact.

Economic implications for India:

After being added to the watch list, the RBI will have to make measures in order to let the Indian rupee appreciate. Inclusion in the list does not subject to any kind of penalty and sanctions but it deteriorates the global financial image of the country in the financial markets in terms of foreign exchange policies including undervaluation of currencies to gain export advantages. RBI can further increase the diversification of its reserves to include non-dollar assets. A stronger rupee would partially offset the impact of rising oil prices on imports.

Response of different countries to being included in the USA watch list?

VIETNAM: Vietnamese officials claim that the label is misleading and the country's exchange rate policy is not targeted at 'creating an unfair competitive advantage' for Vietnamese exports.

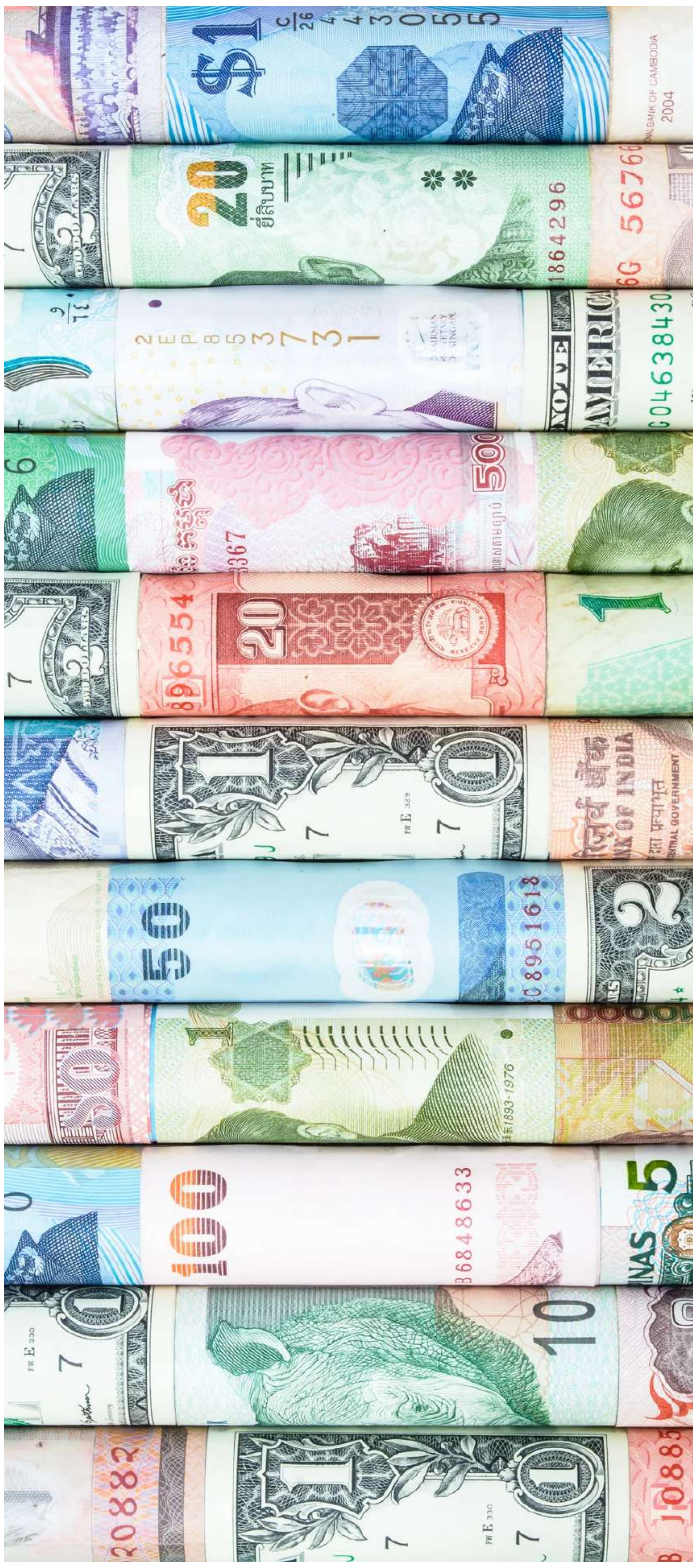
TAIWAN: The deputy governor of Taiwan central bank said maintaining the stability of the foreign exchange rate was their obligation and priority and that the US decision was based on information from last year rather than the current year. However, Taiwan's central bank has continued to stress that the USDT benchmarks are disputed, they will "do their best" to avoid being named a currency manipulator in the coming year.

SWITZERLAND: in response to such allegations by USDT, the Swiss National Bank said that it does not manipulate its currency and its monetary policy approach will remain unchanged, adding that it "remains willing to intervene more strongly in the foreign exchange market". The Swiss Bank has added that it is open for bilateral talks with USDT. According to various economists, it is clear what Switzerland is doing and it is clear that they are not going to stop. Even though the consequences of the same are unclear, the next step for something like that will probably be a negotiation.

Switzerland's case:

The Swiss franc hit its most grounded against the euro in almost three years in January after the United States added Switzerland to its watch rundown of cash controllers. Investigators said the consideration could debilitate the Swiss National Bank (SNB) from interceding to attempt to restrict further enthusiasm for the franc, albeit the Swiss money service said it would have no quick outcomes. The U.S. Depository Department said in a semi-yearly report that it had added Switzerland to a rundown of nations where it had worries about money works on, blaming experts for "particularly" expanding unfamiliar trade buys since mid-2019.

The SNB had purchased enormous measures of unfamiliar monetary forms as of late to hose interest for the franc, whose place of refuge status pulls in financial specialists during seasons of vulnerability. The SNB denied its mediations to debilitate the money were proposed to give Switzerland an exchanging advantage, referring to the negative impacts on expansion and its fare subordinate economy from a too profoundly esteemed franc. The money service dismissed the U.S. claims and said it was not guiding the franc for serious addition. Switzerland's incorporation in the U.S. Depository's rundown puts it close to nations including Germany, South Korea and Japan.



What will be the next steps for India?

The treasury has said that India has been exemplary in publishing its foreign exchange market intervention, publishing monthly spot purchases and sales and net forward activity with a two-month lag. The USDT has also appreciated India's transparency.

However, RBI has stated that the value of rupee is broadly market-determined, with intervention used only to curb undue volatility in the exchange rate.

Still, it is yet to see, whether India will adopt policies to come out of the USA currency watch list or will it adopt the same attitude as Switzerland.

Rushwika
Treesha Lall

Does gender play any role in economic development? Does gender inequality affect the gross domestic product of a country?

The economic development of a country largely depends on its physical capital, human capital and technology. Human resource is the most important component of the country's well being. Educated and trained workforce can lead to increased productivity. But in most economies, the workforce is underutilized due to gender inequality.

Gender inequality is a worldwide phenomenon that is costing the global economy trillions of dollars. There is a negative relationship between gender inequality and economic growth. IMF reports show that when more women are hired, the countries grow faster. When women engage in large numbers in the economy there can be significant macroeconomic gains. In several countries, there are restrictions on women's economic participation, their ability to open bank accounts, own properties or freely pursue a profession. There is a bigger gap in the share of men and women working outside the home. This is known as the gender gap.

From birth girls and boys, women and men are anticipated by society to play certain roles and behave in certain ways based on traditions, religion and other beliefs. These behaviours are acquired and shaped the gender norms in society. Sadly in many countries, gender standards create limitations for women. Often in many countries, girls are not sent to school and when they become women they have limited ability to earn money or realize their potential.

Rural women play a significant role in agricultural growth however, in many developing countries women cannot formally own land. Without collateral security like land, they cannot get loans to invest in their farms or businesses. This also means they have no power over the use of land or the gains that come from it. The 2017 Oxfam report says, In India, almost 40% of women depend on agriculture to earn a living by working in farms, plantations and agricultural factories and warehouses. Yet only a very small proportion that is 13% of them can proudly claim the ownership to the land they work on. Men usually dominate household choices like how to use the family's assets and incomes. These limitations are often reinforced by practices that restrict women's access to services like training, skill development and education. The result of these issues is that women remain poor and agricultural production cannot reach its potential and hence perpetuating poverty and hunger in the developing world.

Macroeconomic policies, both fiscal and monetary policy is often thought of as gender-neutral. But Economic policies affect women and men differently because of their different positions in the economy, both market and non-market. For instance, trade liberalization may negatively affect women's employment in contexts where they are overrepresented in import-competing markets such as agricultural food crops. Yet macroeconomic policies to date have paid scant attention to such issues and have therefore not been conducive to the achievement of gender equality.

Gender economics is about analysing the influe nce of gender on economic activities.

It is unbiased to any gender but mainly focuses on how gender dynamics affect economic productivity of a country. It identifies women as the direct input to the economy that could be improved by freeing itself from masculine biases.

India’s Female Labour Force Participation Rate (LFPR) has fallen to a historic low of 23.8%, three out of four women are neither not working nor seeking to work. Gender-based segregation in the job market is very prevalent in developing economies like India limiting their economic empowerment. Often in Indian families, we divide the household work on the basis of gender. Women start at comparable employment levels with men, but their labour market participation drops with age due to traditional gender norms related to the family-like household chores, caring for children and elderly.

The dogma that women should not work outside the home seems boundless in India. NSO report shows that an Indian woman devotes 19.5% of her time to household work whereas men just contribute 2.5%. The Time Use Survey which is a measure to calculate the participation of men and women in paid and unpaid activities highlights the rampant time poverty experienced by women when it comes to their role in paid work.

Indian women are inactive due to care responsibilities. Whereas traditional gender arrangements put more pressure on men to provide for their families. The persistent gender wage gap also contributes to low labour force participation for women. Men get paid Rs 242 every hour while women earn Rs 46 less. A survey shows Indian women earn 19% less than men, reflecting the high gender pay gap in the country. Gender pay difference is quite evident with jobs that require a higher skill than compared to semi-skilled work. If women were employed at the same level as men, the Gross domestic product of India can increase by 16-60% by 2025, McKinsey Global study 2015 revealed.

Bringing more women to the workforce alone may not be enough in a world of rapid technological changes, the concern is that all the hard-won gains from economic policies to empower women may be quickly eroded if women find themselves doing the kind of jobs that are most susceptible to being displaced by technology. IMF research suggests that women perform more in routine jobs in OECD countries across all sectors and occupations. And these are the type of routine jobs that are more susceptible to being displaced by technology. The fact that women are underrepresented in professional and senior-level positions also increases their risk of being automated by technology. But there are some bright spots, technology may end up benefiting women by creating the kind of jobs that allow them to participate in the labour force.

A nine to five day is just a fantasy for several women. Many women work a double day slogging away at their job and then going home to clean, cook and look after children and they are not paid for the second shift and in fact, the work is not even counted.

The unpaid care work that women do for running the households is never taken into account for calculating the GDP which is an index for a country’s economic performance. This unpaid care work constitutes about 35% of India's GDP and is equivalent to about 182% of the total government tax revenue.

For instance, imagine women who are usually confined to do the domestic duties have disappeared and are never returning. There exists only one gender that is men who are occupied with work outside the home, decide to hire services of housekeepers for making beds, maintaining the garden, doing laundry, cleaning, washing and cooking for which they are paid on a daily basis.

Now, these services form a part of economic activities and are included in calculating the gross domestic product.
This underpins the well-being of all societies, rich and poor, but is unrecognised and undervalued by policymakers and legislators.

By marginalizing the rights of women we deny ourselves the opportunity to lift millions of men, women and children out of poverty and not to mention the chance of just and fair world. Changing the way women are treated in the workplace will have a direct positive impact on the global economy.
Closing the gender gap would raise the gross domestic product of India by billions of dollars. For the countries to be wealthier, the addition of women to the workplace would offset the previously mentioned workforce issues. Many schemes and programs are launched by the government of India to tackle the issue of gender inequality. However, without strong political backing and strategic execution, women will not be able to effectively do their jobs. This calls for flexible arrangements, reduced career breaks, removal of segregation and better child care provisions across sectors, occupations and levels of responsibility. This would lead to a huge upturn in the Indian economy.
A study shows gender equality in one domain has spill-over effects in other domainsThe social standards that limit women's opportunities need to be understood and then changed by taking a gender transformative approach. We can influence social standards and clear the blocks in access to resources and services between men and women in a lasting manner. It is up to everyone to do their part to make the world a better place for women to work and help improve the economy.

Both men and women must be involved in the changes to take place at many levels The government needs to invest in programs that promote gender equality alongside improving productivity and incomes.
With more active measures towards gender equality, the overall employment rate reaches a high level. Programmes need to be implemented that increase women's access to services and resources. Putting gender equality at the heart of all policies, programmes and schemes would unlock the full potential of the Indian economy.
Societies need to support and encourage women as farmers and as leaders. Increasing women's voice and the agency is a valuable end in its own right. When development organizations, policies and communities support the success of women, we have a chance to reduce extreme poverty and boost shared prosperity for girls and boys and women and men around the world.

Puranjani Arora

It has been rightly pointed out by Chris Dixon that there are three eras of currency: commodity based,politically based and now math based. And indeed this quote suits today's situation very well. Today's world is infact a world of cryptocurrency, and when it comes to cryptocurrency it has to come to Bitcoin. Bitcoin is one the most popular and earliest forms of cryptocurrency that uses peer to peer technology to make instant payments.

In the days of yore, man with his little intellect used to trade things with precious entities such as gold and silver whose commodity value or intrinsic value was more than the face value. But as man evolved, the concept of money evolved and came into existence the concept of fiat money and currency paper notes and coins. This means of exchange had no value in itself but was still acceptable as a medium of exchange because it was issued as legal tender on the orders of the government and came into existence through an institution known as the central bank which issued this currency and deposited it, as well as escalated it by providing people an incentive known as interest through the channel of commercial banks. This institution maintained the ledger or record of all the transactions taking place. Things were running smoothly but then came into existence frauds and scams which shook the banking systems to its core. This was the time when the need for a transparent mechanism of exchange was felt and that is when “Bitcoin” or the system that used different algorithms to maintain the ledger that couldn't be altered by anyone, came into being.

Bitcoin was invented in 2008 by a mysterious and pseudonymous person named Satoshi Nakamoto. Bitcoin is a form of cryptocurrency that uses peer to peer exchange mechanism to generate and distribute currency units.

It was invented to do away with inefficiencies of the conventional banking system as it recorded all the transactions in a public ledger which couldn't be amended by anyone. At its core, Bitcoin is a transparent ledger without a need of central authority. Now the ambiguity is, how exactly is bitcoin transparent? For instance, let's understand how a bank works. It records all the debit and credit transactions in a ledger in the bank's computer which is connected to the central computer of the financial institution. Now, a common man who is a customer of that bank can not take a sneak peak at this ledger and can neither alter it. Only the bank has complete control over it. Whereas in case of Bitcoin anyone can look at the transactions taking place at any time but no one can figure out the identity of the person making the transaction at that time. Each person using bitcoin has his/her unique bitcoin address by the help of which they are represented. This means Bitcoin is not only a transparent ledger but also pseudo anonymous at the same time.

Now the question is how can a common person extract Bitcoin? How can they make transactions with it? What is one Bitcoin worth and who decides that value? The answers to these questions are quite amusing. As we know by now, that Bitcoin is a decentralised ledger that was invented to do away with inefficiencies of the banking system and to deal with the problem of corruption. So it uses such a meticulous system to generate each and every unit and update the ledger that none of these problems arise. Under this system the user’s system has to guess a number that solves the equation generated by the system to earn a Bitcoin and this process is known as Bitcoin Mining.

The equation generated by computer is quite complex and whether one is able to solve it or not depends on their computer. The more strong the computer, the more guesses it will make per second. And if the computer cracks the equation not only it earns Bitcoins for the time and energy it devoted in solving that equation but also you get to write the next set of transactions in the ledger online, that is you serve as the temporary banker of Bitcoin.

Now, any layman would think of this as a jackpot - just solve the equation and get free money, but it is not so. The equation in question is quite complex and the system is self-adjusted to increase its difficulty manyfolds if the number of miners increases and to solve that equation one needs more advanced computers and more equipment. It is to maintain a nominal flow of Bitcoin even if the miners increase and to control inflation. Since the gadgets and hardwares like GPU miners and ASIC miners are very expensive for an individual, many people combine their resources and form a mining pool to bring efficiency and increase the rate of their success.

So Bitcoin has emerged just like gold or any other scarce commodity. It has value only because it's quite popular and very scant. The price of Bitcoin is determined on the basis of the two supreme forces of the market -- supply and demand. When demand of Bitcoin increases the price rises and if demand falls the price falls. But very less new Bitcoins are generated in order to keep inflation in check and also the Bitcoin market is not a large scale market so it doesn't take a huge sum to turn the market. So the price of bitcoin keeps on fluctuating. Bitcoins have worth because they are utilitarian as a form of money.

Bitcoin possesses all the characteristics of money (durability, portability, fungibility, scarcity, divisibility, and recognizability) based on the properties of mathematics rather than relying on physical properties or trust in central authorities (like fiat currencies).

Although there is a protocol that no more than 21 million Bitcoins will be ever generated but this would be never a problem because the system allows it to break in smaller units up to eight decimal places so that its limited number can never be a barrier. So Bitcoin not only is a fair, transparent, flexible and well developed system that facilitates exchange but also something that is expected to replace the current exchange mechanism. Since every coin has two sides so does the mechanism of Bitcoin. It is not all rosy in itselves. Bitcoin has not reached the masses completely till now and most governments around the globe have made it illegal to trade in Bitcoin. And since the governments do not recognise it, it is non traceable and thus a hub and support for criminal activities and terror funding.

In conclusion, there is no doubt that Bitcoin is the future of money and the masses need it. But the need of the hour is its regulation. A balance needs to be attained in order to transition it into an invincible revolution that the world is yet to fully witness.

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Aditi Aggarwal

The COVID-19 pandemic presented an unprecedented situation to the world economy. It caused severe disruptions in production, operations, and consumption as governments around the globe imposed restrictions on movement. As a result, world economies suffered GDP contractions. The Indian economy shrunk by 23.9 per cent in the second quarter of FY2020-21, the worst decline recorded in the last 15 years far worse than other countries that were severely affected by COVID-19 like United States (9.1 per cent decline) and Italy (17.7 per cent decline).

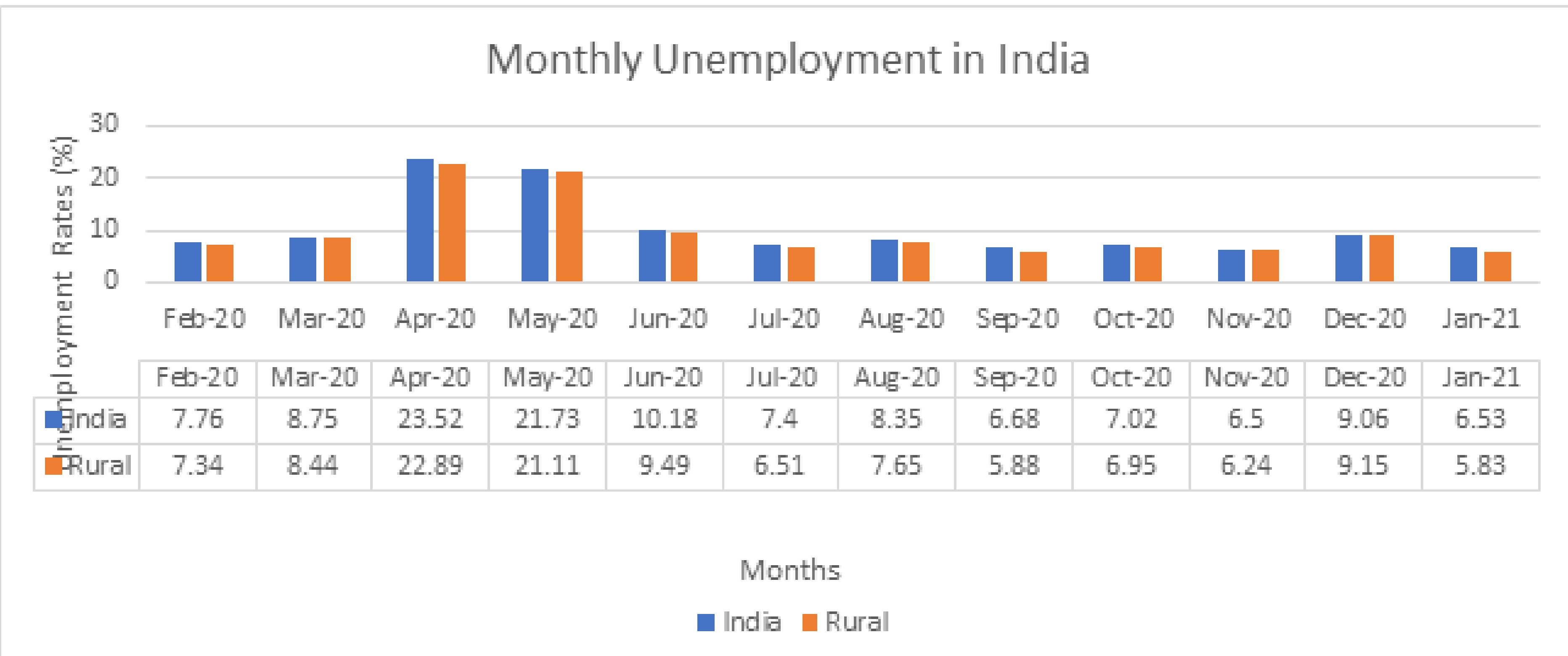
Unemployment, one of the major economic challenges in India, intensified during this time owing to strict lockdown conditions imposed by the government to contain the spread of the virus. According to a joint report by the International Labour Organization (ILO) and the Asian Development Bank (ADB), many jobs were lost during this time with construction and farm sector workers accounting for the majority of job losses. These sectors are major employers of rural labour. Moreover, many migrant workers returned to villages due to lack of opportunities in the cities and industrial belts. Thus, this created a pressure on rural employment programmes like Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) to provide livelihood to the migrant workers as the levels of rural unemployment soared in the months of April and May 2020.

About MGNREGA

Mahatma Gandhi Employment Guarantee Act 2005 (or NREGA, later renamed as the Mahatma Gandhi National Rural Employment Guarantee Act or MGNREGA), is an Indian labour law and the largest social security measure. It aims to guarantee the 'right to work'. This act was passed in September 2005. It aims to enhance livelihood security in rural areas by guaranteeing 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The work is usually on projects to build roads, canals, ponds and wells. It gives an opportunity to rural households to earn minimum income by getting job cards under this scheme.

MGNREGA in COVID-19 Pandemic

Dependence on MGNREGA to earn livelihood increased as a record 4.89 crore persons belonging to 3.44 crore households sought work under the Act in May 2020. This was against 3.18 crore persons from 2.26 crore households for the same month the previous year. The surge in demand for work was visible in states like Uttar Pradesh (299.3 per cent in May 2020 over May 2019), West Bengal (214.5 per cent), Odisha (113.5 per cent), Chhattisgarh (68.9 per cent), Madhya Pradesh (65.1 per cent) and Bihar (62.1 per cent). The average per day wage rate for unskilled work under the scheme were increased by 10 per cent from ₹182 in 2019-20 to ₹200 in the 2020-21.



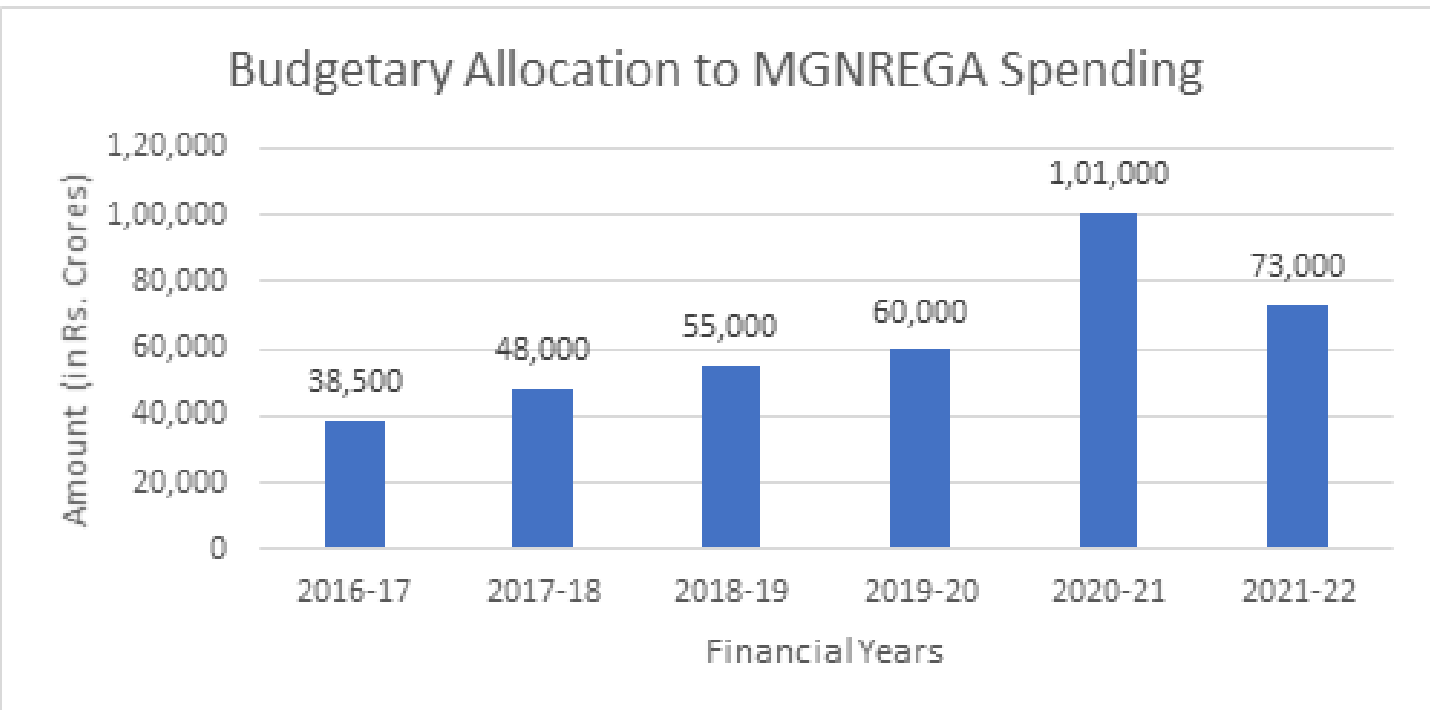
	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
India	7.76	8.75	23.52	21.73	10.18	7.4	8.35	6.68	7.02	6.5	9.06	6.53
Rural	7.34	8.44	22.89	21.11	9.49	6.51	7.65	5.88	6.95	6.24	9.15	5.83

Source: Centre for Monitoring Indian Economy (CMIE)

The government data showed that Centre had released ₹90,111.99 crore under the scheme in 2020-21 with a total of ₹64,326.54 crore spent on giving wages. As many as 7.02 crore households and 10.25 crore individuals had benefitted from the MGNREGA scheme in 2020-21. These figures are recorded the highest as compared to the past four years.

Budgetary Allocation to MGNERGA

Over the years, there has been an increasing trend in budgetary allocation to the MGNREGA scheme. The allocation of funds to the scheme was Rs. 38,500 crores in 2016-17 which rose to Rs. 60,000 crores in 2019-20. In 2020-21, the government allocated Rs. 65,000 crores, however, the amount was later revised to Rs. 1,01,000 crores to match the surge in demand for work due to the pandemic.



Source: Ministry of Rural Development

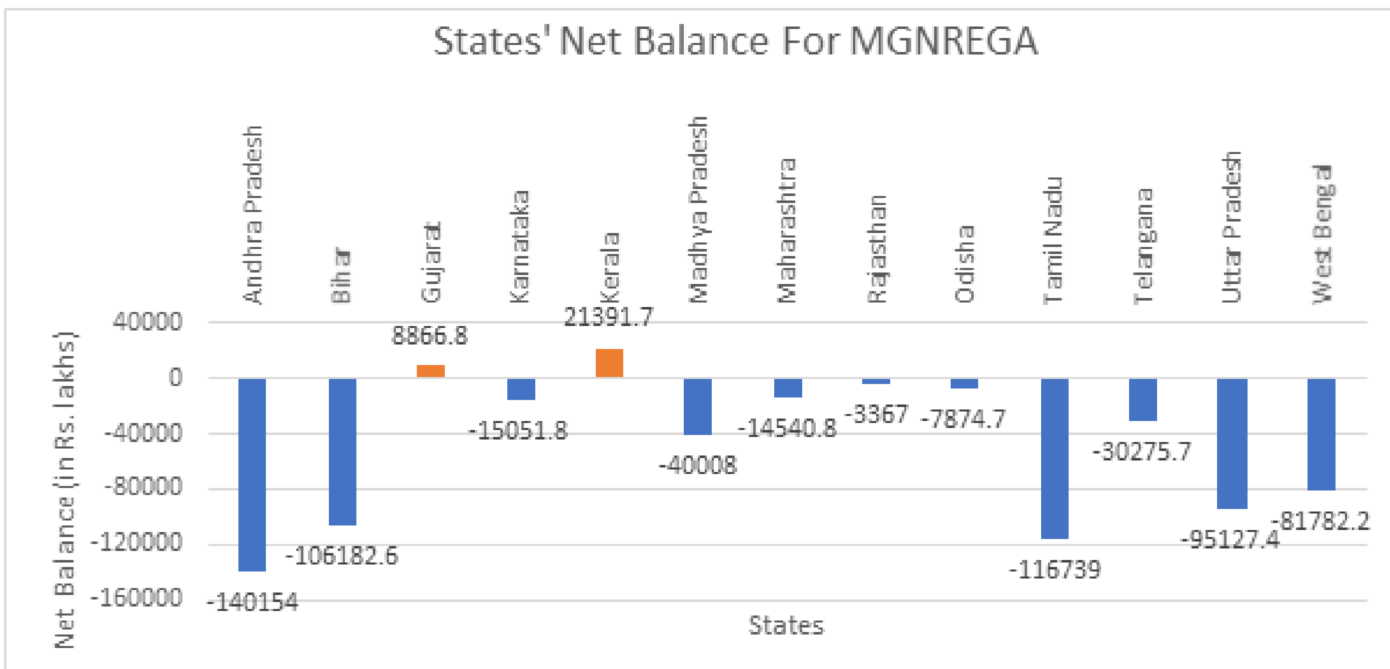
On 1st February 2021, FM Nirmala Sitharaman announced Rs. 73,000 crores allocation to the scheme for the FY2021-22. This was a cut back of 34.5% when compared to the revised allocation in 2020-21. It is estimated that the allocation will only be sufficient to fund around 260 crore person days of work, going by the current average daily cost of Rs 279.52 for each person taking up job under the scheme. For all other major welfare schemes under the Rural Development Ministry, the allocation for 2021-22 increased from the revised estimate for 2020-21 unlike MGNREGA.

Moreover, no announcement was made regarding the increase in number of days of employment from 100 to 150 or 200 as had been expected and demanded to benefit the households under the scheme.

Way Forward

There is no question that MGNREGA emerged as the biggest protection programme in the time of a pandemic which continues to pose a serious threat to jobs security and livelihood. However, moving forward, certain concerns still persist.

The average days of employment provided per household stood at 42-45 days in major states of India due to supply crunches of work. Moreover, the implementation of MGNREGA suffered from lack of allocation of funds and resources. This is evident in lower than legal minimum wages, low level of days of employment creation and leaving out a sizeable number of households from receiving employment under the scheme. It is observed that although demand for work by households rose 55.4% in December 2020 compared to a rise of 49.57% in the previous month only 61% of households demanding work managed to get work in December compared to 81% whose demand was met in November. In addition, the data of as many as 23 states revealed that the expenditure on the scheme implementation exceeded the fund allocated to the states leaving an overall combined deficit of Rs. Rs 5,895 crore as of January 2021.



Thus, there is a need for the government to allocate larger funds to the MGNREGA as it is one of the safety nets for the rural population. A better coordination between the government departments is also required so that higher number of projects can be brought and undertaken under the MGNREGA scheme which are not restricted to the currently 'permitted' projects enabling people to find employment in various avenues. Government must ensure that the work provided in the rural areas focuses on value addition and multiplying community asset works to boost the rural economy.

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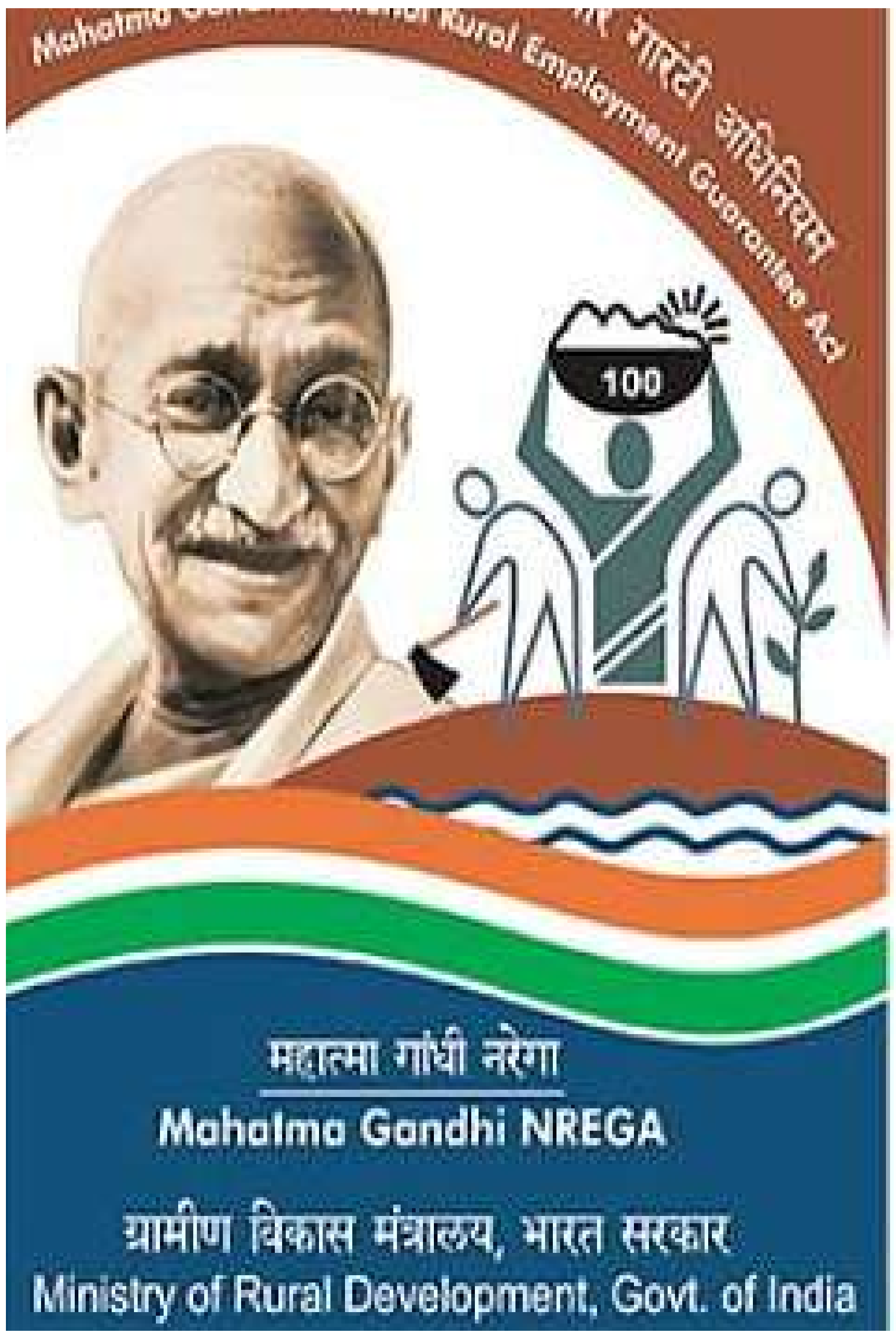

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

Economics' Caricatures

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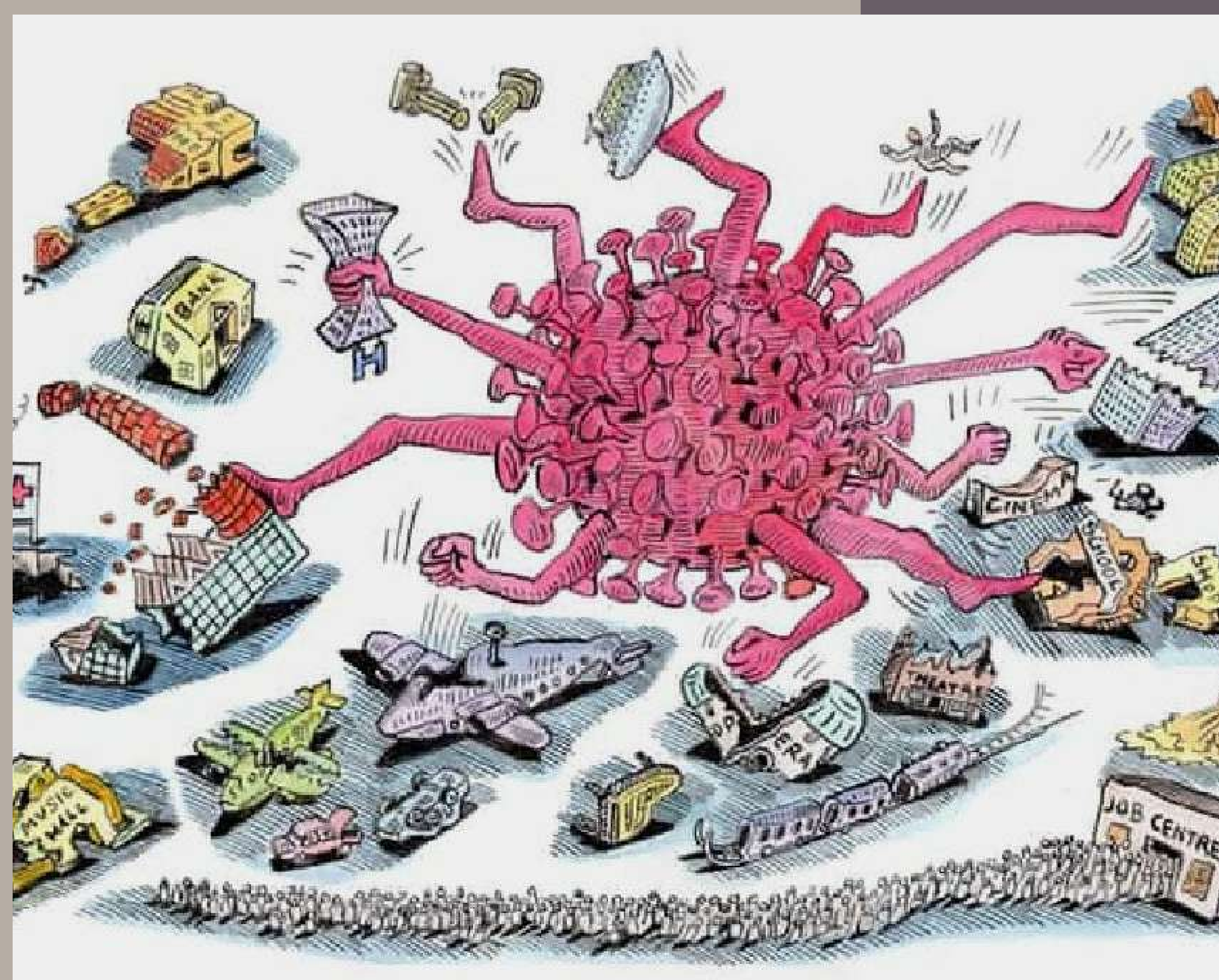

Philandelphia Inquirer

Devika Mathur
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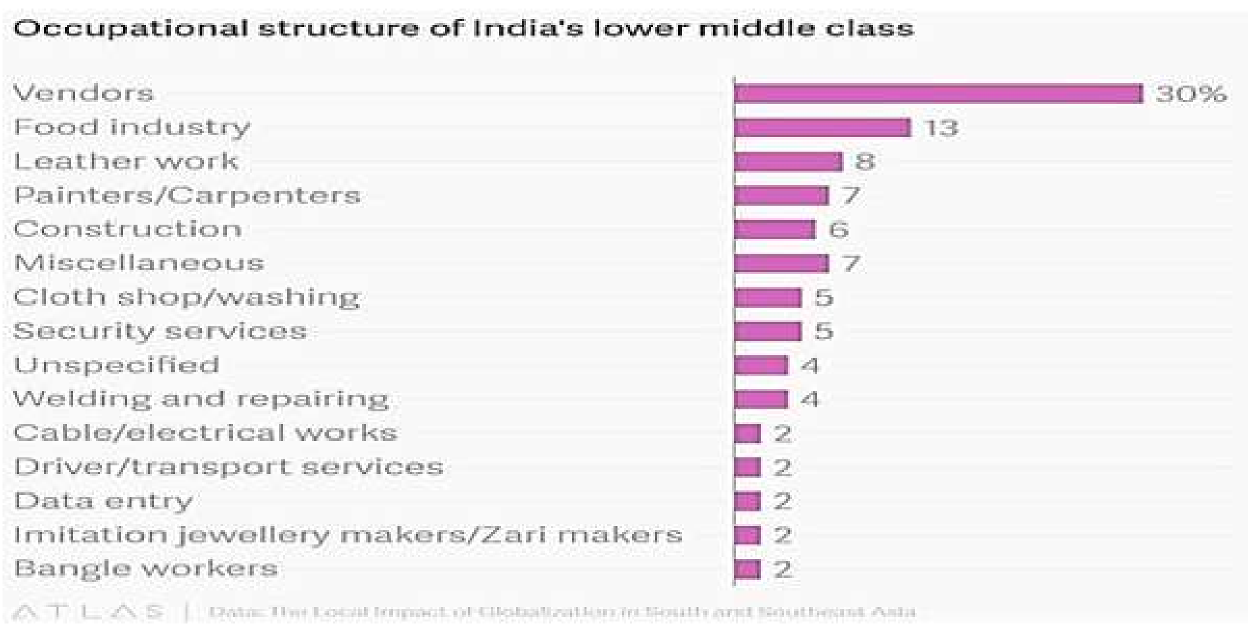
What is the middle class?

While the olden Indian class structure faced a sharp contrast between the bountiful and the penniless, the emergence of the middle class has resulted in an intermediate class in the socio-economic hierarchy. To categorize people into the middle-class segment, economists have come up with an income threshold which states that people with a per day, per person expenditure in the range of $2 to $10, (valued at 1993 purchasing power parity (PPP) dollars) can be counted under the middle class. They have further broken down the middle class into two – the lower middle (who spend between $2 to $4, per day, per person) and upper-middle (who spend between $6 to $10, per day, per person) A Mumbai University study says that now carpenters, street vendors, decorators, and drivers, are the major constituents of the middle class amongst others. A major proportion of these occupations are sectors that have low entry barriers implying that now almost anyone can work in them and pull themselves out of poverty.



Apart from this, the world bank has classified people into 4 income groups:

Low: $1,025 or less, that is Rupees 70,069 or less

Lower Middle: $1,026 to $3,995, that is Rupees 70,137 to 2,73,098

Upper Middle: $3,996 to $12,375, that is Rupees 2,73,167 to 8,45,955

High: $12,376 or more, that is Rupees 8,46,023 or more.

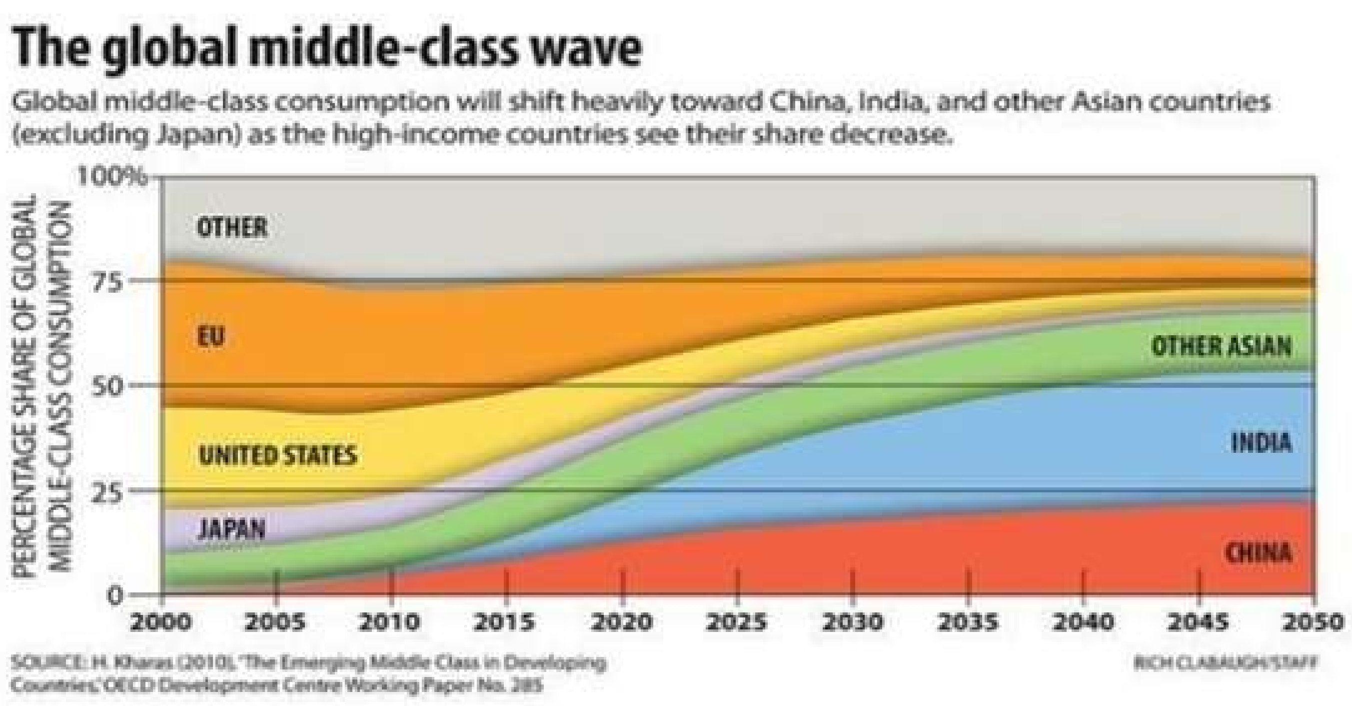
With a per capita income of around $2,000, India is still a lower-middle-income country and $12,055 is a long way off. If we assume that World Bank thresholds and India's income per capita grow at the same pace as they have in the past 30 years, it will take India until 2038 to reach the lower end of the upper-middle-income threshold.

Growth of the middle class

Going by the definition stated above, at present, close to half of India's population falls under the category of 'middle class' and the fastest growing classification turns out to be the lower middle class.

It is believed that by 2027, India's population may overtake China's and the middle class might overtake that of the United States, Europe, and China

A Deloitte report stated that, by 2039, the middle class would constitute about 90% of the population.



What happens when the middle class rises?

As seen above, the middle-income group is one of the most rapidly growing segments, considering which it becomes all the more important to analyse what happens in the economy when more and more people belong to the middle class.

When the income level of an individual rises, a number of changes can be witnessed in their spending habits. A negative correlation has been derived between poverty and average consumption in India. This implies that a decrease in poverty results in an increase in consumption in India. Studies have also shown that as income rises, the percentage of income spent on necessities, such as food and shelter, tends to fall and more is spent on luxuries. An income hike is witnessed when a person enters the middle-income group from a lower one, thus it can be stated that the middle class tends to have a relatively higher discretionary income (i.e., income left after deducting taxes and necessities such as food, shelter, etc.) and thus have a wider choice of consumption options. A national survey finding has concluded that in the higher classes, the percentage of expenditure on food declines, and the percentage of expenditure on discretionary items such as entertainment increases. Owing to this, a lot of brands have emerged in India with their target markets as the middle class, while a lot of luxury brands have tried to accommodate as many as possible, by enticing them through various schemes and offers.

The middle class is one of the largest constituents of the consumer market. A rise in the middle class would result in higher demand, resulting in a higher quantum of production, leading to a boost in the national income, thus carving out the way for India to become a developed nation.

Apart from these, financial markets have also been a major benefactor as credit cards have seen an immense growth. A shift has also been noticed in the investment pattern in favour of the shares and debentures against traditional methods including savings accounts, time deposits, and government bonds. This has benefited the brokers, financial advisors and consultants.

As having a handsome discretionary income incentivizes people to spare more towards education and skill development, the middle class can prove to be a reliable source for quality human resources, thus accelerating the economic development of the nation. A higher discretionary income would also result in higher expenditure on healthcare and thus would further add to the quality of human resources in the economy.

The middle class of India has given rise to well-informed citizens, fearless and unapologetic when it comes to voicing their opinions (political, social, or economic). This class of people is a lot more politically involved and thus has been a major driving force, in the smooth running of the nation.

Criticisms

Just like the two sides of the same coin, even the growing middle class has had its share of criticism. A large number of people have pointed out the threat of "the middle-income trap". This refers to a situation when a country attains the status of a middle-income nation but then finds it difficult to develop further and gets stuck at that level. The reason for the same can be two-fold, firstly, once countries attain middle-income status, they lose a significant share in the manufacturing sector, as now other poorer and more competitive nations start emerging. On the other hand, they would have to undergo enormous structural reforms to be able to qualify as a higher income nation.

These two factors have often caused nations to find themselves unable to develop and grow any further.

Another argument is that as a large proportion of the population starts entering the middle-class segment and subsequently starts increasing their demand for consumer goods, initially the production may rise and inefficiencies may be eliminated, but post that, when the production can no longer rise (owing to the scarcity of resources), the prices will start to rise. This would be the beginning of much-dreaded inflation and make things unaffordable for a large segment of the society and thus adding nothing to the standard of living, but rather leading to a fall in the value of the rupee in the international markets.

Lastly, the middle class in itself is a large section, with various segments within itself. Though it is usually said that the middle-class enjoy a decent lifestyle, on the contrary, the lowest segment of the middle class still finds it difficult to lead a respectable livelihood. Only 40 percent of the middle class have piped water connections. Thus, the theory of rising middle class, which leads to a higher standard of living has also been often challenged.

New Education Policy: Transforming India

Navdha Mangal

The world is expanding quickly and to keep up with it, we as a nation need to move forward. To keep in sync with the changing ecosystem, it is important for children to learn. Education is fundamental for the development of human potential, national and social development. Access to education is a fundamental right which is the most important step is equality, economic growth and developing and maximizing countries' rich talent. The current education system in India suffers from a huge learning deficit and broken infrastructure, it requires reform to bring equality, equity, quality and integrity into the system. It needs to address the developmental imperative of the country by revamping all levels of educational structures, which also include governance and regulation to align India's youth with 21st-century goals. The union of the cabinet on July 29, 2020, approved the new education policy (NEP 2020) which aims at providing access to education to all and achieving 100% gross enrollment ratio.

Implementation of strategy and interventions

To implement the policy effectively, there needs to be a strengthening of the central advisory board on education. Financing the policy with 6% GDP is most important for the success of education policy. The intervention strategy must be in three-phases which are,

1. implementing policy initiative in a phased manner
2. priority ration of steps with the most crucial first
3. comprehensiveness in implementation as the policy is holistic.

Moreover, collaboration between Centre-state and various institutions like NCERT, UGC and CBSE is essential as education is a concurrent subject. Along with this, early child care education, the role of women and child ministry and Anganwadi must also be given equal importance. Timely allocation of resources, human infrastructure and finances is crucial for policy.

There need to be careful strengthening and review of linkages between multiple parallel implementation schemes and steps like RTE, Sarva Shiksha Abhiyan, Rashtriya Madhyamik Shiksha Yojana and other missions and programs, to ensure effective implementation of all initiatives.

One major difference between the new National Education Policy (NEP) 2020 and its predecessor is that earlier national policies on education (NPE) from 1986 to 1992 were an effort to consolidate and build on earlier policies, especially the NPE, 1968. NEP 2020 is refreshing in this case. For eg. in proposals for higher education, policy begins with the words, that it “envisions a complete overhaul and re-energising of the higher education system.” The NPE starts by listing the problems currently persistent in India’s higher education. However, even though a list has been made, there is no diagnosis of the problems it has stated. So there is no context, no reflections, there is nothing there to understand what made this arise historically. Moreover a reflective list is imperative because not all elements of the current education system are problematic, some of these institutions, arrangements and practices succeeded even in the most difficult times, while some successful practices have regressed into mediocrity. The NEP is a good insight into the vision of the higher education ecosystem till 2040. By 2040, if the policy implementation has its way, the Indian higher education ecosystem will be filled with Higher Education Institutions (HEI).

HEIs will comprise universities and colleges both in the public and private sectors, all of them ‘multidisciplinary’, with each having more than 3,000 students, with one HEI in every district of the country.

Universities will conduct both research along with postgraduate and under-graduate teaching, some of which will be more research-intensive and others will be teaching-intensive

Colleges will teach the under-graduate students, with students having the option to have their medium of instruction in either bilingual or any local / Indian languages.
The colleges have a choice to manifest in clusters around universities as constituent colleges of universities or be the standalone autonomous ones.
Going by the policy, all HEIs will eventually become "independent self-governing institutions" which will have considerable "faculty and institutional autonomy". They will be regulated under a series of regulatory provisions that are "light-but-tight" and will be operated largely by private accreditors or firms that will run them, which in return will be overseen by a new set of regulatory institutions at the national level.

By 2035, India's higher education system plans to double the gross enrolment ratio to 50 per cent. The doubling of enrolment will be made possible by these 4 measures which include, increasing student strength in each HEI, increasing numbers of new HEIs, mostly in the private sector, a strong open- and distance-learning system and focus on the use of technologies, including online modes. The policy lays the vision, but it does not specify the mechanisms to achieve its vision. The policy does not clarify for e.g. how we will get there in two decades and how the promised "complete overhaul and re-energising of the higher education system" will be accomplished.
So while the policy envisages is to build an entirely new ecosystem of independent self-governing institutions, in which there will be considerable autonomy for teachers. It will save them from the current fragmented ecosystem of low-standard teaching which has "lesser emphasis on research" with "sub-optimal governance and leadership" and "ineffective regulatory system".
However, no clear roadmap is laid out in the policy for how this complete makeover will take place.
Although, much of the problems in the system have been identified by the policy correctly and they seem to have stemmed from a culture of doubt and too much control. This comes in the very heart of our larger system and is not just confined to higher education. The NEP 2020 also perhaps is an exercise of forcing uniformity and standardisation by a single axis of control and power, which is impossible, given India's population, diversity and its constitutional federalism. From past experiences, we know these educational institutions have been mostly subverted by a deeply entrenched bureaucratic culture that may seep into any new institution created within the larger governmental ecosystem. We can have old institutions that can divide into four new ones, but the core material from which these are created, could just end up remaining the same and so could the institutional culture. What is needed now is a new kind of thinking, it is important to recognise that the institutions are organic entities with their own histories and they are rooted firmly in and engaging dynamically with specifically needed social and cultural contexts.The creation of a new ecosystem cannot be done through a top-down arc. Taking examples from the policy, Nalanda and Vallabhi did not reach their pinnacle of glory by complying with rules that are sought to prescribe their curriculum and regulate their scholarship. Each of these universities, in fact, was unique; they were not cast in the same mould, they had freedom to operate. They flourished in an environment of trust and freedom in which they decided their scholarly pursuits and teaching. Their patrons trusted their wisdom and believed enough to carry out their work and supported them without breathing down their necks with regulations.

Tanya Chhabra

On 12th May 2020, Prime Minister Narendra Modi announced and kick-started the campaign of atma nirbhar bharat or self-reliant India along with a comprehensive package of rupees 20 lakh crores (equivalent to 10% of India's GDP) to help revive economic activity impacted by the Covid-19 pandemic.

The objectives of the scheme were two fold: first, to support the poor and stressed workers with direct cash transfers, and second, to support growth-critical sectors such as cottage industry, MSMEs, laborers, middle class, industries, etc. and make them competitive. The Prime minister also outlined five pillars of Atma Nirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography, and Demand. The campaign was announced at a time when the pandemic was at its peak and was rapidly spreading. Thus, it came to the rescue of various producers and consumers at a time when the economy was facing various credit and liquidity related issues.

Though this was a much-appreciated campaign, it did face some criticism. One of the main reasons given by its critiques was that the amount cited in the scheme i.e. 20 lakh crores included the money spent by RBI in its monetary policy and was not a part of the fiscal policy (which is controlled by the government and not the RBI). Thus the actual money spent by the government was perceived to be substantially less.

Subsequently, the Union Finance Minister Nirmala Sitharaman announced atma nirbhar bharat package 2.0 and 3.0 on October 12 and November 12, 2020, respectively.Under the Atma Nirbhar Bharat package 3.0, the government has announced various schemes to pull the economy out of a historic contraction. Here is a brief explanation of what the government has to offer to the public through these schemes:

Rozgar Yojna- in this scheme the government has tried to increase employment by providing subsidies to the EPF-registered organizations if they employ people without EPFO-registrations or people who had lost their jobs earlier.

Emergency Credit Line Guarantee Scheme- the deadline has been extended for MSMEs, businesses, MUDRA borrowers, and individuals. Along with that ECGLS 2.0 was introduced for the healthcare sector and 26 stressed sectors.

Production Linked Incentive worth Rs 1.46 lakh crore was announced for 10 champion sectors

Performance security on contracts has been reduced from 5-10 percent to 3 percent.

Exports - Rs 3,000 crore boost has been provided to EXIM Bank for promoting project exports under Indian Development and Economic Assistance Scheme (IDEAS Scheme).

Rs 900 crore has been provided to the Department of Biotechnology for the research and development of the Indian COVID-19 vaccine.

Rs 18,000 crores have been provided for **PMAY - Urban** and above Rs, 8,000 crores have already been allocated this year.

Rs 6500 crores have been provided for **subsidized fertilizers**.

It has been emphasized by many supporters of the campaign that the package is wide and complete unlike its predecessors (Atma Nirbhar Bharat 1.0 and 2.0) which were focused on certain specific issues and were meant to help the country tide over a pandemic but this stimulus includes a variety of sectors from job employment sectors to technological sectors. The 26 sectors identified by the Kamath panel for ECGLS 2.0 reiterates the fact that the government has tried to include and benefit almost each and every sector.

In addition to this, 10 more champion sectors have been included in the production linked incentive to help boost the competitiveness of the domestic manufacturing sector. Thus, one of the qualities of the package is that it is multi-sectoral and inclusive.

Another thing that is being agreed to widely by the proponents of the said campaign is that it has come at a time when it can widely and heavily impact the economy for good. This is because after the lockdown the alleged problems in the economy have become more apparent to the government which has helped it to formulate the appropriate policy. Also, the economy has now started to reflect the extent to which it can be revived. For example, economic reports such as purchasing power index, GST returns and railway consumption have shown that the economy is getting into shape. This in turn has provided the government a rough estimate of the amount of stimulus required.

Apart from this, the package has a substantial size which can effectively impact the economy. It has measures for short-term, medium-term, and long-term goals for example; the government has extended the deadline for the emergency credit loan. This has helped the service sector which was seriously impacted because of the pandemic. Now, the companies who wanted to expand but had no capital will be able to get an incentive to expand their capacity, increase employment and contribute to the economy.

Though it was suggested by many individuals to use the monetary policy of helicopter money i.e. to directly give out the cash to the people instead of such schemes, it would not have been feasible. It would have led to people hoarding money without any boost in the economy. This way the government is nudging companies to create more jobs which has led to a demand creation in the economy.

Thus, these schemes may prove to be more effective than handing out cash directly to the public.

Despite the multifaceted advantages of the campaign mentioned above, there are also some challenges that the government needs to overcome:

One of the biggest challenges is the proper execution and implementation of all the schemes presented by the government. Our country has been under the influence of corruption for a long time now. India has ranked 80th in the corruption perception index 2019. Thus it is extremely important to ensure a corruption-less environment.

As India is looking to expand its export sector, it needs support from the international market. Therefore, the government needs to ensure friendly relationships with other countries so that they open their markets for exports from our country India.

Another big challenge at hand is the outbreak of another pandemic or a third peak of the Covid-19. Social distancing needs to be maintained and proper care needs to be taken in order to avoid another lockdown in the country because if any such thing happens, the government will be forced to spend more money on the healthcare sector and subsequently, the economy will reach a new low.

In conclusion, the Atma Nirbhar Bharat package 3.0 seems like a well thought-out government response to the pandemic for the country, however, smooth and effective implementation needs to be assured for the scheme to be proved as an overall success.

Bringing Privatisation to Indian Railway: a Positive or Negative Step ?

Kavya Sareen

Today, when one looks back at the successful implementation of the 1991 LPG policy (introduced by Mr. Manmohan Singh on July 24,1991), one does wonder whether the privatization of one of the most important 'mini ratna' i.e. IRCTC(railways) might prove to be a success for the Indian economy!

Before diving on into the pros and cons of whether the latest 'coup de maitre' of the Modi government is a right call or not, lets us first understand the term "privatisation".

PRIVATISATION: It means a transfer of ownership, management, and control of public sector enterprises to the private sector.

From the news one can gather that:

On July 1, 2020, the Railway Ministry announced that 151 trains in 109 pairs of routes will be operated by private sectors. The private sector will invest Rs 30,000 crores. Only the driver and guard will be railway employees; all other employees will be of the private company, who is operating the train. The private companies are free to procure train and locomotives from any source of its choice.

Being the world's largest rail network and a lifeline of the poor, with a route length network spread over 1,23,236 kms, with 13,523 passenger trains and 9,146 freight trains, India's railway network is recognised as one of the largest railway systems in the world under single management. And yet, Indian railways continue to be one of the most cost effective means of transportation available to the common man today. More precisely, railways are an important means of transportation for 23 million travellers and 3 million tonnes (MT) of freight daily from 7,349 stations.

Privatization of the railways , as per the experts, brings a ray of hope of a better infrastructure, management changes, quality upgradation in terms of food and sanitation as well as modern technological upgradations due to the transition from an age old "monopoly" to a "competitive market".At the same time, a question that pops up is whether the burden of increased fares would overshadow these spectacular benefits.

Elucidating the matter of pricing, the first barrier is the "Issue of Cross-Subsidisation".

The Indian Railways, over the years has adopted a unique method for low cost pricing. The idea is to fund passenger fares through freight revenue. This makes it difficult for the private players to compete at the same level of pricing. Another obstacle is the "Conflict of Interest". The ministry of railways is at present playing an instrumental role of policy making, regulating and service providing. It does not pose a problem at the present stage, but it can prove to be a conflict of interest and impair the idea of fair competition between private and government railway operations.

Another very important concern is the effect on employment statuses as well as employee welfare and benefits which may now be regulated as per the whims and fancies of the private players in the markets. These could be poles apart from government benefits. In response to such concerns, the government has also assured the public that only 5 percent of the trains are being given to private operators while 95 per cent of them will be run by the railways on the fare structure fixed by the national transporter.

The Railways had drawn up a Rs 50-lakh-crore infrastructure investment plan for the ten years till 2030. In the longer run one can deduce that the Privatisation of railways might be instrumental in reducing the financial burden of the government. A suitable instance to site is the "Tejas Express", a train that is not fully privatized but is neither completely under the government control. It has earned a lot of praise amongst routine passengers and may be deemed a semi-privatisation success.

One has to keep in mind that "change" is a double edged sword. It comes with its own share of opportunities and challenges. The bottom line is that the privatisation of railways can prove more than just a world of illusion like a mirage in a desert, or a light at the end of the tunnel only if the implementation is done correctly keeping in mind the socio-political as well as the economic impact.

Tanisha Gulati

At the heart of Indian Policies lies the need to transform the lives of the most marginalised. As we move closer to 2030 for which seventeen sustainable goals have been set, are we any closer to social development? Now that Indian workplaces are opening up again amidst the COVID-19 pandemic, will the country recover from the drastic damage on its people and their lives?

Poverty and Hunger

According to the 2011 census, 21.9% of India's population was below the poverty line. Even after years of poverty alleviation programmes and policies, poverty has been an undefeated woe. Poverty also affects an individual's access to adequate quantity and safe quality food. The issues of poverty and hunger are interrelated since poverty determines the ability to access safe and nutritious food. In 2020, India stood at 94th rank out of 107 countries on the Global Hunger Index 2020. Neighbouring countries such as Pakistan and Nepal have surpassed India on this index. The pandemic has brought the inequalities of society to the forefront and the situation calls for a need to focus on poverty eradication. According to the UNDP, approximately 260 million people will be pushed to poverty because of the pandemic. The reports also show how out of the 260 million people, 20% would be Indians who mainly hail from the states of Uttar Pradesh, Madhya Pradesh and Bihar. The central government rolled out relief packages for the poorest of the poor as a response to the lockdown. While this move was the need of the hour but was the response adequate to accomodate the humanitarian crisis caused by one of the harshest lockdowns induced by the pandemic? Hunger in India during these times increased due to the food supply chain being disrupted. In present times, it is important to have a healthy, well-fed population that thrives on liveable wages so that we are closer to the goals of zero hunger and zero poverty. Policies such as MGNREGA have been found to be beneficial for employment generation and thus tackling poverty from one dimension. It is imperative to increase public spending in sectors that can create employment.

Education

In 2018-19, India spent about 3% of its Gross Domestic Product on education. In 2016-17, out of the whole government spending, around 10.2% was spent on education, which is fairly less than that of OECD (Organisation for Economic Cooperation and Development) countries, which comes out to be 11% on average as reported by the Financial Express. Quality education is an integral part of the country's development and it is necessary that everyone has access to a tool that is strengthening and increases the earning capacity and employability of an individual. Moreover, to ensure a society that is well informed, progressive and smashes oppressive systems, it is necessary to ensure that education is made accessible to the minds which await enlightenment. In 2009, education was made a fundamental right, where the government holds an obligation to provide elementary education to all kids in the age group 6 to 14, free of cost. Over years, the accessibility to education has increased and the gender gap seems to be closing but still rather slowly. Accessibility to education is also affected by the way our society at large is structured. According to the All India Survey On Higher Education 2018-19, out of the students enrolled in higher education only 14.9% and 5.5% belong to SC and ST communities respectively. The COVID-19 pandemic has also highlighted the inadequacies of the education system in India. According to the recent report "The Inequality Virus" by Oxfam India, approximately 32 crore students were affected by the closure of educational institutions.

The report also states that 84% of students reside in rural areas and 70% of students attend government schools. The closure of the institutions might lead to increased dropouts from school.

With decreasing household incomes, it is possible that students from low-income households might enter the labour force in order to sustain the financial crunch.

The Mid Day Meal scheme in India had worked wonders when it comes to ensuring school enrollment and attendance. The scheme aims to ensure nutritious meals to students. However with the closure of the schools the mid-day meal scheme has come on a halt. The Oxfam India report reveals that 35% of students did not receive mid-day meals despite the orders of the Supreme Court of India. Moreover, the digital divide in the country too is an area of concern especially when education has shifted to online mediums. Even though radio channels and TV channels are being used by the governmental institutions to impart education despite lockdown constraints, there remains a large population that does not have access to WiFi and devices that can support the technical requirements. The need of the hour is to increase public spending on public education which can then help in building infrastructure for education in India. It is imperative to ensure that students get access to quality education which is also the SDG 4 set up by UNDP.

Healthy Environment

The human race is engaged in fighting the ill-effects of the pandemic but another catastrophe awaits us. The risk of climate change is grave and it is often referred to as the biggest challenge of the 21st century. The article 21 of the Indian Constitution states that 'No person shall be deprived of his life or personal liberty except according to procedures established by law' thus a clean environment is a right of all citizens. In the past few years, the air quality index in several parts of the country has worsened, especially in northern India. A clean and a healthy environment is also considered to be an economic asset.

In 2020 India ranked 168 out of 180 on the environment performance index. Amongst South Asian countries, India was only ahead of Afghanistan and thus scored quite poorly.

Quite often it can be observed that the action plan to tackle environmental degradation is 'responsive' and not 'preventive'. Moreover, during the lockdown, certain environmental policies were pushed down such as the Environmental Impact Assessment (EIA) Draft 2020 which dilutes the environmental regulations and the purpose of EIA. While the world is in a climate crisis, India should tackle climate change and thus prepare itself to adapt to the changing climate so that the most marginalized are not left behind and thus bear the brunt of a crisis they did not create.

Health

In 2018-19, India spent approximately 1.5% of its GDP on the Health Sector. An increase to 2.5% of the GDP is recommended by the National Health Policy 2017. The pandemic should be considered a lesson on the importance of healthcare infrastructure. Reports have shown that the healthcare infrastructure in the country is highly insufficient to accommodate a large population. Improved, accessible and affordable healthcare infrastructure can help in saving lives and can boost the developmental process of the country. It is important that healthcare is seen as a human right and thus is made accessible to the citizens of the country. Efforts should be made to dilute and to end the urban-rural gap in healthcare infrastructure. Moreover, it should be ensured that a medical emergency doesn't push a family at the brink of poverty and helplessness.

Conclusion

We live in an unequal world where resources are allocated unevenly. This adds to the issues and challenges that we face today. António Guterres, United Nations Secretary-General stated that "The COVID-19 pandemic has played an important role in highlighting growing inequalities. It exposed the myth that everyone is in the same boat. While we are all floating on the same sea, it's clear that some are in superyachts, while others are clinging to the drifting debris". The policies thus should focus on ending the social inequalities that exist in the world along with a strong action plan to fight off big challenges such as climate change. The education and health sectors can be the torchbearers for the development of this country.

Ayushi Agarwal

The E-Commerce sector deals with goods and services, includes internet-based enterprise and the use of information technologies such as Electronic Data Interchange (EDI). They use a digital shopping cart system and allow payment with credit card, debit card or electronic fund transfer without any physical contact. The e-commerce market tends to minimise order processing costs while also engaging with a wide variety of manufacturers, trade partners and consumers, which turns out to be positive for this sector and also for the economy as a whole, as goods are delivered in bulk at relatively low prices. This significant growth is supported by the steady rise in the literate population and the internet penetration powered by some of the cheapest and most simple internet access mobile phones. Telecommunications technology has completely changed our way of life, networking strategies, shopping amongst others. India's rise in the E-commerce sector has been steady and is attracting the attention of players around the world.

The way business is done in India has been changed by e-commerce. From US$ 38.5 billion as of 2017, the Indian e-commerce industry is projected to rise to US$ 200 billion by 2026. A rise in internet penetration and mobile penetration has been instrumental in the industry's growth. In August 2020, powered by the 'Digital India' initiative, the number of internet connections in India increased dramatically to 760 million. Out of the total Internet connections, 61 percent were in urban areas, 97 percent of which were cellular. Today, the world's overall number of internet users is somewhere around 4 billion, with India having a total of about 756 million internet users.

The concept of E-commerce in India includes Multi Product e-commerce, which is e-commerce portals that supply nearly all types of consumer goods, such as books, electrical appliances and cosmetics such as Amazon. Single Product E-Commerce, includes portals that supply and offer particular categories of items. Such as portals for the pharmaceutical industry, portals for the automotive sector, and job websites as well.

Failure to match with China and US, but there is a ray of hope

This year, India's online retail industry struggled to equal e-commerce growth in developed and much larger markets such as the United States and China, despite recovering steadily after the national shutdown and the most profitable festive sales season ever.

E-commerce revenues in India are estimated to have risen by just 7-8 percent, much less than 10 percent in 2020, according to Forrester Research, compared to almost 20 percent in China and the US, whose governments made full use of contactless purchase choices to help the economy while forcing a shutdown to combat the outbreak of COVID-19. Depressed consumer demand, economic downturn, lack of technical expertise and instability in India may be potential explanations for this.

Other digital media outlets such as Amazon and Flipkart, however, predict high revenue growth in 2021. Overall, the economy may take time to rebound from this pandemic until the COVID-19 vaccine is available, but some analysts have stated that e-commerce will continue to expand as consumers are satisfied with the convenience and discounts obtained from online shopping. In 2021, segments such as online grocery sectors, social commerce and all the exceptional smartphone app applications providing diverse resources within a single app are likely to be picked up.

Moreover, in 2021, online sales are expected to rise as offline players move to the online market and digital players looking to enhance their serviceability and convenience fuel this market.

The Indian e-commerce industry is expected to expand, powered by increasing mobile penetration, the introduction of the 4G network, the launch of the government's 'Atmanirbhar Bharat' scheme, the proliferation of Coronavirus and increasing customer income.

Developments and programmes by policymakers in 2020

Some of the recent trends and important steps taken by the government to encourage India's e-commerce are as follows:

- The partnership with Hindustan Petroleum Corporation Limited was announced by Amazon India in November 2020. Under this partnership, until delivery, consumers will be able to book and pay for their LPG cylinders.
- A minority interest in Urban Ladder Home Decor Solutions Pvt. was acquired in November 2020 by Reliance Retail Ventures Ltd. (RRVL), a subsidiary of Reliance Industries (RIL). Ltd. for Rs. 182.12 crore (24.67 million US dollars).
- To improve customer experience, Flipkart acquired Scapic, an Augmented Reality (AR) company, in November 2020.
- Amazon India opened the 'Made in India' toy store in November 2020, in line with the' Atmanirbhar Bharat 'vision of the government. The shop helps thousands of distributors and retailers to sell Indian culture-driven games, folk tales and toys that inspire imaginative thinking and are made and manufactured locally.
- Amazon India worked with the Indian Railway Catering and Tourism Corporation (IRCTC) in October 2020 to enable users to book train tickets on Amazon.
- Flipkart bought a 140-acre land at Rs. 432 crore (US$ 58.87 million) in October 2020 to set up the largest fulfilling centre in Asia, in Manesar, Gurgaon, in an attempt to scale up its fulfilment facilities to meet expanded demand post COVID-19.
- Amazon India spent over Rs. 700 crore (US$ 95,40 million) in its payment company, Amazon Pay, in October 2020

Future of E-commerce in India

The e-commerce market in India has been directly influencing micro, small and medium-sized enterprises (MSMEs) by providing finance, technology and training opportunities and has a beneficial cascading effect on other sectors as well. The Indian e-commerce sector has been on an upward growth trend and is predicted to exceed the US by 2034, becoming the world's second largest e-commerce segment. Technology-enabled technologies such as digital payments, hyper-local logistics, customer experience driven by analytics and digital ads would boost the sector's growth. Development in the e-commerce market would also improve jobs, increase export taxes, increase ex-cheque tax collection, and provide consumers with quality goods and services in the long term. The e-retail industry is projected to continue its strong expansion, with over 35% CAGR hitting Rs. 1.8 trillion (US$ 25.75 billion) in FY20. E-commerce opens up doors for enterprises as well as for education and academia, which seem to have enormous potential in India's e-commerce future.

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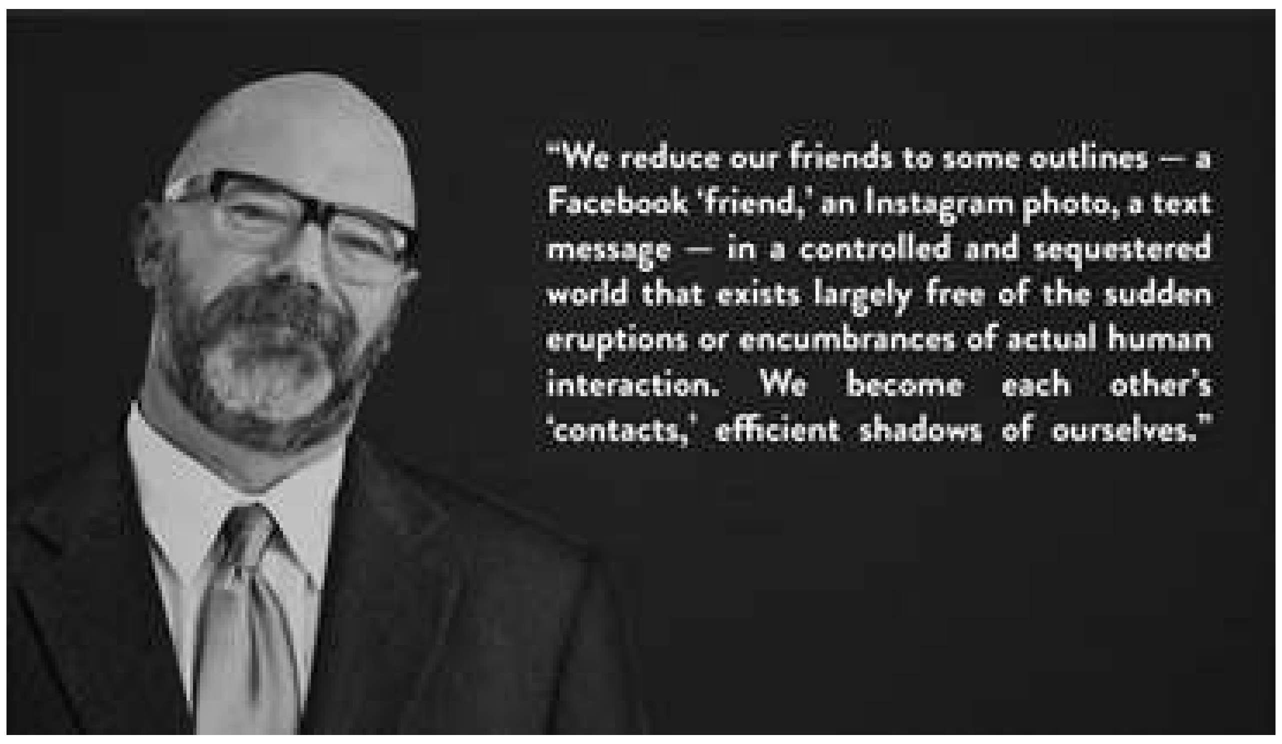
Samridhi Sharma

"Let me take a 5-minute break and check my Instagram for a new update", says everyone. All of us get stuck on social media, scrolling and laughing on memes, wasting precious hours of the day, wondering about the 'existential crisis' going on in our lives.

Taking a break is not a sin, we all need time to cool off from everything causing stress and just unwind but our idea of cooling off generally costs us a lot more than we can imagine. The vicious cycle of jumping from one app to another, in search of fulfillment, satisfaction, and a high for a few seconds, inevitably leaves us doomed. On the contrary, some people want you to get distracted and focus your attention on these platforms. But before we move on to the why's and how's. let's talk about Aldous Huxley.

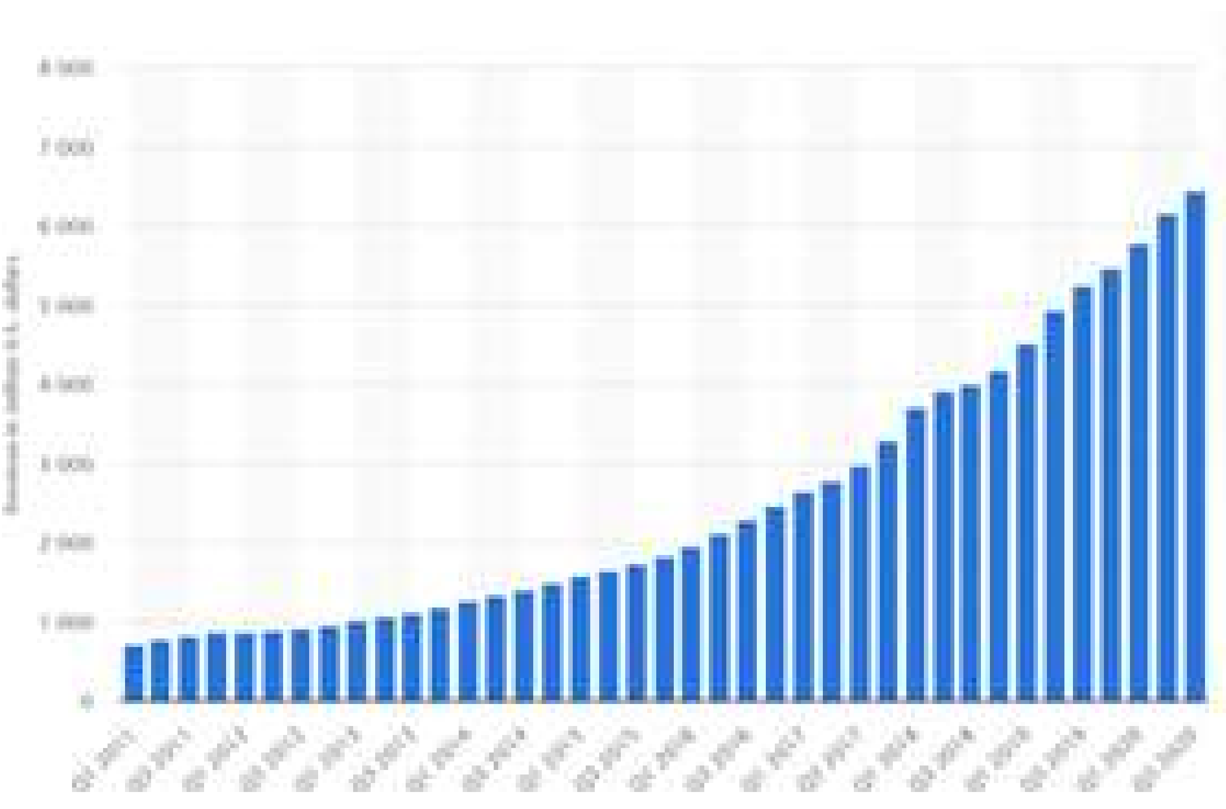
Huxley, in his dystopian vision, talked about a lot of scenarios that apply to today's world. For example, he feared that there would be no reason to ban books, for there would be no one to read it; those who would give us excessive information would be reduced to passivity and egotism; the truth would be drowned in a sea of irrelevance and more such shivering things. His words, although heavy, closely resemble the 21st century.

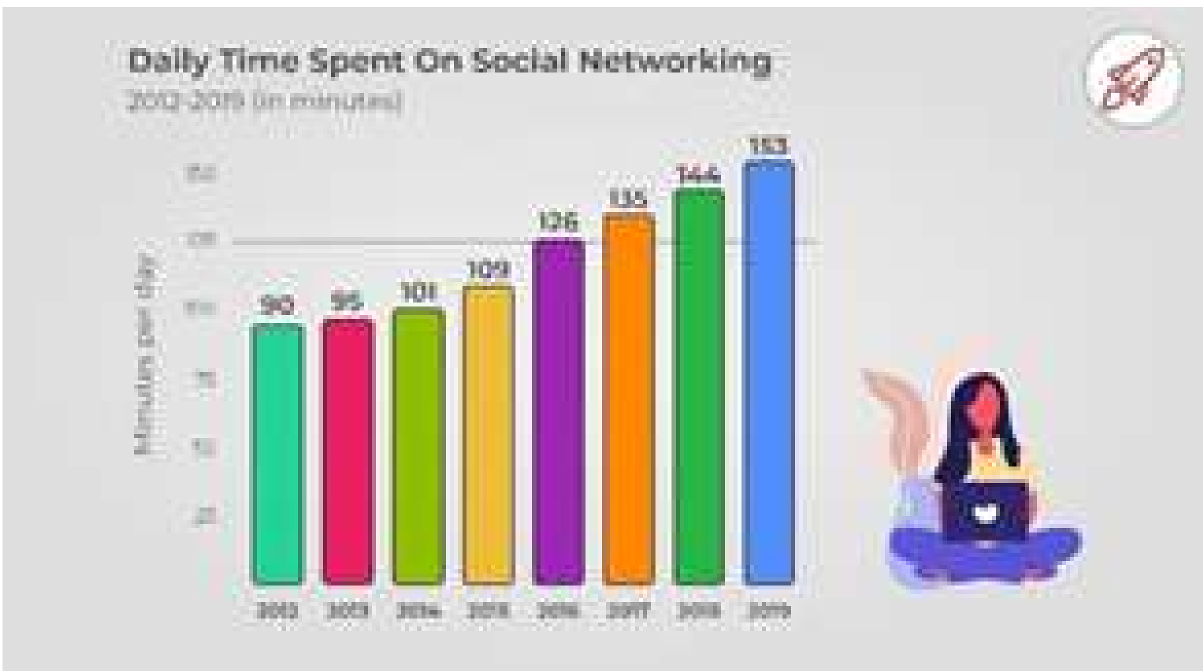
On the other hand, Herbert A Simon when writing about the scarcity of information in an information-rich world wrote " In an information-rich world, the wealth of information means a dearth of something else: a scarcity of whatever it is that information consumes. What information consumes is rather obvious: it consumes the attention of its recipients. Hence a wealth of information creates a poverty of attention and a need to allocate that attention efficiently among the overabundance of information sources that might consume it." In simple words, he characterized the overload of information as an economic one, giving rise to what is called called an 'attention economy'.



Attention economics is an approach to managing information that treats human attention as a scarce commodity and applies economic theories to solve various information management problems. This digital age has not only transformed the way we buy and sell commodities or how a normal market functions, it is now running on the idea of how a consumer's attention can be tapped into making profits. Industries are working solely on the human minds' attention span. Artificial Intelligence is now being used to figure out every individual's interest and how much time they spend on that particular topic of interest, thus inspiring firms to make targeted sales.

In April'17, Netflix CEO Reed Hastings, in an interview stated how 'sleep' is essentially their competitor. This drove the masses wild, discussions on this ideology being harmful to humans or not; if such a money-making mechanism is compromising on human health, spurred on. Attention engineers and neuroscience experts are developing more and more ways to keep us scrolling, clicking away, and addicted. An increase in our attention towards Netflix has increased its revenue and further increased its brand value and the number of people it employs. Our decrease in attention, say towards a sport like badminton has essentially degraded Yonex's revenue and thus the company's demand for raw material to produce a badminton racquet.





This extensive use of digital media has also increased the number of online user interfaces along with more investment in digital advertising and presence on the internet. Today, about 45% of the population is on social media and uses the internet to compare and buy products too. At least 73% of the marketers believe that digital media has played a huge role in making their businesses successful. With an inclination towards an economy that is majorly growing due to internet connectivity, there is an obvious increase in the attention we pay online.

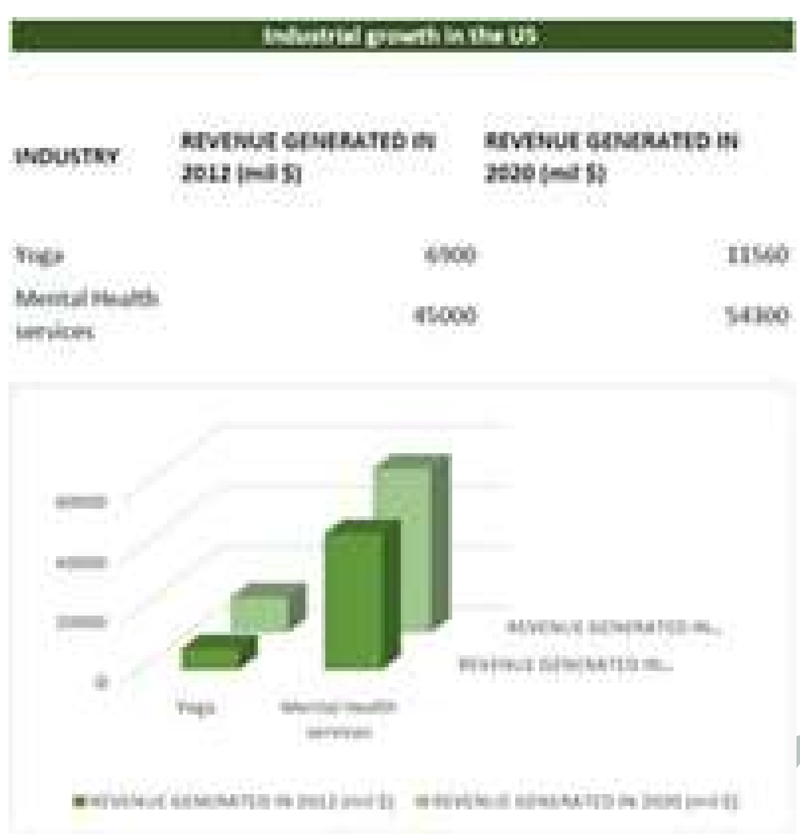
"The vast majority of push notifications are just distractions that pull us out of the moment," says media.

And of course, all these little efforts to keep us hooked are having a very real impact. As Facebook's current head of marketing bragged in his speech, the average millennial checks his or her phone 157 times daily. That's a total average of 145 minutes every day that we're trying to feel connected, validated, and liked. Other research shows we touch our phones 2,617 times a day.

Many such features are designed to keep us hooked and by having our attention, they capitalize it and make profits. With significant data to support this argument, it becomes clear how over the years of internet tech, we have shifted from a material-based economy to a one dependent on our attention.

Although such scenarios make us question if the attention economy is essentially based on negative human growth, this may not always be true.

We have a limited attention span and companies, as stated above, are designing more and more ways to keep us glued to our devices. This unhealthy approach has led to the opening of another major industry dealing with mental and physical health. One can see very clearly how over the past few years, the demand and supply of yoga and therapy have increased significantly. Even though it's good that a whole new set of job profiles are now flourishing, it is deeply upsetting that it all comes at the cost of our well-being. A recent study shows how over just 4 years, there has been a 50% increase in the number of people who practice yoga in America.


Industrial growth in the US

INDUSTRY	REVENUE GENERATED IN 2012 (mil $)	REVENUE GENERATED IN 2020 (mil $)
Yoga	6900	11560
Mental Health services	45000	54300

A study carried out by Microsoft concluded that the human attention span has reduced to 8 seconds in 2015 from 12 seconds in 2000. Another study by Jampp found that the attention span reduces by 88% every year! This is not only concerning for humans but also for the companies that are marketing using the internet. But the positive effect of the study was to say that the multi-tasking abilities have increased. Microsoft theorized that the changes were a result of the brain's ability to adapt and change itself over time and a weaker attention span may be a side effect of evolving to a mobile Internet. Many firms understand the scarcity of our attention and are adapting their business models to capitalize on it. For instance, music streaming services like Spotify have two revenue streams; you can either monetarily pay for ads to disappear, or pay with your attention and listen to ads.

As we continue to drown in a surplus of stimuli trying to capture our attention, perhaps we must focus on paying attention to what we pay attention to. It is necessary to not only consider the direct effects of exposure to social media but the crowding out of other activities, known as the substitution effect. It is incredibly difficult to return to one's original task; UC Irvine Informatics professor Gloria Mark reports that it takes an average of 23 minutes and 15 seconds to get back on track.

This shift in paradigm from a material-based economy to an attention-based economy is what most economists say, will lead to a hollow shell life. The reason why this is negative is that a human being has only 24 hrs. In this time constraint, she has to perform a multitude of tasks in order to get through daily life. From cooking food, studying to socializing and maintaining relationships with other humans, she has to cater to her physical, mental, and emotional health.

The concept of Attention Economy in itself isn't harmful but what it is doing on a deeper level is that companies are targeting our brains, to simulate it in a way that we focus on what they have to offer and forget about our tasks.

This will generate them revenue but we as human beings will stoop to the levels of a Robot. Studies have shown how excessive use of Digital media has resulted in poor mental health and often throws a person into Depression. To live in this era, one has to make sure that their attention is focused on the right things and for a fixed time period, or else, as an anonymous author said that you wouldn't know when but life will pass in a snap of a finger and you would've spent 12 years of it online, in a sea of irrelevant information, taking you nowhere.

We anticipate that the trends we now observe in designing for attention will continue to evolve. Many companies will choose to create even more attention-grabbing advertisements, others will continue to produce habit-forming designs that entice users to dedicate more and more of their attention.

An optimistic future of the attention economy is also possible: recent developments offer hope for a more equitable attention economy. The rising adoption of a split-revenue model for advertising allows customers to pay with their attention (viewing advertisements) or with money (conserving their attention).

One can only hope for a better future while simultaneously controlling their own actions and attention.

Tanya Chaudhary

From loss of human life worldwide to the disruption of social, economic and financial activities, the effects of the Covid- 19 pandemic have been devastating. India had one of the most intense lockdowns effective March 25, 2020 which forced 1.3 billion Indians to stay indoors. Except for some essential activities and services, the rest of India's $2.9 trillion economy remained closed. International and domestic mobility had been restricted and sectors such as tourism, retail, capital market, MSMEs, manufacturing and trading were all affected by this pandemic adversely.

As a result, according to official data by the ministry of statistics and programme implementation, the Indian economy shrunk by 23.9% in the April- June Quarter of FY 20-21, the worst fall ever recorded since India started computing GDP. This was worse than any country's economic slowdown. Moreover, GDP calculations do not include economic activities in the informal sector, which were hit by COVID even more adversely. If we take that into account, the contraction could very well be above 35%.

Private consumption and Investment are two factors for growth of the economy. During the first quarter, private consumption accounted for 59% of GDP whereas investment did 47%, the fall of both these factors caused a fall in GDP.

This kind of contraction is believed to continue into the next three quarters. Several economists, institutions and rating agencies forecast that GDP could shrink 9-18% this fiscal year. But regardless, foreign exchange reserve of the country seems ready to cross all past records as it is $103 billion in this fiscal on 25th December. Indian forex crossed all the records for the first time. It is expected that it will surpass the all time high increase of $110.5 billion (2007-8). Unlike 1991, when India pledged to contribute gold reserves to stave off the major financial crisis, we could now depend on soaring forex to tackle the economic crisis.

The increase in official reserve in 2007-8 was because of the boom in the economy. At that time GDP growth was 9.3% and the fiscal deficit was merely 2.5 %. The $110 billion reserve amounting to 7.4% of India's GDP was largely driven by foreign direct investment, external commercial borrowing and other capital inflows. But this time, the situation is just the opposite: the economy is in recession. So what could be the reason behind this escalation in forex?

Firstly, due to the increase in the country's current account balance, the gap between exports and imports turned positive. This arose because of a fall in imports due to low demand during lockdown. There was also a rise recorded in portfolio investment in Indian stock and FDIs that contributed to this. Moreover, a fall in crude oil prices brought a cut in oil import expenses and a fall in overseas remittances and foreign travels saved forex. Also, by announcing a cut in corporate tax rate on September 20, a greater increase was seen in the forex reserve. Data shows since then, there has been an increase of $73 billion.

What good can this rise do?

High forex can provide a cushion to the government and the RBI's external and internal financial issues at a time when economic growth is contracting. The record increase in forex is sufficient to cover all import bills of the country. It can also help in strengthening the rupee against the dollar. Moreover, it can provide confidence to the market that India can meet external obligations and can demonstrate the backing of domestic currency by external assets. Lastly, it can help in maintaining reserves for national disasters in the future.

Bhavya Pandey

Winston Churchill observed in 1945, speaking at the House of Commons of the British Parliament: 'The inherent vice of capitalism is the unequal sharing of blessings; the inherent virtue of socialism is the equal sharing of miseries.'

Faced by the 'triple crisis' of a pandemic induced health emergency, which in turn sparked off an economic blow-up and parallel climate change crisis, the fast-sinking world order has a lot on its plate. As academic Mariana Mazzucato states aptly, we must address all three fronts of the problem at the same time, or risk the creation of new problems elsewhere while grappling with one individually, as was notoriously observed in handling of the financial crisis of 2008.

Where does the 'Fragile State' theory stand now?

Flashback to 2005: when the Failed State Index was designed by American non-profit Fund for Peace to rank countries on the basis of their crisis mitigation and response tendencies and capacities and later branded as the Fragile State Index. African, Latin American and South Asian countries ranked dismally low on the index and at present, we find that this notion has been regarded as a construct instituted by 'bourgeois intellectuals' of the West. As global leaders such as the United States and the UK are taking the bull by its horns, it is essential we disregard the notions of 'failed' and 'sinking' states going into a post-pandemic world, seeing that we are all bound to be on the same boat.

It seems that this is also the time to rewrite the prevailing narratives of the projected success stories of western states and their all-prevailing tendencies of considering capitalism as the only alternative. The time is ideal to relook the notions of society, culture, state, governments and economy and bear in mind to focus on people, their well-being, and safety.

In the words of Alfred Marshall himself, late-Victorian intellectual and advocate of the laissez-faire school of thought, 'The function of the Government is to govern the market as little as possible, but not to do as little as possible.'

Optimising for efficiency

The coronavirus crisis has ushered in a reckoning of capitalism and how the belief of a self-fixing market has failed to factor-in the redistribution of income in the face of ever-rising inequality in the post-globalisation world. The view of inequalities that have burgeoned as the benefits of a growing economy disproportionately accrue to the top one percent, is nudging policy makers to rethink the post pandemic world.

But at the same time, there is the argument of how we have been able to (somewhat) tackle the crisis. Be it the birthday-wish call over Zoom, the house essentials shopping from Amazon, or even the binge-watched Netflix - being able to work from home, sharing files over cloud, and ordering in the occasional pizza - all have been facilitated by the flexible, free-market nature of economies.

Those who assert that 'it is wealth that is the best long-term guarantor of resilience' have justified the 'private player friendly' nature of the economic stimuli and financial relief packages being announced by governments across the globe, by saying that in the revival of businesses, lies the revival of the economy. But at the same time, it needs to be kept in mind that we have optimised our systems for efficiency rather than resilience, which is the need of the hour, now - more than ever.

Back to basics

Albena Azmanova, in her book, Capitalism on Edge has detailed a concentrated history of the notion of modern capitalism, characterised by four stages. The first, laissez-faire, talks about the clearing away of unnecessary protections, legal hurdles, and societal shifts to accommodate the passage of free labour and free capital through free markets, exactly as Marshall visualised. This stage was then replaced by that of welfare state capitalism which entailed trade and labour unions, some amount of regulation and thriving national and industrial ventures, however, soon this wasn't enough. The next phase was neoliberalism, also regarded as the harbinger of widening inequalities due to the onset of free trade, privatisation, tax cuts, and competitiveness. Precarity capitalism, Azmanova argues, is the fourth and current phase that we find ourselves in and also one that is enacted as a gift-wrapped version of the old system. Its main trait is characterised by instability and inequality of income and security.

Azmanova traces the fault lines of modern age capitalism to its very roots that germinated 500 years ago: the oversimplified and predominant quest for competitive profit-making. The prescription to cure this ailment? Not a revolution, not a sweeping change, simply the notion of countervailence - a term coined by J K Galbraith in 1952, basically calling for the accommodation of opposing stakeholders by the virtue of their counter-forces. Even more fundamentally, the idea is to strike a balance with the public policy concerns being faced - employment, health, social safety, climate action, and resilience - over a long period of time.

Roadmaps and stepping stones

As the pandemic exposes flaws in the global economic systems, lives of workers, small businesses, women, and the marginalised are at stake. The only ray of hope at the moment, is that we can start structuring ourselves into a more sustainable and accountable economy with inclusivity as one of its strengthening pillars.

The point is neither to do away with, or to exacerbate government intervention into markets but to customise it to the needs and calls of the different sectors of the economy. This may mean extending short term solutions, but in a way that they can be compounded beneficially over the long term as well; for example, the decision of the government of Denmark, of helping firms pay workers their wages. This helps households retain incomes, allows people to stay home safely, and would also help the firms in getting back on their feet easily, at a later stage.

Innovation and entrepreneurial action are at the eye of the storm and the factoring in of agents such as renewables, artificial intelligence and machine learning, and investments in research are the need of the hour, but so are sound public policy decisions that strengthen and build upon the pro-public narrative.

With the backdrop of the pandemic increasingly drawing into focus, and the economic stability of the globalised world increasingly blurring into the margins at the forefront, a discerned relationship between how pandemics affect countries differently - is bound to emerge. It remains to be seen whether this pandemic will be a catalyst towards the redrawing of the relationships between business and society, for the better.

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A Price To Pay : Environment and The Fight Against COVID

Treesha Lall

In just a few short months, the coronavirus pandemic has brought the world to its knees. Millions of people find themselves in the throes of a deadly sickness, devastated by large scale unemployment and debilitated by a fear of the unknown in such fickle times. Inversely, in the midst of a bleak situation, things for the environment are finally looking up. With human and industrial activity coming to a sudden standstill due to nationwide lockdowns and other public restrictions worldwide, air pollution rates have dropped to pre-industrial levels. Signs of the planet healing itself are all around us. Rivers like the Ganga and Yamuna are getting visibly cleaner, the omnipresent hole in the ozone layer is mending and with hunting and extraction operations suspended, many animal species are reclaiming their habitats. Even before the epidemic, concerns about climate change and other environmental issues had been steadily gaining momentum. By 2019, the term 'climate emergency' had come into the mainstream public domain. The work of activists like Greta Thunberg and organisations like Green Peace along with added pressure from the public led to the successful framing and implementation of many eco-friendly policies. And as a testament to positive change, UK's carbon emissions fell by 38% since 1990 because of their continued efforts to switch from coal power to cleaner sources of energy. Unfortunately the ecological tranquillity we see today could just die out as a temporary side effect, the calm before a terrible storm. Given the urgency of the tailing economic crisis and all eyes now fixed on the rapidly spreading disease, governments find themselves conveniently slackening previously placed environmental provisions. Even worse, the result of incessant lobbying of big polluter corporations has manifested in million dollar bailouts, stimulus packages and many other subsidies to their names. Let us look at some of the most distressing anti-environment actions taken largely unnoticed in the last six months.

In addition to being the country emitting the highest amount of carbon dioxide and other greenhouse gases (about 32 billion metric tons every year), the United States is also the one country that refuses to abide by most international environmental conventions. It withdrew from the Paris Agreement, a key UN provision with 197 signatory countries on the regulation of global temperature standards, in 2017. It has, since then, been transparent in its complete lack of consideration for the environment during policy making. On May 13th, the same day a national emergency was declared on account of the coronavirus, the Environmental Protection Agency or EPA issued an enforcement discretion policy. Mapping out the policy in a statement, it said that, it "does not seek penalties for non compliance with routine monitoring and reporting obligations that are the result of the COVID-19 pandemic", further relinquishing its already soft hold on regulated factories, power plants and industries. This policy was passed after the American Petroleum Association lobbied for relaxations of environmental controls that could hinder the production process. Such facilities now hold a free pass, with which they can release noxious polluting gases, untreated toxins and chemicals into the air and water bodies, unbridled, as their aggressive industrial strategies demand. The agency added that any plant or facility can qualify for such lapses as long as they prove that their non-compliance is in "some way" related to the novel coronavirus. The EPA under the Trump administration along with the department of transportation has also been working to banish Obama-era fuel efficiency standards that restricted tailpipe emissions from vehicles, mandated fuel economy in automobiles and also pushed for the development of electric solar and hybrid cars. Without such standards in place, vehicles in America could potentially release about a billion more tons of carbon dioxide and consume about 80 billion gallons of gasoline over their lifetime.

In the past few months, the US lifted the ban on single use plastics, criminalised fossil fuel protests in the states of West Virginia, South Dakota and Kentucky and also plans to drill enough to fill its petroleum reserves to maximum capacity. It gave out millions of dollars in bailouts to the fossil fuel industry, the plastic industry, the petrochemical and the aviation industry, all the while failing to allocate any part of the 2 trillion stimulus package to green projects such as solar and wind energy claiming that "climate change isn't an immediate threat to humanity". Even during times when people's livelihoods, health and survival depends on government funds, the current American administration instead seems bent on pampering its gigantic polluter industries. This insistence, made in the interest of "public health and safety" will come at an even greater cost for humanity as sea levels and global temperatures continue to rise and fatal respiratory and skin diseases result in the deaths of millions more.

The rest of the world isn't far behind either.

As the place of origin and once-epicentre of the coronavirus, China has been taking active measures to make up for its severe incapacitation. In the 2008 financial crisis, China relied heavily on its coal and nuclear power investments to cope with the economic slowdown, setting in motion the worst pollution in Chinese history. Its response today seems to be no different. Since the lift of the lockdown on April 1, five new coal plants were opened in different provinces of China. These plants are set to produce close to 7,960 MW of energy between 1 to 18th May. This is more than the approved amount of 6,310 MW for the entire year of 2019. China is also deliberating loosening vehicular tailpipe emissions controls for its automobile industries. The most distressing consequence of these actions is their replicative tendency.

Countries like Australia suspended exploration and licensing fees for mining, gas and oil sectors. Australian coal and oil plants now plan to run at full throttle, undertaking expensive pipeline construction and extraction projects. This comes mere months after climate-change related wildfires devastated large parts of the continent. South Korea credited about $825 million to the coal manufacturing giant Doosan Heavy Industries and Construction Co., the decision runs directly contradicting their green initiative and a net zero emissions goal. And as the coronavirus escalated to 'pandemic' status, even the strongest advocates of sustainable development seemed to buckle under pressure. The UK postponed its ban on single use plastics and also backtracked on several of its anti-coal provisions. In Canada, a ministerial order suspended environmental reporting until mid August.

In light of these desperate, unprecedented times, it is understandable that governments find the most convenient, digestible solutions, ones that would benefit the largest parts of the population most quickly. As of this date, however, the rate of spread of the disease is slowing in countries like America and the UK. Even then, most of the amendments made to eco-friendly provisions come without any explicitly stated termination date. This includes the now postponed climate talks or CPO26. The talks, set to be hosted by the EU, were meant to take bold steps in the realm of environmental protection this April. With certain provisions, the CPO26 would have made climate control measures laid down in the Paris Agreement a legal obligation. It has now been postponed with all other green agendas pushed to the bottom of the list. No further discussions about renewal have been had. With flatter curves, these administrations must re-adjust priorities and with relaxations of environmental conventions, must also vow to switch back, regain momentum as soon as possible.

The ill effects of the on-going health crisis only put into perspective the necessity of continuing the fight for a clean and safe future. Especially when we think about how climate change kills 4 million people across the world, every year. We stand today at the threshold of change, dangerously nearing a point of no return. Where we go from here will determine the fate of mankind. A Harvard study shows that people living in areas of high pollution are 84% more likely to succumb to the novel Coronavirus. Everything ranging from the fatality of diseases to natural disasters exponentially increases in magnitude as environmental conditions continue to deteriorate.

The pandemic comes as a dire warning, giving us a chance to take a step back and introspect. In times like these it is imperative to not lose sight of the final goal. As the crisis brings the world together, we must unite to conserve our planet, push for sustainable development and admonish irreversible, counter-productive actions of our policy-makers. “This disease is a message from nature that everything is out of balance,” says Nemonte Nenquimo, leader of the Waorani tribe of the Amazon forests, “but I don’t know if the world is listening.”

Lives vs Livelihoods: What is at Stake?

Muskaan Bhagat

"For communities and countries, the analysis of a trade-off between saving lives and saving livelihoods is even more complex than it is for individuals." – The Wire

We, as individuals, choose between life and livelihood daily more times than we can recall. According to WHO, more than 12 million die due to tobacco in India. And this is after a vivid warning on the product's cover. The rising levels of pollution in Delhi post the Diwali of 2019 had many of us choose between going out doing our usual business or staying in. These are just some examples, assuming the awareness regarding various life-threatening occupations like mining, construction, cleaning of sewage/drains/chemical waste that an unfortunate part of our population is forced to take up for a continued livelihood.

However, the Covid-19 pandemic has thrown at policymakers an unprecedented set of choices. What to open and what to keep closed? If open, to what extent? Should there be a limit on cases which after reaching shall close business? If yes, which ones? Should we focus more on containing the number of cases or letting people earn their livelihoods?

A cost-benefit approach that can be followed is the Value of a Statistical Life (VSL). This is based on the assumption that every life is equally important. It is computed by how much people are willing to pay to lower the probability of death. For example, if they are willing to pay 1,00,000 rupees to lower the probability of death by 1%, the VSL will be 1,00,000/0.1 i.e. 10,00,000 rupees. This method has been used to suggest alternative policy measures by Economists in the United States.

Mitigation efforts at saving lives by way of the intensive lockdown followed by India could potentially save 2 million lives compared to the case without any mitigation efforts, according to an estimate in an influential paper by Neil Ferguson and co-authors of Imperial College London.

But, at what cost?

If we look at prioritizing the saving of lives by way of extended lockdowns, we look at uncountable and unnoticed deaths due to starvation and homelessness. However, there are always preventive measures to be followed to prevent the spread of infection. But they are not feasible to be followed properly everywhere. In the case of offices, even if 5 people are working, their visits to the washroom cannot be prevented. And that proves to be a major challenge to stop the spread since they can't be cleaned after every visit (including the basins, taps, door handles, etc). It'll require extra staff which (a) is not affordable for the enterprise in these times where businesses are shutting down every day (b) makes the whole idea of having less staff unachievable.

In personal opinion, saving livelihoods completely is not possible. Sacrifices, of massive amounts in some cases, will be present.But, if all individuals willing to work in a common space are very careful of their safety, the unlock phase can work. This is because, at this point, any extreme measure in terms of policies will not benefit every stratum of society. Every individual has to take care of their hygiene which will happen when everyone is aware of the practices to be followed. So, the employers can educate their employees before they start working again all the while, implementing every sanitary measure there is that can be adopted in their respective spaces. It is also the responsibility of the employees to call out their employer if proper preventive measures are not being followed.

Exploring the costs of mitigation measures, Care Ratings recently updated its prediction to a contraction in India's GDP by 6.4%, assuming the nation is under lockdown in July as well. The GDP was already at almost a decade-low at 4.2% for the FY20. Long-run costs revolve around reduced life quality and savings due to extended unemployment.

The major impact of lockdown oriented mitigation measures has been on the poor. They are the ones who had to let go of necessities or walk kilometers in scorching heat to reach their homes. We need to focus on why they decided to make this unbearable choice – because they didn't think they could survive in the cities they were working in. If the government had made sure that every needy person got food and shelter, most of them would not have made this decision. There was a decent Public Distribution system in place and the warehouses were filled with grains. In this case, I believe, red-tapism and corruption failed us again.

There were also lives saved by the lockdown due to lessening of road accidents (which kills 1,50,000 people every year), reduced pollution, and dropped crime levels. To summarise, saving either lives or livelihoods will not work in the long run. We risk losing a major chunk of our population due to the increased spread of the Coronavirus if we focus only on saving livelihoods which can leave our economy crippled while being already at an all-time low. We'll still lose unprivileged lives if we focus only on saving lives due to hunger and starvation. It has to be both.

Extraordinary challenges like these call for unconventional measures. Experts from every sector should be called together with Economists and Policy Specialists to devise exceptional ways to achieve the maximum benefit in both respects: lives and livelihoods.

On an individual level, we shall do everything in our capacity to see that the problems of the unprivileged around us do not go unnoticed and un-acted upon. We are all struggling here, along with the elders in your family trying to make ways to continue working with the help of online platforms. Sit with them; make them feel comfortable with the digital platforms they are using in your capacity.

After all, there is a dearth of love and care in the world today. Let's make sure we focus on surviving the best we can while being kinder to each other.

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Devanshi Malhotra

This article tries to bring the state of Indian healthcare into the limelight. It talks about the various indicators which demonstrate the paralyzed state of health care taking into account COVID-19.

BACKGROUND

The recent outbreak of COVID-19 and curbing infection is turning to be an arduous job even for countries with the world's finest health infrastructure. It has brought India's numb health care system to the light.

India shares 17.7% of the world population with population density as high as 325 per sq km. India barely spends 3.53% of its GDP on health infrastructure. Certain indicators like number of beds (hospital beds/ critical care), number of doctors, access to medical facilities etc. determine the response of the state towards such challenges.

THE CURRENT SITUATION

On 4th July2020, number of active cases stood at 2, 40, 000 approximately, with recovery rate close to 60%. The major contributing cities are Mumbai, Thane, Pune, Ahmedabad, Chennai, Telangana, Indore; accounting for nearly half of the cases in India.

India hastily imposed lockdown on 24th March 2020 till 31st May 2020. This period could have been utilized to develop the urgent needs of our health system but due to the aged long bureaucracy and corruption, facilities could not be developed in full swing. India entered the phase of unlock on 1st June 2020 and cases surged exponentially. As a response to the worsening situation, state governments are focusing majorly on increasing the number of beds and amplifying testing.

In 2018 World Bank reported that there were merely 0.9 physicians per thousand people in India. According to reports due to the sudden increase in COVID patients average working hours of doctors has gone up to 100-120 hours per week.This has put medical staff under great pressure.

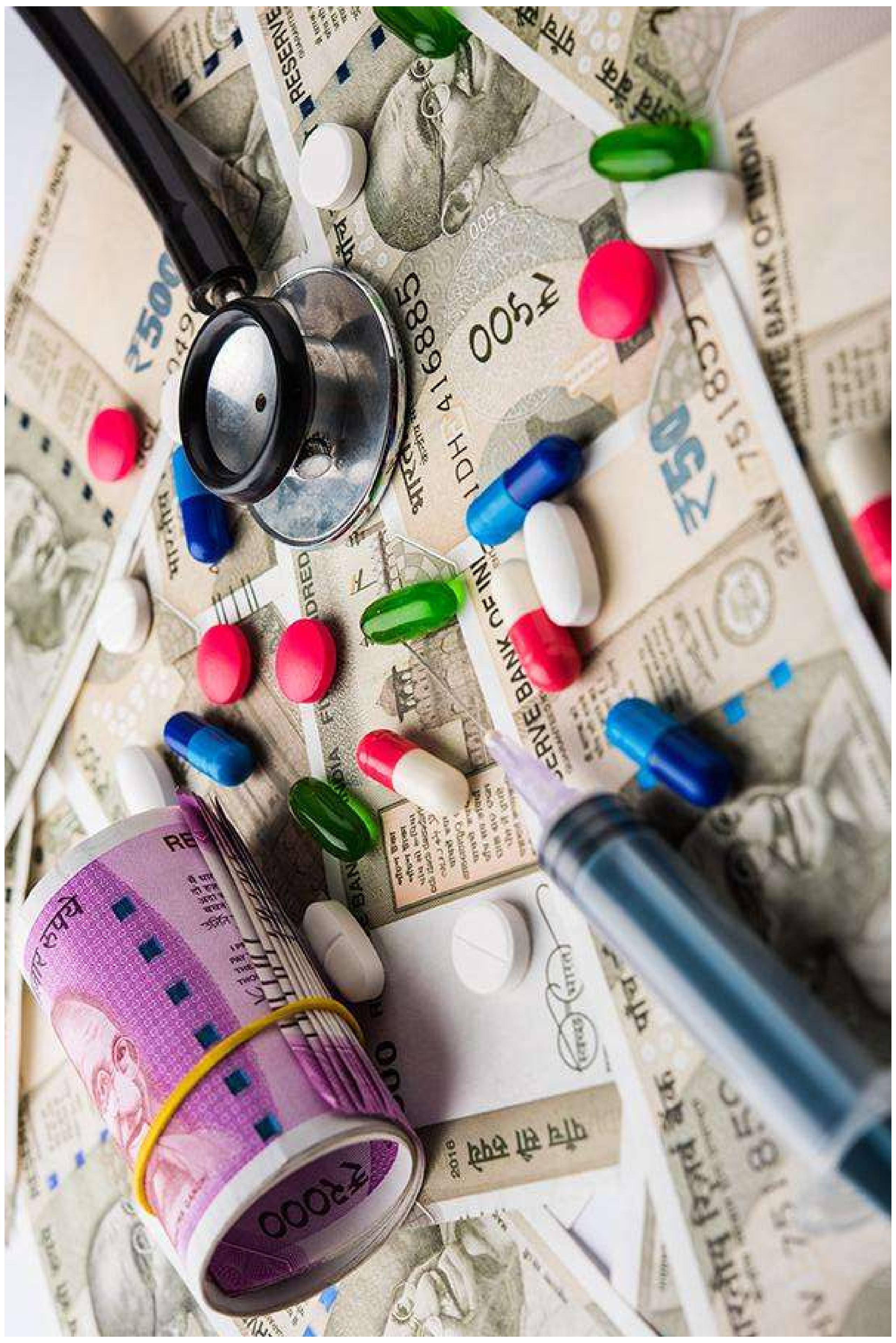
Adding to the wretchedness, doctors and medical staff are getting infected and even some have lost their battles against this deadly virus.

In 2011 there were 0.7 hospital beds (per thousand people). In everyday life we came across many news headlines stating that many COVID patients are not getting proper treatment and left on the mercy of themselves due to the less number of critical care beds and ventilators. As it is said that difficult times often bring us the best opportunity, so are the examples set by us. IIT Roorkee developed a low cost ventilator named "Pran-Vayu". Its cost is merely Rs. 25,000 and can be used for treating less severe patients. Another initiative was taken by a team led by a first year engineering student at IIT, Bombay whose production is claimed to cost less than Rs. 10,000 (it is still to undergo medical approval). Central government also extended help by providing 50K ventilators to state governments. There are still ongoing efforts to develop an effective rapid test kit to increase the surveillance. Initially India was importing nearly all PPE Kits (zero domestic production) and required medical equipment. Making significant progress, India is not only fulfilling the internal demand but has also started exporting with a cap. With the rising cases, there is a persistent increase in the demand of ventilators.

We appreciate the initiatives taken by the government and the COVID warriors to fight this pandemic. But still there are certain dodges which are also a great deal of concern like improper cremation of dead-bodies of the COVID patients. Private hospitals which are taking COVID-19 cases are charging exorbitantly high prices. Situation of the government hospitals at small districts and towns is nastiest. Despite knowing the severity of this disease people are ignorant towards precautionary measures like wearing masks and maintaining social distancing at public places. This situation has triggered us to think upon our present situation and impose us to take some practical steps in order to lubricate the wheels of development.

CONCLUDING REMARKS

Health is one of the most important determining factors for the productivity of human resources. After considering all the facts and figures it is clear that our healthcare system demands a ventilator to stay alive. It took a pandemic to realize the poor and underdeveloped healthcare facilities in India.Here are some general tips to improve our health resilience:1. People should be able to access the proper hand-washing and sanitation facilities. It is of utmost importance to keep people healthy,2. Increasing the medical staff,3. We need to invest heavily on the health infrastructure and allied technology. In the end I would like to conclude by stating that it is easier to give tips than being responsible enough and capable of implementing them. So, for improving the present situation is it the responsibility of only the government and the healthcare system or it is us who are equally responsible to contribute in order to win the war against COVID?



Gauri Vig

Since the Wuhan Coronavirus Flare-up in China, the first case of coronavirus in India, the second most populated nation on the planet, was accounted for in the territory of Kerala. New affirmed cases are being accounted for in numerous cities, for example, New Delhi, Mumbai, Bangalore, Hyderabad, and Patna.

Without a doubt, all business foundations, independent of their quality and kind of industry, have been as of now influenced incredibly by the coronavirus pandemic. Every Dependent industry has additionally endured awfully.

Few Industries withering away because of coronavirus (COVID-19) are-

- **Manufacturing Industry**- Most of the manufacturing industries rely on goods from China for production purposes. Due to national Lockdown and traveling facilities banned across the globe manufacturing industries are facing a situation parallel to 2008. Further due to the low attendance of employees, the scale of operation has been reduced, the consequent effect on quality, cost, and production volumes. The slower rate for the banking sector for various payments and transfers has added up to a huge loss on the profitability of the manufacturing sector industries. It has also been noticed that buyers are getting progressively wary about buying non essential commodities because of the dread of infection introduction further affecting the demand for the manufacturing industries products.
- **Travel and Tourism**- Travel and the tourism industry, the one liable for 10% of the world's GDP and jobs, is one more division seeing the most noticeably awful of coronavirus impacts on ventures (and is near the very edge of breakdown).

There has been a huge impact on the travel and tourism industry due to closing of borders, both national and international flights were grounded, insurance companies have been suspending travel insurance of new customers, and around 1 lakh customers have canceled flights further increasing debt for travel and tourism industries. According to the world travel and tourism council, three months of global travel and tourism loss has accounted for 12%-14% unemployment.

- **Entertainment and Media Industry**- Entertainment and Media Industry, this is one of the businesses that have been/not influenced by Coronavirus spread across countriesTalking about the negative side, various Bollywood and Hollywood films have just seen stagnation in the cinematic world since film corridors were closed down. Some prominent films have been dropped or rescheduled, while numerous venues appear, live exhibitions and media distributions have been halted due to the deadly virus spread.Whereas looking at the contrary side of coronavirus in uplifting the online streaming platforms like Netflix, Amazon Prime, Hotstar, etc. In fact, according to various surveys, one can conclude that 95% of users are spending more time on these in house media.
- Healthcare Industry- Pharmaceutical and Healthcare is another sector that has been feeling the impacts of Coronavirus. When discussing the effect of coronavirus on the Health industry, the organizations are attempting to give the correct treatment and help to all the patients. Particularly when they have only 33% of the number of beds required. The people, independent of what job they had in this industry before, are attempting to contribute and dealing with COVID-19 cases.

Furthermore, the episode is augmenting the gap between rich and poor individuals. While rich individuals are effectively gaining admittance to health care facilities with the help of money, while those dependent upon everyday wages(daily wage laborers) are battling to stock food and medication. If we take a look at the positive side of the coronavirus sway on the Healthcare Industry, the outbreak has urged people to download versatile wellbeing applications like telemedicine, telehealth, and virtual specialist meeting applications. A proof of which is that Amwell, a telemedicine supplier, noticed a 257% climb in its utilization over the USA locale and 700% in Washington State during this pandemic period.

- **Commerce Industry** - Due to the coronavirus outbreak, most of the people are now avoiding buying things from malls. They are controlling their need for nonessential commodities while purchasing essential commodities abnormally. Customers are avoiding the formation of large groups and contact of a salesperson and hence using more e-commerce sites for purchasing essential commodities. Hence increasing sales through various sites like Amazon, Big Basket but also making it challenging for e-commerce sites for providing better and quality products in less time.
- **Education Industry** -According to UNESCO, different schools have been closed down in 22 nations and across 3 mainlands, and around 421 million students have been suffering around the world.

A higher part of them, who have been depending on mid-day meals, are currently battling to take care of themselves for food as well for studies. It has also been noted that various education institutes are making efforts for online learning and broadcasting platforms for studying. But These online learning can only be used by students having stable net connection and types of equipment, hence making it unavailable for a large percentage of students.

In the nutshell, the effect of coronavirus on various enterprises is antagonistic; making organizations face unique and difficult challenges. One of the most significant solutions by which an industry can work for the future is by utilizing new innovative progressions and Artificial Intelligence which will help the industries to adjust to these changes.

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Travelling Down a Rocky Road

Shruti Chopra

To that group of friends who ultimately decided to take a trip to Goa, for only this time a minuscule virus decided to play the spoil sport and put it off to an uncertain future. These famous cancelled Goa trips (this time due to a legit reason) serve as a mere light hearted prelude to the grim and uncertain crisis that the tourism and hospitality industry is facing across the globe.

Almost every sector in the world economy has been battling the novel coronavirus and the following lockdown but with borders shut and the entire world behind closed doors, both international and domestic travel has come to incredible halt for all the nations and it is the worst nightmare of the travel industry. Airlines, travel agents, cruises, hotels, restaurants and various other related sectors of the industry are hit by the virus which has proved to be catastrophic for the travel related world.

Countries like India which were just about to enter into the holiday season, in which the travel is at its peak have suffered a lot. With cancellations of pre-booked flights and hotels and clearly no new bookings, the industry suffered a great deal of loss forcing it to lay off a lot of employees, pay cuts, and even shutting down a lot of firms. Also, with absolutely nil tourist activity taking place in its peak season, the government also lost ample amounts of revenue, making it worse to tackle the virus. “The world is facing an unprecedented health and economic crisis. Tourism has been hit hard, with millions of jobs at risk in one of the most labour-intensive sectors of the economy,” UNWTO Secretary-General Zurab Pololikashvili said.

Now after prolonged phases of lockdown, as the countries decided to ease the restrictions many sectors will soon be back on their feet but tourism and hospitality still breathes in darkness and looks out for certainty. The spread of coronavirus has instilled profound fear in the minds of the people and they have become ultra-cautious to not travel unless necessary.

The recovery disparities between countries is also a major difficulty to cope up with. As the countries decided to ease the lockdown, only a few countries opened their borders and that too for some selected “less affected” countries. This non uniformity hasn’t helped the industry much. Moreover, each country has its own quarantine regulations, making globetrotters around the world reluctant to travel, adding to the woes of the industry. The lockdown has had a devastating impact on almost all the business sectors. In months to come when the situation begins to get better, travelling may be the last thought in almost all minds, worsening the situation for the industry. However, domestic travel is likely to pick up faster than international travel as countries may not open international borders but allow movement within the borders. Nevertheless, people are aware of the contagious nature of the virus and will not be confident enough to travel until a vaccine is found.

Only a vaccine for the coronavirus can provide certainty in these gloomy times. It seems like the coronavirus vaccine will not only cure the disease but will also be the elixir for the tourism and hospitality industry to normalise its operations because without a vaccine , travel restrictions, quarantine regulations and fear in the minds of people will continue to hinder the said industry and it will never be the same again. It was the first industry to suffer and it may well be the last to recover.

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Pandemic After Effects

Tisha Meena

COVID 19 has brought global economic activity to a standstill. IMF estimates global GDP to contract by 4.9% in 2020-21. According to various institutions, India's growth for 2020-21 ranging from 0.8% (Fitch) to 4.0% (Asian Development Bank). The IMF (International Monetary Fund) has projected India's growth at 1.9%, China at 1.2% and global growth at (-)3.0%.

EFFECTS ON INDIAN ECONOMY

Due to the novel coronavirus SARS-COVID-19, the entire world remains under the lockdown, further, the Indian economy remained under complete lockdown for 69 days (from March 24th to May 31st) which lead to a loss of Rs. 30.3 lakh crore which is almost 50% more than the COVID-19 relief package announced by the Indian government, a report by SBI EcoWrap says. As per the report, the Indian economy was expected to lose over Rs. 32,000 crore (US $4.5 billion) every day during the first 21 days of complete lockdown. Apart from this, India's external debt in March has increased to $15.4 billion and stood at $558.5 billion according to RBI data. In a report the combined foreign debt of both the Center and State governments is expected to be 12% of GDP. Moody's expects India's public debt to GDP ratio to rise from 72% of GDP to 84% of GDP in 2020-21. And due to an increase in government debt, Moody's downgraded India's rating from Baa2 to Baa3 which is just one notch above the 'JUNK' category. Due to the decline of credit rating of India, in future it would be difficult for the Indian government to take loans from International organizations and also, this will become the reason for the shortfall of foreign investments in the Indian Economy. Due to lockdown, entire industries in India were closed, a lot of people lost their livelihood and this lockdown left half of the country's population mired in poverty and unemployment and completely left them to the mercy of the government. As per the reports, the unemployment rate alone in India rose from 6.7% on March 15th to 26% on April 19th 2020.During the pandemic-induced lockdown, almost 14 crore (140 million) people in India lost their employment.

This mass unemployment and loss of livelihood compelled people specially migrant workers to turn to reverse-migration and return to their rural villages from the urban areas - their places of work. Due to reverse migration, the rural economy is also affected as hidden unemployment also increases in rural areas as well and creates a pandemic wave from urban to rural areas and it creates a challenge in front of the state governments. As per a survey held in Bihar, the proportion of households with migrants increased from 45% in 1999 to 62% in 2011 to 65% in 2016. Between 2001 and 2011, the number of people migrating for the search of work from rural to urban areas grew at the rate of 2.8% every year. At least 23 million people returned to their villages in this corona pandemic which led to an increase in the burden on state government and rural economy. Besides this, the departure from the other countries also creates a challenge among the government (like related to their employment creation), since these people are now solely dependent on the Indian job market during this crisis.Most of the Indian states like Tamil Nadu, Maharashtra, Rajasthan etc. which have the large portion of income dependent on tourism are also affected due to this pandemic. As per reports, Tamil Nadu government has also lost Rs. 35,000 crores of its tourism industry during the COVID-19 pandemic. Besides this, the government tax revenue also decreases which increases government revenue deficit. COVID-19 also disrupted the supply chain in the economy. Due to the complete lockdown and no moment of goods and services, the situation has affected the farmers a lot, especially for the sale of their farm products like perishable goods. And due to no movement of vehicles farmers were compelled to sell their food grain to the local suppliers which purchase the food items at lower price than the market price. It creates a shortage in the food market and leads to a sky rocket in the price of essential food items. Apart from this, in the beginning of lockdown farmers also had to face the shortage of labor for the harvesting of the kharif crop and for the sowing of rabi crops.

EFFECTS ON WORLD ECONOMY

The IMF has projected the world economy at (-) 3% which means that it forecasts that the world economy will contract by 4.9%. World's largest economy, The United States of America, is also suffering immensely due to contraction - its consumer spending plunged 7.5% in March only. Personal incomes of Americans also fell sharply, declining by 2% with wages and salaries, the largest part of incomes, falling by 3.1% as millions of Americans started getting lay-off notices. The entire world was kept in lockdown which affected the loss of livelihood of many people. In the world 1.6 billion, yes 1,600,000,000, people are on the edge of losing their jobs. The entire world faces the fear of job loss in the pandemic situation which increases the poverty rate and also hits people hard. In the United States, more than 30 million people, over 15% of the workforce of America have applied for unemployment benefits in recent times. In western Europe, joblessness is also increasing. Poorer countries like India, Bangladesh, Afghanistan will suffer a lot from this pandemic and most of the population of these countries are migrant workers.

Due to lockdown in the whole world the demand of oil touched to zero and economies like OPEC member countries UAE, Saudi Arabia, Iraq, Iran which are highly dependent on petroleum product exports suffered a lot due to the continuously falling oil prices. OPEC countries' economies crushed very badly. Countries like Bangladesh, Kenya, Italy, Spain whose large part of income depends on tourism were also affected badly due to restriction on the entry on foreign citizens in the particular countries. Growth of many economies went to the negative basis points. Due to loss of livelihood world consumption level fell low as well. In short, the COVID-19 shook the entire world adversely and this kind of situation has never been faced by the world before. In fact, this pandemic creates a challenge among the world that how can they overcome this kind of pandemic, how can they save both their environment as well as their economy.

This pandemic revealed the truth about the preparations of the world to face off such a pandemic. We can also take it as a warning from Nature, that if we want to develop and grow our economy then we should also have to focus on our environment too.

Radhika Khandelwal

Economics

"In the last few years, we have adopted technology to enable tracking of shipments, dynamic route management, integrating wallets for cash-on-delivery and other areas", said Ketan Kulkarni, head of business development and CMO, BlueDart.

Technology is solving various inefficiencies in logistics, a sector directly linked to economic growth with most firms adapting technology-led tracking systems that make it easy to predict when a parcel is expected, the sector is becoming more streamlined.

This industry is expected to be worth $215 billion by 2020, growing at a compound annual growth rate of over 10%, according to the government's economic survey of 2017-18.

While artificial intelligence is starting to take over repetitive tasks in classrooms, like grading and also revolutionising college entrance exams. People have tried to re-engineer learning with Artificial Intelligence (AI), but it was only due to the onset of the machine learning revolution for the past seven years that the real progress has been made. Slowly algorithms are making their way into classrooms like grading, optimising coursework to fit individual student needs.

A plethora of online courses and tutorials have also freed the teachers from lecturing and allowing them to spend class time working on problem-solving with the student instead.These give rise to the unemployment of the teachers.The 2007-08 crisis was a financial demand-side crisis, but now we have demand plus supply-side crises. A blog on the IMF website stated that the cumulative loss to the global GDP over 2020 and 2021 from the pandemic crisis could be around 9 trillion dollars, greater than the economies of Japan and Germany, combined.

Dealing with COVID-19

Nations across the world have sprung into actions to conduct the impact of the pandemic. China is walling off major cities and public places. Italy is shutting down its schools. America has embarked aggressively both to quarantining people as well as hasten research efforts to find a cure.Regardless of this virus entering our shores at a large scale, it is now evident that the economic impact of Covid-19 would be huge. International bodies such as the World Bank and the Organisation for Economic Cooperation and Development (OECD) have already pronounced a sharp slowdown in the global economic growth. In such a delicate global economy, the COVID-19 crisis can further slow Indian GDP growth by half to 1% point, other things being constant.India's economic growth was already tepid and this external health shock is bound to make things more economically worse-off.In parallel to the global health pandemics, social unrest, disharmony, economic slowdown. These combinations of risks will deeply rupture the soul of India but also diminish our global standing as an economic and democratic power in the world.The communal tensions have been stoked and flames of religious intolerance fanned by unruly sections of the society, including the economic classes, University campuses, public places and private homes are bearing the sudden threat as a result of violence, in a country where law and order have collapsed.

Ruptured future of the nation

Without any checks, the fire of social tensions is rapidly spreading across the nation. Every act of sectarian violence is a blemish on Mahatma Gandhi's India. It has slipped rapidly from being a global showcase of a model of economic development through liberal democratic methods to a strife-ridden majoritarian state in economic despair.Investors, entrepreneurs and industrialists are unwilling to undertake new projects and have lost their risk appetite, social disruptions only compound their fears and risk aversion.Lack of investment means a lack of jobs and incomes, which in turn, means a lack of consumption and demand in the economy.

Bringing in Reforms

Focusing all the energies and efforts on containing COVID-19 threat and preparing adequately. It should withdraw or amend the citizenship act, End the toxic social climate and foster national unity. It shall also put together a detailed and meticulous fiscal stimulus plan to boost consumption demand in order to survive the economy.PM Modi should convince the nation not by his words but by his deeds. He must immediately provide with the contingency plans for the threat of COVID-19 scare. It was in 1991, India & the world had faced a grave economic crisis, with a balance of payment crisis in India & a global session caused by rising oil prices in the gulf war. There must be a revision of division ideology, pretty politics and respect institutional salience. The current situation is grim and morose.The inescapable A1, digital innovation factories, trust and connected cloud have initiated a mark in the decadal shift.

Accelerating Innovation

Interactive Data corporation(IDC) predicts that by 2023, more than half of all IT spending will go towards transformation and innovation. In 2018 that spending only made up 27% of the company's IT budget. There will always be a shift to less labour and capital intensive operating models.The strength of an economy can be judged by the strength of its financial sector. The financial sector in general and the banking sector in particular, has played an important role in meeting the growth and development goals of the country. The financial architecture must be built in such a way that it supports social inclusion and growth, and our aim to become a $5 trillion economy.

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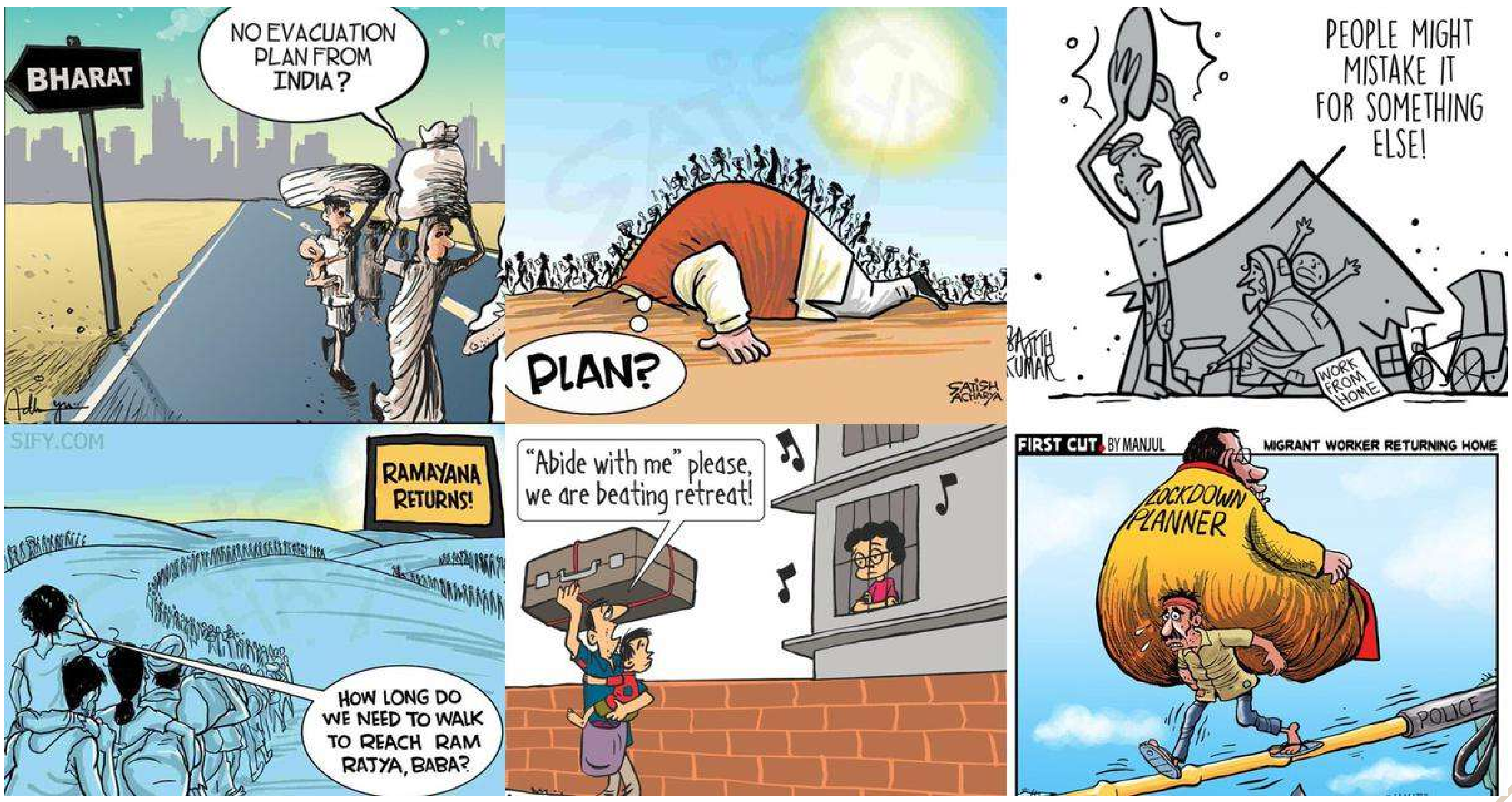


Indo-Chinese Face Off: Boon or Bane for India?

Samridhi Sharma

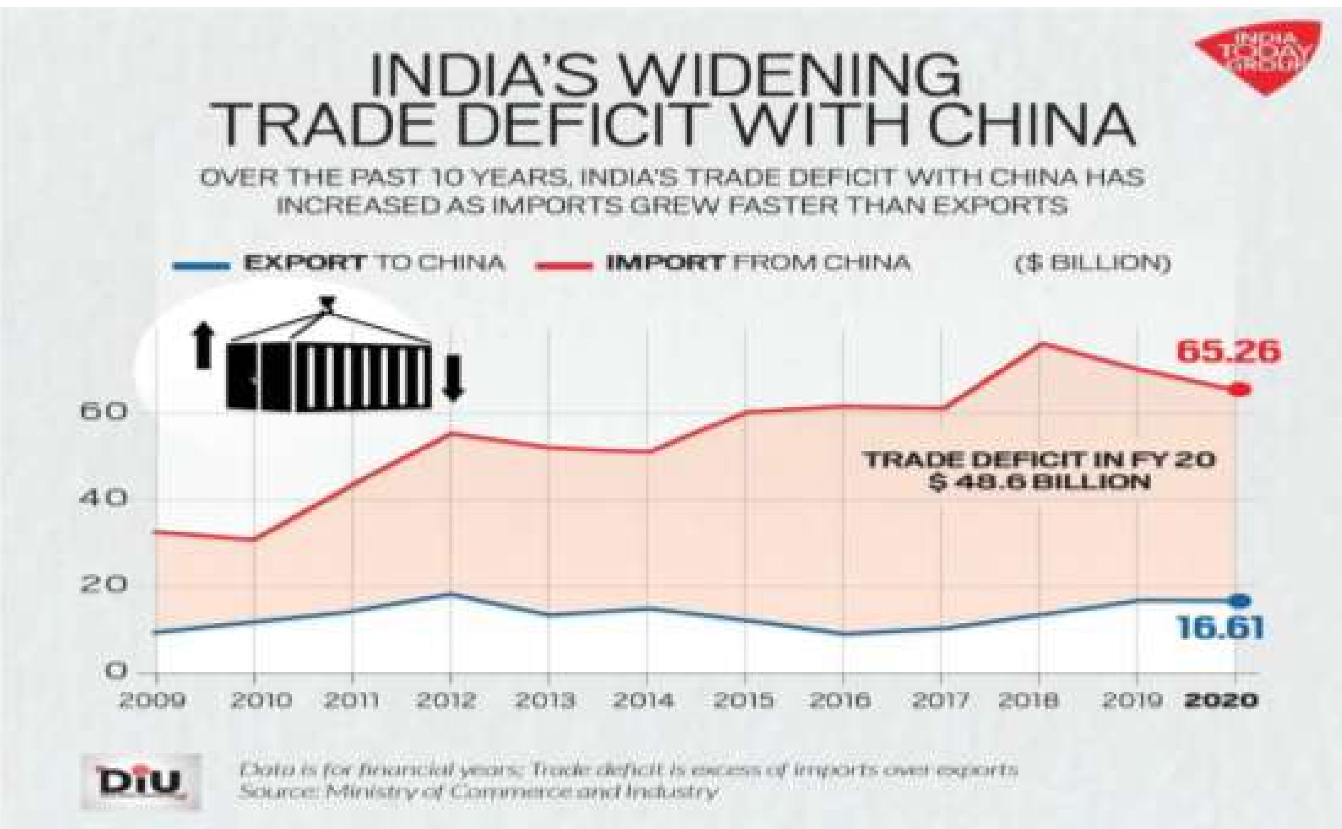
"India – China clash: 20 Indian troops killed in Ladakh fighting" – BBC News

On the cold night of June 15, 2020, a troop of Indian soldiers marched unarmed to face the Chinese Army. The quick yet frightening turn of events led to the martyrdom of 20. The news spread like wildfire and every Indian was boiling head to toe. The slogans that followed this tragic event were "Ban Chinese products!";" Boycott China!" among many others.

After tensed talks at the bureaucratic level, the initial calmness portrayed by the Indian government turned 180 degrees when the news of 59 Chinese apps being banned, was broadcast. On the military front we can see, 30,000 additional soldiers mobilized and deployed at the LAC (Line of Actual Control).

But to this day, it leaves us with the question; what effect will this sourness cause to the Indian Economy?

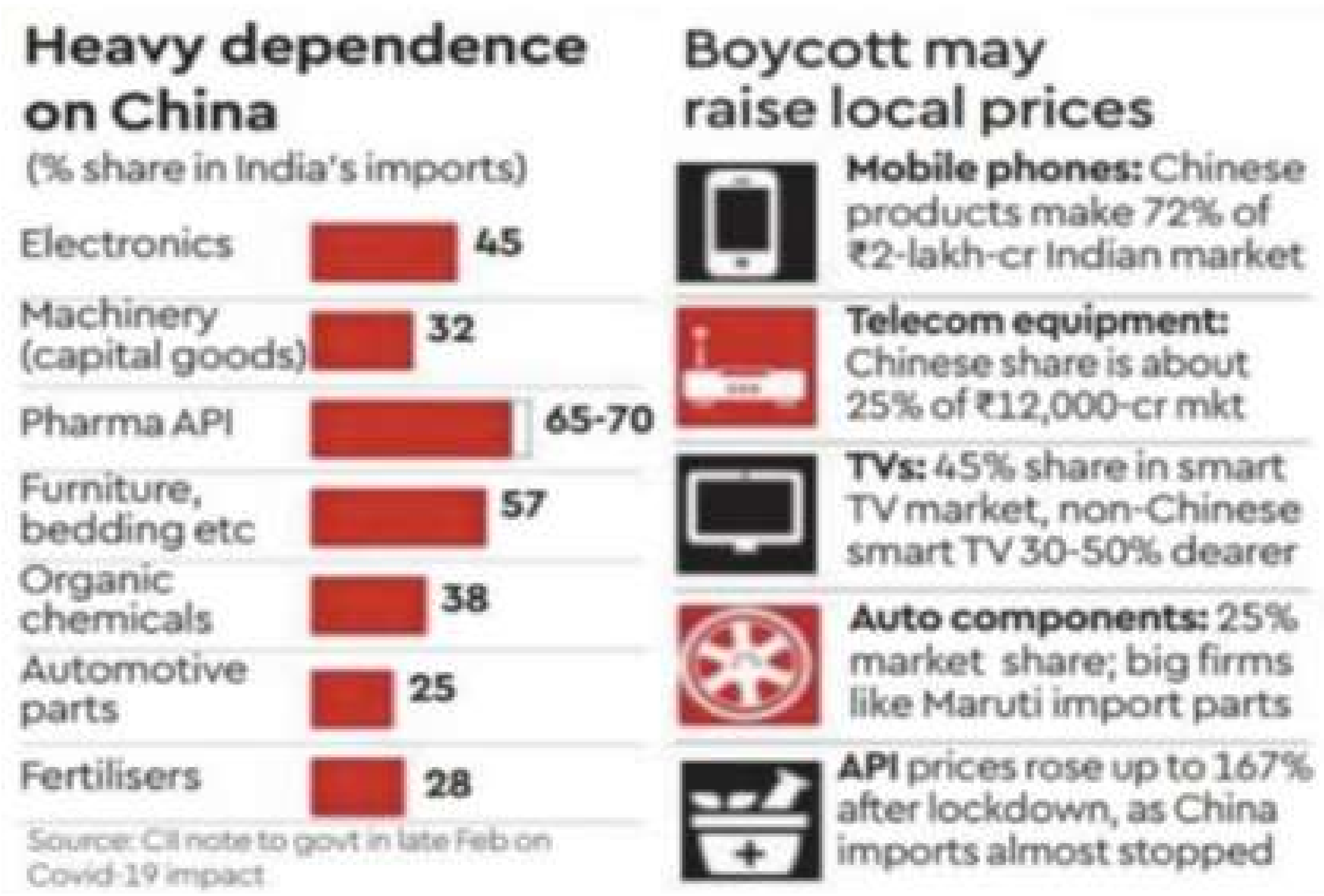
To help understand better, let us first go back in time.



The graph given above, clearly shows how over a period of 10 years, we have increasingly grown dependent on China. The Trade deficit shown, comes from not one but many industries and has resulted in a hike of 150% increase in imports coming from China.

In a situation where 20 percent of our auto components, 70 percent of electronic components, 45 percent of consumer durables, 70 percent of APIs and 40 percent of leather goods being imported from China; are we really in a position to somehow affect their economy? 18% of all our total imports comprise of Chinese goods. Most of the leading brands we know of today, have a Chinese background. For India to retaliate on the basis of affecting their economy, for what happened at Galwan Valley (or more unsurfaced reasons), seems like an attempt in futility.

The picture when presented today shows how we don't have a leg to stand on, as this dependency has led us in a trap that will take years to recover. Today, as our markets open, waiting for Chinese products to come in the warehouses, we watch muted, like we failed at a level that only now, has removed the haze from our eyes, which previously had us blind sighted. So, if this sounds like an inevitable doom, well, you may be right.



But on the bright side, we now have reason, motive and enthusiasm to build what we lost.

"Govt kicks off innovation challenge to boost made in India apps; cash rewards of up to Rs 20 lakh also up for grabs". – Financial Express

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Steps like these prove that we are not willing to accept defeat. Now, of all the days, is the time to literally ‘Make in India’. With the launching of apps like JioMeet and Elyments, we are not far behind from having empowered ourselves from within. We should also not forget how banning those 59 apps has created space for 59 more Indian origin apps. The talent we have in our country, young minds and the vast demographic dividend, now has the field to showcase its potential. And this is just one example.

From automobile industry to the chip placed in a cellphone; from more international patents to start-ups getting audience and buyers, we now have area to work on. This will not only generate employment but will tap the resources we had previously ignored for years. But before we get too excited, we need to understand the gravity of the situation before us.

Amidst the pandemic, offices working with 33% workforce, inflation rate growing and GDP taking a significant blow, we are facing some gruesome lows. The social, economical and political paradigms taken together, do not quite add up in our favor. Nevertheless, the time has come to truly unleash and rectify what caused a setback.

The way forward can be categorized in four broad ways.

Politically, both the governments can draw charts to negotiate and mend the situations. Leaving the political agendas behind, all parties could join hands and pressurize China on that front.

Economically, we should start building our own infrastructure; decrease interest rates for potential businesses; goods that can be locally manufactured but are higher priced than the Chinese ones should be given some sort of subsidies; innovations being made at top educational institutes should be taken into account and propose plans that will benefit the society; trade from China should be reduced and the existing trade should be diversified to potential countries and so on. Most importantly, we as consumers, should take up the responsibility to purchase goods made in India even if they cost a rupee more, at least the ones who can afford it, should. With lesser demand for Chinese goods, their market shall dissolve sooner or later. Economics behind this, the “invisible hand” shall prove to work in our country’s favor.

Socially, we should try and maintain the relations we have but if the situation worsens to the limit where we break the ties completely, Indian citizens (students or businesses) in China should be given aid to help them come back.

Legally, we should pen down stringent policies and enforce regulatory acts where required. Thus, the stance of India with respect to China will not change, even if the government changes. The laws made should be binding and subject to amendment only after judicial review.

The economy is still facing the worst pandemic in decades and is yet to recover from the loss it caused. With countries having such a face – off against each other, would just tangle us and leave us with more suffering and a prolonged period of recovery. The times are challenging for our country, but united we shall rise, and rise to the level of indestructability for sure.

Brain Drain: A Reality or Myth?

Daphnee D'Souza
Deshna Jain

The idea of development has been a prevalent part of society since the beginning of human civilization. Approaching the 21st century its definition has become increasingly coincidental to westernization. From the symbolic importance of blue jeans to McDonaldization, such jargon represents a changing reality: The widely felt cultural hegemony of developed nations. This means, concerningly, that developing countries like India are losing their human capital through brain drain. Brain drain is the migration of trained professionals (across various disciplines) from low income, underdeveloped countries to more developed, prosperous economies. Doing an economic analysis of what influences these decisions can lead us to a fruitful conclusion.

An Economic Analysis

Beginning with the basic assumption that people are rational and respond to incentives, making a decision of whether to settle in India or to move abroad is our case of study. The rational player takes into account the marginal costs and marginal benefits of brain drain. The marginal costs would include physical costs like their living expenses, rate of interest (if they take a loan), travel expenses, cost of education etc. and the psychological costs like a change of culture, language barriers, new environment, etc. The marginal benefit would be a better standard of living, higher wage, better conditions of work, fully industrialized economy, etc. The comparison of marginal costs and benefits can be in terms of the utility both provide. Since it is about utility it varies from person to person. But the trends do imply that benefits are valued more for a large chunk of people.The question that arises is, why is a country like India, that is just a few decades away from obtaining the label of a developed nation unable to hold back on its skilled labor? The reasons could be many-fold and so can be their impacts. To list, some of the reasons could be:

The Push-Pull Factor: The major pull factor is the large gap between India and other developed countries' economic indicators like per capita income which was 6,920 PPP US dollars in India and 66,080 PPP US dollars in the USA. This gap attracts young and ambitious professionals who wish to cross over and earn more. Analyzing the "push" factors gives an interesting insight. It would be safe to say that people in India want to enjoy a higher standard of living, stable political conditions and a conducive climate for growth and development. The young genius minds, therefore, who migrate to refine their academics then try to harness the increased standard of living provided by the countries they migrate to.

Gap in Supply and Demand of Skilled Labor: According to NSDC, by 2020, more than 8 million graduates would be passing out every year, and of these, 1.5 million would be from the technical stream. The analysis further concludes that, in India, Talent Supply is in excess when compared to Talent Demand. This trend is expected to continue in the future as well assuming an average growth rate of 9%. Thus, Indian graduates find migration as their only option available, keeping in mind all the pull factors.

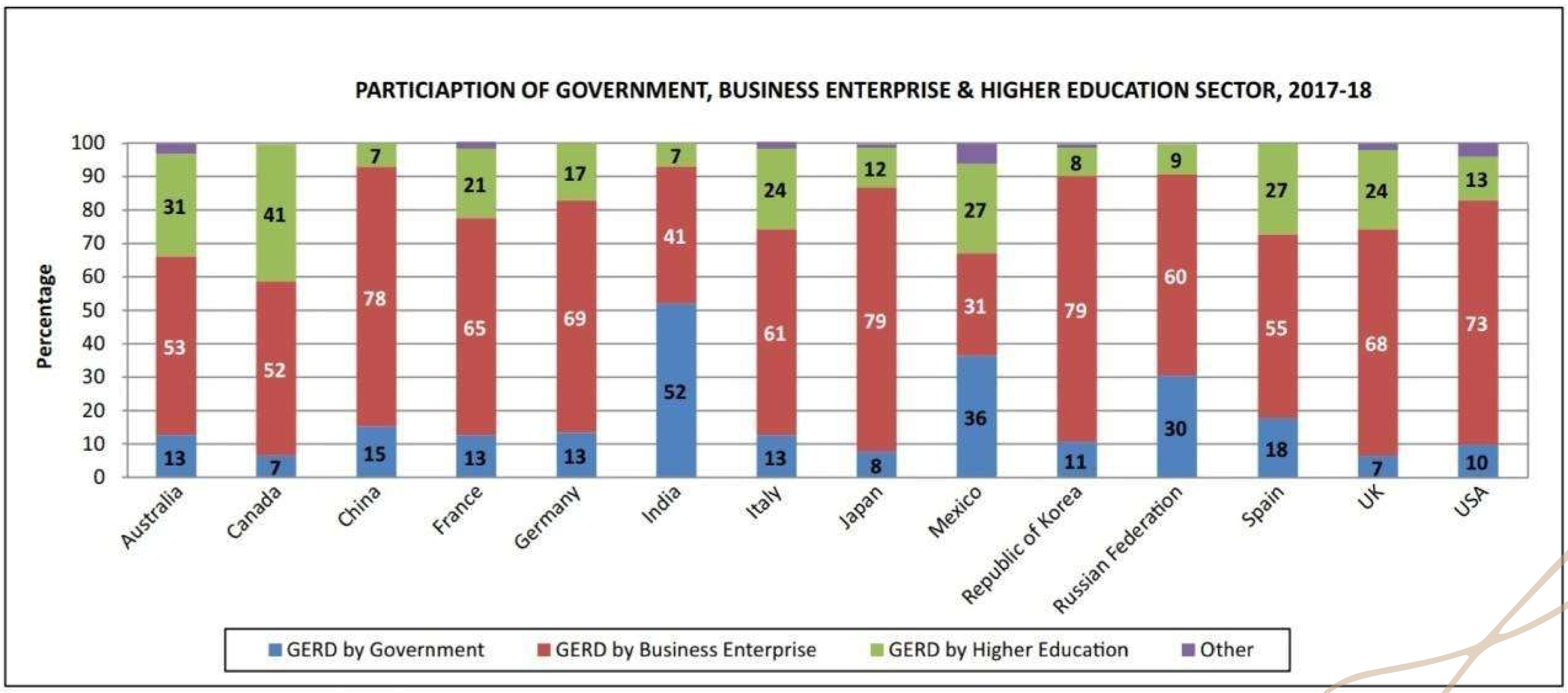
Lack of Vocational Skills: According to a 2011 census, the youth population (15-24 years) in India stands at 229 million, one of the largest in the world. This large pool of human resource is not only endowed with man power but also with some of the best ideas and solutions to every problem. With proper institutional set-up and opportunities for all, this large number can facilitate economic development. To utilize the stored capacity of highly intellectual and skilled youth and prevent them from migrating to other countries, there is an urgent need to create jobs. India has been ranked 63rd in Ease of Doing Business rankings.

Thus, various start-ups have now come into picture which along with their innovative approaches also help in economic development by providing job opportunities. Even the government has struck the right chord with the ₹1000 crore Startup India Seed Fund which will help in establishment and growth of new startups.

The impacts of brain drain on Indian economy:

Hindrance to Human Capital Formation: For a developing country like India, brain drain proves detrimental in many ways. But the most serious effect is witnessed in human capital formation. The most important resource for a nation is its healthy and skilled people. It is only through these well-qualified, trained citizens that the country prospers. If doctors, IT professionals, engineers and other valuable working-class people that are the nation's most important asset, migrate and give their services to some other countries, then there arises a serious problem of stagnation in the growth of the home country. These professionals specialize in their disciplines and thus, provide the society with better healthcare facilities, infrastructure and innovation and new developments in various sectors. Also, they help in creating new human resources by training and educating the younger generation. Thus, with skilled migration, there is a huge obstruction in the path to nurture these future generations.

Fall in Remittances: Often it is argued that brain drain is a boon for the home country as people settled abroad send remittances to their families. These remittances also contribute to foreign exchange. Thus they have a direct effect on the social as well as national well-being. But the recent trends tell a different story. In the first quarter of FY 2020-21, Private Transfer Receipts, which mainly comprises remittances by Indians employed overseas, declined by 8.7% vis-a-vis to their levels a year ago. In the subsequent quarter as well there are similar findings. This fall does not bring explained reasons for its cause but it does impact the home country in a negative way.



Source: NSTMIS, Department of Science & Technology, Government of India.

DEPARTMENT OF ECONOMICS

Trade and Foreign Direct Investment: After settlements, the monetary channels through which high-talented displaced people are regularly thought to have best monetary advantages for their nations of origin are through their association in exchange and FDI. The experience of Indian, Taiwanese and Chinese data innovation firms proposes that an exceptionally talented diaspora can utilize their insight into the activities of their home country to bring down the expenses of executing across nations. But given the small numbers of high-skilled migrants in any particular emigrant destination and the small size of these transactions, these high-skilled emigrants are therefore unlikely to spur trade by serving as a significant export market in and of themselves.

Externalities: Grubel and Scott (1966) noticed that if work markets are competitive and people paid their minor item, given that there were no externalities, the flight of profoundly talented displaced people would not decrease the government assistance of those left behind. Experts, however, also believe that such externalities could be significant with 'specialists and especially skilled scholastics about whose resettlement ordinarily the immature nations appear to stress'. Thus, brain drain leaves us with a negative externality.

Possible Solutions:

The government is launching newer policies to upgrade and develop the education sector. The New Education Policy being a remarkable example. It will definitely improve the education being imparted and thus help to ameliorate its quality. But the need of the hour is to monitor its implementation and make the benefits reach every part of the society. Also, we do have some universities like IIM, IIT, etc. which hold world rankings. But as every coin has two sides, these universities are not accessible to every bright mind in India due to its limited seat capacity. Those genius minds which could not make into these prestigious institutions then migrate to other countries for their higher education. After completing their education, they then impart their services to the host countries. This is a great loss of human resource for the home country which because of its limited capacity suffers in the long run. Thus, another important step that can be taken to stop brain drain is to invest more on institutions providing higher education. These education institutions should be competent enough to compete with the world universities. Another sector that the government should look into is the R&D sector. The Gross Expenditure on R&D in India is on the rise and has tripled from ₹39,437.77 crores in 2007-08 to ₹1,13,825.03 crore in 2017-18. The allocations made in the Union Budget 2021 are welcoming too. These indeed are an achievement but still there is a long way to go as India spent just 0.7% of its GDP on R&D, in 2017-18 whereas the other BRICS nations like Brazil (1.3%), China (2.1%) are investing more in this sector. Increased government spending along with private participation will aid scholars who migrate to other countries. To summarize, institutional developments along with providing ease of operations in Research and Development will motivate Indians to constantly innovate and will attract global attention as well leading to brain gain in India.The problem of brain drain finds relevance in recent times where one can clearly see the devastating effects as well as improper response of the concerned authority. Keeping in mind the bigger as well as better picture that the policies of the government is trying to show, the proper implementation and desirable outcomes is what any Indian would like to witness.

The ultimate measure of a man is not where he stands in moments of comfort and convenience but where he stands in times of challenge and controversy.

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