

2022-23

10th Edition

DEPARTMENT OF ECONOMICS  
DAULAT RAM COLLEGE  
UNIVERSITY OF DELHI

# OPTIMA

THE ANNUAL ECONOMIC OUTLOOK



## ECONOMICS, POLITICS & PUBLIC POLICY IN 2022

### REPORTS ON DEPARTMENTAL EVENTS

Brief about what all major events which were undertaken by Éclat: The Economics Association



भारत 2023 INDIA

वसुधैव कुटुम्बकम्

ONE EARTH • ONE FAMILY • ONE FUTURE

### EDITORIALS AND PERSPECTIVES

Compilation of articles written on the theme by our editors, guest writers and in-house writers of Optima.

## FROM THE PRINCIPAL



I am delighted to pen down lines for the Tenth Edition of Optima, the Annual Economic Outlook of Daulat Ram College.

As an institution in the constant pursuit of excellence, it is imperative to sow the seeds of intellectual curiosity and conceptual rigour by providing students with opportunities that lay emphasis on learning beyond textbooks. Optima is one such endeavour for young budding Economists to analyse everyday events taking place at the global level and provide their take on such happenings.

These young, energetic and talented minds are the think tanks of solutions to problems facing the world today. As the divides between the global South and West threaten to go deeper, it becomes imperative to ideate and work towards solutions that can potentially bridge this gap. The theme chosen by the Editorial Board this year, “Economics, Politics and Public Policy in 2022”, shows how important it is for young minds to deliberate upon the constant changes that we see around us. This edition also showcases articles, showcasing the crucial role India plays in leading the global order through its G20 presidency.

Continuous effort and struggle are the only ways to grow. The pages that follow in the most recent edition of Optima bear witness to this expansion. Students and teachers put forth a lot of effort to make this publication the best it can be. The Economics Department is a beehive of young, aspiring economists and the journal epitomises the spirit of research by bringing together these students and experts and raising the bar for discourse on a wide variety of pertinent topics.

At last, I wish great success ahead to all budding economists. Congratulations to the Department and the Editorial Board for collating the present edition of Optima and thank all the contributors for their submissions, which offer fresh takes and unique perspectives on vital issues. May the magazine reach greater heights in the years to come.

**Best Wishes,  
Dr Savita Roy  
Principal**

## FROM THE TEACHER-IN-CHARGE



I extend my heartiest congratulations on another annual edition of Optima, the Annual Outlook of Economics Department. This magazine represents a window to showcase ideas, opinions and thoughts of Economics Department by way of articles, thus forming an integral part of academic discussions wherein various issues relating to world and Indian economy are brought to light. This edition represents another milestone in this process. Wishing the team and students the very best for this and all future endeavours for the magazine.

*Pooja Khanna*  
*Associate Professor*  
*Department of Economics*  
*Daulat Ram College*

## FROM THE CONVENOR



I feel privileged to pen down my wishes for my dear students on the launch of the 10th edition of Optima. You have come a long way. Your hard work, perseverance and diligence have finally paid off. Present edition documents the opinions and views of young minds on the current issues in Economics, Politics and Public Policy in India. The relevance of these in such a dynamic economic environment could not have been stressed more.

My heart fills with pride to know that our students' approach towards academics is not restricted only to their prescribed curriculum, instead they think from the perspective of becoming future policy makers and leaders of our country. Your compassion, dedication, hopes, and dreams will lead our society into a progressive future one day!

*Best Wishes,  
Saachi Bhutani Bhagat  
Convenor, Éclat, Economics Association,  
Department of Economics*

## **SIGNIFICANCE OF THE THEME:**



### **Economics, Politics & Public Policy in 2022**



Economics, the science of optimising scarce resources in a society; Public Policy, the mechanism of dealing with long-term and short-term societal issues and Politics, the agency that enacts the policy, all intertwine symmetrically in Optima's theme for the 2022-23 edition i.e. 'Economics, Politics, and Public Policy in 2022'. The theme seeks its inspiration from the eventful 2022 and the need of the hour to stay aware of the dynamic economic, social, and political environment. The theme furthers the general perception that economics can be found in all realms of life and therefore acts as a thread connecting society.

With the intervention of Politics and Public Policy into the Economic sphere, Optima has diversified its exposure and presented an enriching opportunity for its fellow readers to delve deeper into the methodologies of the fundamental factors that govern the systematic working of the World, specifically exploring India's G20 presidency and the ray of hope it provides to the developing world to gain greater power within global governance decisions. We earnestly anticipate that our efforts lead keen minds closer to the knowledge of a better and stable tomorrow.

# ACKNOWLEDGEMENT

The success of Optima 2022-2023 has its foundation in the determination and industrious efforts of many individuals; thus, we take this opportunity to sincerely appreciate and acknowledge their consistent efforts.

To begin with, we extend profound gratitude to our mentor, Dr. Savita Roy, Principal, Daulat Ram College for her constant motivation and assistance at every stage. Simultaneously, we are also immensely grateful to our faculty advisor, Ms. Saachi Bhutani and our Teacher Incharge, Dr. Pooja Khanna for their insightful comments, constructive criticism, and valuable guidance. Most importantly, our special thanks of gratitude to the contributing authors and writers for their diligence and hard work in terms of the time dedicated and the research they undertook to articulate all articles published.

We would like to extend our deep appreciation and indebtedness to the Faculty Members and Optima Editorial Board's endless support, kind and understanding spirit during the publishing of The Optima magazine. Lastly, we express our deepest sense of gratitude to everyone who lent their hand in bringing Optima to this echelon.

# MENTOR'S VISTA

Optima symbolises a synthesis of intellectual prowess, genius and hard work of both , faculty and students of the Economics Department. I congratulate the editorial board for their tireless efforts in bringing out this edition. I hope that the journey continues and we witness many more editions of Optima , in the coming years ..!

*Malini Sharma*

*Associate Professor*

Optima is great initiative of students of Economics Department. It provides an innovative platform for students of Economics discipline not only to contribute creatively but also apply and connect the theoretical understanding with the real world .I wish the team of Optima and Economics Department a huge success .

*Pooja Sharma*

*Associate Professor*

"The only way of discovering the limits of the possible is to venture a little way past them into the impossible." —Arthur C. Clarke

I congratulate the team for successfully issuing the next edition of OPTIMA. This demonstrates good planning, cooperation, and hard work. I offer my love and congratulations to every member of the team for landing their support to the making of this newsletter.

*Rita Rani*

*Associate Professor*

# MENTOR'S VISTA

I am pleased to know that Eclat, the department of Economics is bringing out yet another edition of Optima. This collective endeavour of students and faculty not only fosters critical thinking and brings a wide range of ideas together for the benefit of the community, but also inspires us all to continue our journey in academia with commitment and flair. Congratulations to the entire editorial team. I'm excited for Optima 2023!

*Devangana Jha*  
*Assistant Professor*

It is of immense pleasure to have yet another edition of OPTIMA released. This year really stands out from macro economic perspective as it is not every year that we can see the impact of central bank policies on businesses so easily, example being the interest rate cycle reversal in US and its impact on certain banks thereby a cascading impact on real economy in general. Optima is a great platform for students to express their opinions and views on the various topics of current affairs and other items of interest. I am looking forward to read these articles by students.

*Shikha Singh*  
*Assistant Professor*

Optima is an ideal platform for curious minds to express their thoughts on different economic issues. I am delighted about the release of this year's issue of Optima, and looking forward to read the articles.

*Dr. R. Ahalya*  
*Assistant Professor*



# MENTOR'S VISTA

I wish the editorial board heartiest congratulations for creating the opportunities for economics students where they can exchange ideas and showcase their creativity. The magazine is an example of how classroom learning can be extended to what's happening around us. All the very best.

*Devendra Kumar*  
*Assistant Professor*

Greetings to all, It is a matter of great pleasure to announce and present "Optima" to our readers for the academic session 2022-23. I am profusely thank the editorial board for choosing this theme: 'Economics, Politics and Public Policy 2022' to present the thoughts, reflection and contribution of the students. This cherished work, would serve to invigorate minds of the promising economists of tomorrow, allowing increased awareness and provide them some food for thought about prominent affairs of the economy. With this, we hope to set out on a savoury journey to explore the socio-eco-political issues with our readers.

*Best,*  
*Dr. Srishty Kasana*  
*Assistant Professor*

# MENTOR'S VISTA

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. Optima published by Eclat, is an amazing platform for the students and faculty members to share their individual perspectives on these issues. I congratulate the editorial team for the latest edition of OPTIMA and wish new heights to this amazing endeavor.

*Priyanka Yadav*  
*Assistant Professor*

Announcing an Annual Outlook for a department not only the intellectual prowess of a highly committed editorial board, it's facilitators and contributors but also their time and effort. Conforming to this idea of opportunity costs involved, I would like to congratulate everyone because of whom this has been made possible because no matter how the times are, ideas matter, a platform to present them matters. I would like to congratulate the editorial board for coming out with an invigorating theme 'Economics, Politics and Public Policy 2022' for this edition. In a post-pandemic year, it was an absolute necessity to have apt policy intervention amidst which numerous states had their elections. This topic would enable the young minds in Economics to bring the above-mentioned aspects to this edition and critically analyse their affects, determinants, global as well as local implications and repercussions.

*Regards*  
*Akanksha*  
*Assistant Professor*

# MENTOR'S VISTA

Education has cross-cutting effect on all aspects of one's life. It provides smooth transition to work place, enhance skills and improve growth prospects of the economy. National Education Policy (2020) aims at developing holistic personality of the students and making India a knowledge driven society. Higher Education Institutions (HEIs) play an indispensable role in imparting knowledge and skills to the future of our nation. I congratulate the Economics department of Daulat Ram College for providing a platform to the budding scholars and developing research acumen among the students. This edition will help in promoting the research culture and disseminate economic concepts to the larger population of student community. This year's theme highlights the political aspects involved in formulating public policy through an economic lens. Some of the core issues and dilemmas surrounding the public policy have been addressed. The contributions made to this edition of Optima promote collaborative learning and critical thinking. It will also foster the understanding of contemporary policy issues affecting the development of Indian economy. Learning is a life-long process and in this era of rapid technological advancements, we need to constantly upskill ourselves. This additional piece of knowledge will go a long way in fulfilling the goal of National Education Policy and enhance our learning. Keep up the good work.

*Regards*

*Aakriti Saini*

*Assistant Professor*

## SENIOR'S SHARE

Optima is a magazine and an academic endeavor which is extremely close to my heart, having been associated with it throughout my undergraduate studies at the Economics department at Daulat Ram College. As I write this message today, I'm filled with pleasure as I recognise how Optima has evolved over the past several years into a timely and engaging piece of academic output - a direct reflection of students' thoughts on current events and a collection of insightful conclusions drawn from their research. Rapid changes in both the economy and the way the world runs have occurred over the last couple of years. It is now necessary to take the initiative and guide academic front-runners in creating creative, fair, and long-term social and business practises. Seeing the newest edition of Optima being designed by the upcoming generation of students makes me glad to have been a part of the process. It has shown to be a great place for discussion and has helped students develop their knowledge. I'm sure that both the students who actively engaged in this project and those who simply read it would get a lot from this compilation of thoughts. I hope it provides readers with fresh perspectives as well as the courage, fortitude, and motivation they need to keep pursuing novel concepts. It is the outcome of the tireless work of many students to gather the best publications on various economic topics. The magazine is a fantastic mash-up of viewpoints, observations, and analyses that effectively combines the vivid ideas of aspiring economists. Its pages are further enriched by the contributions of faculty members, visitors, and other dignitaries. I'm hoping that they will inspire other students to approach concepts with impartiality and inquiry. I send my warmest congratulations and best wishes to the whole team of authors, editors, and designers who have worked tirelessly to deliver this magnificent edition of Optima this academic year. I also wish them the best of luck in all of their future endeavors.

*Abhivyakti Mishra*

*Advisory Board Member*

## SENIOR'S SHARE

It gives me immense pleasure to write this note for the tenth edition of The Annual Economic Outlook, Optima of the Economics Department, Daulat Ram College. Optima is not just a magazine. It is an avenue for undergraduate students to partake in academic writing, dialogues, discussions, and a healthy flow of ideas beyond the classroom. This issue sheds light on the recent dynamic shifts observed in the interconnected spheres of economics, politics, and policy making in the last year. The edition explores the various incidents that were observed this year and analyses their impact not only by our budding economists but also by faculty members and guest writers who have added immense value and enriched the material. The magazine is a result of the hard work and foresight of the commendable editorial team, who have worked tirelessly to bring out this special issue. Kudos team! I hope this inspires the readership to actively participate in discussions and academic writing, a legacy I hope continues to prosper through the pages of Optima.

**Happy Reading!**

*Navya Maheshwari*

*Advisory Board Member*

Being the Co-Editor of Optima was the most fulfilling endeavour I undertook during my degree and it is great to see how well it has done this year. This year's edition throws light on India and the G20 Presidency while also discussing important events that have shaped the global economy in the past few months. The outlook serves to provide a platform for academics and student researchers to come together and undertake a structured study on economics and associated fields. I am grateful to have been able to guide Optima this year as an Advisory Board Member and hope the coming editions of Optima take its legacy forward.

**Onward and Upward!**

*Riya Mariam Varghese*

*Advisory Board Member*

# BY THE UNION



As I sit to pen down my thoughts, I cannot help but reflect on this session and how much our society has grown and evolved. It has been an honour to serve as the president and to witness first hand, the dedication and passion that our team brings with it.

Éclat is not just a society but a family to me. It has given me love and comfort and has taught me patience and dedication at the same time.

Being a part of this organisation has been the highlight of my college life and will always be a memory that I will cherish in the years to come.

Optima has been the most valuable part of our society and it has continued to make us all proud by its dedication and passion towards economics. The 10th edition of Optima brings with it another wave of hope and light for the budding economists. It provides the young minds a credible platform to pen down their views without any bias and gives them the creative freedom to mould their thoughts.

I want to take a moment to express my sincere appreciation for all the hard work and dedication that went behind. From the writers and editors to the designers and photographers, everyone has played a vital role in making this publication a success.

In today's world, the importance of economics cannot be overstated. As we face complex challenges like income inequality, climate change, and global pandemics, a strong understanding of economic principles is essential for crafting effective solutions. Each article is the expression of the writer's understanding and beliefs. It is a reflection of their curious minds and passionate souls. It will provide the readers with a new perspective and will help them in better understanding of politics and public policy.

Our goal with this magazine is to showcase the best and brightest voices in our college and provide a platform for meaningful and thought-provoking conversations.

**Best wishes**  
**Vrinda Gupta**  
**President**

## BY THE UNION

Being a part of this team has helped me explore parts of Economics and team work that I had never imagined before. From insightful articles to cooperating members, I truly got to experience it all through this initiative.

Optima is an Outlook that our association takes pride in every year and with team work, they have made it happen again! To be a part of this enigma is truly an honor.

**Best,  
Faguni Awasthi  
Vice-President**



Economics is a subject that surrounds us in ways beyond imagination. We are governed by its principles and follow them everyday and through this project I learnt so much more about the scope. It is my honor to be a part of a team with such capable team members and I look forward to the future and the prospects of this magazine.

**Best Wishes,  
Aadya  
General Secretary**

## BY THE UNION

I feel highly privileged to put down this note for the Tenth Edition of The Annual Economic Outlook, Optima of Éclat, The Economic Department of Daulat Ram College. Being the youngest member of the Union of Economic Department, I got the chance to learn and experience new things from my seniors. I have always felt grateful and obliged to be a part of such a magnificent society.



I am filled with immense pleasure, as all the members, with their creativity and tireless efforts, successfully brought up yet another edition of “Optima”. With the theme of ‘Economics, Politics and Public Policy 2022’ for this year, this outlook becomes an amazing platform where we all, viz. the faculty members, the seniors, and the juniors of the department, come together and express our thoughts and views on the current economic status, knitting it through the lens of Policies and Politics.

Once again, I would like to congratulate each and every member of the department for this new edition. I wish this journey continues and we witness more and more editions of Optima in upcoming years!

**Best Regards**  
**Tanvi Dhawan**  
**Treasurer**



# EDITOR-IN-CHIEF SPEAKS

While recovery from the pandemic and subsequent events is at its peak, it's necessary to acknowledge the inherent alteration which impacts individuals and state structures that we interact with. The political and economic trends that governed state systems have been 'disrupted', causing fundamental transformations within existing frameworks.



Through this year's edition, we have attempted to draw on the pervasive nature of economics, trying to further piece together the information available, to understand global trends, and to look beyond binaries, focusing especially on policy and governance as we analyse the biggest problems facing India and the World including but not limited to – a staggering health crisis; a potential stagnation in growth systems; and the ongoing tug of war between the global West and the South and the possible solutions that India's G20 presidency can offer to it.

In a world, where there is a growing disconnect between the mainstream narrative and the status quo, Optima aims to be a safe haven of expression to those who wish to challenge not only the world around, but their own beliefs. With the intent to inform and inspire, our writers have worked feverently, to establish and analyse links between the unexpected and adventitious factors that impact the structures we engage with.

Curating this edition has been a tiresome but enriching experience, with the editorial board and our designers working day in and out to bring to you a rich and enlightening array of articles. I'd like to extend my gratitude to my team, for their unfailing support, through thick and thin.

*Aayuushi Bose*  
*Editor - In - Chief*

# CO-EDITORS' SPEAK

“If you want to change the world, pick up your pen and write”  
- Martin Luther

From Assistant Editor of the session 2021-2022 to the Co-Editor of the present edition of Optima- the Annual Outlook of the Economics Department of Daulat Ram College, I recognize myself as a grown version of my personality. The Optima has always been more than just a magazine, but an epitome of knowledge, perseverance, and passion for its members. It appeals to me in ways different from any other platform, as the learning, experimenting, and hard work really seem to touch the zenith here. I prefer to consider myself a learner of Optima, than to conduct myself an an member.



Session 2022-2023 has successfully added itself into the trail of triumphs here at Optima, with achieving newer milestones and paving the way for its coming leaders. This session has witnessed several commendable events, one being the conduct of Research Bootcamp in collaboration with Project Up where our members as well as keen students from the economics department were exposed to the theoretical and practical skillset required for writing a research paper. Regular uplodation of articles at the Blog, active posting of informative write-ups at the Instagram , and monthly review & strategy meetings with the members, formed our every-day schedule at Optima.

I am ecstatically grateful for being given the opportunity to be a part of The optima as the Co-Editor, as it has provided me the desired exposure to writing, editing and mentoring. With the support of encouraging seniors and astounding juniors, Optima has empowered me to be an exceeding writer and speaker alike.

With immense pride and pleasure, we are presenting the 10th edition of Optima with the theme ‘Economics, Politics and Public Policy in 2022’. The featuring of this edition bears the fruit of hardwork and labor of our Editorial Board and Writers. Compiled after hours of tireless editing and formatting, we made it turn into a flawless perfection. I hope that as each year passes, students continue to pursue this legacy forward as well as embrace the ethos of academic writing.

Serving as the Co-Editor of Optima has been a starry achievement and a fulfilling experience for me. Looking forward to the innumerable accomplishments of Optima!

**Happy Reading!**

*Ishika,  
Co-Editor,  
2022-2023*

## CO-EDITORS' SPEAK

Optima is a place where people pursue their interests and passions in the broad subject of economics and literature. One enters a whole new realm of creativity and originality the instant they sit down to write, letting their ideas and imagination run wild. Via its blog, which we made an effort to renew and revitalize, Optima hopes to serve as a vehicle for one to pursue this love on a regular basis in an academic setting.

With several new additions, Optima has had a very eventful year. We were able to assemble a fantastic group of motivated authors who wanted to explore research-based writing and analysis and contributed heavily to the Optima blog and magazine.

A research boot camp was held in conjunction with ProjectUP to provide authors the tools they needed to present their work in the best light. According to our goal, we were able to launch the online Optima blog, where our writer wrote many pieces on various economic topics. Many types of academic writing, including policy analysis and Optima Analyse, found a home on this platform. The creation of the Annual Economic Outlook's subject and its uplifting content was a monumental undertaking that required several hours of editing and formatting to produce a magazine that was beyond flawless. Without a doubt, it was all worthwhile.

Optima is a synthesis of the creativity and knowledge one develops while battling the pervasiveness of economics. The process of developing Optima from an initial concept to its publication has been both insightful and enriching.

It's forced us to embrace our greatest assets and improve our flaws. Also, it has given us a sense of teamwork and freedom of speech that enables us to provide our audience genuine, varied, and enlightening information.

The most rewarding experience I had during my second year was serving as Co-Editor of Optima, and I wish the next editors nothing but success.

**Happy Reading!**

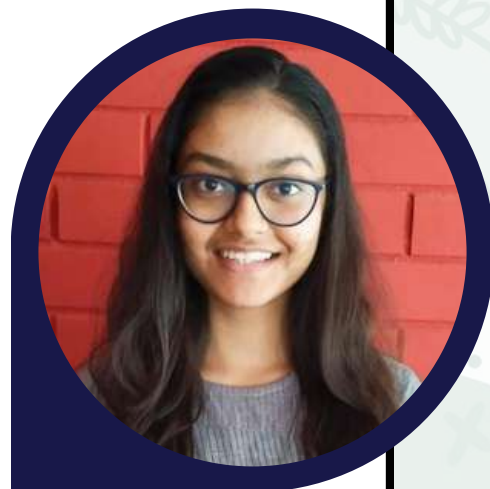
*Best wishes*

*Jeeval Chadha*



## CO-EDITORS' SPEAK

Economic writing is about experiencing the journey from conceiving an intriguing topic to drawing conclusions and predictions from it through analysis, first in our minds and then on paper. This art of optimising scarce resources relates closely to analysing economic activities in society at the micro, meso, macro and international level. 'Optima' is the canvas for this art, where young minds realise the opportunity to explore their writing capabilities and let their imagination revolve freely amongst the plethora of economic topics.



The Annual Economic Outlook, Optima, is an intrinsic and crucial part of the economics association of Daulat Ram College, which has provided students with a gateway to apply their theoretical knowledge to the practical world. This year's edition, together with the focus on the theme 'Economics, Politics and Public Policy in 2022', underscores India's G20 Presidency in 2023 and celebrates Azadi ka Amrut Mahotsav. Each written piece in the magazine is a reflection of the individual mind, that has channelized their passion for a particular topic, to critically analyse the layers of economics behind it and give the reader a decent understanding of the same. This year's Optima brings together the highlights of 2022 at one place.

Optima 2022-23 has grown substantially for writers and editors alike. Besides focusing on an inclusive theme, conducting training sessions and research writing bootcamp for students inclined towards writing, the editorial team prioritized addressing concerns, doubts and suggestions for the better.

Personally, I believe that editing for optima was a wholesome experience since it exposed me to the unique style of writing of our authors, a new perspective in every article and added to my awareness of dynamic world scenarios. As an editor I encourage young writers to not wait for the requisite tools of analysis to be made available to them for writing articles and opinion pieces, instead, leave behind their inhibitions and start with their writing journey as soon as possible because there is no right time or right way to try.

**Happy Reading!**

***Khushi Dixit***

***Co-Editor***

# HEAD OF DESIGN SPEAKS

Optima, the Annual Economic Outlook of the Department of Economics at Daulat Ram College, is a publication which has offered students of economics an opportunity to think beyond the classroom. I am immensely grateful to have served as the Head of Design for this session. It gave me the opportunity to work closely with writers and editors to ensure that the design and layout of each page complement the content. As Mattie Stepanek has rightly said, unity is strength, when there is teamwork and collaboration wonderful things can be achieved.



Working for a magazine as a designer can be a fast-paced and demanding position, with tight deadlines and a need for attention to detail. However, it can also be a rewarding experience for those who are passionate about design and have a keen eye for aesthetics, and this experience was no different for me.

With immense pleasure, we bring to you the 10th edition of Optima. It has been a tiring yet fruitful journey, being one of the most fulfilling experiences of my second year. I wish all the best to the future editors and designers.

**Happy reading!**  
**Best,**  
***Harshita Meena***  
***Head of Design***  
***2022-2023***

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# SESSION

## 2022-23

# RECAP





# POLICY DISCUSSION - NITI GUPSHUP

In the month of February, our first ever policy discussion- Niti Gup Shup was conducted. It took place as a meeting where members of each team came together to discuss, analyze, and debate the policy implications, implementation, and impact. The policy in consideration was the POSHAN Abhiyan, also known as the National Nutrition Mission.

Poshan Abhiyan is India's major flagship programme, the chief objective being the reduction in the level of undernutrition and enhancing the nutritional status of sections in society by improving nutritional outcomes in adolescents, children and pregnant women and lactating mothers.



For the policy discussion, a policy brief on the topic was provided beforehand, containing the main goals and pillars of the policy, shortcomings, economic and financial constraints and the recommendations. Based on this 4 questions were posed to the participants. These questions were the main themes of the discussion.

# POLICY DISCUSSION - NITI GUPSHUP

The interesting yet complex topic attracted diverse opinions and recommendations from the participants. The debates and discussions were not only informative, but also exhaustive. Several aspects of the policy were discussed in depth along with a critical yet informal analysis of the policy.



Niti Gupshup was not restricted to just discourse, it also resulted in transformative decentralized action points that implementation of social policies in India often miss.

The discussion put special emphasis on the demography of India and analyzed the impact of the policy so far with respect to caste, class and gender.

# FRESHERS' 2023

The Fresher's event of the Economics Department of Daulat Ram College was held on 14th February, 2023. With the theme of Galantines, the event aimed to highlight the beauty and solidarity of friendships. The Auditorium sparkled with the beautiful and eye-catching decorations done by the Seniors of the department to welcome their Juniors. The one of a kind "Feedback Board" was also put up just outside the Auditorium that attracted attention.

The event started with a served lunch for the faculty and students of the department. This was followed by a welcome note from the convener, Ms. Saachi Bhutani and a speech by Ms. Vrinda Gupta, the President of The Economics department, Éclat.



The event was further glorified with 'MISS TALENTED' competition, for which the first round was held online and the shortlisted candidates outcasted their brilliant talent in the second round (which was offline). Ms Pragya Gandhi was awarded as Ms. Talented '23.

The event was energised with bright and electrifying dance performances, by both second and third-year students, which was followed by a competition for 'MISS FRESHERS' PAGEANT'.

## FRESHERS' 2023

The pageant attracted active participation from the students. After an online assessment round, seven candidates were shortlisted for the second round, which judged the contestants on how well they presented themselves on the ramp, hence owning it merely through their walk. The ramp walk was followed by a talent show in which several contestant danced or performed in their own unique way.

This was followed by professors questioning the candidates on their ambitions, personality, and zeal. With her charismatic wit and confidence, Dhruvika Sapra was awarded the title of Ms. Fresher.



Yet another competition was held for the title 'THE BEST COUPLE'. This event, which observed performances from the students dressed as famous characters from movies and OTT platforms, was a beautiful display of fraternity and friendship among the students. This competition concluded with Ms. Sanya Chandna and Ms. Diya Bhutani being awarded 'The best couple'.

Other performances, from singing and dancing to acting, highlighted the diversity and talent in the room. The event concluded with a lit stage by a gala group dance joined by all the three years together. The event marked a success with a vote of thanks from the President of the Department, Ms. Vrinda Gupta.

# FINANCIAL LITERACY SEMINAR

Eclat, the economics society of Daulat ram college in association with the National Stock Exchange and Be Artsy organised a seminar on 'Financial Literacy' on September 19, 2022, in the conference room. The seminar focused on imparting the knowledge and application of various financial instruments. The programme started at 3:00 pm with the welcome address by Vice Principal, Ms Sarita Nanda followed by the felicitation of the guest speaker Ms Akanksha Bhatia. The speaker was a professional with more than 4 years of experience in imparting financial literacy to Students, Corporates and Co-Working spaces.

They introduced the seminar with exhaustive and coherent coverage of the definition of Money and Savings that moulded the perplexed minds of the attendees. Highlighted the human psychology of needs wants and desires and the differences between the same. Gradually, all the basic details of the subject matter were covered.



Moving forward, they explained how investments help to reduce inflation in the long run by providing insights into Mutual Fund Investment and its type i.e. Equity Funds, Debt funds and Hybrid Funds. They discussed various types of Insurance i.e., Health insurance, Critical Health Insurance, Accidental Insurance and Life Insurance.

# FINANCIAL LITERACY SEMINAR

The innovative, systematic and lucid style adopted by the speaker not only enlightened the young minds but also roused them. Followed by an interactive question and answer round the speaker answered all the queries of attendees that ranged from safe instruments of investments like Sovereign Gold Bonds to highly volatile Cryptocurrencies. They emphasized the importance of having a stable, secure and diversified financial profile in order to make sustainable investments.



Attendees found the seminar very insightful and appreciated the speaker for their thought-provoking lecture. The speaker concluded the lecture with a piece of advice suggesting entering into the dynamic stock market with prior consultation with certified financial experts.

Finally, the session came to an end by 4.30 pm. The positive feedback of the Speaker, Vice Principal and attendees for the first offline session of Eclat paid off the all-out efforts of the union and the core members.



# FACULTY

# INSIGHTS





# India: Towards the Pro-planet Economy

**Rita Rani**

Associate Professor

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The world is facing financial, political, environmental issues for maintaining global economic stability. Many advanced and emerging countries are striving for the same. Finance ministers, governors of central banks and diplomats of concerned economies meet annually at different forums, for discussing the key issues for stabilizing the global economy. India as a well emerging developing economy has a major stake in the international economic and financial system.

India has got the opportunity to host the G20 summit 2023 in New Delhi. G20 is a group of developed and developing countries of systemic importance, which consists of Argentina, Australia, Brazil, Canada, China, EU, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, UK and USA. G20 reached the status of Summit in 2008 when it addressed the global financial and economic crisis of 2008. As the world economic conditions improved in 2009 the objectives of G20 emerged more clearly to move towards strong, sustainable and balanced economic growth.

The basic objectives of the G20 are:

- to promote financial regulations to reduce risks and prevent future financial crises
- creating a new international financial architecture and
- policy coordination between group members to achieve global economic stability and sustainable growth

As a major world economic forum, the group represents around 65% of the world's population, 79% of global trade, and at least 85% of the world economy (1), it has a potential to influence a number of major challenges of global economic growth, starting from issues of finance, trade, infrastructure, innovation, investment, employment, education, corruption, energy resource development, agriculture, technology, the digital economy to environmental degradation.

Sustainable development as one of the major objective of G20 Summit is a strategy to adopt growth using natural resources carefully and efficiently in planned manner, with utmost consideration of short and long-term benefits for the economy not only for the present consumers and the producers but for the future generations as well. It incorporates economic growth and environmental protection with social inclusion. Environmental degradation by some production or consumption activity at any one place of the world affecting ecosystem and population throughout the world. Economic activities throughout the world are elevating climate change.

It has been estimated that if adequate actions are not taken against the changing environment, almost 3 billion of world population would be facing chronic water scarcity. The global economy could lose up to 18% of GDP by 2050. (2)

G20 summit 2023 is a forum that come forward to address environmental degradation and climate change by promoting and enforcing policy reforms, economic incentives and regulations. They include climate finance under the sustainable finance working group, climate resilience as part of the disaster risk reduction working group, lifestyles and consumption under the development working group. Energy transition is being deliberated under the energy working group. The environment ministry will steer discussions on the three issues of land degradation, blue economy and circular economy as they are priority areas for India. (3)

Besides making these efforts taken at the world economic and political level, it is further required that the individuals, communities and institutions must also realise their responsibility and play an active role in controlling environmental degradation. Adopting environment friendly behaviour at the individual and community level can make a significant impact on the environmental and climate crises. United Nations Environment Programme (UNEP) has estimated that “if one billion people out of the global population of eight billion adopt environment-friendly behaviours in their daily lives, global carbon emissions could drop by approximately 20 per cent.”

Over the last 50 years many natural resources and environmental issues have expanded in scope and urgency.

“**Lifestyle for the Environment**” (LiFE) is a step forward in this direction. LiFE had been introduced by Prime Minister Narendra Modi at COP26 (26th United Nations Climate Change Conference of the Parties) in Glasgow on 1st November 2021. (4)

It is a movement launched towards “mindful and deliberate utilisation of natural resources instead of mindless and destructive consumption”, to protect and preserve the environment. It is an effort to stimulate global community of individuals and institutions towards realising their responsibility for protection and conservation of natural resources by changing their life style. The individuals who live a life in tune with earth without harming it, are recognised as Pro-Planet People under LiFE.

Changing lifestyle is difficult, not impossible. Our individual habits are deeply entrenched in our daily lives and influenced with several elements of the environment. The purpose of this movement is to make people more aware about their habit that can affect the environment positively as well as negatively. Though changing habits is not a cake walk yet one can shift to desired habits by making one change daily. Practicing this shift regularly would help adopting long term environment friendly

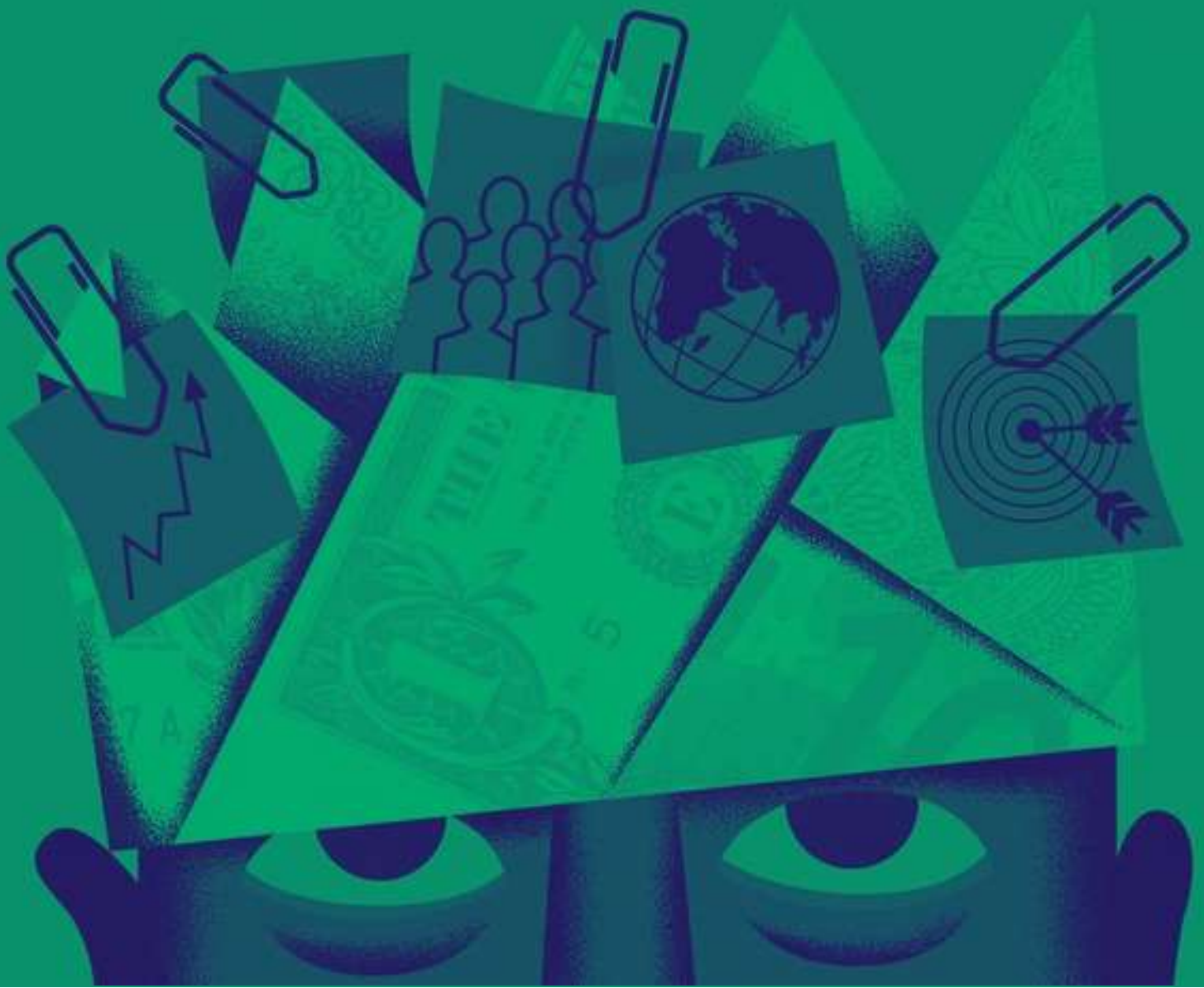
habits. It is believed that following an action for a minimum of 21 days helps to develop a habit.

The LiFE 21-Day Challenge insists individuals to take one simple environment-friendly action per day regularly for 21 days and eventually develop an environment-friendly lifestyle. It is a challenge to change one small thing in one's life daily and become Pro Planet People by practicing rich traditional wisdom and climate friendly attitude. India assumes a leadership role in environment conservation by making the world to adopt this initiative LiFE that aims to unite the people in their thoughts and functions on the basic principles of **“Lifestyle of the planet, for the planet and by the planet”**.

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# EDITORIALS



# Navigating Waters as the Captain: India's Role at the G20

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## *Introduction*

The failure to effectively deal with the COVID-19 pandemic and the inability to avoid a war between Russia and Ukraine underscore the decline of multilateralism in status quo. With this decline, it becomes exceedingly difficult to fight the critical challenges facing humanity today which are global in nature, and not confined to borders. India assumed the presidency of the G20 on December 1, 2022, offering it an opportunity to lead one of the more effective multilateral forums for global governance. It can lead to the empowerment of alternative international institutions in global governance to meet the realities of the 21st century and guide global governance in the decade of action to achieve the Sustainable Development Goals (SDGs).

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## **Identifying Problems**

Global governance is biased towards developed countries, owing to the disproportionate influence acquired while setting international rules of cooperation, trade and finance. This has adversely affected the ability of global governance to deliver substantive solutions that enable voters in the global South to meet their fundamental development, trade and security challenges. India can use the G20 presidency as an opportunity to revolutionise governance processes and gain much-needed headway in global bargaining power not only for itself, but also for the remainder of the South. Its G20 Troika this year will consist of three emerging nations: Indonesia (previous presidency), India (current presidency) and Brazil (future presidency). This creates leverage to address the concerns of developing countries in a coherent and focused manner, giving non-G20 members greater capacity for action.

The shattered G20 2022 represented a setback for the Indonesian presidency as geopolitical tensions between the West and Russia undermined cooperation within the group. This crack in the G20 calls into question its reliability. India's neutral stance on the Russian-Ukrainian war offers hope that it may be able to persuade both sides to join the G20 negotiations and move beyond the current stalemate. India faces the challenge of finding creative solutions to bridge these geopolitical divides and pave the way for dialogue based on collaboration and collective prosperity. This has probably led to India's undervalued contribution to the forum. An increase in geopolitical tensions implied more conversation towards disarmament policies within members drawing focus away from more pertinent issues. The Indian presidency so

far has been able to establish that a unified stance is not a priority but these issues are best prioritised within specialised forums like the UNSC.

### **Primary Goal for India: The Staggering Health Crisis**

UN Secretary-General Antonio Guterres, in the first in person General Assembly, pointed to the inequality in the distribution of vaccines, wherein global drives focused on stock hoarding by wealthy countries. General patient welfare within countries also underscored the frailing health infrastructure and hence, the importance of global health planning to overcome the display of moral indictment.

It is important to understand whether the Indian Presidency of the G20 can strengthen global governance, especially institutions such as the World Health Organization, to meet the current challenges associated with global health mechanisms. The primary focus area should be on democratisation, i.e. reducing the pervasive influence of states and non-state actors like large health philanthropies, pharmaceutical companies, corporations, and international NGOs. Often lacking transparency in action plans, these institutions operate on self motivated interests, often jeopardising access to life saving medication. This, combined with low human development and ineffective poverty eradication schemes creates systems of aid reliance within low and middle income countries. While aid programmes often determine the difference between life and death, these are slowly becoming substitutes. Olusoji Adeyi, the former Director of the

Health, Nutrition and Population Global Practice at the World Bank Group, has said that the aid-dependency situation is so extreme that he proposes that donor governments should cease funding core health programmes.

These issues require bridging infrastructural and knowledge gaps between first world and third world countries. Long standing inequalities require meticulous policy frameworks to facilitate and support growth, hence prioritising solutions over mitigating induced harms.

### **Secondary Goal for India: Infrastructural Change**

In the post-pandemic and post-war periods, one of the most important global challenges is to ensure equitable economic recovery. This can be done through joint action to ensure open supply chains to promote essential commodities, cooperation to diversify investment and production, and cooperation to support the multilateral trading system. The G20 presidency for India is crucial in building a comprehensive and sustainable multilateral trading system. Despite widespread recognition of the importance of infrastructure development, persistent infrastructure gaps still exist in all countries. Multilateral cooperation to boost infrastructure investment is critical for India, which faces the paradox of infrastructure development gaps. It is therefore important for India's G20

Presidency in 2023 to recognize and facilitate the work of the Infrastructure Working Group to close the funding gap. This can be achieved through 3 primary focus areas: stability of spending, continuity of initiatives and resilience of investments.

Status quo lacks consistent environmental, social, and governance standards (ESG) frameworks resulting in skewness in favour of developed countries and additionally creating disadvantages for medium and small enterprises in domestic markets. Supply chain bottlenecks will help build ports, roads, and related infrastructure, and help ensure that skill sets built over decades do not migrate away because of economic disruptions. Maintaining consistency requires collaborative efforts with multilateral development banks and other financial institutions engaging in infrastructural investments, specifically catering to the developing world where geographical disadvantages manifest to a higher degree. Additionally, infrastructural development which is often used as a stimulus measure requires better planning moving forward. This includes evolution within strategic policy frameworks, nature-based solutions, innovative financing, and knowledge and expertise sharing, particularly for the most climate-vulnerable developing and least developing countries. This consideration comes at a time where climate threats and external environmental factors require rebuilding on infrastructure, often having negative impacts on economies overall.

### Niche Goals for India: Climate Change

The Paris Agreement and the COP26 summit reaffirmed the need for large-scale mobilisation of sustainable finance for developing countries to reach their net zero goals. It is imperative that the G20 commit to developing a strong policy and regulatory framework for institutional and market ecosystems to accelerate the transition from existing 'brown' economies to more sustainable and low-carbon economies. The global debate on the challenge of climate change is dominated by mitigation concerns and not enough attention is paid to climate adaptation. Similarly, climate finance flows to developing countries do not adequately meet the financial needs for adequate and immediate climate action. This requires active prioritisation of making green finance more accessible, specifically to corporate centres to provide greater incentive to revolutionise.

Since transitioning to a carbon-free model poses reputational and financial advantages, a lack of transparency may increase 'greenwashing' attempts, wherein these products will be used to mislead consumers about the company's carbon footprint. However, the involvement of non-party stakeholders is integral to the polycentric approach of the Paris Agreement to stimulate legal and policy frameworks set by the UNFCCC (Chan, Brandi, and Bauer 2016). In such a situation, it's important to create a set of



principles that can effectively create a solution to the climate crisis. These should target eliminating informational asymmetry and restrict the scope of misinterpretation to avoid greenwashing. The main objective here is to achieve transparency to quantify the footprint of the economic activities undertaken through such investments.

India must also prioritise integrating sustainable lifestyles into global climate protection. In October 2022, India and the United Nations launched Mission LiFE. It features India's three strategies for gathering climate change action. The first step is to get individuals to make behavioural changes to change the composition of demand. The second step is to enable the industry and market to respond quickly to changing demands and the third step is for governments and policymakers to review strategies to accelerate sustainable consumption and production. Among G20 members, France, the UK and Argentina also support Mission LiFE. Therefore, accessibility measures should be prioritised to ensure greater receptivity from other members within the G20.

## **Conclusion**

The global South has always been at a disadvantage when calling for change and accountability from its more established counterparts. As the forerunner for change, India must strike a balance between prioritising internal issues and representing third world countries that are often left behind to face the brunt of global standards.

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# Cost of Illegalising Abortion

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## Dynamics of Legal Environment

The date September 29, 2022, marked a contrast in the progressiveness of India and USA as two democracies. While Indian women attained the right to abortion up to 24 weeks of gestation regardless of their marital status, America settled for a prolonged political discourse between democrats and republicans on whether to ban abortion or not. This dissent in a country like the USA that boasts about its influence as the world leader, is not new. Instead, it draws a link from the United States (US) Supreme Court's ruling of June 24, 2022 that overturned the landmark 1973 Roe vs Wade decision, thus, taking away the constitutional right to abortion with a 6:3 majority (Khullar, 2022).

Abortion or Medical termination of pregnancy is frequently associated with bodily autonomy, social stigma and sometimes the pro-life vs anti-life school of thought debate. However, there are two noteworthy relationships seldom brought up in conversations- abortion's economic impact and its correlation with crime rates.

## Microeconomics of Ban

Upon considering each parent(s) as one micro unit, in the short-term, the opportunity cost of abortion equals the monetary value of primary, secondary, tertiary education of the child, food and shelter, healthcare expenditure, co-curricular activities and some miscellaneous expenses.

This cost is profoundly larger than the cost of abortion which ranges from 500-3000 INR depending upon the gestation period completed, tests conducted, anaesthesia given and so on (The Political Economy of Abortion in India: Cost and Expenditure Patterns, n.d.-b).

In the long-term there are 2 classes of units, the ones who want the child and the ones who want abortion. The units wishing for a child probably gain more utility from their children in terms of emotional satisfaction and care in return in their old age which overpowers the cost of raising a child. This group is also not the primary target of abortion laws. For the target group i.e. abortion seekers, utility from their child in case they are not allowed access to abortion, will most likely be negative. Reason being the facts from the research conducted by Finer i.e. 48% parent(s) cited relationship issues or the fact that they did not want to be a single parent and 74% cited financial inability to raise a baby as their cause behind abortion (2022). Hence, illegalisation puts additional pressure of one, the cost of raising the child and second the negative utility from the entire process on micro units making abortion

ban an undesirable restriction for the target audience.

### **Mesoeconomics at Play**

The next stakeholder, i.e. the children raised by micro units of class 2 (the ones who did not want a child), will in most likelihood be raised in financially poor households or by single parent or by parents with relationship issues or a combination of the three in addition to other socio-economic disadvantages, as supported by figures mentioned above. This theory is also elaborated by Steven D. Levitt through the example of Romania's communist dictator's abortion ban policy of 1966 and his studies about the relationship between USA's crime rates and legalisation of abortion (Economic Theory of Abortion Policies, 2020). These studies led to the famous Levitt's hypothesis also included in chapter 4 of his bestseller titled 'Freakonomics' where he establishes that giving micro units the right to bodily autonomy and the right to decide whether they would be able to raise a child or not, allows the pool of children who in future, given their family's condition and the environment they were raised in, could turn to crimes; to shrink. This contraction automatically reduces crime rates and improves social welfare in the immediate community. Moreover, legalised abortion averts promotion of the shadow economy and acts as a population control measure in some cases such as India. Therefore, decreasing the pressure on limited resources of society.

### **Women at Loss; Again**

In a world characterised by growing advocacy

for equal participation of women in the workforce, the tremors of their exclusion from the same on account of unwanted pregnancies are felt by the entire economy. According to Institute for Women's Policy Research, state level abortion restrictions in the USA cost state economies \$105 billion dollars per year by reducing labour force participation, earnings levels, productivity and increasing turnover and time off from work among women aged 15 to 44 years. This loss in Mississippi alone translates into over \$1 billion annually (2021).

Corporate America is aware of the significance of family planning and that lifting all restrictions from abortion would raise the salary of each woman of child bearing age in America by \$1,610 and expand their GDP by 0.5 percent. Henceforth, multinationals like Google, Apple, Yelp, Tesla and many more were quick to extend abortion cover for their employees (when it was legal) (Francis, 2022).

### **Conclusion**

Illegalising abortion disrupts social welfare, forces numerous unintended births, burdens limited resources, decreases productivity of female workforce, ultimately hampering GDP of nations. Furthermore, abortion ban without exceptions as seen in various american states jeopardises health of mother and the child in complex pregnancies, genetically defective foetuses and so on, again accruing similar impacts such as negative

utility to micro units, burden on health infrastructures with scarce resources etc. Henceforth, this article concludes that the pro-life groups advocating for abortion bans, funded by Republicans, lack a pragmatic lens to view the above mentioned costs associated with illegalising abortion. It is essential that the public policy gives respect to the economic contribution of women, their bodily autonomy and in order to minimise the deadweight loss to society because of abortion bans, lifts them to all uplift society.

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# Economy and Politics: The Great Britain Drama

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## *Introduction*

Britain has been in the news, constantly, surrounding its Financial and Political Instability. Their crisis has extended owing to multiple factors that still seem out of control of the hands of the government. In this article, there has been an attempt to briefly state how this instability came into the picture, analyzing both the economy and polity.

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## **Political**

Rishi Sunak, a former hedge-fund director and Chancellor of the Exchequer (Treasury Chief), formally assumed his office as the new Prime Minister of the United Kingdom on October 25, 2022. He is the first non-white person to be the British high minister. He faces daunting economical and political challenges. The Conservative Party to which he belongs is deeply shattered and the frugality faces a storm of economic problems. All that will test the political chops of Sunak who has been involved in public politics only seven times. Also, Sunak is the 3rd Tory high minister in seven weeks casting off the Tory party conveyer belt.

The Conservative Party has a notorious character for pulling out the shanks on their leaders and Margaret Thatcher was a stylish illustration of that. In this environment, Tariq Ali said, "conservatives have always been ruthless in jilting Prime Ministers who might lose them the coming election of Thatcher, May, Johnson". Rishi Sunak is suggested to keep a watch. The Financial Times also advised that "If Sunak can't snappily restore stability, an election is necessary".

Sunak inherits a sizable maturity in Parliament following Boris Johnson's 2019 election palm, so he is, theoretically, in a position to push through legislation he thinks necessary. But his party is deeply divided. He himself is considered a divisive figure within the party and was largely criticized for the demise of former Prime Minister Boris Johnson after he quit his position as Chancellor. The Conservative Party now has its smallest standing in the past in decades adding one further redoubtable challenge for him to lead the party to a palm in the coming election due in 2024.

The Conservative Party is primarily dominated by 50 senior prosperous to fairly prosperous property retaining white members. A veritably large proportion of these Tory Party members are known to be racialisists and Islamophobic. Numerous would have suggested the far-right party UKIP if it stood the fewest chance of winning the election.

The party has been veering towards the far-right for a considerable period of time. Boris Johnson eventually gave shape to the far-right wing with his Brexit docket, of which Sunak was a hot supporter. He also suggested leaving the EU without a pullout agreement. This is why Sunak got veritably decisive backing from deep Brexiteers in his shot for the power.

### **Economical**

The UK is the only G-7 member that has failed to achieve its pre-pandemic GDP position by the middle of this time. Since 2016, the UK Economy has declined from being 90 percent the size of the German Economy to being just 70 percent now. It is estimated that the UK fell by 2 percent since the 2008 financial crash while the growth of Germany and France grew by 27 percent and 34 percent independently. In fact, the UK Economy has been flat-filling since the 2008 fiscal extremity. (Elahi, 2022).

The UK continues to face daunting economic challenges with affectation returning to a 40-time high at 10.1 percent in September and a brewing recession, rising interest rates, soaring energy prices, ongoing force chain dislocations and continued artificial uneasiness with wide strike conduct. The most accurate position of affectation, RPI, is heading towards 13 percent, but this is being exceeded by food affectation which has soared to 14.5 percent. For the poorest who calculate on-budget food particulars, it's indeed worse, with the cost of these rising by 17 percent (Elahi, 2022).

Effects are doubtful to get any better as Liz Truss has gone and Rishi Sunak has taken over the reins. The problem is systemic and runs important deeper and goes back further than the term of the many most recent high ministers. In fact, Sunak quickly worked to form a cabinet with an emphasis on continuity and stability and retained Jeremy Hunt to remain as Chancellor of the Exchequer who to regain market confidence will have to undertake spending cuts and tax increases. These measures are likely to aggravate a recession.

The UK's profitable straits that started in the 1970s led to Thatcher gaining her position as high minister. Thatcher's neo-liberal profitable policy measures led to indeed more profound profitable metamorphosis since the early 1980s with the onset of neo-liberal requested policies. The socio-profitable changes have been so profound since the UK has come to the vanguard of a new global profitable system now known as the "rentier economy", where profitable conditioning is guided to earn unearned income which is also known as profitable rent. The drive for unearned income has made a deep mark on the business culture of the country.

### **Conclusion**

Between 2008 and 2021, the UK couldn't indeed recover from the 2008 Global Financial Crisis (GFC), let alone Brexit and the epidemic.



Since the mid-1980s the real income in the UK has been on a downcast line and income inequality has been on the rise creating a deep social and political peak. Also, the deep ideological division that exists within the Tory party has reduced it to a shambles and is so deeply embedded that it can not be canceled. The political drama that's taking place now in the UK will further worsen the profitable prospects of the country now nearly in the fray of recession. There's no reason to believe that Sunak is going to be suitable to incontinently change anything. The current political insecurity which the Economist nominated the UK as "Britaly" ( Economist, October 19) is just a symptom of long and deep-set British decline. The Economist further added to describe the current situation as "A country of political insecurity, low growth and submission to the bond requests". In fact, a political economist editorialized that the UK Economy for decades faced "disastrous equilibrium", a frugality that simply can not move beyond stagnation and recession.

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# Economic Impact of the Afghanistan Crisis

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## *Introduction*

Since the US withdrew and the Taliban took control of the nation in August 2021, Afghanistan has been dealing with a worsening and more lethal humanitarian catastrophe. 95 percent of households have been facing inadequate food intake and food insecurity, and acute malnutrition is increasing nationwide. According to the UN, by March 2022, "at least 55 percent of the population is predicted to be in crisis or emergency levels of food insecurity."(Afghanistan: Economic Roots of the Humanitarian Crisis, 2022). Humanitarian groups have consistently issued alerts regarding the crisis's enormity and potential for further escalation.

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## **Causes And Actions**

The following reasons and actions by countries and international organizations, as well as the US and the Taliban's failure to strike a deal to prevent the humanitarian effects of the transition of administration in August 2021, all contributed to the economic collapse of Afghanistan. The crises' underlying actions consist of:

### **Halting funding for large-scale poverty-relief programs and food security measures.**

Up to August 2021, international aid accounted for 75% of Afghanistan's economic output(Overview, n.d.). After the Taliban seized power on August 15, 2021, donor governments, led by the US, instructed the World Bank to stop distributing about \$2 billion in outside international aid that had

previously been used to pay the salaries of millions of teachers, health workers, and other essential workers through the Afghanistan Reconstructive Trust Fund (ARTF) and projects funded by the International Development Association (IDA). Millions of Afghan families, including many extremely poor households who benefitted from pay-for-work, cash distribution, and livelihood assistance programs, were able to make purchases because of these enormous financial sources.

Many Afghan households soon lost their main sources of income as a direct result. In January 2022, four out of every five households reported having no income or having a drastically reduced income,

according to a World Food Program study published in February.

The World Bank board apparently resolved to restore some of these suspended payments in early 2022, although it is yet unknown exactly which payments would be released and how they will be distributed.

The unexpected termination of World Bank initiatives resulted in a sharp decline in buying power throughout the nation and had a significant impact on the macroeconomic and household levels. Even if aid organizations can boost food and money deliveries in the future, it will not be enough to offset the effects of these cuts.

### **Revoke the credentials of the Afghan Central Bank.**

Notably, the Afghan Central Bank's authorization to communicate with the global banking system, global financial institutions (including the World Bank, IMF, ADB, and others), as well as many other countries' domestic banking systems, was also revoked by the US, other governments, and the World Bank Group. At the same time, the majority of the Afghan Central Bank's leadership essentially resigned and left the country. The Taliban chose a new finance minister and central bank chief about a week after seizing power in Kabul.

To conduct international business or have access to the Central Bank's accounts or assets located outside of Afghanistan, neither of them, however, has been accredited by foreign

countries as a Central Bank-approved agent. The Central Bank was denied access to any World Bank resources, grants, or help when the US government used its sway on the board to remove its credentials. In any scenario, due to the central bank's lack of access to the global financial system, it would not be able to transmit this money.

The Central Bank has been unable to use foreign currency reserves as collateral to provide short-term liquidity to settle dollar transactions, make necessary payments, buy banknotes to hold dollar auctions for private banks, or pay World Bank dues. As was already mentioned, this instantly worsened the shortages of US dollars and Afghans as well as the liquidity issues for all institutions.

### **Current Scenario**

Since August 2021, the economy has shrunk by 20% to 30%, causing many people to lose their jobs and means of subsistence, social services to be completely destroyed, and poverty and hunger to worsen, along with the humanitarian crisis. Additionally, hundreds of thousands of people have fled the country, leaving government agencies devoid of managerial and professional staff, many Afghan businesses to close or downsize, and already low levels of investment to reach new lows.

The Afghan economy is stabilizing after a lengthy period of a free slide, but at a considerably lower level, leaving people poorer and more susceptible to

deprivation, hunger, and sickness. There is no chance that the economy will restart strong growth, much less reach its pre-2021 levels, in the near future.

The value of the Afghani currency has recovered externally and is currently unchanged from a year ago. Exports have increased by twofold recently, but imports have dramatically decreased (indicating the global economic crisis and lack of foreign help to finance imports). Lately, it was made clear that current sanctions do not apply to Afghanistan as a jurisdiction, the Afghan government or government agencies, and public and private institutions or companies through a series of U.S. Treasury pronouncements that culminated in General License 20 in February 2022.

While not even close to returning to pre-2021 levels of activity, internal business activity in Afghanistan appears to have stopped additional job losses and closures, marketplaces are often stocked with items, and salaries appear to have stopped falling.

Although inflation is still high, it is now due to growing global food and energy prices rather than prior causes such as currency rate depreciation or other local issues. With coal production and exports (mostly to Pakistan) on course to treble this year to almost four million tonnes, mining has been a bright light. This is not to suggest that things are fine economically; only that the free collapse has halted. According to a World Bank assessment, the new equilibrium leaves up to 70% of Afghans unable to buy food and other needs,

creating a "famine equilibrium" where many people would starve in the absence of humanitarian aid.

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# Has India's CPI basket outlived its utility?

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## Introduction

From July 2017 to June 2018, the Nation Statistical Office (NSO) of the Ministry of Statistics and Consumer Programme Implementation conducted an all-India household expenditure survey. However, the results of the survey were never released owing to quality issues observed by the Government of India and because 2017–18 was recommended not to be used as the base year by the Advisory Committee on National Accounts Statistics (Household Consumer Expenditure Survey, 2019). Soon, the idea of conducting a new survey came up, but when the feasibility of reconducting the survey in 2020–21 was being examined, the pandemic struck and all operations were halted. Since then, the survey has been put on hold, putting a break on the revision of the Consumer Price Index (CPI) basket. Henceforth, widening the gaps in our understanding of the impact of technological and macroeconomic developments since 2015 and decreasing the precision of the CPI will further increase inefficiencies in the projection of expected inflation, house rents, and interest rates in the economy.

## Breaking Down the Present Basket

The consumer price index is an index number employed to ascertain the retail inflation rate experienced by an average consumer who purchases a set basket of commodities wherein each commodity has a certain weight assigned to it. Weights have been assigned based on the varying importance of items in the predefined basket according to the consumer's location. Income level fluctuations across regions happen due to the degree of infrastructural development that has taken place in a particular region. This could be a possible explanation for why the same commodity had different weights in rural and urban regions. Dissimilarities in consumer behavior are another cause of this weight difference.

The following table displays weights for rural and urban areas.

WEIGHTAGES GIVEN TO SOME PRIMARY ARTICLES IN CPI

ITEM	RURAL	URBAN	COMBINED
1 Cereal and products	12.35	6.59	6.67
2 Milk and products	7.72	5.33	6.62
3 Oil and fat	4.21	2.81	3.56
4 Fruits	2.88	2.9	2.38
5 Vegetables	7.46	4.41	1.36
6 Pulses and products	2.95	1.73	2.38
7 Sugar	1.7	0.97	1.36
8 Spices	3.11	1.79	2.5
9 Prepared meals, Snacks and Sweets	5.56	5.84	5.55
10 Food and Beverages	54.18	36.29	45.86
11 Clothing and Foot ware	5.57	7.36	6.53
12 Fuel and Lights	5.58	7.94	6.84
13 Household goods and services	3.75	3.87	3.8
14 Health	6.83	4.81	5.89
15 Transport and Communication	7.6	9.73	8.59
16 Education	3.4	5.63	4.46
17 Personal Care	4.25	3.47	5.09
18 Miscellaneous	27.26	29.53	25.32
Aggregate	100	100	100

SOURCE: [www.gapjournals.org](http://www.gapjournals.org)

## Need to Construct a New CPI Basket

A widely accepted fact in economics is that, as the national average permanent income rises, average households gradually raise their standard of living to meet their wants and sometimes desires after accomplishing their necessities. Keynes' psychological law of consumption explains this phenomenon, which states that “with an increase in the level of income, as the basic necessities of an individual are satisfied, additional consumption falls with every unit of additional income. Technically, this means that the average propensity to consume falls as nations become more developed, which translates into reduced consumption expenditure on necessities. Practically speaking, in the seven years since India's CPI basket was last updated in 2015, consumption patterns have drastically changed in synergy with improvements in GDP per capita (41%), and a decline in the poverty headcount ratio (8.7 percentage points) (GDP Per Capita (Current US\$) - India | Data, n.d.; Poverty Headcount Ratio at \$2.15 a Day (2017 PPP) (% of Population) - India | Data, n.d.).

Developments in these macroeconomic figures when combined with the psychological law of consumption mean that, like other developed nations that give less weight to ‘food and beverages’ in their CPI basket, for example, the US (13.2%), UK (9.3%), Canada (15.94%), and Germany (8.5%), India should also reduce the weight given to ‘food and beverages, which currently stands at 45.86% (Das, 2020b; TIMESOFINDIA.COM, 2022).

Even if we account for the distributed inequality that exists in the nation, giving close to half of the weight to necessities in calculating inflation is not justifiable for the world’s fifth-largest economy.

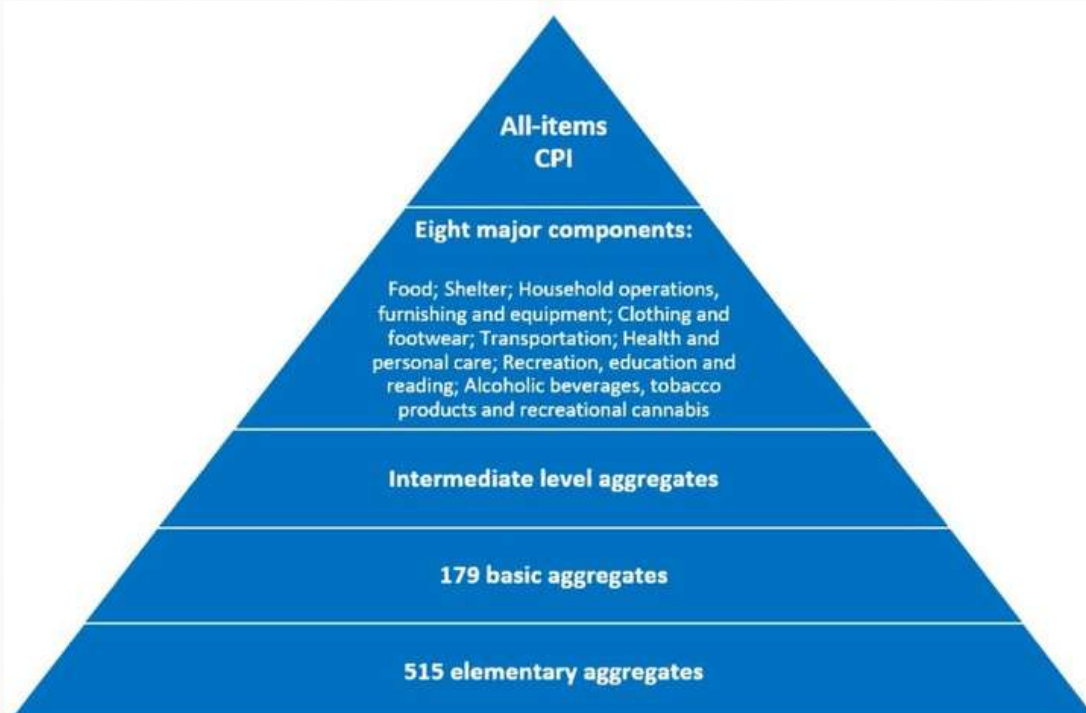
Additionally, obsolete items such as DVD players, audio cassettes, and radio among others need to be removed from the basket because they reduce the accuracy of CPI as an Index, which is used to adjust private and public pension programs, announce dearness allowance, adjust government payments and deductions etcetera that impact senior citizens, taxpayers, and citizens in general respectively.

## Case Study

In 2021, Canada made major changes in their CPI basket according to the recent developments in their economy in lieu of the global pandemic. After the coronavirus pandemic hit the world, consumption patterns changed drastically, but the CPI basket remained the same. Even though 2020 as an accounting period was unusual, work-from-home scenarios and a new-found love for fitness altered the market quite permanently. In addition, the post-apocalyptic world also needed some time to stabilize its demand for products, as reopening and recovery are likely to be gradual and staggered, varying from region to region.

Other than changing the items included in the basket, their weights were also changed. The CPI is structured





hierarchically with a component called elementary aggregates that are adjusted based on changes in consumption patterns over time. New product classifications were included with the rollout of the 2020 basket weights to reflect the changing consumption habits of Canadians. Shipping and local delivery fees were added as elementary aggregates, as were video game consoles to the basic aggregate video equipment and digital subscription services for magazines to the basic aggregate magazines and periodicals (An Analysis of the 2021 Consumer Price Index Basket Update, Based on 2020 Expenditures, 2021).

As Canada continues on its path of economic recovery, it is trying to improve its methods of index calculation, the CPI included. The following weight adjustment, which will take post-pandemic spending

into account and preserve relevance, is scheduled for 2022. In the future, Statistics Canada will switch to yearly weight updates based on the most recent data on household spending. Such continuous changes in the CPI basket according to the ongoing trends in the market will surely help achieve an accurate view of the market and thus help in developing better policies.

### **Conclusion**

As highlighted above, the dynamicity of today's world, in conjunction with permanent changes in consumption patterns inflicted by the novel coronavirus (evident through Canada's case study, further stresses the importance of updating the basket of the consumer price index. Apart from the constituents, the weights of

items included also need a thoughtful revision, specifically the weight assigned to food and beverages. Executing these measures will ensure an accurate CPI that will help the government in framing fiscal policy, tax policy, and numerous other policies directly aimed at consumers and that make use of the CPI as a deflator and reaffirm the utility of the CPI basket.

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# PERSPECTIVES



# Impact Of Inflation On the U.S Economy

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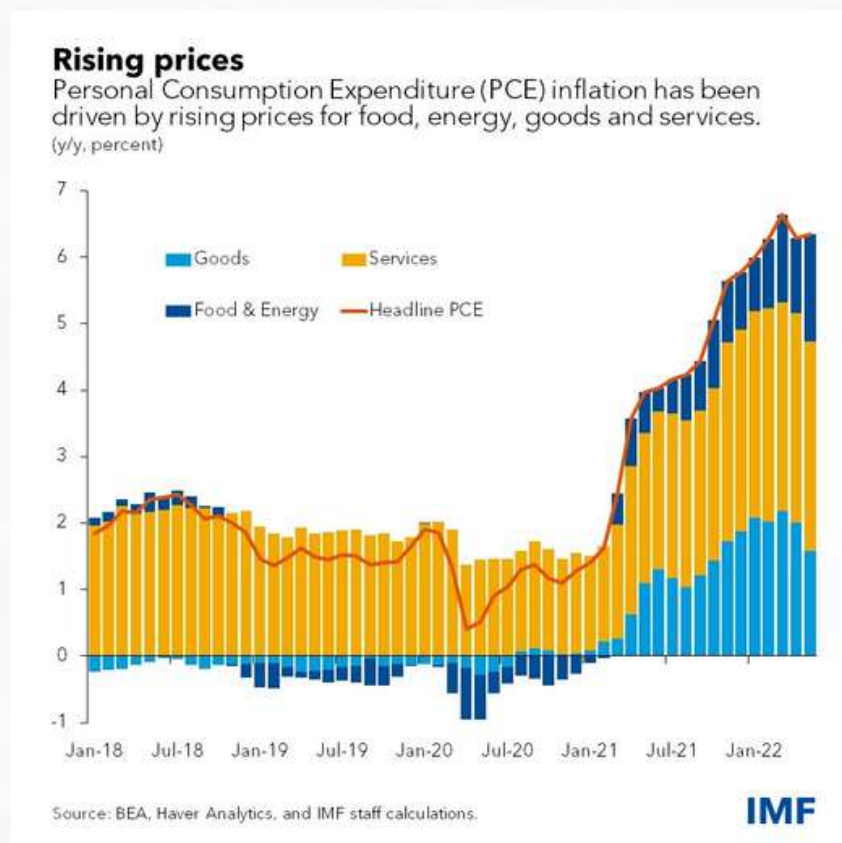
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The US economy has rapidly bounced back from the widespread pandemic, but the increment in demand has put a strain on supply frameworks and driven up expansion. As the COVID financial alleviation measures come to a conclusion and the Government Save (the Bolstered) proceeds to fix the financial approach, the economy is expected to decelerate, bringing center Individual Utilization Use (PCE) expansion to the Fed's medium-term target of 2 percent by late 2023 (The US Economy's Swelling Challenge, 2022). But on the off chance that swelling endures longer than expected, the Bolstered

will have to be fixed indeed more, which can cause the economy to slow down more. The approaches required to bring expansion back to the Fed's medium-term target are the subject of the IMF's annual evaluation of the US economy. The lion's share of workers' pay has not kept pace with expansion, which has had an impressive negative effect on families acquiring control. These price hikes could become persistent if they are not stopped. According to our analysis, the Fed needs to take swift action to combat inflation and reestablish price stability.



## Policy Action

This year, the Bolstered has climbed its approach rates by 1.5 percent, and it is anticipated to raise them by another 2 or 2.5 percent within the months to come (The US Economy's Swelling Challenge, 2022). Also, it is offering off its mortgage-backed securities and Treasury bonds possessions. As a result, borrowing has ended up being much more costly. In expansion, the government is diminishing investing since a number of help programs from the widespread period are coming to a conclusion.

By another year, we expect that these arrangement changes will have decreased the development in customer investing to generally zero, lightening the weight on supply chains. By another year, we expect that these arrangement changes will have diminished the development in buyer investing to generally zero, easing the weight on supply chains. Higher contract rates will lower house costs, which have strongly expanded all through the widespread.. The unemployment rate will reach about 5% by the end of 2023 as a result of declining demand, which should result in lower earnings. (The US Economy's Inflation Challenge, 2022)

Overall, we anticipate economic activity to decelerate from 3.5 percent in the first quarter of this year to 0.6 percent by the end of 2023 and core PCE inflation to

return to 2 percent by late 2023. (Understanding Inflation | PIMCO, n.d.)

## Future risks

Worldwide factors counting the continuous plague, the Russian war with Ukraine, and potential shutdowns in China will have an effect on US financial prospects. Furthermore, the longer the swelling is tall, the more prominent the chance that swelling desires will rise, which can have a negative impact on wages and costs. The Encouraged would in this manner get to move more commandingly to decrease swelling, climbing intrigued rates and keeping them there for a longer length of time. This would advance moderate development and increment unemployment.

## A Comprehensive Recovery

Indeed in spite of the fact that the Bolstered approaches fundamental to decreasing expansion may have prompt costs for people and businesses, they will offer assistance to reestablish cost soundness and lay the foundation for vigorous financial improvement and moo unemployment. The US government can contribute to changes to extend the estimate of the labor drive, increment efficiency, and empower speculation and

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Padvancement through financial arrangements to boost development over the medium to long term. Expanded government subsidizing for paid family take off, childcare, preschool, and getting to college instruction can be among them. Other illustrations incorporate charge credits that empower ladies, minorities, and low-income workers to enter the workforce, as well as movement change that points to extending the labor drive and making strides in skills.

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# unPOSHANing India: A Long Haul To Food Security

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## Introduction

The COVID-19 pandemic revealed harrowing yet true adversity of the extent of food insecurity in India. Even with decades of policy intervention, malnutrition and hunger have been rampant. However, child stunting has reduced, as highlighted by NFHS-5 (35.5% from 38.4% as per NFHS-4), and child wasting has worsened and remained unchanged at 19.3% (National Family Health Survey (NFHS-5), 2021). India is on a path to meeting its food security target, but the progress is rather leaden-footed. Integrated Child Development Scheme (ICDS - now under Poshan Abhiyan) built a social security infrastructure regarding child nutrition (Dreze and Khara, 2016), and POSHAN aims to carry on the goal. However, food insecurity is a long battle in India, and the most vulnerable groups are left without the defence of a social security net.

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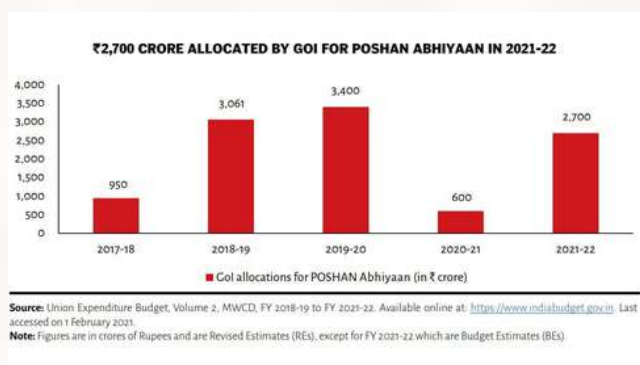
## Poshan Abhiyan

Amid the political turmoil characterising the mid-1970s, the government under Prime Minister Indira Gandhi launched the Integrated Child Development Scheme (ICDS), one of the flagship programmes aimed at early childhood care, nutrition, and development. With the target group being children in the age group of 0-6 years, pregnant and lactating women, the scheme aimed to improve health and nutrition and lay the foundation for proper psychological, physical, and social development of the child. To the beneficiaries, a total of six services were provided, some of which were immunisation, health checks, and preschool non-formal education. (*INTEGRATED CHILD DEVELOPMENT SERVICES (ICDS) SCHEME*, n.d.)

In 2018, the government under prime minister Narendra Modi introduced Poshan Abhiyaan - PM's Overarching Scheme for Holistic Nutrition, another flagship programme under the ambit of the ICDS. POSHAN had the same initiatives to improve nutrition and the same target group. Still, this time a wider reach was targeted using comprehensive research-based technology, more policy targets were set up, and states and UTs incentivised to reach these goals. POSHAN Abhiyaan stands on central pillars: ICDS Common Application Software (CAS), Training and Capacity Building, Grievance Redressal, Convergence, Innovations, Incentives and Behavioural Change. Principally, outcomes are analysed on account of Governance, Strategy and planning, Service delivery and capacities and Programme activities and intervention coverage.

## POSHAN's Fiscal Issuance Allocation

With a funding of 3061 crores for the financial year 2018-19, i.e. the first full year of implementation, all financing came, and continues to come, from the government gross budgetary support and from Externally Aided Programmes (EAPs), including the International Bank for Reconstruction and Development (IBRD). (Budget Brief: Poshan Abhiyaan, n.d.)



Allocations saw an 11% increase in the following year, i.e. FY 2019-20. However, in FY 2020-21, during the COVID-19 pandemic, the allocation for the programme declined by 82 % over the previous year to a mere 600 crores. (Budget Brief: Poshan Abhiyaan, n.d.)

## GOI Issuance

Year-on-year releases of the scheme also showed a declining trend. In FY 2018-19, GoI released 83 % of its allocations.

This release decreased to 54 % in FY 2019-20.

In fact, as per a Right To Information response by MWCD, as many as 15 states and UTs reported receiving no funds in FY 2019-20. In FY 2020-21, in the wake of the COVID-19 pandemic, less than 1 % of GoI allocations were released until 31 October 2020. (Budget Brief: Poshan Abhiyaan, n.d.)

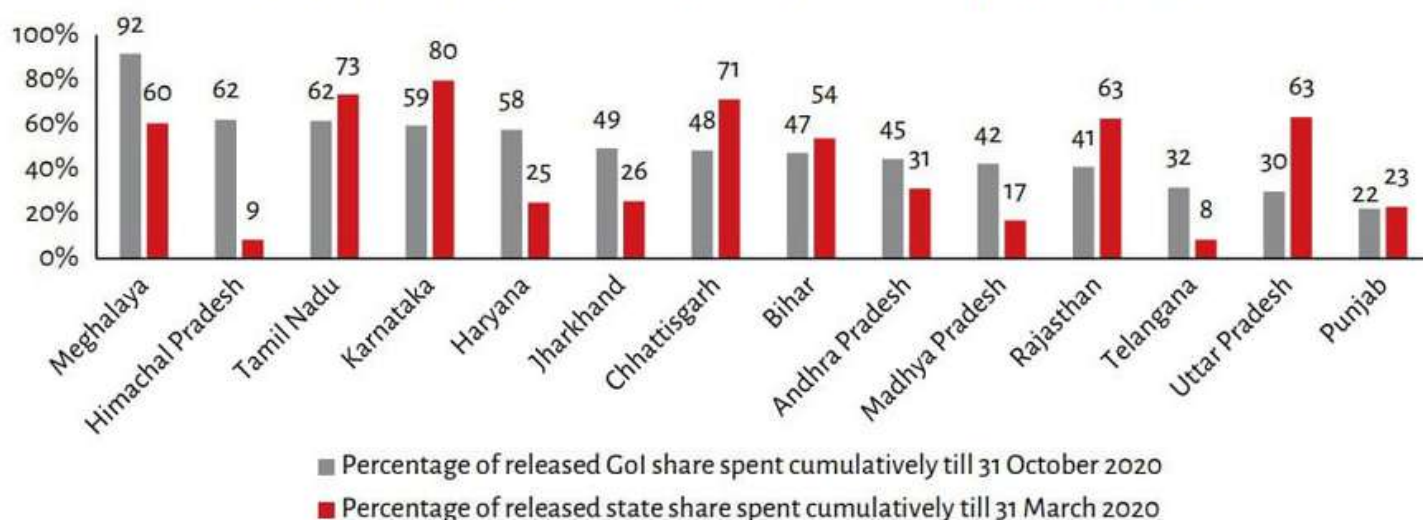
## Utilisation

According to a report published by NITI Aayog in September 2022, less than half the funds set aside for the POSHAN Abhiyaan were utilised by individual states.

In FY 2018-19, which saw the highest budgetary allocation, only three states used more than 50 % of their POSHAN funds. These were Nagaland, Meghalaya, and Mizoram.

By the end of 2021, the northeastern states of Nagaland, Meghalaya, Mizoram, and Sikkim and the union territory of Dadra and Nagar Haveli had made the most use of their allotted funds.

### CHHATTISGARH AND UTTAR PRADESH HAD FAR HIGHER UTILISATION RATES OF STATE FUNDS RELEASED COMPARED TO UTILISATION OF GOI FUNDS



**Source:** RTI response by MWCD dated 1 December 2020. Excludes *Poshan Awards* to states.

**Note:** *Poshan Awards* were additional funds allocated to states for exemplary performance under the different components of the programme.

The five states and union territories with an underwhelming utilisation were Arunachal Pradesh, Punjab, Uttar Pradesh, Puducherry, and Ladakh.

Since POSHAN Abhiyaan relies heavily on growth assessment and nurturing through surveillance technology, research showed that regions with poor distribution of mobile phone technology emerged as those with inadequate fund utilisation. (“PRESERVING PROGRESS ON NUTRITION IN INDIA: POSHAN ABHIYAAN,” n.d.)

#### The Frailty of POSHAN

POSHAN Abhiyaan is a one-of-a-kind flagship scheme amidst myriad attempts towards combating malnutrition.

Though ambitious, POSHAN’s frailty stems from a weak social foundation, inadequacy, and the underutilisation of resources. Added to these challenges - the working order of Anganwadi centres and the lack of social security for Anganwadi workers drive the POSHAN Abhiyaan’s efforts far away from reaching closer to its targets.

Firstly, there are discrepancies in the data collection and monitoring system under the Poshan Abhiyaan. The scheme recognises data’s significant role in managing malnutrition by creating ICDS – CAS (Common Application Software) for Real-Time Monitoring (RTM) of nutritional outcomes as one of its two significant actions.

Secondly, various districts' Convergence Action Plan (CAP) determines the strategy and planning. In 2020-21, 83% of the districts developed and submitted the CAP, though there is uncertainty regarding the outcomes of monitoring the CAPs ("PRESERVING PROGRESS ON NUTRITION IN INDIA: POSHAN ABHIYAAN," n.d.). Nevertheless, there are two distinct trends over the years - districts within the same states have witnessed reversal and improvements. This has further exacerbated the inequality and calls for a new prioritisation and monitoring mechanism.

However, the pandemic and other challenges have led to consequent disruptions in ICDS (Chandra, 2020). Moreover, there is underreporting and false reporting to achieve targets and not trigger "malnutrition hotspots". Moreover, the existing practice of monthly weight measurements is known to be one of the weakest areas in Anganwadi services, with high levels of inaccuracy, delays and underreporting (Misconceived Measures for Malnutrition, 2021).

Thirdly, Anganwadi workers are unable to deliver services due to a lack of training and incentives. Anganwadi workers are deemed as volunteers instead of workers under the scheme documents, scrapping their employment benefits.

This design enables the state to pay less than minimum wages and wash off any accountability. Moreover, the voluntary-worker design has left Anganwadi workers agitated due absence of wage payments and working conditions. In Uttar Pradesh, Anganwadi workers are yet to be paid wages from June 2022 to February 2023 (Jafri, 2023); this trend follows in several districts. The inability to absorb Anganwadi workers and meet their rightful demands will eventually lead to policy failure, plummeting nutritional outcomes and inadequate child development.

Along with these challenges, India's oppressive caste system factors in and holds back progress. The upper-caste children and families discriminate against the Anganwadi workers, refuse to eat meals cooked by workers from oppressed castes and boycott eggs in meals that are usually a good source of nutrients.

A dwindling social security system

Amidst the commotion around food security in India due to the release of the Global Hunger Index, several policy changes are setting the path for an even longer haul. From January 1, 2023, the Modi government has modified the foodgrain entitlements of National Food Security Act cardholders.

The NFSA card holders would receive the same quantity of ration for free, but this would not lead to substantial savings for the household (Drèze, 2023). At the same time, Pradhan Mantri Garib Kalyan Anna Yojana was terminated. While PMGKAY had several leakages, it was still a critical relief measure for households severely affected by the pandemic (Drèze, 2023). This politically sweetening move pulls back the households into a state of depravity while they are trying to move past the pandemic's shocks.

Cumulatively, the shaky fiscal issuance, crumbling Anganwadi system, inadequate data collection and monitoring systems and scrapping of useful schemes has led to a state of a dwindling social security system in India. India's food system is set to be consumed by a profit-driven economic system, leaving the most marginalised to fend for and feed. This breakdown is unPOSHANing India.

Rethinking Food Security and indulging in the true spirit of NFSA, which recognises food security as a right, would be a start to the food security haul. While Anganwadi workers have received recognition for their work, remuneration and employment benefits that ensure a sustainable life would incentivise them to achieve nutritional and developmental targets.

However, it is yet to be seen how India will rise above the challenges, especially when fundamental human rights are termed freebies and favours.

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# Fierce or Fanciful?

## 5G wireless as a milestone in the Digital Economy

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### *Introduction*

“5G is a knock on the doors of a new era in the country. 5G is the beginning of an infinite sky of opportunities”

-PM, Shri Narendra Modi

India saw a better and hopeful future with the inauguration of 5G services on their lands on October 1, 2022. Let us understand this new technology in deeper detail.

5G Wireless Technology is the 5th generation of mobile networks and an elaboration of the current 4G LTE networks. It's specially designed to fulfil the demands of current technological trends, which include an enormous growth in data and nearly global connectivity along with the adding interest in the Internet of Things (IoT). In its initial stages, the 5G Technology will work in conjunction with the 4G Technology and then move on as a completely independent phenomenon in later releases. 5G is the latest in line with the 2G, 3G, and 4G mobile communication norms. It's the communication standard par excellence where consumers can now download data from the internet indeed briskly. It also enables fast communication between bias, detectors, and machines in the IoT. 5G networks are significantly faster than 4G, with peak data transfer rates of over 20 Gbps. They can transmit data with a high trustability of over 99.9999! (What Is 5G Wireless Technology and How It Works? 2019)

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### **Benefits and Challenges**

5G networks have measureless benefits across multiple sectors, ranging from manufacturing to social, profitable, healthcare, education, and agriculture. Increased digital addition with 5G networks will power invention and grease enhancement in service quality. Similar networks have the capacity to deliver important content faster than 4G. With high

connectivity of over 20 Gbps, they will enable superfast download times.

The low latency characteristic point will efficiently help advocate new operations similar as IoT, AI, and virtual reality. Also, further bandwidth will assist with faster data transfer. 5G technology can be used to connect with a whole range of different biases, similar to drones and detectors.

With all its pros, 5G networks also come with apparent challenges. They might lead to overcrowding in the radio frequency diapason. Also, pastoral areas might bear further attention in terms of setting up of more transmission halls and antennas for better network connectivity. Also, the existing network towers need to be upgraded to handle the increased quantum of bandwidth handed by the 5G network. Additionally, the issues of security and privacy still impend at large.

**Impact on the Digital Economy**

At the global platform, a study conducted

on the 5G communications by Qualcomm, surfaced that the full economic effect of 5G Wireless Technology would appear around 2035 in a broad range of industries which would produce up to \$12.3 trillion worth of goods and services that were directly enabled by 5G. It also surfaced that the 5G Wireless Technology could potentially induce up to \$3.5 trillion in profit in 2035 and also directly support up to 22 million jobs. Also surprising is the fact that over time, the total donation of 5G to the Global GDP growth could be as important as the donation of India (Which is the seventh-largest economy in the world!)

The top 5 industries which are expected to gain maximum profit are

Rank	Type of Industry	Sales (\$B )	Share of Industry Sales (%)
1	Manufacturing	4,687	5.4
2	Information & Communication	1,569	10.7
3	Wholesale & Retail Sales	1,198	5.1
4	Public Services	985	6.3
5	Construction	731	4.3

(Rastogi, 2022)



5G networks offer manufacturers and telecom drivers the occasion to make smart manufactories grounded on smart technologies similar to robotization, AI, stoked reality, and the Internet of effects(IoT).

Alongside energy and serviceability, manufacturing represents a promising sector with the coming surge of artificial productivity known as Industry 4.0. The Industry 4.0 vision includes connected products with tracked and configured factors in a tone-managing system in a digital frugality. Some of the areas where 5G can impact colorful services and ameliorate the digital sector are

#### The Internet of Things( IoT)

The aged gadgets and detectors had the capability to “talk” to each other while they were exercising the 4G LTE data capacity inefficiently. The 5G preface will still boost connectivity, speed, effectiveness, and stoner experience, thereby generating further profit for telecom service providers and business possessors.

#### Connected vehicles

It will work grounded on an independent model where precise and real-time information about auto conditions, road conditions, or motorists will be entered by machine manufacturers and possessors, which will help them offer better support and driving experience.

#### Better governance

Governments can develop an effective smart megacity armature and e-governance frame by exercising 5G. We can witness better public service, quick processing, and admit real-time information from officers during an exigency. We may call it a visionary and “connected” government furnishing a quality public service experience.

The rollout of coming-generation mobile networks will produce value for numerous diligence. The technology can be innovatively used in a wide variety of settings. Hospitals will be equipped with a 5G-supported bias to grease patient monitoring ever and smart ambulances that connect in real time.

Also, we can hope for smooth fiscal deals through digital holdalls and operations that connect wearable bias, smartphones, smart widgets, motorcars, and numerous other biases. Manufactories will be 5G-enabled to connect bias and further detectors. 5G, combined with AI, edge computing, IoT, and extended reality (XR), can enable businesses to realize the full benefits of these technological advancements.

#### Conclusion

The impact of 5G on the economy will be considerable, and it'll give a redundant

boost to the fourth artificial revolution with the acceleration of the Internet of effects. Its fast and dependable real-time data transfer will largely profit the detectors and control units installed in installations, machines, and logistics chains across diligence.

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# Impact of Interest Rate Hikes

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## *Introduction*

The year 2022 was distinguished by economic turmoil and volatility, with interest rate hikes and trade concerns weighing on the global economy. To keep inflation under control and preserve economic stability, central banks around the world had to respond by hiking interest rates, even if it meant slowing GDP. As global central banks tightened monetary policy, the banking industry was forced to move quickly. Inflationary forces were like a mischievous genie who had escaped from its lamp, and central banks needed to act quickly to keep it in check and prevent economic mayhem. In 2022, central banks around the world were like a choir singing the same song, hiking interest rates in a synchronised effort to keep inflation under control. The purpose for these interest rate increases was simple: to guarantee global economic stability in the face of trade tensions, geopolitical dangers, and the ongoing war in Ukraine, which produced anxiety. To combat inflation, both the US Federal Reserve and the Reserve Bank of India hiked interest rates. Interest rate hikes were necessary to keep the global economy stable in the face of inflation and other issues.

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## **Handling Economic Uncertainty: The Federal Reserve's 2022 Plan**

January 2022 was a rollercoaster of geopolitical drama, with tensions flaring up between major world powers. The US-China relationship was a major focus, with both sides slapping tariffs on each other's goods and engaging in heated discussions about trade deals. Then there's the ongoing tale of the US-Russia relationship. The drama never stopped, from cyberattacks to allegations and tensions over Ukraine.

The Federal Reserve in the United States made significant changes in economic policy. Despite the country recovering from the pandemic's devastation, the Federal Reserve

was carefully balancing its policies to stimulate the economy while keeping inflation under control.

The Federal Reserve made it clear in January 2022 that it intended to raise interest rates, which sparked heated debate among economists and investors alike. In addition to interest rate hikes, there were rumours of potential leadership changes at the Federal Reserve. This raised uncertainty and speculation regarding the US economy's future direction and the role of the Federal Reserve in deciding it. As customary, the world was not untouched by the impact of the Fed's decisions.

Concerns about rising inflation prompted the Federal Reserve to announce plans to raise interest rates in January 2022. The Federal Reserve raised interest rates three times in this year, with the federal funds rate's target range reaching 1.5-1.75% by the conclusion of the year (Martucci, 2023b). This had a complex and wide-ranging impact. One of the main concerns was the effect on businesses, particularly small firms that rely heavily on loans to support their operations. Higher borrowing rates may limit their ability to spend and develop, resulting in slower economic growth. Likewise, consumers experienced increased borrowing prices, which may affect their purchasing power and overall economic activity.

The Federal Reserve continued to engage in quantitative easing, or the purchase of Treasury Bonds to boost the money supply and keep interest rates low, in addition to its interest rate decisions. This approach was designed to stimulate economic growth and employment creation. Reducing interest rates reduces the cost of borrowing for firms and people, encouraging them to invest in new projects, buy homes, or make other expenditures. Quantitative easing entails the central bank purchasing Treasury bonds in the market, infusing money into the economy and boosting the money supply.

However, there were concerns that this policy could lead to higher inflation, which

the Fed attempted to balance with its interest rate decisions. The Federal Reserve employs a variety of policy measures to reconcile the dual objectives of controlling inflation while simultaneously supporting economic growth by increasing the market's money supply. The Fed utilises open market operations to increase the market's money supply. Such acts, however, cause inflation if the economy is already at or near full employment. In such a scenario, the Fed balances its desire to boost the money supply with its mandate to maintain price stability. Fiscal policy, which incorporates government spending and taxation, is another instrument used by the Fed to balance these objectives. During periods of high inflation, the government will utilise fiscal policy to reduce expenditure and raise taxes, which will lower demand and help to cool the economy.

As the Federal Reserve raises interest rates, foreign investors seeking bigger returns find investing in the United States even more appealing. This is due to the fact that higher interest rates can improve the yield on US investments, making them more enticing in comparison to those in other nations.

Overall, the Federal Reserve's actions in 2022 had a major impact on the US economy and beyond. In summary, the Federal Reserve Bank's decisions in 2022 were critical to the health and stability of the US economy and had significant implications for inflation, and

economic growth both domestically and internationally.

### **Handling Economic Uncertainty: The Reserve Bank's 2022 Plan**

India's economic and geopolitical situation in 2022 was marked by unpredictability and complexity. The US Federal Reserve's interest influenced India like many other countries. The rise in interest rates in the United States made investments more appealing, resulting in capital outflows from rising economies such as India. This led to a fall in foreign investment and a decline in the value of the Indian currency. The interest rate increase also boosted borrowing costs for Indian companies, reducing profits and increasing debt burdens. Furthermore, the sell-off in emerging market equities had a detrimental impact on the Indian stock market, leading to a drop in investor confidence. Despite these difficulties, the Reserve Bank of India and the Indian government took steps to alleviate the effects and stabilise the economy. While the country faced challenges due to the US Federal Reserve's interest rate hike, it continued to be a key player in the global economy, with ongoing efforts to attract foreign investment and strengthen trade relations. Geopolitically, India faced tensions with China, but its strategic partnership with the United States continued to deepen. With its strong leadership and positioning in the region, India remained a force to be reckoned with in South Asia.

The Reserve Bank of India (RBI) made a series of significant moves in 2022 to contain inflation and foster economic growth. The RBI's move to boost interest rates to address increasing inflation driven by high crude oil prices and supply chain disruptions was one of its most remarkable. After two prior repo rate rises in June and August, as well as another 50 basis point boost in September, the benchmark repurchase rate was raised to 5.90%(Roy, 2022b).

While the RBI's move to raise interest rates helped to keep inflation under control, it also had some negative consequences for the Indian economy. The rise in interest rates reduced investment as investors sought greater profits elsewhere. As a result, the Indian Rupee has suffered as international investors remove their funds from the country.

In order to mitigate the negative impact of interest rate increases, the RBI implemented a number of efforts to boost economic development. These measures included improving the liquidity of the banking sector, loosening lending laws, and supporting digital payments and financial inclusion. The Reserve Bank of India's measures to promote digital payments and financial inclusion were particularly noteworthy. The RBI increased the deposit limit in modest savings plans, encouraging low-income people to save and plan financially. These measures contributed to the rise of the digital economy and the promotion of financial inclusion.

In addition, the RBI raised the ceiling on external commercial borrowings (ECBs) for infrastructure projects in 2022, a significant move. This move benefited the attraction of foreign investment and the development of the country's infrastructure. The RBI also reduced banks' statutory liquidity ratios (SLR), which increased lending ability and aided economic expansion. Raising banks' lending capacity implies they can make more loans to consumers and businesses, which can boost consumption and investment, resulting in economic growth.

Therefore, the RBI's significant choices in 2022 had both good and bad consequences for the Indian economy. While raising interest rates helped to contain inflation, it had a detrimental impact on currency exchange rates and investment. The central bank's attempts to stimulate economic development through liquidity provisions, digital payments, and financial inclusion, on the other hand, helped to minimise these consequences. The RBI's actions to raise the ECB ceiling and lower the SLR for banks aided economic growth and development. As India faces new economic difficulties, the RBI's responsibility in ensuring a stable and sustainable economy remains critical.

## Conclusion

The year 2022 was a wild ride for interest rates throughout the world, with the US Federal Reserve and the Central Bank of India both raising rates significantly. The choices of the world's two largest central banks had a ripple impact on other countries, with some suffering

the repercussions more acutely than others.

The decision by the Federal Reserve to raise interest rates had a significant impact on emerging economies, notably India, as investors moved their capital to the United States in search of higher returns. This resulted in currency depreciation and an increase in inflation, which was worsened by the RBI's decision to raise interest rates in India. The RBI's move to raise interest rates was intended to contain inflation, but it had an adverse effect on currency exchange rates and investments.

Overall, the FED and RBI choices in 2022 show the global economy's interdependence and the significance of central banks in ensuring economic stability. While interest rate increases have some negative consequences, they are important to manage inflation and maintain a healthy economic climate. As time goes on, it will be interesting to observe how these decisions affect each other and other countries throughout the world, as well as what steps are made to ensure a stable and flourishing global economy.

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# Nepotism in the Economic World

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## *Introduction*

Nepotism is when a family member or acquaintance is given a benefit, privilege, or rank in a profession or industry. Business, politics, academia, the humanities, sports, fitness, religion, and other domains may fall under this umbrella.

The political and economic realms are infamous for being quite familiar with the concept of nepotism. Nations across the globe are guilty of giving special preference to a blood relative or close friend of political leaders or decision-makers. Nepotism is a form of corruption since it questions the very stability of political, economic, or cultural security. It has dire impacts on the economic growth of a country.

The main focus of this article would be the friendship between Asia's richest man, Gautam Adani, and India's Prime Minister Narendra Modi, and how Adani's rise to fame has stirred controversy amongst the masses.

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## **Tracing Nepotism in the Adani Empire**

Gautam Adani is an Indian billionaire industrialist and the chairman and founder of Adani Group, a multinational company specialising in port development and operations in India. Born into a Gujarati family, he developed his business acumen in Ahmedabad, shifted his base to Mumbai in 1978, and eventually rose to power. His current net worth is USD 4790 crore, Cannon et al. (2023), making him Asia's richest man. PM Modi was the Chief Minister of Gujarat for 14 years before becoming Prime Minister. From this point forward, PM Modi and Adani allegedly became allies and collaborated for mutual benefit.

The most recent controversy regarding Adani receiving personal favours from the Modi government was during the privatisation drive

of airports. According to data obtained by Newsclick, the Modi administration broke several rules and regulations when deciding to privatise the six airports now owned and run by the Airport Authority of India. The Department of Economic Affairs (DEA) of the Ministry of Finance and the National Institute for Transforming (NITI) Aayog made recommendations concerning the technical, financial, and legal aspects of the bidding process, but these were disregarded. Instead, conditions were made that appeared to favour the Adani group.

Multiple constitutional bodies along with politicians of opposing parties like Rahul Gnadhi and Arvind Kejriwal have also questioned Adani's success, citing an alleged sale of land to him for as little as

one rupee (\$0.02) a square metre. However, Adani denied these allegations and stated that the land was bought at full price and that the appreciation of land value must be kept in mind before comparing the two prices.

### **New Pandora Box: Hindenburg Report**

The most infamous and likely most devastating blow was delivered by the Hindenburg report, which resulted in the release of a slew of evidence, reports, and documentation. Hindenburg Research, named after a deadly German airship, was formed by Nathan Anderson in 2017 to predict impending economic and business dooms and bring the truth to the world. It is a financial research firm that makes judgments based on equity, credit, mismanagement etc.

On January 24, 2023, Hindenburg Research accused the Adani Group of stock manipulation and fraud. Comparing Adani's wealth during the beginning and the end of Modi's 14-year reign in Gujarat, Adani Enterprises' shares have risen about 85-fold, while the benchmark Sensex index grew about eight-fold. This is more than any other industrialist across the country. Taking this as a cue, Hindenburg Research thoroughly investigated the case of the Adani Group and accused it of account manipulation and fraud over several years. To quote Hindenburg directly, "The world's third richest man is pulling the largest con in corporate history." This sent the Adani Group into a frenzy, causing it to release a 413-page rebuttal to salvage its image.

### **Wake up Call or Another Nepotistic response?**

Hindenburg Research is a well-respected financial firm in the corporate world. It is famous for its Nikola Report of September 2020, accusing the company of being "an intricate fraud built on dozens of lies" and claiming that Trevor Milton, the company's founder, was mostly to blame for the fraudulent operations. So when Hindenburg publishes a new report, it is bound to turn heads. Needless to say, the Adani group was also targeted by the Hindenburg Effect. According to the data collected by Business Today, shares of Adani Total Gas have corrected over 77 per cent from their 52-week high of Rs 3,998.35. The stock has been in a downward trend since the Hindenburg report. On the BSE, it closed 5% lower at Rs 925.10 on Monday. The market capitalisation of the firm fell to Rs 1,01,743.43 crore. Notably, the share price of Adani Total Gas was Rs 3,885.45 on January 24, 2023.

Shuli Ren, a Bloomberg Opinion Columnist, has stated that the Adani-Hindenburg saga has opened a Pandora's Box. The report has been called a wake-up call to investors on multiple occasions since the incident. As mentioned earlier, the Hindenburg Effect has thrashed the Adani Group quite roughly, making investors across countries lose trust in Adani's shares.

This is one of the clearest examples of the ill effects of nepotism in the recent past. Because the Adani Group was allegedly aided by the Modi government, the domino effect has aired the group's dirty laundry in front of the world while simultaneously losing the trust of thousands of investors across the globe.

### **A Global Phenomenon**

Much to our misfortune, this narrative is not just an India-specific problem; nepotism has had the world in its claws since time immemorial. From the oligarchs of Russia to the cartels in South America, this is the story of almost every country.

In Russia, Putin's childhood friend Kolbin is rumoured to have passed away in 2018. He is referred to by the UK government as Putin's "alleged business associate" and is frequently accused of serving as the Russian president's go-to man.

Indonesia, one of the most corrupt countries, has been demanding an end to nepotism and the corruption that comes with it, but hardly has there been an effort to make substantial changes.

Nepotism has a very negative impact on the growth of any sphere, but it has been underestimated for a long time.

Distorted economic policies, sub-par legislation, and falling trust in the sanctity of an institution are just a handful of the multiple ill effects of nepotism. Just like the Adani-Hindenburg case, which dealt a devastating blow to the former, and with China Evergrande Group's spectacular fall still recent in people's memories, it is high time that strict

action is taken to curb this poison as much as possible. This in no way suggests that the process would be seamless or easy-going; however, the benefits derived from the hardships of curbing this problem far outweigh the destruction it causes to the political, economic, and cultural security of a country.

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# What is a Health-for-All Economy?

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In the medicine and health sector, health is lately and profoundly said to be a state of being while wellness is a practical way of achieving health.

As against this, most probably, in a mundane way, you are thinking everyday that your health is about what happens at the doctor's office where you are often prescribed a plethora of diagnostic tests and medicines and sometimes told to figure out 'optimal state of health' by minimizing hazards in the workplace, using contraception when having sex, practising effective hygiene, avoiding the use of tobacco, alcohol, or illegal drugs, taking the recommended vaccines for a specific condition or country when traveling, safeguarding against anxiety and depression, and what not.

But your health is about more than what happens at the doctor's office. Modern commercialized doctors, and the pharmaceutical corporates using them as their glorified and respectable stooges, are like the robber barons of the gilded age. They are more keen to deeply pickpocket you, so to say, than have a dialogue with you about hypotheses backed by solid evidence that there are social and economic factors influencing health. Individuals with more education live longer, healthier lives than those with less education, and their children are more likely to thrive. This is true even when factors like income are taken into account. As income increases or decreases, so does health.

Employment provides income that shapes choices about housing, education, child care, food, medical care, and more. Employment also often includes benefits that can support healthy lifestyle choices, such as health insurance. Unemployment and under-employment limit these choices and the ability to accumulate savings and assets that can help cushion in times of economic distress. People with greater social support, less isolation, and greater interpersonal trust live longer and healthier lives than those who are socially isolated. Neighbourhoods richer in social connections provide residents with greater access to support and resources than those that are less tightly knit.

So, on these counts, it is clear that health is not just a personal issue. And if we want health for all to improve, we need to seriously examine social and economic opportunities and, more importantly, find contextual strategies that really work to improve health by jobs, education and social supports. For example, in the American context, there is research done on what really works to increase early childhood education, improve quality of K-12 education, increase high school graduation rates, create environments that support learning, and increase education

Tbeyond school. There is research on what is effective to create supportive working environments, increase or supplement income, and support asset development. And there is empirical work on what ensures access to counselling and support, increases social connectedness, and builds social capital within communities and families.

beyond school. There is research on what is effective to create supportive working environments, increase or supplement income, and support asset development. And there is empirical work on what ensures access to counselling and support, increases social connectedness, and builds social capital within communities and families.

They are saying that “Economics has until now measured the price of everything and the value of nothing. That needs to change now. We need to measure the value of everything—the things that truly matter. We need to revalue health and wellbeing—and its sustenance through care without financial burden—as the central measure of success in society and economy.”

Fundamentally, such examination follows valuing three things. First, we need to value human health and wellbeing, with every person able to prosper physically, mentally and emotionally, and endowed with the capabilities and freedom needed to lead lives of dignity, opportunity and community. Second, we need to value diverse social foundations and activities

that promote equity, including social cohesion, supporting people in need and enabling communities to thrive. Third, we need to value planetary health, including essential common goods such as clean water, clean air and a stable climate, with respect to planetary and local ecological boundaries.

In order to create an economy that serves these non-negotiable values rather than profit for a few, we need to do three things, as urgently as possible, that the progressive economists point out thus.

First, action. In order to put the above values into effect, action at multiple levels in diverse areas is called for. Action is required at the planetary system level. This encompasses economic, social, cultural and political factors and how they are managed in relation to the living system of human society, and the local and planetary boundaries of Earth’s life-supporting systems. After all, human society is embedded within these systems and depends upon them. They are the root and structural causes that shape health across the life course as well as the diversity observed across individuals, groups, and populations. Action is also required at the societal system level in terms of two elements. One element concerns social position and foundation, which reflect norms and the degree to which the overall context stratifies individuals into different positions in society, whether by socio-economic status or other characteristics.

The other element concerns infrastructure and systems—institutions and organisations and their policies and actions—that can promote health, mitigate inequities and generate social cohesion. Finally, action is also required at the lived experience level, which concerns communities, households and individuals, and varying access to resources and opportunities by every person within a society.

Second, metrics. We must move towards a data collection and measurement apparatus globally that completely abandons such indices as GDP. Alternative metrics must value the health of people and planet along multiple dimensions through a full-spectrum holistic approach—one that enables information to be transparently debated and replicated across diverse local contexts. There is no need to reinvent the wheel. The 17 UN Sustainable Development Goals provide a robust starting point for improved metrics and indicators for measuring the values of Health for All. Doughnut Economics of Kate Raworth is a promising model that highlights the importance of ecological and planetary boundaries, gaining fast traction amongst city governments such as in Amsterdam. Such frameworks need to include detailed new metrics that value goods and services indispensable to Health for All but currently unaccounted for—from food growing and cooking to cleaning, childcare and other unpaid household and community activities, including environmental conservation,

tpredominantly performed by women. Time use data can help reveal these largely hidden activities, begin to capture their true value and support policy making in a number of ways, including in-depth knowledge on what requires additional investments.

Third, for the new metrics to embed saner perspectives into public policymaking, we also need to reform strategic finance, legal and economic levers across public, private and third sectors. This means broadening the tax base, introducing taxation that is more progressive, increasing financial literacy, enhancing financial inclusion, strengthening public sector capacity in building equitable financial architectures, and eliminating financial obstacles in relation to access to health services.

To sum up what the progressive economists of WHO are talking about, a health-for-all economy needs to be built by means of a whole-of-society approach. This approach recognises that health-for-all goal is the result of a wide range of interrelated factors. It is the realization of human health and wellness for every person on our planet, alongside ecological sustainability and planetary health.

There is one caveat, though, which the above progressive economists are not explicitly discussing.

We need to explore the political decisions and drivers underlying the social determinants of health.

There are implicit biases so baked into our political system that even in the most dire health emergencies, our actions tend to help or favour some groups over others.

Thanks to Daniel Dawes, director of the Satcher Health Leadership Institute at the Morehouse School of Medicine, we have a new framework for considering present disparities—the political determinants of health—that is based on years of multidisciplinary research focused on health inequities and the connections between power and political engagement. He offers this paradigm to encourage broader and more strategic thinking about the relationship between the political determinants of health and other determinants, how commercial and government priorities intersect, and ways in which structural racism/casteism and other types of discrimination stand to derail our efforts to achieve health equity.

In the Indian context, public provisioning of health care including primary care is on the wane. Health care is not seen as a social obligation under neoliberal policymaking. This is leading to three specific aspects of the politics of healthcare, viz. (a) there is a clear need to reclaim ‘a preventive and promotive healthcare orientation’ in the policy approach and funding priorities, in contrast to the increasingly growing focus on sheer ‘hospitalisation care’ through a market route; (b) massive lack of basic facilities and staff shortage in publicly run primary care infrastructure must occupy a

central place in electoral politics; and (c) the wit and wisdom of the local health workers, and their professionalism and social justice activism as seen, for example, in West Bengal and Kerala, need to be seen as vital elements of a political project of universal and affordable basic healthcare. In the absence of progressive or social liberal politics, health-for-all economy and society is unrealizable.

To finally conclude, there is a lot of food for democratic thought and mobilising policies and programmes on the above lines. If this topic interests you, you can think of doing masters in global health and epidemiology and research on urban health and rural health in India with special focus on what works. That is, find out the Indian contextual realities and strategise to improve rural and urban health-for-all. Who knows, you might become a great interdisciplinary health economist or researcher cum administrator such as Daniel E. Dawes, JD that the Indian society badly needs!



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# Let's Spyhole the Infrastructure Lauds of India

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## *Introduction*

Margaret Thatcher has well said that “ You and I travel by road and rail, but economists travel on infrastructure”. Infrastructure has been the driving engine of the economy since the evolution of nations. Its essentiality opaques the growth of the economy. Further, accelerating the expansion of the economy, it enables better accessibility and usage of other resources.

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## **Key Projects in 2022 and early 2023**

India has been in headway in enlarging its infrastructure base. The recently inaugurated Birsa Munda Stadium in Odisha's Rourkela has entered the Guinness Book of World Records as it became the world's largest hockey stadium. The 21,000-capacity facility was built in a record time of 15 months. Thereby, augmenting sports tourism and the self-reliance goal of India.

Additionally, revamping the means of mobility reduces the expense of commutation and traffic. Some of such projects include the newly built metro in Ahmedabad, between Thaltej and Vastral, marking the commencement of phase 1 Ahmedabad Metro rail project. Another such project is the first phase of the Nagpur Metro rail and Joka-Taratala Metro section in Kolkata, virtually inaugurated from the Howrah station on December 30, 2022. The 6.5-km section is part of the 15 km Kolkata metro project line 3 or the purple line connecting Joka Metro Station in the south to Esplanade in the north. Public

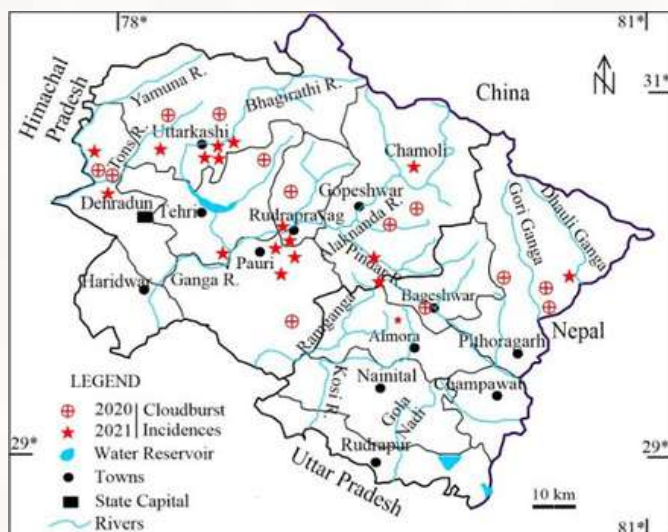
transport accessibility extends a major chunk of relief for the citizens in terms of cost and convenience. Thereby, strengthening the savings and putting investment upfront.

Post-Independence India has overstretched its dependence on military equipment from Russia. The Initial Indian setup did not have the capability of creating its own defence equipment. But, now as India is moving forward with the aim of Atma Nirbar Bharat, its self-reliance grit is portrayed in every other sphere. The Made in India military weapons were presented during the 74th ceremony of Republic day at the rejuvenated Kartavya Path.

## **Infrastructure vs Environment: An age old tradeoff?**

But, this is not the end of the lauds. Arise, Awake and Stop not till the goal is achieved? Is this the intent of India regarding the infrastructural projects that

are being undertaken in eco-sensitive areas? Green belt of nature seems like a thriller in the mystery of development. Does the environment matter if growth translates its grit? Maybe yes. But, this does not clarify whether the yes, to environment haphazard construction lasts for its creation. The recent outbreak in Joshimath seems like a series of episodes that have just arrived a bit later than speculated. The reason that is being attributed is quite the same as that was during the Chamoli district's flood in 2021. The unplanned construction and hydroelectric power plant. Tapovan Vishnugad's hydro power project is tunnelling through a fragile ecosystem. The eco-sensitive areas of Uttarakhand have been suffering for quite a long time now. Also, the displacement of Devi Dhari had been the hot potato during the outbreak.



Devi Dhari is treated as the protector of the hills in Uttarakhand. But, the Alaknanda river gave way to the construction of the 330 MW Alaknanda Hydro Electric Dam built by Alaknanda Hydro Power Company Ltd. (AHPCL), a subsidiary of the infrastructure major.

The deity was displaced and shifted to another temple in 2013 thereby paving way for the first disastrous incident of the Uttarakhand, Kedarnath cloudburst. Being the protector of hills at least the harm was procrastinated. But, whether the truth lies in the deity or destruction of the mountain biosphere, the cause remains the same and the fact that only the wearer of the shoes knows how much the shoe pinches, local people remain concerned. Our ancestors probably associated deities and human faith with integral yet fragile ecosystems to ensure sustainability and avert the damage to life and property observed at their destruction. Their methods, although debatable at least, ensured protection and conservation of nature that bleeds today owing to inefficiencies in the corrupt political system, responsible for ignorance in passing project maps, tenders, permits and proper licences.

Now, every other project is concerned with mountain ecology. India's construction of a 135 km road connecting Chushul and Demchok in Eastern Ladakh is one of the other strategic projects along LOC. It is claimed to cause the depletion of glaciers by 2/3rd. Hydropower dam might have benefited the local people but the pain of translocation and loss of livelihood of local people is echoing the gain of the project. Considering the tragedy of events that is being followed by development projects, only one claim can be made that is live and let live.

**Potential Way Ahead**

The way ahead of Infrastructural development in India implies sustainable growth with competitive leadership. Conscious aligned growth in preserving Ecosystem. Scaling the requirement of giant projects in high altitude and magnifying the consequences. Environment consciousness remains an earnest concern for development projects. Whether it is a sacred grove or the means of extracting resources for residents, the ultimate preservation pays the way for sustaining living.

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# Effect of Populace-Behaviour on Electoral Outcome

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## *Introduction*

Voting with regard to economic parameters like income growth and inflation is found to exist within a country at national-level elections. However, the effects tend to be stronger for macro-level variables such as national income growth, inflation and unemployment rather than individual income growth or experience with unemployment. In our country, there is a clear delineation of the functional responsibility of each level of government in the constitution. Therefore, examining the economic voting effects of elections on different levels of government is easier to justify in the context of India.

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## **Political & Institutional Setup**

- **Fiscal Federalism:** The Indian federal set-up comprises three levels of government: the central, the state and local governments. This whole establishment is provided by the Union, State and Concurrent Lists in the constitution which lay out the expenditure responsibilities and taxation powers.
- **Tax Assignments:** The various lists outline the tax bases open to the different levels of government. The central governments' functions include those required to maintain macroeconomic stability, international trade and defense. Hence, the important sources of tax revenue are mentioned in the Union List. The same includes taxes on all incomes except agricultural income, corporation taxes, tax on service customs and export duties and excise duties.
- **The state governments are responsible for local governments, within state commerce and related powers. Though economic and social services are mentioned in the Concurrent List, states have a large role to play in these areas by virtue of their proximity to the people.**
- **Intergovernmental Transfers:** The division of tax bases is such that the central government would enjoy larger and more elastic tax bases. This led to a vertical fiscal imbalance between the center and the state. As a result of inter-jurisdictional spillovers, various intergovernmental transfers were instituted.

At present there are four channels of explicit transfers in India and the common forms of such transfers are inter-state tax exportation and subsidized lending from financial institutions or/and the center.

### **The Curtain-raiser to Voting Behavior**

Since we are discussing the behavior of voters, the most important question comes to our mind is- "How do voters view the Economy and base their voting decisions?" The Economic perception of voters ranges from a societal to an individual standpoint. A sociotropic elector includes people who make judgments based on national economic conditions and from societal point of view. On the other hand, the egotropic elector holds the perception (also called pocketbook) to judge the economy based on his earnings counterpointed with previous personal status. Voters base their judgment on time reference as well which differentiates them as Retrospective and Prospective. The former compares the past performance of the incumbents rather than basing their votes on future promises. The latter refers to when voters judge by comparing electoral promises by parties during election time.

### **Voter's Behaviour in Subnational Elections**

In general, Indian voters do not seem to respond to government revenue expenditures. This includes expenditures on economic services expenditure on agriculture, industries and urban and rural development. And social services as well such as health, education and welfare. Interestingly, after independence voters seem to react strongly to infrastructural expenditures on the revenue account.

This results in their actual behavior which punishes incumbents for increase in planned expenditure on irrigation, roads, bridges and power. On the other hand, increases in expenditures on police are rewarded by the electorate. Also, expenditures undertaken on the capital accounts evoke a stronger response from voters. This can be seen here too when they punish the incumbent for increases in expenditures on health, agriculture, irrigation and power.

Though it may be a case of concern that the level of expenditures and taxes may be influenced by votes in the previous election as an incumbent facing a competitive election may attempt policy-change accordingly. We also need to contend that votes may need not necessarily be endogenous with policy as contemporaneous factors such as the popularity of an opponent may render the election unsafe for the incumbent.

### **Voter's Behaviour in National Elections**

The national government has always been seen as the agent behind infrastructural development. This may imply that voters react to expenditure on these items or that voters are more satisfied with the performance of the central government in this area than the sub-national government. At the moment of elections, voters do not base their votes on any taxation mechanism. Providing further credence that voters are aware of the different functional responsibilities among governments.

This also indicates that national elections are a referendum on the performance of the national incumbent and not on the performance of co-partisans at the sub-national level. In other words, voters perceive incumbents at different levels of government are distinct entities even though they may be co-partisans. In short, revenue expenditures on infrastructure such as housing, roads, irrigation and public works are rewarded by voters. Further, the increase in these may either be ignored or penalized by voters in case of a sub-national election.

### **Voter's Response to Economic Growth & Inflation**

Economic growth and inflation have had a sizable impact on election outcomes and the effects of political responsibility. The results of these economic outcomes not only affect the PM's party but also the major parties of the coalition and all the parties (including those providing outside support). This economic performance measured by economic growth and inflation also influences voter responses to a greater extent.

At the national level, voters tend to reward union holders for a consistent increase in income over their term in office but during election time the same increases are penalized. The Indian voters have long memories and utilize a large set of information on growth to base their decision. Incumbents are also penalized by the electorates for an increase in inflation prior to elections. While observing electoral fortunes the PM's party seems to bear the brunt of voter's decisions. As we move from examining the PM's party to including all members of the ruling coalition, the economic

voting effects seem to diminish.

### **Conclusion & Policy Implications**

Elected political agents are expected to fulfill the various demands of their constituents; however, their actions may be more in line with fostering their own welfare at the expense of the citizens. Politicians attempt to influence voters by using various tactics such as large campaign expenditures, handing out jobs to supporters etc.

The argument for decentralization centers on the fact that bringing the government closer to its citizens improves its functioning by enhancing the relationship between citizen needs and government services. Proponents of greater decentralization have argued that it promotes economic development and growth. Countries have been encouraged to decentralize in an effort to promote a closer matching of needs and development. But inherent in this argument is that incumbents of these levels of government would be held accountable for their actions.

Free and fair elections, therefore, are a necessary condition for decentralization to reap its potential benefits. Therefore, a result indicating the presence of economic voting in India can be interpreted as voters holding governments accountable.



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# Cryptocurrency Company FTX

## Files for Chapter 11 Bankruptcy

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### *Introduction*

FTX Trading Ltd., often known as FTX (short for "Futures Exchange"), is a bankrupt corporation that previously ran a cryptocurrency exchange and cryptocurrency hedge fund. Sam Bankman-Fried and Gary Wang started the exchange in 2019, and it peaked in July 2021 with over a million customers and was the third-largest cryptocurrency exchange by volume. FTX is based in the Bahamas and was founded in Antigua and Barbuda. FTX is closely related to FTX.US, a different exchange accessible to US citizens. One of the more reliable, well-capitalized, and trustworthy cryptocurrency companies was FTX. Sam Bankman-Fried, its 30-year-old former CEO, was regarded as an industry innovator. He advocated for effective altruism, made large donations, and was said to support crypto regulation. Yet, the FTX's upbeat tale would stunningly come apart within a year. In January 2022, FTX had a \$32 billion market cap. During the summer of the same year, FTX had also agreed to spend \$135 million for the naming rights to the Miami Heat's home court and was making offers to buy or save other failed cryptocurrency businesses. The downfall of FTX happened over a 10-day span in November 2022. The turning point came on November 2, when the cryptocurrency news station CoinDesk broke the story and FTX's balance sheet was leaked, and it started to paint a more accurate picture of the state of the company. FTX's cryptocurrency trading division, Alameda Research, reported \$14.6 billion in assets with a significant reliance on its own tokens. The largest cryptocurrency exchange in the world, Binance, which is based in China, announced and then backed out of an agreement to acquire FTX within three days. On November 11, FTX announced Bankman-Fried's resignation and filed for Chapter 11 bankruptcy protection. The following day, Reuters reported that \$10 billion in client cash had been secretly transferred from FTX to Alameda by Bankman-Fried and that \$1 billion to \$2 billion in customer monies were missing.

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### **FTX COLLAPSE TIMELINE:**

Binance, the world's largest cryptocurrency exchange, announced on November 6 that it would offload all of its FTT token holdings, totaling approximately 23 million tokens valued at \$529 million.

Following the collapse of the Terra (LUNA) cryptocurrency token earlier in 2022, Binance CEO Changpeng "CZ" Zhao claimed that risk management was the basis for the decision to liquidate the

exchange's FTT stake. (The Collapse of FTX: What Went Wrong With the Crypto Exchange?, n.d.)

The following day, FTX was facing a liquidity crisis. Bankman-Fried strived to convince FTX investors that its assets were secure, but customers demanded \$6 billion in withdrawals in the days following the CoinDesk report. Bankman-Fried sought additional funding from venture capitalists before having turned to competitor Binance. In two days, the worth of FTT slumped by more than 80%.

On November 8, Binance revealed that it had come to a nonbinding agreement to purchase FTX's non-U.S. business for an undisclosed sum, effectively bailing out its close rival. The commitment to rescue was shallow, as Binance pulled out of the deal the next day. On November 9, the exchange announced that it would cancel the FTX transaction after corporate due diligence voiced doubts about the gross mismanagement of customer funds and other issues.

Following news that Bankman-Fried desired up to \$8 billion in capital to bail out the exchange, the Bahamas' securities regulator decided to freeze the assets of FTX Digital Markets, FTX's Bahamian subsidiary, on November 10. The California Department of Financial Protection and Innovation announced the same day that it had launched an investigation into FTX. The same day, Bankman-Fried apologized for the liquidity crisis and revealed on Twitter that FTX's non-US exchange did not have enough funds to meet customer demand.

According to him, "poor internal labeling" caused FTX to overestimate leverage and cash flow. In that same Twitter thread, he stated that Alameda would cease trading.

Bankman-Fried gave notice of his resignation as CEO of FTX on November 11. A court-appointed John Ray to take over after he previously assisted the energy trading business Enron through the bankruptcy process.

When FTX applied for Chapter 11 bankruptcy protection on the same day, it was disclosed that around 130 other related companies were also engaged in the proceedings. FTX had assets and liabilities amounting to approximately \$10 billion and \$50 billion (The Collapse of FTX: What Went Wrong With the Crypto Exchange?, n.d.), according to the bankruptcy records. Within hours after filing for bankruptcy, FTX stated it had been the subject of "unauthorized transactions" and that it would move its digital assets to cold storage for security concerns.

14 outside researchers claim that the alleged hack may have led to the loss of \$477 million from FTX. On November 18, the insolvency exchange FTX bitcoin holdings were taken over by the Securities Commission of The Bahamas (SCB). According to the SCB, which is designed to safeguard creditors, it gave Bankman-Fried the order to transfer cryptocurrency holdings to the regulator's wallet.

## WHAT IS CHAPTER 11 BANKRUPTCY?

Chapter 11 is a type of bankruptcy in which the debtor's business affairs, debts, and assets are reorganized. The chapter is titled after a section of the United States Bankruptcy Code. Companies that file for chapter 11 do so to gain time to reorganize their debts and start over. The terms are contingent on the debtor accomplishing its commitments under the reorganization plan.

During a Chapter 11 trial, the court will assist a company in reorganizing its debts and obligations. In most case scenarios, the business continues to operate. To keep solvent, many large U.S. corporations have turned to Chapter 11 bankruptcy at some point. General Motors, United Airlines, K-Mart, and several other businesses of all sizes are among them.

The most common Chapter 11 filers are businesses, partnerships, and limited liability companies (LLCs), however, in exceptional circumstances, individuals with significant debt who are ineligible for Chapter 7 or Chapter 13 may qualify for Chapter 11. The procedure is not quick, though. A company that has filed for Chapter 11 may nevertheless run its operations. The "debtor in possession," as they are known, typically conducts business as usual. Yet in situations where there is a fraud, deceit, or blatant incompetence, a court-appointed trustee will take over to manage the business throughout the bankruptcy process.

Some choices cannot be made by the company without the court's approval.

They include the sale of non-inventory assets, the commencement or termination of a rental contract, and the suspension or expansion of business operations. The hiring of attorneys, their compensation, and the conclusion of contracts with suppliers and labor unions are all subject to judicial approval. Finally, the debtor is prohibited from arranging a loan that will start once the bankruptcy is over.

In Chapter 11, the company or person declaring bankruptcy gets the first opportunity to put out a restructuring plan. These strategies could entail renegotiating debts as well as scaling back operations to cut costs. Plans occasionally call for selling all assets to pay creditors. If the chosen path is feasible and fair, the courts accept it, and the process moves forward.

According to the U.S. Department of Justice, small businesses are "characterized as entities with less than around \$2.7 million in debts that also meet other conditions," and the Small Business Reorganization Act of 2019 adds a new subchapter V to Chapter 11 to make bankruptcy for them easier.

According to the Justice Department, the law "imposes shorter due dates for drawing the conclusions of the bankruptcy process, allows for greater flexibility in negotiating restructuring plans with creditors, and provides for a private trustee who will work with the small business debtor and its creditors to facilitate the development of a

consensual plan of reorganization."

The main benefit is that the company, which is typically a business, can continue to run its business while it is being reorganized. This enables it to provide cash flow that could facilitate loan repayment. Also, the court orders a restraining order against creditors. Since they stand to collect more of their money under the Chapter 11 repayment plan than they would if the business just went out of business, most creditors are amenable to it.

The most complicated sort of bankruptcy is Chapter 11. Moreover, it is usually the most expensive. The legal fees alone could be prohibitive for a business that is struggling to the point where it is considering declaring bankruptcy. The reorganization plan must also be reasonable enough for the business to fairly pay down the debt over time, and it must be approved by the bankruptcy court.

A company that is having severe financial problems may be able to regroup and resume operations through Chapter 11. Yet it's difficult, expensive, and time-consuming. For these reasons, a business should only think about Chapter 11 restructuring after carefully examining all other options.

#### **LACK OF GOVERNANCE AND INTERNAL CONTROL:**

The CEO of FTX was chosen to be John J. Ray III, the restructuring specialist in charge of leading the liquidations of Enron and several other well-known companies.

"Never in my career have I witnessed such a complete breakdown of corporate governance and such a complete absence of trustworthy financial information," writes Ray in his bankruptcy case from November 17. According to Ray's complaint, a "significant amount" of FTX's assets may have been lost or stolen, and it is unwise to rely on the financial statements produced by Armanino LLP in the United States and Prager Metis for overseas operations. He talked about FTX and Alameda having "no independent governance." "This situation is unparalleled," Ray stated, "from compromised system integrity and subpar regulatory oversight abroad to the concentration of responsibility in the hands of a very small group of inexperienced, naive, and potentially corrupted persons." Remember that Ray saw firsthand some of the worst corporate failures in history. The worst he'd ever seen, he wrote, was FTX.

The filing and financials exposed a culture of deceit, smoke, and mirrors, significant contempt for governance, and irresponsibility. FTX and Alameda didn't have a board of directors, an audit committee, or an internal audit department. There were many conflicts of interest at the employee levels. Bankman-Fried and others reportedly received sizable personal loans from Alameda. The misappropriation of consumer monies was covered up through a "backdoor" in specialized software. Several warning signs were raised by related-party transactions.

Online discussions used custom emoticons to authorize expenses. Several conversations had auto-delete settings.

Significantly, neither of FTX's external auditors offered an opinion on internal controls for accounting and financial reporting in their audit reports. Furthermore, according to reports, Bankman-Fried clung to power right up until the latter end, claiming he could preserve the business despite overwhelming evidence to the contrary presented by other FTX officials.

We could attempt to determine cause and effect. Did FTX's toxic corporate culture result from a lack of governance or oversight? Or was the opposite accurate? Honestly, culture usually proves to be the deciding factor. When it comes to culture, the tail should not wag the dog, but it frequently does. The same lesson that Enron, WorldCom, and all those other seismic scandals ought to have imparted to us is this: Good governance doesn't happen if a culture doesn't value it.

How can businesses acquire the viewpoints required to create a culture that values governance? Internal auditing done well is the solution. Internal audit is in a good position to monitor business culture and report issues before they develop into scandals when it is well-funded and separate from the management team. Internal audits must, however, be given the authority to communicate both good and bad news, and management, boards, and audit committees must be willing to listen even when the news is upsetting or harmful.

.The FTX catastrophe was ultimately not so much a failure of corporate governance as it was a total lack of it.

As a result, The IIA is urging the US Congress to pass new legislation that will strengthen corporate governance at US cryptocurrency exchanges. The IIA noted that as a privately held company, FTX was exempt from some requirements of the Sarbanes-Oxley Act of 2002, which was created to promote sound internal controls over financial reporting, provide transparency to the investing public, and demand accountability from corporate leaders, in a letter to the chairs and ranking members of various U.S. Senate and House committees on December 5. Based on the harsh lessons from the FTX collapse, The IIA urged Congress to pass two additional regulations intended to improve openness and avert such internal control breaches in the cryptocurrency industry:

- All bitcoin exchanges operating in the United States must have an internal audit mechanism that is well-equipped and staffed with experts.
- Make it mandatory for the senior management of cryptocurrency exchanges operating in the US to attest each year that their exchanges' internal controls are sufficient and appropriate in accordance with an assessment made by an external internal audit firm.

The failure of FTX was inevitable due to the absence of reliable internal controls. There were plenty of cautionary signs even without those controls. Peter Drucker's maxim that "culture eats strategy for breakfast" is pertinent in this situation. Without a culture that values good governance, risk management, and controls, even the best business ideas and the sharpest individuals will fall short.

### WHAT WILL HAPPEN NEXT?

In anticipation of being extradited to the United States to stand trial, Bankman-Fried was detained by the Royal Bahamas Police Force on December 12, 2022, shortly after 6 p.m. in his Bahamas apartment complex. That morning, Bankman-Fried had been accused of "wire fraud, wire fraud conspiracy, securities fraud, securities fraud conspiracy, and money laundering" by the Southern District of New York. Prime Minister of the Bahamas Philip Davis said in response to the imprisonment that "the Bahamas and the United States have a shared interest in holding accountable all individuals associated with FTX who may have betrayed the public trust and broken the law... the Bahamas will continue its own regulatory and criminal investigations into the collapse of FTX while individual criminal charges are being pursued against SBF by the US."

In the event that Bankman-Fried is found guilty on each of the eight charges and given a concurrent sentence, he might spend up to 115 years in jail. conviction on any of the allegations may result in a period of years or decades in jail, according to Braden Perry, a former chief trial attorney at the Commodities

Futures Trading Commission.

Bankman-Fried agreed to his extradition from the Bahamas to the United States in order to confront fraud charges after spending 10 days at Fox Hill Prison in Nassau. He is apparently free on a \$250 million bond, which is the highest amount ever imposed in a criminal case in the United States. He also stipulates that he must live with his parents in California. The day before Bankman-Fried was supposed to testify before the US House Committee on Financial Services, he was arrested.

Bankman-Fried entered a not-guilty plea to fraud and other offenses on January 3, 2023. On February 1, 2023, the judge overseeing his case strengthened the terms of his release and prohibited Bankman-Fried from speaking with current or former FTX workers without legal counsel present. Judge Lewis Kaplan issued the restriction because he believed Bankman-Fried's communication with a potential witness constituted a "significant risk of inappropriate contact with potential witnesses" and suggested Bankman-Fried might be entitled to house arrest while his case is being heard.

### BOTTOM LINE:

The future of FTX as a cryptocurrency exchange is quite vulnerable. Withdrawals were prohibited as of mid-November 2022, and a message on the FTX website states that the corporation "highly advises

against depositing." The longer-term repercussions of the FTX catastrophe on the bitcoin market won't be immediately apparent. Because of FTX, the largest collapse in the short history of cryptocurrencies, investors who are already suspicious owing to concerns about security and stability may grow even more cautious. Consumers using the FTX platform might be unable to get their assets back, which could lead to legal action.

The failure of FTX may prompt the U.S. Securities and Exchange Commission (SEC) and other regulators to raise their monitoring of cryptocurrencies, and Congress may feel more pressure to step in and enact new legislation governing digital tokens and exchanges.

The shocking shutdown of the third-largest cryptocurrency exchange in terms of volume has rocked the entire crypto community. BlockFi, a cryptocurrency lender, now halted client withdrawals on November 11, 2022, and speculations suggest that it may face trouble in the future. On November 12–13, 2022, withdrawals on Crypto.com increased. Customers' withdrawals from Genesis Global Trading's crypto lending division have been blocked.



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**I am influenced more than ever by the conviction that social equality is the only basis of human happiness.**





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