



**THE ECONOMICS ASSOCIATION  
SRI VENKATESWARA COLLEGE**



# **ECON EXPRESSIONS'24**

**ANNUAL MAGAZINE**

**INDIA AND THE NEW GLOBAL ORDER**

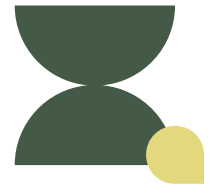
### **Econ-Expressions'24**

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# From the Principal's Desk

The Economics Department of Sri Venkateswara College continues to stand as a beacon of excellence within the University of Delhi, drawing students from across India, eager to partake in its academic rigour and vibrant extracurricular activities. As we gear up for yet another edition of Blisspoint, our annual festival, I am delighted to witness the excitement around the current edition of Econ Expressions, one of our esteemed departmental newsletters.

This year's theme, "India and the New World Order" is particularly timely and resonant. It reflects not only the shifting dynamics of global economics but also the potential of our region to shape the future of the world economy. As we delve into discussions, debates, and entrepreneurial endeavours centred around this theme, I am confident that our students will gain invaluable insights into the opportunities and challenges facing our country.

The enthusiasm and dedication of our students, exemplified by the tireless efforts of the Student Editorial Team of the Economics Association, are truly commendable. Their collaborative spirit and innovative ideas continue to enrich our academic community and inspire us all. I extend my heartfelt congratulations to them and express gratitude to our esteemed faculty members, led by Dr. Aruna Rao, for their unwavering support and guidance.

In addition to Blisspoint, the economics department remains steadfastly engaged throughout the year, offering a diverse array of activities aimed at nurturing the talents and skills of our students. Furthermore, our students participated in a trip to the 'Royal Thimphu College, Bhutan' to participate in the 'Rethinking Economics Festival'. This experience not only provided an opportunity for academic exchange and cooperation but also fostered a sense of camaraderie among the students.

As we celebrate the vibrancy of our department and the achievements of our students, I am reminded of the vision of "Viksit Bharat", which is a vision of a prosperous and progressive India leading the way in the global arena.

I am confident that Blisspoint 2023-24 will be a resounding success, showcasing not only the academic prowess of our students but also their ability to drive positive change in society. My best wishes to all faculty members, students, and organizers.



**Dr. V Ravi**  
**Principal**  
**Sri Venkateswara College**

# From the Teacher-in-Charge's Desk

As Teacher-in-charge of the Economics Department, I am overjoyed to present yet another edition of our department magazine- "Econ Expressions".

All team members, both faculty and students, have been working long and hard to motivate people to write, edit submissions, design the presentation, and finally publish the completed version. My heartfelt thanks to each one of them.

This edition comes with the launch of the new program by the Government (in December 2023): "Viksit Bharat @2047" - which is a dynamic platform for collective visioning to build an India that is inclusive. It represents the government's ambitious vision to transform the nation into a developed entity by the centenary of its independence. This can only be achieved by giving more "Power to the youth". India is one of the fortunate countries in the world that has a large Demographic Dividend, which can be capitalised to achieve high rates of growth and development. But the important instruments for this: education, skills, and value development must be strengthened first. To achieve this, massive changes have been introduced, especially in the education and the skill development sector under the aegis of the New Education Policy.

The next twenty-five years are going to be decisive for the careers of the youth in present day colleges and universities. Hence, it is only befitting that, the youth has a greater say in the policy strategy for building a developed India. Ultimately, youth power is both the agent as well as the beneficiary of change.

Each one of us must go beyond the existing boundaries of opportunities and stretch them further to achieve our goals, because the time available to each of us is limited. I can at this stage be positive and echo the motto of the "Viksit Bharat" programme: "Yahi samay hai, Sahi samay hai" with the warning that right now the "new" is you, but someday not long from now you will gradually become the old and be cleared away. So don't waste your time living someone else's life, following pre-established dogmas, trying to "fit in". Rather be adventurous, "Stay Hungry, Stay Foolish".



**Dr. Aruna Rao**  
Associate Professor  
Department of Economics



# From the Faculty Advisor

It brings me great joy to contribute towards the annual festival of the Department of Economics, Sri Venkateswara College, serving as the faculty advisor for the academic year 2023-2024. This year's theme of the Economics festival is, "India and the New Global Order," with a special focus on the reforms initiated from 2014 to 2024 in India.

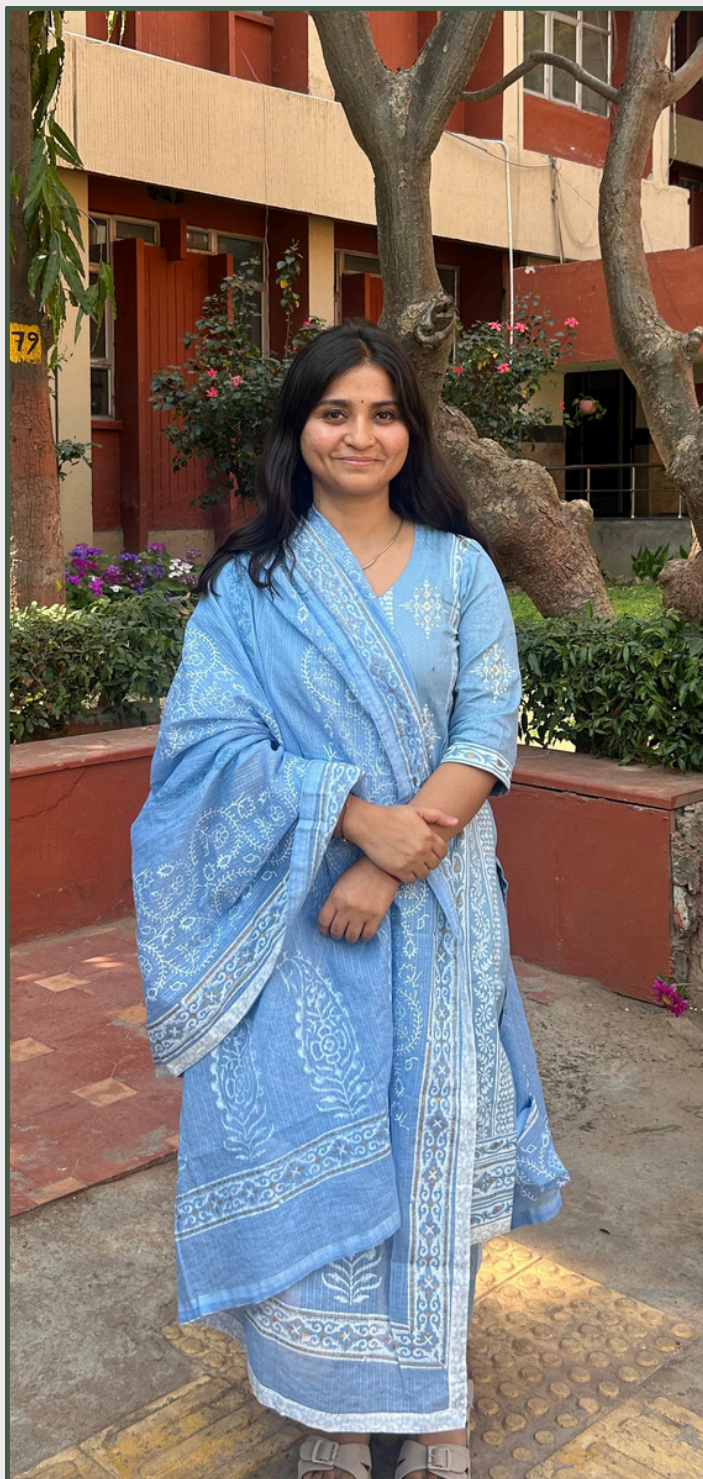
The Economics Association of Sri Venkateswara College stands as a beacon of intellectual pursuit within academic circles. Led by our young undergraduate students, the association's flagship event, Bliss Point, epitomises a platform for robust intellectual discourse. Through insightful discussions and engaging activities, Bliss Point fosters a deep understanding of economic principles and their real-world applications, thus enriching the academic landscape of the college and beyond.

The event lineup in this year's Blisspoint edition consists of nine exciting events; "Vanguard" focuses on unity and strategising during crises, "Big Brand Theory" stimulates student creativity, and "Carbon Conundrum" delves into the green economy, alongside quizzes and treasure hunt based on various economic themes.

Driven by the vision of young minds, Blisspoint's mission is to serve as a platform for intellectual discourse. This commitment is exemplified by our in-house podcast, "Economically Speaking".

Sri Venkateswara College continues to maintain its tradition of involving students in both the extracurricular and curricular activities year after year. Blisspoint, our annual economics festival, stands out as one such occasion for students to explore avenues beyond their academic pursuits.

I extend my heartfelt gratitude to our Principal Professor V Ravi, for his support and encouragement in the development of this event, our Vice Principal Prof. K.Chandramani Singh for motivating the students to strive towards excellence and our teacher-in-charge Dr. Aruna Rao, for guiding and inspiring the students at every step of the event. Last but not the least, I wish to extend my gratitude to all the faculty members of the economics department and the students who have infused life into Blisspoint.



**Dr. Sheebani Goswami**  
Assistant Professor  
Department of Economics

# THE PRESIDENT SPEAKS



**Haripriya Muralidhar**  
**President**

The Economics Association will forever hold a special place in my heart, not only for the knowledge it has imparted but also for the profound transformation it has inspired within me. At the beginning of the college year, I was very timid and shy, afraid even to interview for a simple college society. It's amazing how my journey to the presidency unfolded. This society and college shaped me into being a person I never imagined I could be. If my life were an autobiography, my time with the Economics Association would undoubtedly be one of my favorite chapters. It's the chapter that defined my past three years, shaping me into the person my younger self always aspired to become. The memories and experiences I gained from this society surpassed anything the 17-year-old Haripriya could have imagined upon stepping foot into college.

When I walked into the interview for the Economics Association as a fresher, it was with a heavy heart, still stinging from a previous rejection from another society I had yearned to join. I entered that room expecting yet another disappointment. Yet, to my surprise, the seniors conducting the interview greeted me with warmth and encouragement, completely shifting my perspective on new beginnings.

That interview marked the beginning of a transformative journey. In my first year, I swiftly ascended to the executive council, and by the second year, I found myself leading as the Marketing Head. Despite the demanding workload that sometimes tempted me to step away, there was an inexplicable bond tethering me to this association, urging me to stay till the very end. As the marketing head of the Economics Association, I found myself creating deeper connections with my juniors, assuming the role of a responsible and supportive senior, mirroring the kindness and guidance shown to me by my seniors.

College life is a whirlwind of emotions, a time when we lay the foundation for our futures. The protective bubble of school bursts the moment we step onto the college campus, thrusting us into a

world teeming with individuals from diverse backgrounds, each harbouring their own dreams and aspirations. And so it was for me.

Reflecting on my journey, I find it amusing how life unfolds. Back in the 10th grade, I had jokingly dismissed the possibility of ever getting into Venky, let alone pursuing Economics Honors. Yet, here I am, four years later, serving as the Student President for the very department at the college I once deemed beyond my reach. Life has a way of surprising us, and what's meant to be will always come to be.

One of the most profound lessons I've gleaned from my college experience is the acceptance of failure and the resilience it instills. Entering Venky, I carried with me a basket of dreams and a bag full of doubts. I questioned if I would ever fit into this new environment, and what would become of me if I failed to achieve what I had envisioned for myself. Three years have passed since that apprehensive girl first set foot on campus, and yes, I've encountered setbacks along the way. Yes, I did fail to become what I planned for myself in the beginning, and I have also embraced that failure with an open heart because now I am thriving in a whole new path, a path which was not destined but carved by the failures and successes of my college life. Those failures have led me down unexpected paths, shaping me into the person I am today. It's okay to stumble and hit rock bottom because each setback becomes a springboard for growth and renewed determination. Some may say I've turned into more of a philosopher than an economist, but such is the unpredictability of life. We never truly know what destiny has in store for us. In addition to invaluable life lessons, college bestowed upon me another family—a circle of friends who have become indispensable in my life. When I stumbled and faltered, they were the ones who extended their hands to lift me up and stood by my side until I emerged victorious. They've been my constant support. Through every challenge, they provided unwavering support, offering words of encouragement when I felt disheartened and celebrating with me during moments of triumph. Their presence in my life was not foreseen, but it has undeniably been cherished. I am eternally grateful for the unwavering support of my family and parents, who have been by my side long before my college journey began and continue to stand beside me through every step of the way.

I extend my sincere gratitude to the esteemed faculty of the Department of Economics for their unwavering support and guidance throughout my tenure, particularly acknowledging the invaluable contributions of our faculty coordinators, Dr. Sheebani Goswami (Faculty Advisor), and Dr. Aruna Rao (Teacher-In-Charge).

My deepest appreciation goes to my dedicated team members, who serve as the foundation of our association. Without their commitment, our society would remain incomplete. To the core, extended core, and department heads, I extend my heartfelt gratitude. As the chapter of my college and Economics Association journey draws to a close, the memories we've shared are bound to linger on. As I pass the torch to the next core team, I'm filled with confidence knowing that the future president will lead the society to even greater heights of success. Perhaps one day, I'll have the privilege of returning to my alma mater as a distinguished alumnus, armed with a wealth of experiences and accomplishments to inspire future generations.



# THE VICE PRESIDENTS' NOTES

The saying “Aim for the Moon, even if you miss, you’ll still land upon the stars”, reminds us to set lofty goals without fearing failure. It's a gentle reminder that even if we fall short of our primary objective, we may still achieve something remarkable along the way. Thus, it's crucial to maintain a positive mindset and remain open to new opportunities, even in the face of setbacks.

Over the past three years, my journey with the Economics Association has been a continuous ascent. Transitioning from an editorial team member to assuming the roles of the Editorial Head and eventually the Vice President, each position has refined my skills, tested my leadership abilities, and fuelled our collective vision. From tirelessly perfecting publications during late nights to guiding strategic decisions, every sleepless hour was a small price to pay for the ambitious vision we pursued. One highlight of this journey was overseeing the publication of the longest edition of our annual magazine, a feat I am immensely proud of.

‘Ecosoc’ has truly been a guiding light throughout my college experience, fostering my personal growth. The friendships formed and the lessons learned will forever remain ingrained in my cherished memories. Thank you, ‘Ecosoc’, for being the heartbeat of my college experience.



**Anjali Rao**



**Abhinav Mankotia**

Driven by the spirit of adventure, I often grapple with the challenge of merging my formal interests in economics with my creative inclinations. The profound impact ‘Ecosoc’ has had on my life in this regard cannot be overstated; it has become the catalyst for transforming my aspirations into tangible achievements. From crafting thought-provoking articles and producing cinematic narratives interwoven with economic themes to launching a captivating video podcast and connecting with bright minds amidst the spiritual realm of Bhutan, ‘Ecosoc’ has consistently fostered my creative pursuits.

However, assuming the role of Vice President has transformed my perspective in ways I never imagined. Once viewing the society in disjointed fragments, I now perceive it as a harmonious whole, with interconnected facets seamlessly collaborating. My newfound liberty to navigate responsibilities was exhilarating, yet it imparted a vital lesson: the intricate tapestry of leadership cannot be woven alone.

As Vice President, I now rely on the collective strength of our team and members to realize our shared vision. No longer a solitary voyager blinded by my own path, I have become a guiding beacon for others. To teach is to learn, and to guide is to inspire. To quote Helen Keller, "Alone, we can do so little; together we can do so much".

# NOTES FROM THE SECRETARIES



**Riya Kapoor**  
General Secretary

My journey with the Economics Association commenced in my freshman year when I joined the Marketing and Sponsorship department. Immersing myself in diverse projects and initiatives, I swiftly cultivated a fervent passion for the role. By my second year, I had achieved the position of Marketing Head, empowering me to orchestrate numerous economic-centric events, refining my skills, and fostering my enthusiasm. In my final year, I fortunately assumed the role of General Secretary of the association, which allowed me to oversee all the society's operations, ensuring its continuous success.

Throughout my tenure with 'Ecosoc', I witnessed substantial personal growth, as my engagement enriched my knowledge and polished my communication and leadership skills. The invaluable experiences garnered have shaped me into a more capable and confident individual ready to tackle future challenges.

Reflecting on my time with the association, each moment spent with fellow members holds a special place in my heart. The late-night meet sessions including ideations have been an exhilarating journey. Lastly, I am grateful for the opportunities and experiences that 'Ecosoc' has provided me, and I am excited to see how it continues to thrive in the future.



**Prachi Gambhir**  
Joint secretary

As the Joint Secretary of the Economics Association of Sri Venkateswara College, it is with a great sense of pride and nostalgia that I pen down this note for our annual magazine.

It feels like it was just yesterday when we stepped into the hallowed halls of SVC, full of dreams and aspirations. Entering college as a first-year student, I could have never imagined the significant transformation I would undergo, both personally and professionally.

My tenure here has been a blend of growth, responsibility, and real-world education, extending far beyond the conventional classroom learning. Working in Ecosoc has been an immensely rewarding experience. As I reflect on these past three years, I carry forward a wealth of knowledge, deeper understanding of myself, along with a dedication to personal growth and positive change.

Finally, I want to express my heartfelt gratitude to every member of the association for their hard work, enthusiasm, and commitment to excellence. It has been an honor to serve alongside you, and I look forward to witnessing the continued success of this vibrant community.



# MEET THE TEAM





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



**ECONOMICS ASSOCIATION, 2023-24**





## CORE TEAM



## EXTENDED CORE



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## EDITORIAL DEPARTMENT



## MARKETING DEPARTMENT



## RESEARCH AND DEVELOPMENT DEPARTMENT



## SPONSORSHIP DEPARTMENT



## OUTREACH DEPARTMENT



## IT DEPARTMENT





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- Dr. S. Krishnakumar
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- Dr. Sheebani Goswami
- Ms. Varadapureddy Sushmitha Naidu
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- Anjali Rao
- Abhinav Mankotia
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- Vaibhav Kumar



# YEAR AT A GLANCE 2023-24





# EVENT SNAPSHOTS 2023-2024

## Session on “Market Design”



The Economics Association of Sri Venkateswara College, as part of its Distinguished Lecture Series, organised a seminar, with Dr. (Prof) Arunava Sen as the Guest Speaker. Dr. Sen started the enlightening presentation with Standard Economic Theory and how resources are allocated via markets, especially unconventional ones where prices do not exist. The diverse applications of Market Design, such as in the fields of Computer Science, Operational Research, and Mathematics, were touched upon. The ‘Deferred Acceptance Algorithm’, drawn from the research of the Economists Gale and Shapley, was discussed to achieve Pareto Efficient combinations. The discourse came to an end with an interactive Question-and-Answer session, following which Mrs. Sheebani (Faculty Advisor) expressed her vote of thanks to Dr. Sen for his presence, on behalf of the Economics Department of SVC.

## Session on “Risk Management and effective strategies for navigating uncertainty ”



The Economics Association, SVC, organised a seminar on Risk Management with Mr. Subhashis Nath, CEO of the Global Risk Management Institute (GRMI), an alumnus of Sri Venkateswara College as the keynote speaker.

Mr. Nath discussed his experiences in Venky, emphasising the importance of extra-curricular activities for holistic development. Talking about his core competency i.e., risk management, he shed light on the omnipresence of risk. Being a pioneer of risk management at Axis Bank, the importance of a ‘Model Risk Code’ was highlighted multiple times in his speech. He shared practical examples, including the case of Nokia, highlighting the need to embrace change and manage uncertainties. Mr. Nath discussed GRMI, addressing startup failures, and outlined the risks he faced in establishing the institute.

The risks included creating a new category (risk management), external influences, high costs, and the absence of prior standards pertaining to risk measurement. Mr. Nath confidently positioned GRMI as ‘the next Harvard of risk management.’

The discourse concluded with a message urging attendees to explore diverse career opportunities beyond traditional paths. A Q&A session followed, providing students with the opportunity to clarify their queries. Mrs. Sheebani, Faculty Advisor, delivered the vote of thanks, followed by Mr. Brahma Reddy, expressing gratitude to Mr. Nath for sharing valuable insights on risk management. The successful and enriching event concluded on an inspiring note.



# FRESHERS' DAY CELEBRATION 2023-'24

**Organized by:** Economics Association,  
Sri Venkateswara College, DU  
**Date:** 26th September, 2023  
**Time:** 2:00 pm onwards  
**Venue:** Room no. 14 (T2)  
**Theme:** 2000s Pop Culture

The day was the 26th of September, and the second-and third-year students of the Economics Department were spied scurrying in and out from Room No. 14 – which the first-year students had been barred from entering all day. Once the clock struck 2:00, the ban was lifted – the freshers crowded about the room and found themselves entering a world of black, white, and pink.

That was the colour theme of the Freshers' Party, the big occasion of the day – the day that the first-year students enrolled in the B.A. (H) Economics at Sri Venkateswara College, University of Delhi, were formally welcomed into the Department of Economics with love and appreciation.

Kick-started with speeches by the President and the Vice President of the Economics Association, the program was attended also by the Head of the Department, and other faculty members. Mrs. Sheebani Goswami welcomed the students with an encouraging speech, and the hosts of the evening took over.



What followed was a medley of energetic dances, song performances, and even an entertaining theme-based quiz. The freshers hooted at their seniors' dance moves, sang with them and competitively speculated over the answers to the quiz.

Finally, it was time for the most anticipated event: the Freshers' title talent show, wherein the first-years were encouraged to mark their entry into the college by showcasing their cultural talents. One by one, they came on stage and exited to thunderous applause after giving an astounding performance. Afterwards, the stage became a runway for freshers showing off their walks and outfits while competing for the "Best Dressed" title.

The party concluded with the declaration of the winners, and the dance floor was left open for some unbridled energy. Lunch was served, and the seniors, freshers and teachers alike dispersed, excitedly anticipating an entire journey of learning and enjoyment with one another.





# BHUTAN SUMMIT'23

## The Economic Association Contingent's Participation in the Royal Thimphu College's Rethinking Economics Festival

### Introduction:

The Indian contingent embarked on a journey to participate in the 'Rethinking Economics Festival' hosted by the Royal Thimphu College in Bhutan from 26th to 29th October 2023. The expedition commenced from Indira Gandhi International Airport, Delhi, to Bagdogra, West Bengal on the 25th of October.

### Journey Details:

Upon landing in Bagdogra, the contingent embarked on an extensive road trip, traversing the picturesque landscapes of West Bengal until they reached Jaigaon at the India-Bhutan border. With the gracious assistance of Indian Consular Mr. Alok Sharma, they smoothly crossed the border into Bhutanese territory at the Phuentsholing border gate. The enthralling Himalayan borderland journey lasted for five hours, culminating in their arrival at the Royal Thimphu College campus in Babesa, Thimphu, late in the evening.

### Day 1 - 26th October 2023:

The following morning commenced with a delightful breakfast blending Indian and Bhutanese cuisines. Subsequently, the team convened at the main conference hall, warmly welcomed by the RTC Economics Department's enthusiastic student body. Inaugural speeches were delivered, including an address by Teacher in Charge and Acting Principal, Dr Aruna Rao. The day unfolded with various events, notably an Indo-Bhutanese Quiz and a Panel Discussion on Youth and Employment in India and Bhutan, which was broadcasted on Bhutanese State Television channels. The day concluded with a cultural exchange event, showcasing traditional performances from both nations.







#### Day 2 - 27th October 2023:

The day commenced with an Indian cuisine breakfast, followed by a Picture Presentation contest and Case Study competitions addressing pertinent issues like food insecurity. Special sessions by distinguished speakers, including Brigadier Jaswinder Singh, enriched the day's itinerary. An investiture ceremony and closing speeches marked the culmination of the Rethinking Economics Festival.

Following the Rethinking Economics Festival, the Indian contingent eagerly explored Bhutan's cultural and natural wonders during designated sightseeing days.

#### Day 3 - 28th October 2023:

At Dochu La pass, 3,100 meters above sea level, students honored Bhutanese soldiers at 108 war memorial shrines. They then meditated in serene caves and visited the Great Buddha statue, followed by a picnic and observing takin in their natural habitat. They ended the day in downtown Thimphu, engaging in local culture and recording a podcast.

#### Day 4 - 29th October 2023

In Paro, students visited the National Bhutanese Museum, indulged in local cuisine at the Dantak canteen, and explored Paro city's markets and architecture. The evening featured a cultural event and send-off function hosted by the Border Roads Organisation, with performances and exchanges of gratitude between the Indian delegation and their Bhutanese hosts, the latter of which returned the thanks citing their contributions to developing Bhutanese road infrastructure.

#### Conclusion:

The trip not only served as an educational excursion but also as a bridge for fostering connections between Indian and Bhutanese students. Through shared experiences exploring cultural sites, indulging in local cuisine, and engaging in meaningful conversations, bonds of friendship were forged, transcending borders and cultural differences. Such initiatives pave the way for strengthened diplomatic relations and collaborative efforts between the two nations, embodying the spirit of goodwill and cooperation that underpins enduring friendships.







## ‘Economically Speaking’ Our Official Podcast

In the ever-evolving landscape of economic intricacies, "Economically Speaking" stands as a beacon, shedding light on the complex and varied aspects of real world economics. Our episodes aim to break down topics ranging from the newly found "Space Economy" to the extravagant industry of celebrity weddings.

Our exploration starts with the "Space Economy" episode, delving into economic frontiers beyond Earth. We discuss SpaceX's projects and the commercialization of extraterrestrial resources, uncovering the economic impact of venturing into space. This episode highlights the burgeoning private space industry and India's potential for economic growth beyond Earth, fueled by achievements like the Chandrayaan-3 mission.

Transitioning from the grandeur of space to the glamorous world of celebrity marriages, our segment on "Capitalizing on Celebrity Weddings" reveals the commercial extravaganza associated with proclaimed marriages. We analyze how these lavish occasions boost the wedding sector, impact tourism economically, and boost the local economy as a whole—whether it's Brad Pitt's and Angelina Jolie's \$14 million wedding album or the streaming rights to Siddharth's and Kiara's marriage worth Rs.80 crore. This episode offers a fascinating look at the intersections between economic prosperity and the business of love and fame.



One of the notable highlights in our podcast journey unfolds with the exclusive interview featuring our esteemed faculty, Dr. Krishna Kumar, a luminary in the field of international trade and tariffs. This episode delves deep into the intricate world of global commerce, breaking down the complexities that shape international trade relations. This discussion carefully examines how tariffs impact nations and economies.



His insights go beyond immediate effects, offering a nuanced understanding of the broader global implications. Dr Krishna's expertise brings clarity to complex concepts, making this episode a valuable resource for anyone looking to understand global trade dynamics.

Our exploration concludes with an intriguing episode contemplating the hypothetical scenario of "How would Israel's economy look like without the USA's support?" We examine the economic adjustments and obstacles Israel would face in the absence of U.S. backing and its prospective substitutes impeding the war by delving into geopolitical factors, commercial linkages, and diplomatic contacts. Which country will take advantage of this opportunity—India or the UK? Providing food for thought, this episode underscores the interconnectedness of the world economy and the importance of foreign alliances to maintain stability.

Evidently, "Economically Speaking" has been an adventurous journey through the complexities of practical economics. Every episode adds a new dimension of economic knowledge, exploring everything from the international trade corridors to the geopolitical chessboard, from the cosmic wonders of space to the glitzy extravagance of celebrity weddings. As we continue our journey, we invite our listeners to join us in exploring the captivating and ever-evolving world of Economics.



# BLISSPOINT'23

## BLISSPOINT'23

Bliss Point 2023, organized by the Economics Association of Sri Venkateswara College, Delhi University, epitomized a vibrant convergence of intellectual exploration and cultural celebration on April 17th and 18th. With a thematic emphasis on 'Post-Pandemic Recovery of India and the World', the fest curated a diverse array of activities aimed at engaging participants across various academic disciplines.

At the forefront of the fest was the highly anticipated Shark Tank: A Quest to Invest, which emerged as the flagship event. Inspired by the popular television series Shark Tank, it provided a platform for aspiring entrepreneurs to pitch their innovative business ideas to a panel of seasoned investors. Participants showcased their entrepreneurial acumen, strategic planning and persuasive communication skills as they vied for investment opportunities and mentorship.

Complementing Shark Tank were other marquee events such as the Turncoat Debate, where participants adeptly navigated opposing arguments within a single speech, showcasing their versatility and rhetorical prowess. The Conspectus Paper Presentation Competition provided a platform for scholarly discourse, enabling participants to showcase innovative research and analytical acumen.

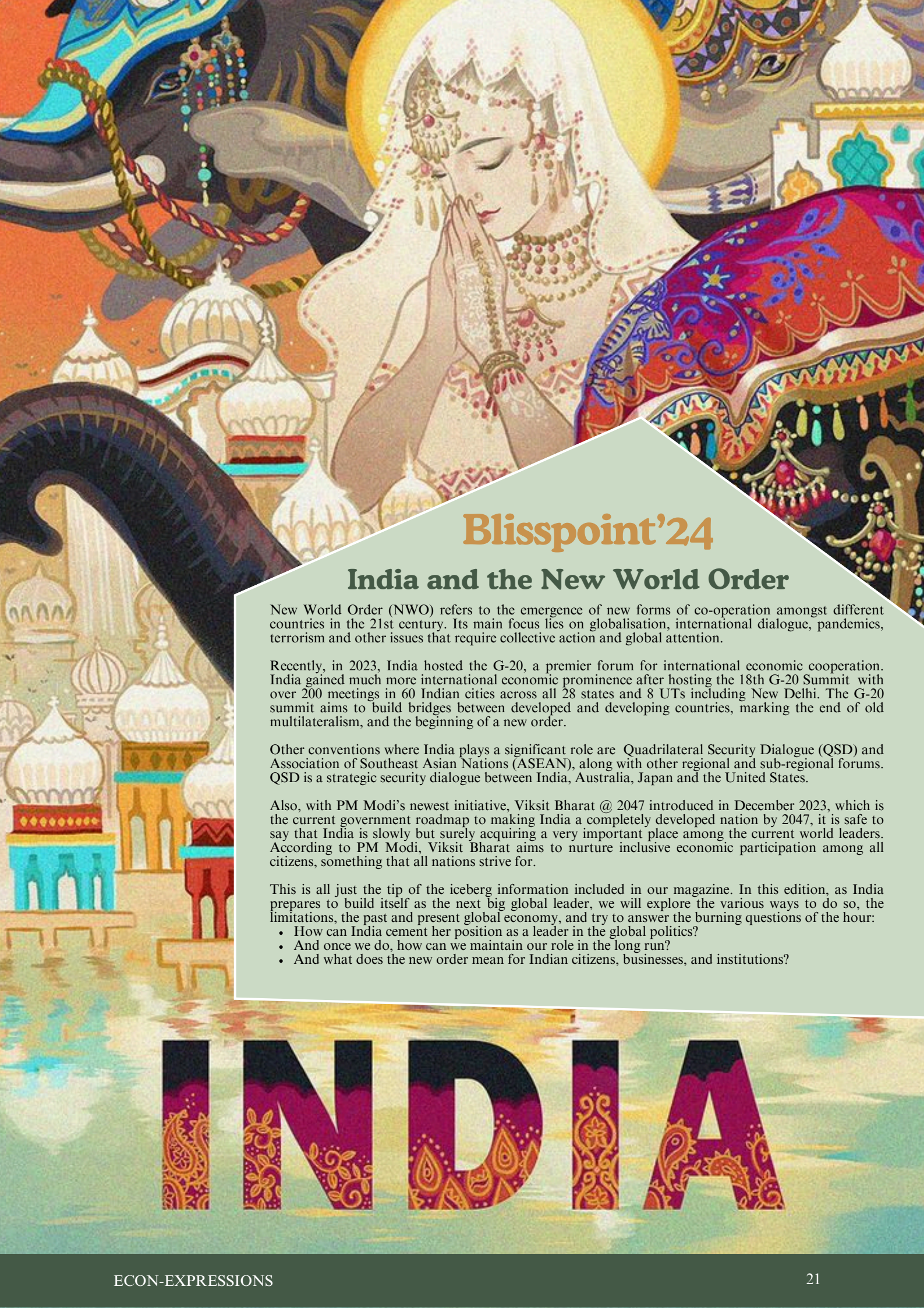
Market Mayhem emerged as a riveting arena where strategic thinking intersected with competitive fervor. Participants grappled with dynamic market scenarios, honing their decision-making skills amidst fluctuating economic conditions. Similarly, Bid For Glory offered an immersive experience in fantasy football and trivia challenges, providing insights into economic concepts through interactive gameplay.

Filmorama's Documentary-Making Competition offered a unique perspective on economics, exploring real-world issues through the cinematic lens. Documentaries crafted for this event transcended entertainment, delving into complex economic phenomena and their implications on society, effectively bridging theory with lived experiences.

Bliss Point 2023 showcased Sri Venkateswara College's dedication to fostering intellectual curiosity and talent within the realm of economics. It underscored the college's commitment to creating a vibrant academic and cultural environment, where diverse perspectives are celebrated, and ideas flourish. It experienced a large footfall from colleges across Delhi and proved to be an immense success.







## Blisspoint'24

### India and the New World Order

New World Order (NWO) refers to the emergence of new forms of co-operation amongst different countries in the 21st century. Its main focus lies on globalisation, international dialogue, pandemics, terrorism and other issues that require collective action and global attention.

Recently, in 2023, India hosted the G-20, a premier forum for international economic cooperation. India gained much more international economic prominence after hosting the 18th G-20 Summit with over 200 meetings in 60 Indian cities across all 28 states and 8 UTs including New Delhi. The G-20 summit aims to build bridges between developed and developing countries, marking the end of old multilateralism, and the beginning of a new order.

Other conventions where India plays a significant role are Quadrilateral Security Dialogue (QSD) and Association of Southeast Asian Nations (ASEAN), along with other regional and sub-regional forums. QSD is a strategic security dialogue between India, Australia, Japan and the United States.

Also, with PM Modi's newest initiative, Viksit Bharat @ 2047 introduced in December 2023, which is the current government roadmap to making India a completely developed nation by 2047, it is safe to say that India is slowly but surely acquiring a very important place among the current world leaders. According to PM Modi, Viksit Bharat aims to nurture inclusive economic participation among all citizens, something that all nations strive for.

This is all just the tip of the iceberg information included in our magazine. In this edition, as India prepares to build itself as the next big global leader, we will explore the various ways to do so, the limitations, the past and present global economy, and try to answer the burning questions of the hour:

- How can India cement her position as a leader in the global politics?
- And once we do, how can we maintain our role in the long run?
- And what does the new order mean for Indian citizens, businesses, and institutions?

# INDIA





Here the clock ticks and the curtains have risen to the much-anticipated BlissPoint'24 rhyming in the symphony of intellect, passion, and vision dated to the 18th and 19th of April. The premises of Sri Venkateswara College is all geared up to challenge the unconventional with the sharp edges of:

1. **Vanguard** : Unite, Strategize and Overcome (Crisis Committee Event)
2. **Carbon Conundrum** : CAP-turing the Market in a Green Economy (Trade Based Simulation Event)
3. **Big Brand Theory** : Create to Elevate (Brand Campaign Event)
4. **De'battle** : The Debating Event
5. **Footlocker** : Where fantasy meets glory (Fantasy Football League Event)
6. **EconQuizta** : A Gen Economic Quiz (Quiz Event)
7. **Case-a-Blanca** : More-rocking solutions (Case Study Event)
8. **Conspectus** : Paper Presentation Event
9. **Ecoscape the Ordinary** : The Hunt is On! (Treasure Hunt cum Escape Room Event)



# CHIEF GUESTS: BLISSPOINT'24



**Dr. Arvind Virmani**  
Member, NITI Aayog



Dr. Arvind Virmani is an esteemed member of NITI Aayog. He specialises in policy & institutional reforms for sustained and inclusive economic growth.

He was the founder Chairman of the Foundation for Economic Growth and Welfare (EGROW) and President of the Forum for Strategic Initiatives (FSI) in Delhi. Previously, he served as the Executive Director at the IMF, Chief Economic Advisor in the Ministry of Finance, and Principal Advisor in the Planning Commission.

He was the Director and Chief Executive of the Indian Council for Research on International Economic Relations (ICRIER) and has published over 60 journal articles, books, and chapters, as well as more than 100 working and policy papers in macroeconomics, growth, tax and tariff reform, and many more.

He was a member of the Telecom Regulatory Authority of India (TRAI), a mentor in public policy and economics for FICCI, and a member of the Technical Advisory Committee on Monetary Policy to the RBI.

His chief contributions to India's policy reform encompassed:

- Customs tariff reform
- Income tax reform
- Corporate tax reform
- Indirect tax reform
- Trade reform
- Capital account liberalization
- Foreign exchange reform
- Banking and capital market liberalization

**Professor Biswajit Dhar**  
Professor



Professor Biswajit Dhar is Distinguished Professor, Council for Social Development, New Delhi. He was a Professor at the Centre for Economic Studies and Planning in Jawaharlal Nehru University, New Delhi and has served as the Director General of the Research and Information System for Developing Countries (RIS), a think-tank of Ministry of External Affairs. Professor Dhar was instrumental in the establishment of the Centre for WTO Studies of the Government of India and was the Head of the Centre for several years. He had also served as a Senior Consultant in the Planning Commission.

Professor Dhar has served as a member of the Indian delegation in multilateral treaty negotiations, including the World Trade Organization, the UN Framework Convention on Climate Change, the World Intellectual Property Organization, and the Convention on Biological Diversity. He has served in expert groups set up by several inter-governmental organizations. He has presented research papers in several international and national conferences and has publications in reputed national and international journals. He is a regular columnist in several national dailies.

Professor Dhar has served on the Board of Directors of the Export-Import Bank of India and was a Member of the Board of Trade, Government of India. He serves as an Adviser to the Asia-Pacific Research and Training Network on Trade of the UN Economic and Social Commission for Asia and the Pacific and is on the Governing Board of the Inter-University Centre for IPR Studies of the Government of Kerala.



# Claudia Goldin's Work and Significance



## NOBEL PRIZE IN ECONOMICS

An American economic historian, Prof. Claudia Goldin and labor economist, who is also an economics professor at Harvard, has been awarded the Nobel Memorial Prize in Economic Sciences for the year 2023. Her groundbreaking research in gender economics, particularly focusing on the gender wage gap and gender-based wage roles, has been pivotal in advancing our understanding of these critical issues. Her research has uncovered the role of marriage and parenthood in influencing women's careers and how the dynamics have evolved throughout the centuries.

Her work has compiled the following key findings:

1. Women generally make different choices in education and career paths, leading to differences in work experience and job roles compared to men.
2. Societal expectations, compulsions, preferences, and discrimination contribute to societal segregation, with women often choosing inferior options, resulting in a gender wage gap.
3. In the 1970s, women began delaying marriages for a few years and started using contraceptive pills, which initially led to advancements in their positions. However, since then, progress has remained stagnant.
4. The gender wage gap is influenced by various factors, and policy designs should be tailored to address the nuances of these complexities.
5. The research closely addresses barriers in women's careers, hindrances, and reasons for the gap in the highest positions.
6. Despite a significant rise in women's employment, inequalities persist, particularly within households.
7. The pandemic has given rise to greater ease and employment opportunities for women, validating remote work and providing greater work flexibility—what Goldin termed as the 'silver lining.' This allows women to devote their time and care accordingly.
8. The unsettling topic of American slavery is also discussed, highlighting that the number of black women in the labor force far exceeded that of their white counterparts in the mid-20th century.

Goldin's work challenges the strong assumption of a positive relationship between economic growth and female workforce participation. Her facts and theories emphasize that the gender wage gap cannot be solely explained by factors such as age, education, or productivity. Instead, it is influenced by the uninterrupted nature of a woman's career and the duration she remains with a firm. Women's career trajectories often decline after the birth of their first child, and re-entering the workforce often leads them to limited positions.

Claudia's comprehensive research, based on intrinsic data, will contribute significantly to the design of justifiable and effective workforce policies.



# RESEARCH ARTICLES

By the Editorial Board  
The Economics Association



# FEAST OR FAMINE

BY AKANSH GANDHI  
B.A (HONS.) ECONOMICS



## Combo Concoction: Introduction

Imagine a bustling shopping mall, where various stores offer everything from clothing and electronics to shoes and more. Instead of driving around town searching for each item on your list, you can find them all conveniently located under one roof. This concept mirrors the aggregator model, where different sources of products or services are brought together in one place for easy access.

The aggregator business model is simply a network concept that brings many unorganized vendors onto a single large platform with a single brand identity. This platform links service providers and their consumers, but it does it under a single brand. The actual clients of such aggregator-based firms are usually merchandise and/or speciality co-ops. As a result, the aggregator business model enables these specialized businesses to gain clients, usually for a fee or commission.

## Perks for its People

The aggregator model offers distinct advantages to both suppliers and consumers:

### Advantages to Suppliers:

1. Access to a Larger Audience: By partnering with an aggregator, suppliers gain access to a much larger customer base than they might have on their own. This expanded reach can lead to increased sales and exposure for their products or services.

2. Cost-Effective Marketing: Aggregators often handle marketing and advertising on behalf of the suppliers. This is especially beneficial for smaller businesses that may not have the resources for extensive marketing campaigns. Being featured on an aggregator's platform can serve as a form of promotion without the associated costs of traditional marketing channels.

### Advantages to Consumers:

1. Convenience and Variety: Consumers benefit from the convenience of having a wide range of options available in

one place. Whether it's shopping for products, booking services, or accessing information, consumers can easily compare different offerings without the need to visit multiple websites or stores.

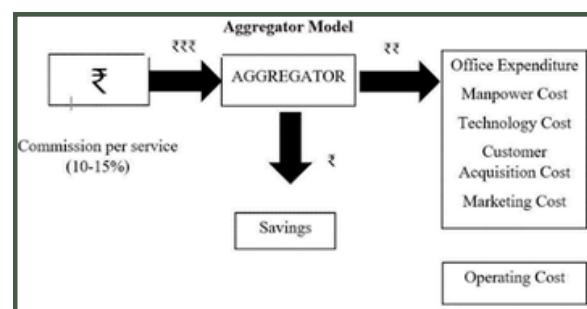
2. Cost Savings: Aggregators can often negotiate better deals with suppliers due to the volume of business they bring. This can translate to cost savings for consumers, whether through discounted prices, special offers, or bundled services. Consumers also save time and effort by not having to hunt for the best deals themselves.

In essence, the aggregator model creates a win-win situation. Suppliers gain access to a larger market and cost-effective marketing, while consumers benefit from the convenience, variety, and potential cost savings provided by the aggregator's platform.

## Paradoxes:

1. Consumers to get suppliers and vice versa- These models leverage their partnerships with the suppliers and consumers to build a business for themselves. However, one partner of theirs would be on board if the others were already on it, creating a paradoxical situation for them.

2. Power Dynamic- By gaining users through the provision of a superior user experience, aggregators gain power over suppliers, which come onto the aggregator's platforms on



the aggregator's terms, resulting in an even better experience for users, resulting in a vicious cycle.



### High Capital Requirements-

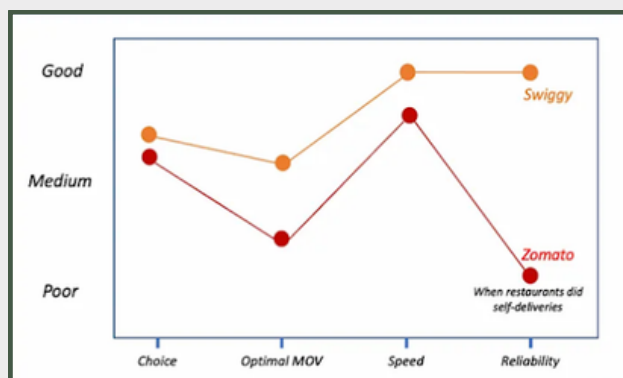
Most aggregator models have to spend exorbitant amounts of money to create a consumer base. This is mostly taken up by the obscenely spiked cost of marketing and providing services to consumers at a discounted rate. This creates a need for them to maintain a relatively broader runway for working capital. Most of these businesses incur losses for a certain amount of time in their nascent stages. They start to make money after the substantial adoption of their model.

### The Swiggy-Zomato Saga: Food Aggregators

Imagine being a teen in the early 2000s when if you were to have a party with your friends, you could have only ordered pizza from a shop close by or would have to make the effort of going to your favourite spot to get food. However, now you can get whatever you wish to eat, delivered to your doorstep at any hour of the day. However, this surge would not have been possible without the sturdy industry stalwarts – Zomato and Swiggy – who lay the groundwork for the food-delivery ecosystem.

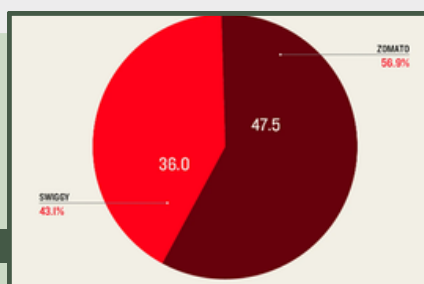
Zomato began as a food review company in the year 2008 but pivoted into aggregation after a competitor, Swiggy, began operations in 2014. Then began a race for a valuation between these two food giants. Swiggy dominated the market initially with its better service.

The two firms have been compared in the figure below-



However, much of the growth of both Zomato and Swiggy is a derivative of innovative marketing strategies and lucrative sales tactics such as discounts, cashback deals, exclusive offers, and attractive loyalty programs.

These sure-shot bets (to say nothing about their expansive reach in the pan-India restaurant market) have lured gastronomes to online food ordering over the years. Subsequently, engagement has increased and customer loyalty has split into two distinct camps. (Take a look at the app download comparison.)



The Zomato-Swiggy face-off in the food-delivery space has been accelerated by sustained investor interest. Together, these industry leaders have raised \$5.4 Bn for strategic acquisitions, cloud kitchens, and implementation of value-added services. More importantly, their deep pockets and industry dominance slowly squeezed out other players from the arena.

The industry has a duopoly now where the arch-rivals claim nearly identical market shares in India. However, Zomato maintained its lead with a 54% market share compared to Swiggy's 46% in the food delivery space as of the first half of 2023.

	zomato	SWIGGY
CUSTOMER SERVICE	1.9	0.5
DELIVERY PARTNER INTERACTION	2.3	0.6
DELIVERY TIME	3.4	0.9
FOOD QUALITY	4.1	1.5
OFFERS & DISCOUNT	4.2	1.6
RECOMMENDATION	4.5	1.4

The tables turned with Zomato taking bets on its expansion to tier 2 and tier 3 cities and its heavy expenditure on the integration of AI. Although Swiggy was not very far behind in taking identical steps, it did lag in its implementation due to a lack of a structured approach.

### The Negative Externalities of Online Food Aggregators

Zomato and Swiggy partner up with delivery agents and restaurants to provide services to their customers. Although the partners have had certain issues working with these aggregators-

1. **Commission Rates-** In recent months, online food aggregators in India have come under fire for increasing their commission rates drastically. This has led to widespread criticism from restaurant owners, who say that the higher rates are impeding their business operations. However, online food aggregators claim higher rates are necessary to cover their expenses. Due to this increase in commission rates, the restaurants are forced to raise their online prices which impacts the end customers ordering food from the restaurants.

2. **Delivery Issue-** There has been a recent spate of delivery issues from online food aggregators in India. Many customers have complained about late or missing deliveries, and in some cases, food has been delivered cold or inedible. This has led to a lot of frustration and anger, especially from those who are reliant on these services for their daily meals. This delivery issue not only impacts the aggregators but also creates a negative impression on the restaurants.

**3. Unstable Order Price-** The online food aggregator market is in a state of flux, with prices fluctuating continually. This makes it difficult for consumers to know how much they should pay for their food.

**4. Customer Transparency-** Another issue restaurants are experiencing with online food aggregators is accessing customer data. This has created a void for them since they were unable to determine which customers were their most loyal and who had given them negative reviews for their food. Due to this, restaurateurs are unsure about customer preferences, which affects their ability to better understand customer behaviour to promote their business.

A newspaper back in the year 2020 reported, “In an online petition to the Competition Commission of India (CCI) and the Prime Minister’s Office (PMO), nearly 500 small to mid-sized restaurants alleged “misuse of dominant position by food delivery companies, including Swiggy and Zomato”. The petition accused the food tech companies of using deep discounting, in-house kitchens, and internal sourcing to take away their business. “The companies have been continuously found to misuse their dominant position to wipe out small and medium enterprises,” the petition said.

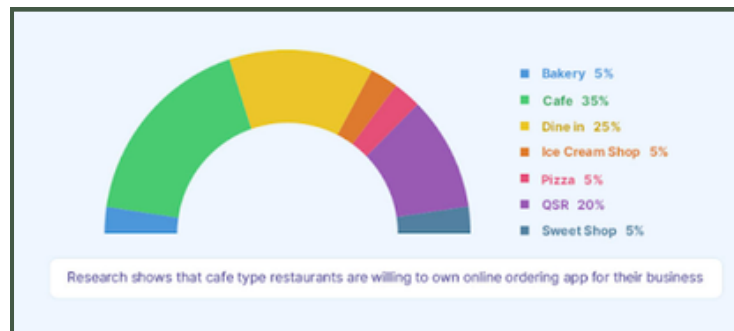
### Solutions and Strategies for Improvement

**1. Restaurants’ delivery chain-** To tackle their issues with and reduce the dependency on third-party integrators, restaurants can implement their online ordering app, which is way more profitable than integrating with online food aggregators. Also, owning your ordering app can give you complete control over the platform, like price setting, in-app promotions, delivery charges, and more. Since this can be extremely capital-intensive, multiple chains of local restaurants can come together and set up a common application where their interests are prioritized.



**2. ONDC-** Digitalization has become a pillar of India’s growth in recent years. In recognition of India’s position as a top destination for digital payments and activities, the government of India established the Open Network for Digital Commerce to democratize e-commerce in the fast-growing digital arena. As mentioned above, restaurateurs are facing several challenges, like commission rates, marketing costs, and customer transparency from online food aggregators. To cut down these high commission rates and strict policies, and end the monopoly established by these giant food aggregators, restaurants need to switch to

ONDC. Also, based on research, 65% of customers are not showing interest in their delivery executives due to maintenance and cost of employment for the executives. So ONDC will be more helpful for the owners who are not ready to hire or set up a team for delivering.



### NEW FOOD AGGREGATOR

Most restaurants rely on online food aggregators. But, few of them stand out and shine among the rest. The Kerala Hotel and Restaurant Association (KHRA) launched the Rezoy app, which is a Kerala-based food delivery app. The intention behind launching this app is to support restaurateurs as much as customers.

According to the KHRA team, the major feature of their app is the low cost of food compared to other existing food aggregator apps. Other food aggregators charge restaurants high commissions, typically 25-30%. This has turned into a non-profitable factor for many restaurants, forcing them to charge more for items, to remain profitable. As a result of our app, we only charge a nominal commission ranging from 8 to 10%. This allows us to sell food at lower prices and the online ordering price will be the same as what is charged in a restaurant. The response from restaurants has been positive, with more than 400 restaurants signed up so far.

Online food ordering is a great way to bring new customers into the restaurant business. However, there are growing concerns that the rise of online food aggregators is harming restaurants and their brands. To combat this, you must reduce reliance on online food aggregators. Choose software that

ends your dependence on third-party friends.

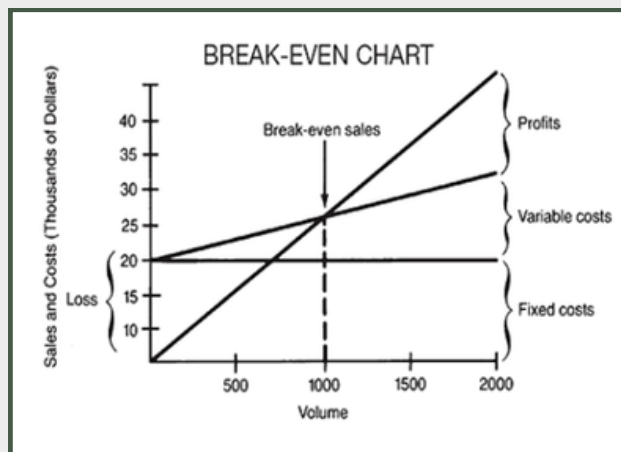
### CONCLUSION

Aggregator businesses are inherently cash-burning businesses. The need for the aggregators to onboard both ends of their partnerships makes them incur huge costs. This majorly includes the expenditure on sales and marketing. To top that off, in a country like India where the market adopts a new concept only if it offers them value way larger than what they have to pay for it, these businesses have to spend ridiculous amounts of money on giveaways and discounts.

Zomato and Swiggy, therefore, have been cash-burning



businesses for most of their operational years. Both of these firms only reported profits in the latter half of 2023 for the first time. Hence, these firms have to play a long shot of risk to ensure constantly high profits.



As a result of the aforementioned risks, the sustainability of such models stands questioned. Additionally, the incessantly and exponentially growing unrest among the restaurants, that happen to be one of the biggest stakeholders of the ecosystem, the future of these platforms is highly uncertain. However, the impact would only be vaguely visible right now, owing to the fact these platforms form a major part of the restaurant's revenue chain.

In the ever-evolving landscape of digital aggregation, Swiggy and Zomato stand as titans, offering convenience to consumers while stirring the pot for restaurant partners. While their models provide benefits, tensions with partners highlight the need for recalibration. By fostering transparent communication and implementing flexible strategies, these platforms can forge stronger partnerships. As we gaze into the future of aggregation, it's clear that adaptability and cooperation will be the main ingredients for sustained success in this flavourful industry.

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##### Youtube Videos-

<https://www.youtube.com/watch?v=M72Wu2rZE7Y>





# THE TRILLION DOLLAR TUMOUR

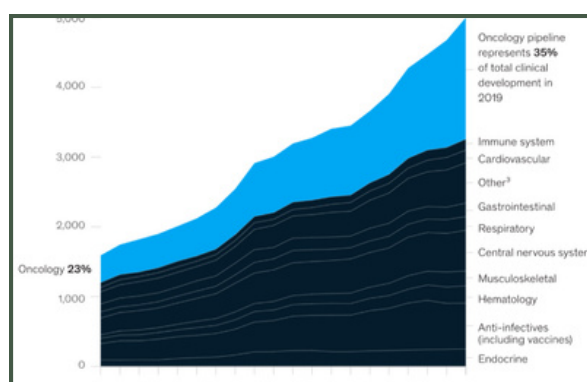
BY VEDANSH LAMBA  
B.A (HONS.) ECONOMICS

The very being of economics is accredited to assumption. As humans, we make assumptions that feed our hope, fueling our drive to act and live. But from what we know of hope, it is treacherous. Who better to understand 'treacherous hope' than an economics undergrad hoping to pass in econometrics or an umbrella vendor outside a rain shelter, a rickshaw puller with revenue barely covering rent, or an oncologist, and the unfortunate souls who form the audience of the grim reaper. A very diverse group of individuals in no particular order of torment, however, all very depressing. But fear not, dear reader, as we zoom in on our protagonists - the oncologists and their audience. Statistics will make this article even more melancholy, and empathy being a core value of mine, we will approach this like a game - and you are the world's best game theorist.

When you strip away the genre differences and the technological complexities, all games share four defining traits: voluntary participation, some rules, a feedback system and a goal; that is game theory in a nutshell. The game we will play today however is not an ordinary one; it is the game of life and death.

## Total clinical development in Oncology since 2019

[www.mckinsey.com](http://www.mckinsey.com)



The oncology market size was estimated at a staggering USD 280 billion. With an estimated Compound Annual Growth Rate (CAGR) of 12.1%, projections suggest that this market will nearly triple by 2032, reaching USD 690 billion. To put that into perspective, the CAGR of all of the pharmaceutical industry (excluding oncology) is 4.3%.

## What are the reasons for this exponential growth?

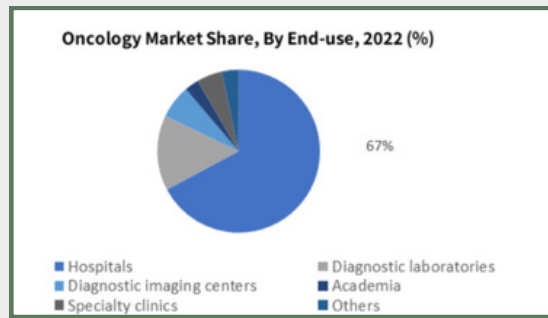
**Rising incidence of cancer globally:** In 2022, there were an estimated 20 million new cancer cases and 9.7 million deaths globally. About 1 in 5 people develop cancer in their lifetime, approximately 1 in 9 men and 1 in 12 women succumbing to the disease. Lung cancer emerged as the primary cancer among men, while breast cancer took precedence among women.

**Global Disease Awareness Initiatives:** Governments and organisations worldwide are taking numerous initiatives dedicated to combating diseases. A total of USD 24.5 billion was spent on cancer research alone from 2016-2020, across 66,388 research grants. Notably, the US accounted for 57.3% of the total cancer research funding awarded, with the US National Institute of Health emerging as the primary contributor.

Breast cancer and haematological cancer, which typically encompasses leukaemia, received the highest funding, with breast cancer receiving US\$2.73 billion (11.2% of the total) and haematological cancer receiving US\$2.3 billion (9.4% of the total).

For example, the World Health Organization's Global Action Plan for Prevention and Control of Non-Communicable Diseases aimed at decreasing premature deaths caused by cancer, cardiovascular diseases, chronic respiratory diseases, and diabetes by approximately 25% by 2025.





**Surge in diagnostic laboratories in developing nations:** The rising investments and advancements in the biopharmaceutical industry are driving the development of various innovative drugs and therapeutics, fostering the demand for oncology treatment and diagnostics. Oncology therapeutics alone contribute to approximately 20% of the global pharmaceutical sales.

These are just three among numerous factors contributing to the exponential growth of the oncology sector. According to a report by PwC, 34% of 15,267 pharmaceutical assets in development are within the oncology industry – a 30% increase compared to 2013. A decade ago, only two cancer drugs had surpassed the threshold required for a blockbuster status. Now, all of the top 10 oncology drugs are selling well over \$1 billion each year. The road to innovating new cancer drugs remains lengthy, and the cost remains substantial, but the payoff for pharmaceutical companies in oncology is reaching unprecedented heights.

After carefully examining the reasons for the popularity boom of our protagonists worldwide, it is only natural that we take a closer look at regional insights.

North America dominated 46% of the oncology market in 2022 due to the increasing burden of cancer particularly in the U.S. As per the American Cancer Society, around 19,58,310 new cancer cases and 6,09,820 cancer deaths were estimated to occur in the U.S. in 2023 alone.

After North America, Europe emerges as the second-largest growth-driving continent, closely followed by Asia. Latin America and the Middle East succeed in Asia, though their share remains relatively negligible. It's apt to liken North America to the Google of the oncology industry.



However, if we look at country-wise statistics, the data by World Cancer Research Fund International reveals that countries like Denmark, Ireland, Belgium, and Hungary top the charts in terms of incidence of cancer. Whereas Nepal,

Gambia, and Niger lurk at the bottom. India in this context lies somewhere at the bottom. These statistics are derived after adjusting for Age Standardised Rates (ASR), which serves as a summary measure of disease rates within a population with a standard age structure. Standardisation is necessary when comparing populations that vary in age because age has a significant influence on cancer-related mortality.

### The paradox of HDI

Now, with the above knowledge, we can explore some paradoxical statistics. If you haven't noticed already, there is a striking cancer inequity by the Human Development Index (HDI). This is particularly true for breast cancer. In countries boasting a very high HDI, 1 in 12 women will be diagnosed with breast cancer in their lifetime, and 1 in 71 women succumb to it. Conversely, in countries with a lower HDI; the numbers show a significant contrast: only 1 in 27 women are diagnosed with breast cancer, yet 1 in 48 women die from it. Following are the insights from a study conducted by the World Health Organisation:

#### Incidence

Population	Number	ASR/100,000
Very high HDI	8,934,818	295.1
High HDI	7,371,321	190.1
Medium HDI	2,326,749	108.1
Low HDI	650,423	115.1

#### Mortality

Population	Number	ASR/100,000
Very high HDI	3,478,767	98.7
High HDI	4,521,833	113.7
Medium HDI	1,513,219	71.5
Low HDI	439,852	82.7

These findings raise questions about the underlying factors contributing to such disparities. Maintaining a healthy weight, exercising regularly, and eating a healthy diet are recognized preventive measures against cancer, access to these practices appears more abundant in higher HDI countries than their lower HDI counterparts.

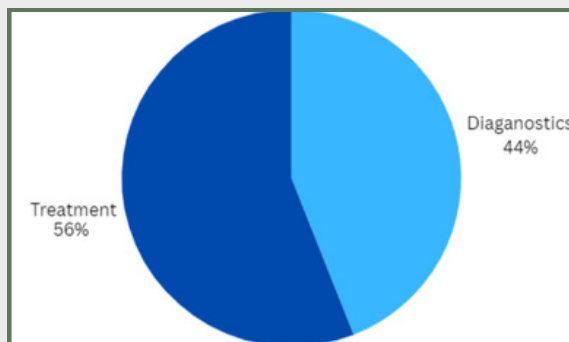
The answers for the same are pretty straightforward but intriguing. Countries with higher HDI, which are considered 'better off' have low mortality rates. Countries with low mortality rates may allow more people with a cancer genetic background to reproduce and pass cancer genes/mutations to the next generation. Meanwhile, lower fertility rates in these countries may not be able to have diverse biological variations to provide the opportunity for selecting a naturally fit population, for example, people without or with less cancer genetic background.

Low mortality rate and low fertility rate in the 'better' world may have formed a self-reinforcing cycle that has accumulated cancer genetic background at a greater rate than previously thought. Other reasons include higher exposure to risk factors, unhealthier living habits including consumption of tobacco and alcohol, etc.

### Largest slice of the cake

The valuation of the oncology market, particularly in cancer diagnostics and treatment, is forecasted to experience exponential growth. In 2022, the cancer treatment segment dominated the oncology market, capturing a substantial market share of approximately 56%. This surge can be attributed to the widespread adoption of traditional chemotherapy and immunotherapy for cancer treatment globally. There's a noticeable shift towards targeted therapy and immunotherapy due to their perceived convenience, effectiveness, and lower side effects than traditional chemotherapy.

Cancer - Diagnostics vs Treatment



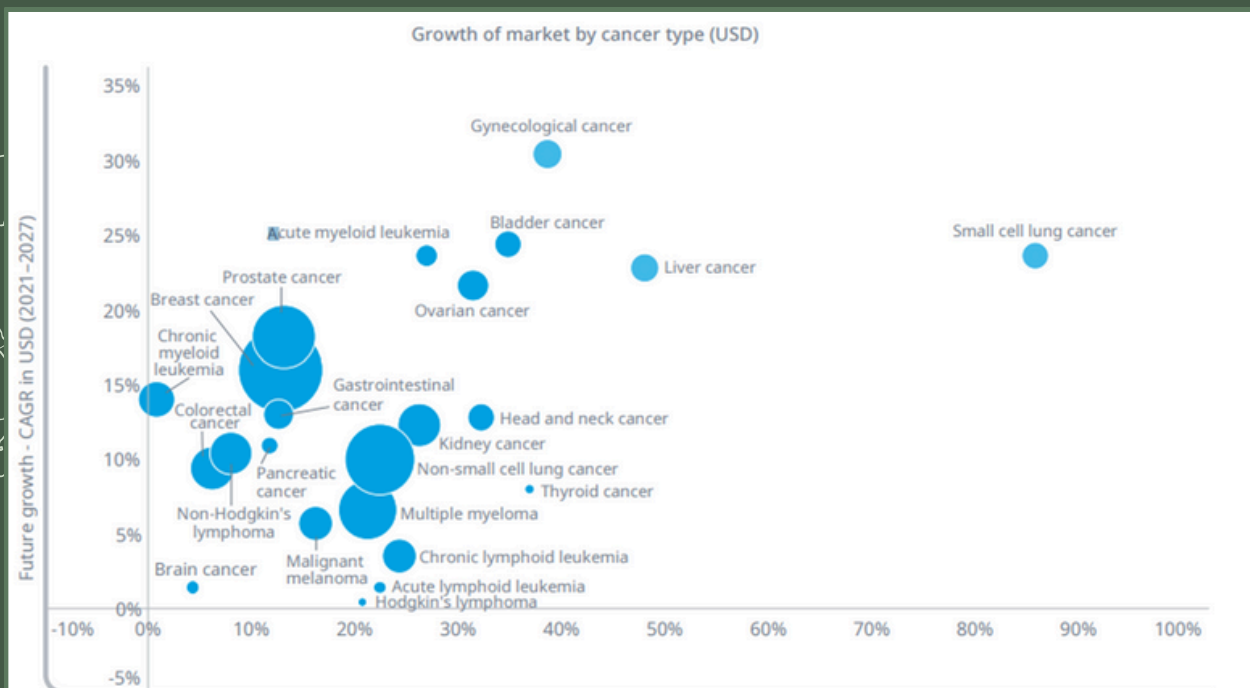
third in terms of incidence, while liver and colorectal cancers were the second and third leading causes of cancer death. Among women, lung and colorectal cancers were the second and third most common in terms of both new cases and deaths.

### Conclusion

With the pharma industry multiplying as rapidly as cancer cells themselves, this article covers the exponential growth of oncology, the challenges it faces, the geographical disparity and how organisations around the world have been pumping resources into this medical industry cash cow. We also covered our way around mind-boggling numbers; incidence and mortality are a mere statistic for research articles. In a world driven by figures, and in our attempt to make everything quantitative, we forget how a story of loss and grief underscores each statistic.

Let's go back to our definition of game theory. In this game of cancer, participation is involuntary, entrapping the unfortunate souls in a torturous swamp of suffering. Against this omnipotent enemy which also sets the rules, the feedback system ought to be negative. Since our game defies all aspects of the initial definition, it is only fair that we get our best shot as perfect game theorists. Any sufferer would

Cancer market growth by types



Regarding gender differences, breast cancer was the most commonly diagnosed cancer and the leading cause of cancer death among women, while lung cancer held that position for men. Breast cancer was predominant in the vast majority of countries (157 out of 185).

For men, prostate and colorectal cancers ranked second and

know the hardships, mental and physical, they go through to win this game. However, as hard as it sounds, this all-powerful enemy will never win. A perfect game theorist like yourself would know that this game is a lot like tic-tac-toe. You'll either win or draw, given you're the perfect game theorist. Similarly, a cancer warrior either defeats the cancer and wins or when they die, the cancer dies with them.



Cancer never prevails. It's a win or a draw, always.



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# FAST FOOD FRENZY AND ITS GLOBAL IMPACT

BY GRACY GUPTA  
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Over the last several decades, fast food franchises have gained prominence, changing not just the global culinary scene but also the cultures worldwide. This article explores the unique and subtle facets of this rapid growth, examining the social, cultural, environmental, and economic components that have driven fast food to worldwide prominence.

The rise of fast food chains is closely intertwined with the changing lifestyles and preferences of modern society. In most regions, consumers dine out more due to two main factors: rising family wealth and changing consumer behaviour. Even while well-known brands like Domino's, Pizza Hut, McDonald's, KFC, and Burger King remain consumer's top choices, the quick expansion of different food service outlets is becoming increasingly popular in developed and developing markets worldwide. Due to the quick increase in youth popularity of fast food, international fast-food chains are currently thinking about entering other

markets. The consumption of fast food is on the rise due to its convenience, affordability, diversity on the menu, flavour, and ease of preparation. The convenience and speed offered by these establishments align seamlessly with the fast-paced nature of contemporary life. Fast food has become synonymous with on-the-go meals, catering to busy professionals, students, and families looking for quick and accessible dining options.

## **Social Shift with McDonald's**

One remarkable example of this social shift is the exponential growth of McDonald's. By 2027, McDonald's Corp. hopes to have 50,000 stores worldwide—what it refers to as the fastest expansion surge in its history. With over 41,000 locations as of right now, the company has promised to establish an additional 2,000 before the end of the year. In a social sense, the success of McDonald's has been attributed to its flexibility in adjusting to various cultural standards and contexts. To better understand local tastes and cultural





quirks, McDonald's conducted in-depth studies in overseas markets including China and India. The emphasis on employing local management and personnel in different areas shows a dedication to promoting job possibilities and interacting with local communities. The company's approaches, which include developing eco-friendly programs and menus that take cultural sensitivity into account, demonstrate its understanding of and response to social concerns. You certainly won't find a 'McSpicy Paneer Burger' at McDonald's Connecticut outlet. Moreover, the company can serve a wide range of socio-economic classes because of its pricing approach, which is adjusted depending on local income disparities.

#### Exploring Cultural Preferences with Taco Bell

Fast-food restaurants have become experts at adjusting to regional preferences and cultural quirks. Global chains frequently include regional flavours and preferences in their core menus while maintaining consistency to cater to a wide range of palates. Taco Bell's success in India, for example, might be attributed to the company's introduction of menu items including Indian flavours and ingredients, exhibiting an understanding of the importance of cultural adaptation in the food sector. The Taco Bell Desi Menu in India is spicing things up with options like their Chicken Seekh Kebab Taco, Butter Chicken Taco, and Paneer Makhni Taco. Its newest entrée, the Cheesy Chicken Crispanada is a take on an empanada - a staple in Spain and Portugal - that Taco Bell has given its spin.

#### Sustainability with Starbucks

Fast food businesses' environmental effects has become a major worry as they continue to grow. Environmental deterioration is a result of the usage of single-use packaging, excessive waste creation, and the carbon imprint placed on food production and transportation. In response, a large number of fast-food chains are implementing sustainable practices. For instance, Starbucks has been a prime global leader in sustainable supply chains for over 50 years. Haven't you noticed more non-dairy alternatives for your espresso? The company has had soy milk on its menu since 1997 but has also introduced non-dairy alternatives like coconut, almond, oat milk, and even a plant-based whipped cream in



the past 25 years, alongside the company's efforts to source more sustainable dairy. Its commitment to sustainability is evident in its diverse menu items. Furthermore, Starbucks focuses on science-based targets, including plant-based food items, carbon-neutral green coffee, forest conservation, and renewable energy. The company's BYOC (Bring Your Own Cup) initiative aims to cut landfill waste by half by 2030. With over 1,500 LEED-certified stores across 20 countries and all 50 states of the USA, Starbucks is the largest retailer globally.

#### Impact on the Economy with Yum! Brands

Fast food franchises have grown prevalent in several locales throughout the world, and their economic impact cannot be underestimated. The fast food business is a significant contributor to the economy, creating jobs and generating billions in revenue. The food services industry in India employed about 7 million people in 2021 with a loss of about 2 million jobs during the peak of the COVID-19 pandemic. However, the industry is expected to make a full recovery in the coming years employing over 10 million people by 2025. These fast-food franchises provide employment opportunities to individuals with varying levels of education and experience, reducing unemployment rates and providing income for families.

Moreover, fast-food franchises generate billions of dollars in revenue annually, benefiting franchise owners and the economy by creating demand for goods and services. Entrepreneurs can access a proven business model, training, marketing support, and a well-established brand name, while individuals and institutions can invest in franchises, as they are often publicly traded. For instance, Yum! Brands, the parent company of KFC, Taco Bell, and Pizza Hut, has seen its stock price increase by over 50% in the past five years. The sector faces controversy over workers' rights and fair salaries, attracting traction in discussions.

#### Is Fast Food the Future of Agriculture?

Additionally, because fast food chains primarily rely on the production of essential foodstuffs like cattle, chicken, and vegetables, the economic impact also extends to the agriculture sector. This demand affects the use of pesticides,



water and land in agriculture worldwide. Critics claim that the fast food industry has corrupted farming. They also criticize farmers for producing food that promotes obesity while discouraging variety and diversity in eating choices. Thus, large or small farmers, organic or traditional, have a lot at stake in the fast food industry.

It is no coincidence that a meal purchased at one Domino's tastes identical to the one purchased at another. As we have seen, fast food companies seek to provide consistent products to customers worldwide, which impacts how agriculture operates. The artificial food flavoring industry creates uniform tastes across these chains worldwide. This industry creates chemical compounds that create the scent and flavour of foods, even if those ingredients are almost absent from processed food. However, the FDA does not require flavour companies to disclose their additives, leading to euphemistic labelling on food packages.

### Food for the 'gram: Apps and Social Media

Let's now tap into the virtual world of fast food culture. In the age of social media, fast food has become a canvas for edible art. Every meal is a potential masterpiece waiting to be captured for Instagram. Fast food chains leverage social media platforms to promote their products, engage with customers, and create brand awareness. Platforms like Instagram, Twitter, and Facebook offer a direct and interactive channel to connect with a massive audience. Fast-food chains, with their iconic offerings whether it's Asia's ramen or dollar pizza from New York, become a part of this global food culture.

On top of that, social media allows fast-food brands to engage with their audience in real time, with customers sharing their experiences through posts, reviews, and photos. This user-generated content serves as free advertising, leveraging word-of-mouth marketing. Both social media and fast food cater to the desire for instant gratification. Social media platforms provide instant entertainment and information, while fast food offers quick and easily accessible meals. This synergy reinforces the culture of immediacy and convenience. On top of that, social media platforms often integrate with delivery apps such as Zomato, Swiggy, etc. enabling users to order food directly through these platforms contributing to the convenience and popularity of fast food.

### Tasting the Positive Palette

While the doubters and handwringers are eager to bring out the industry's bad aspects, the significantly good narrative is often overlooked. While food prejudices refer to fast food menu items as "empty calories," the fact is that fast food's diversity and nutrition have improved in recent years. This is the outcome of customer demand and competitive pressure. Salt and fat levels have been lowered, while vegetables, fruits, and less sugary drinks have become more popular. The industry is blamed for obesity when evidence demonstrates that the amount of food you eat is far more important than what you eat.

Access to food is another benefit that is often overlooked. Fast food restaurants are abundant, grocery stores are not. The global pandemic brought this into sharp focus. As restaurants and bars closed and grocery shops ran low on food, the fast food sector maintained its drive-through lanes open and safe. The industry responded quickly and successfully implemented safe, contact-free food distribution. Taco Bell was among the first to implement a no-contact system in which customers could order and pay for their meal using their phone and pick it up as they drove through, with no human interaction.

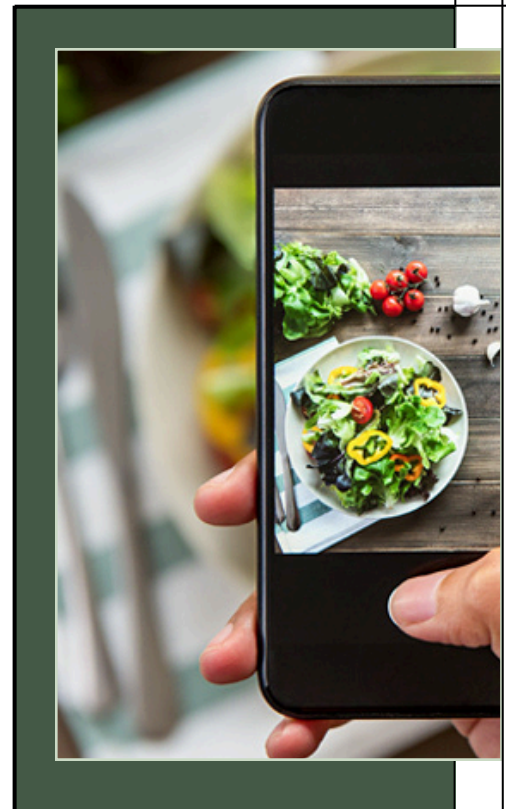
### The Fast Food Finale: A Crunchy Conclusion

The global expansion of fast food restaurants is a complex phenomenon that goes beyond simple culinary preferences. It is a reflection of our globalized society's changing social structure, cultural flexibility, environmental awareness, and intricate economics. Rising household earnings, a growing millennial population, increased foreign investment, increased tourism, and changing consumer purchase

habits all contribute to the expansion of the industry. As these chains strike a careful balance between profit and responsibility, it remains to be seen how they will continue to shape and be shaped by the vast fabric of our connected world.

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# TECHADE – THE TECHNOLOGICAL DECADE (2020-2030)

BY ABHISHEK RATHEE  
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As the 2030 Sustainable Development Goals deadline is nearing, the need of the hour is to address major challenges such as the climate crisis, inclusivity, and improved healthcare and education. Effectively harnessing technology is the major solution to tackle these issues. The United Nations General Assembly conveyed in 2019 that the upcoming decade must be a "Decade of Action," and utilising technology as a problem-solving tool is essential for realising this vision.

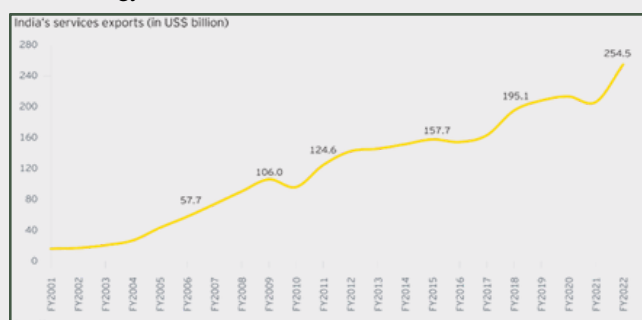
## What does 'TECHADE' mean?

Techade' consists of the words "technology" and "decade," signifying a decade influenced by the impact of technology. This concept came into existence just before the global disruption caused by the Covid-19 outbreak. The pandemic has significantly increased the urgency and importance of technology in addressing humanity's most alarming challenges. To ensure the success of the techade concept, that will ultimately define this decade as India's unique techade. It should not merely imply a greater reliance on technology but should bring forth meaningful impact, particularly with a focus on human-centric(involving) solutions.

## IDEA OF TECHADE WITH RESPECT TO INDIA

### IT and BPO services putting India on the global map:

India has witnessed a 14% increase in service exports over the past two decades, reaching a total of US\$254.5 billion in the fiscal year 2021-22. The Information Technology (IT) Services and Business Process Outsourcing (BPO) sectors have significantly contributed to this, amounting to US\$157 billion during the same period. This growth owes to the combined efforts of both Indian-based and global IT companies. Additionally, various MNCs are using Indian expertise through their capability centres in the country, employing a workforce exceeding 5 million. The above-mentioned figures showcase India as an emerging hub for technology and innovation.



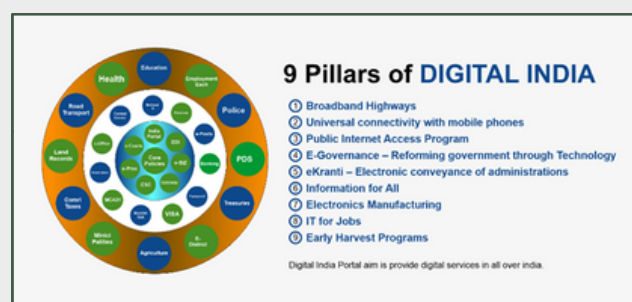
### India-as the GCC hub for global corporations:

Initially, India was viewed as a market comprising cheap labour, but at present, it has evolved into a significant reservoir of talent and innovation. Acknowledging the potential within India's demographic dividend, international corporations have established more than 1,500 Global Capability Centres (GCCs) in the country as of September 2022. These GCCs are affiliated with some of the largest companies in their respective industries providing services relating to solutions such as cloud, data analytics, artificial intelligence/machine learning, chip design, system design, and software development.

The success of this industry in India has generated a ripple effect on the Indian economy, given that the workforce within these centres occurs to be the consumer base for goods and services. Additionally, they contribute to savings and investments within the Indian economy. Consequently, GCCs have the potential to boost economic growth, particularly as global digitisation expands, leading to an increase in the management of business processes from India.

### Digital India Programme

The major initiative in technology adoption is the Digital India programme - a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. By focusing on the widespread adoption of digital technologies, the initiative has not only changed the way services are delivered but has also had profound economic impacts



One of the key economic benefits is the stimulation of the technology sector. The emphasis on digital infrastructure and innovation has created a conducive environment for startups and tech enterprises, leading to economic growth and job creation. The program's role in skill development in digital technologies has resulted in a more tech-savvy workforce, fulfilling the demands of the evolving job market.

Moreover, the digitisation of government services through initiatives like e-governance has eased processes, reducing bureaucratic hurdles and enhancing efficiency. This not only saves time and resources but also contributes to a more business-friendly environment, attracting investments and encouraging economic activities. Digital India has also played a crucial role in financial inclusion, with initiatives like the 'Pradhan Mantri Jan Dhan Yojana'. This has led to increased financial participation, providing individuals and businesses with access to formal financial channels, thereby contributing to economic stability.

## OBSTACLES WHILE FULFILLING THE IDEA OF 'TECHADE'

### Brain Drain

India fails to capitalise on market-driven growth opportunities, which results in the emigration of talented individuals to countries like the U.S. for employment opportunities. As of 2019, the U.S. had 2.7 million Indian immigrants, constituting one of the most educated and accomplished communities in the country.

### Gradual Decline in R&D Spending

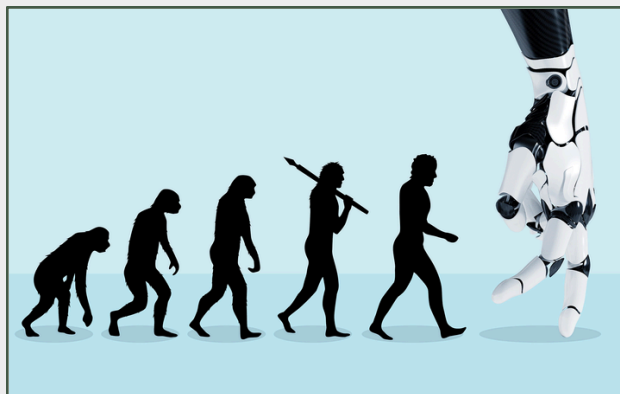
In 1991, when India implemented the LPG policies, it should have put in efforts to enhance its technological capabilities. However, research and development spending as a percentage of GDP decreased in India, from 0.85% in 1990-91 to 0.65% in 2018. In contrast, China and South Korea witnessed an increase in this proportion over the years, reaching 2.1% and 4.5%, respectively, by 2018.

### High Import of Electronic Items

India is a large market for all kinds of new technologies. However, the domestic industry has not yet managed to derive the benefits. The country is operating far below its potential in electronic manufacturing, electronic goods and components are the second largest item in India's imports after oil. As of 2020-21, India's imports are almost five times its exports in this technology sector.

### Other Roadblocks

There are many hindrances to the digital India programme like digital illiteracy, poor infrastructure, low internet speed, connectivity issues, lack of coordination among various departments, issues pertaining to taxation etc.



## KEY AREAS TO FOCUS

### Adding to International Norms

Over the next two decades, technology is considered to be the primary catalyst for the worldwide economy. To fully harness the benefits of this technological era, India must actively contribute and influence the ongoing development of global standards. These standards include a range of critical areas, including privacy, data localisation, tax legislation, the definition of monopolies, cyber security, immigration, and the predictability of regulations.

### Exploring Growth Avenues

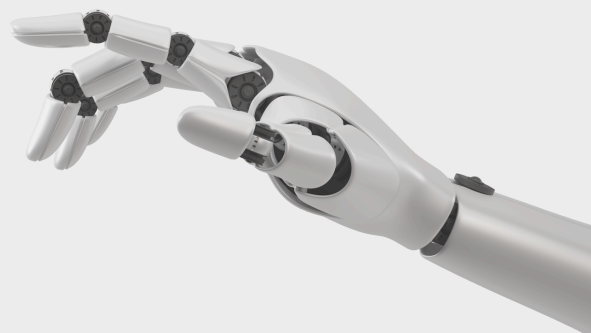
The 'techade' presents a growth opportunity for the Indian sector. Significant potential lies in areas such as green technology and sustainable solutions, Internet of Things, cloud computing, artificial intelligence and analytics, digital twins, cybersecurity, blockchain, and applications like green building, carbon footprint management, weather monitoring and forecasting, air and water pollution monitoring, forest monitoring, crop monitoring, soil condition/moisture monitoring, and water purification. The combined value of these sectors was estimated at \$10.32 billion in 2020, with projected growth to \$74.64 billion by 2030.

### Improving the Government Sector

A developed public sector will attract private enterprises and foster entrepreneurship. The growth of small and medium-sized entrepreneurs will showcase a positive change with the diffusion of publicly developed technologies, along with improved access to bank credit and other forms of support.

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# SHATTERING SHACKLES: STRATEGIES TO ESCAPE THE AGRICULTURE DEBT TRAP

BY AMEEN MOHAMMED  
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In the heart of India's vast landscapes, where golden fields stretch under endless skies, a silent struggle unfolds. The Agriculture Debt Trap, like a hidden adversary, has haunted countless farmers, casting a shadow over the very essence of their livelihoods. But fear not, for this article is not just about challenges; it's a roadmap, a narrative that explores how farmers can break free from the shackles of debt and cultivate a future of financial resilience and prosperity.

## **Understanding the Ties that Bind Farmers:**

Before embarking on the challenging journey to escape the agriculture debt trap, it's essential to understand the factors that create these financial webs and the repercussions it has on farmers. Farmers often start with loans for necessities like seeds, fertilisers, and equipment. Unpredictable weather patterns, fluctuating market prices, and high-interest rates turn manageable loans into overwhelming debts. The mental toll is significant, contributing to stress, anxiety, and, tragically, farmer suicides. Additionally, the social and community impact extends to families and rural communities, affecting education, healthcare, and overall well-being. Addressing the agriculture debt trap requires not just financial solutions but a comprehensive approach that considers mental health and community resilience.

## **The Power of Diversification:**

One of the keys to escaping the debt trap lies in diversification. While traditional crops have their place, cultivating alternative sources of income can act as a financial safety net. Farmers should think about adding value to their produce through processing, exploring animal husbandry, or venturing into niche markets. Diversification not only expands revenue streams but also minimises the risk associated with dependency on a single crop. Imagine a farmer who, alongside cultivating staple crops, starts a small poultry business or invests in a fruit orchard. These side ventures can bring in additional income, creating a buffer against the uncertainties of traditional farming.

## **Precision Farming:**

In the digital age, technology offers a powerful ally in the fight against the debt trap. Precision farming, utilising modern tools like sensors, GPS technology, and data analytics, enables farmers to optimise their resources. By precisely managing water, fertilisers, and pesticides,

farmers can increase efficiency, reduce input costs, and enhance overall productivity. Consider a scenario where a farmer employs drones to monitor crop health, ensuring targeted interventions only where needed. Precision farming not only improves yields but also contributes to a more sustainable and economically viable farming model.

## **Smart Financial Management:**

Breaking free from the agriculture debt trap requires a strategic approach to financial management. Farmers should adopt a budgeting mindset, carefully planning expenses and income. Keeping detailed records of financial transactions helps in tracking spending patterns, identifying areas for cost-cutting, and ensuring that every rupee is allocated effectively. Imagine a farmer who diligently tracks expenses, allocates resources based on priority, and sets aside a portion of the income for savings or investment. Smart financial management is the cornerstone of escaping the debt trap, empowering farmers to regain control over their economic destinies.

## **Accessing Formal Credit:**

While informal credit sources often lead to the debt trap, accessing formal credit institutions can be a game-changer. Governments and financial organizations offer various schemes and loans tailored for farmers. It's crucial for farmers to explore these options, understand the terms and conditions, and leverage formal credit responsibly. Picture a farmer who, armed with knowledge about government-backed credit schemes, secures a low-interest loan to invest



in quality seeds and modern farming equipment. Accessing formal credit not only provides financial support but also helps build a positive credit history.

#### **Community Collaborations:**

In unity, there is strength. Collaborative efforts within farming communities can be instrumental in overcoming the challenges posed by the debt trap. Farmers can form cooperatives to collectively purchase inputs, share resources, and even market their produce. This communal approach fosters resilience, reduces individual financial burdens, and enhances the bargaining power of farmers in the market. Envision a village where farmers come together to pool resources, share knowledge, and collectively negotiate fair prices for their crops. Community collaborations not only lighten the load but also create a support system that extends beyond financial assistance.

#### **Educational Empowerment:**

Knowledge is a very powerful tool to combat the agriculture debt trap. Farmers should actively seek information about market trends, agricultural technologies, and government policies. Empowering oneself with knowledge enables better decision-making, risk management, and the identification of opportunities for growth. Imagine a farmer who, through workshops, online courses, and community discussions, stays informed about the latest advancements in agriculture. Educational empowerment equips farmers with the skills needed to navigate the complexities of the agricultural landscape.

#### **Policy Advocacy:**

Beyond individual efforts, advocating for farmer-friendly policies is crucial for systemic change. Farmers, as the backbone of the nation, should actively engage with policymakers, raising their voices for fair pricing, better access to credit, and sustainable agricultural practices. A united front can influence policy decisions that address the root causes of the debt trap. Envision a scenario where farmers, organised into advocacy groups, participate in discussions with policymakers, sharing their experiences and

insights. Policy advocacy amplifies the collective voice of farmers, shaping a more supportive environment for agriculture.

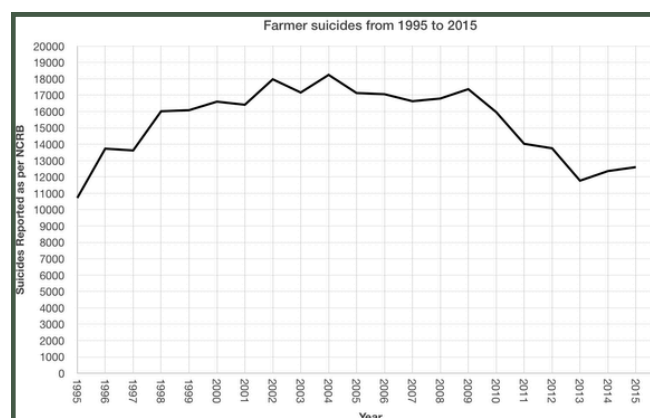
#### **Conclusion: Cultivating Prosperity:**

Escaping the agriculture debt trap is not just a journey; it's a transformation. It's about reimagining the future of farming, where financial resilience and prosperity replace the burdens of debt. By embracing diversification, leveraging technology, practising smart financial management, accessing formal credit, fostering community collaborations, seeking educational empowerment, and advocating for farmer-friendly policies, farmers can break free from the chains that hinder their progress.

Picture a landscape where farmers, armed with knowledge and supported by a robust ecosystem, thrive in their endeavours. The vision is not just a dream but a tangible reality that can be achieved through determination, innovation, and collective action. As farmers sow the seeds of change, the harvest reaped will be one of prosperity, sustainability, and a liberated future for Indian agriculture.

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# A DEEPER DIVE INTO TWITTER'S TRANSFORMATION UNDER MUSK; A BLUNDER OR A MASTERSTROKE?

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With Elon Musk's recent acquisition of Twitter, the internet and social media industries have been rocked, and many are left wondering if this was a blunder or a masterstroke. Being the faux-charismatic CEO of businesses like SpaceX and Tesla, Elon Musk is no stranger to breaking rules, questioning authority, and sending ripples throughout the market. Opinions on his vision for Twitter, now X, however are sharply dichotomous. Some of his audience believe it to be the second coming of Christ, whilst others think it to be the works of a man born into wealth with little understanding of how to use and gain it.

The new changes range from Neuralink (a neurotechnology company founded by Elon Musk building an implantable brain-computer interface that translates thought into action) integration to decentralised moderating; these dramatic changes will transform netizens' view of Twitter as merely a social media platform.

Musk's vision for Twitter is undeniably bold. He envisions a platform where users have more control over the moderation of content (like Reddit minus the substantial bursts of fascism), reducing the power traditionally held by centralised authorities like administrations. Administrations refers to moderators who monitor the content that goes up on the platform, and whether or not it violates the community guidelines of the same.

Note that this does not mean the abolition of moderators as those are still present. This move is seen by some as visionary, reflecting Musk's penchant for disrupting established norms. However, skeptics argue that such radical changes could lead to chaos, with the potential for misinformation, harassment, and abuse to go unchecked. A peculiar example of this is the fact that the "N-word" usage on the site has never been higher.

Musk's reputation as an innovator has both fuelled excitement and compounded skepticism. While his track record in industries like electric vehicles and space exploration is impressive, the social media landscape is different. Altering the delicate balance of free expression and content moderation has had profound impact on Twitter's success.

## Impact on Free Speech

The cornerstone of Twitter's appeal has been its commitment to free speech. However, Musk's approach to moderation, which leans towards decentralisation, raises concerns about the platform's ability to control harmful content. Advocates argue that decentralisation empowers users, giving them greater say in what is deemed acceptable on the platform.

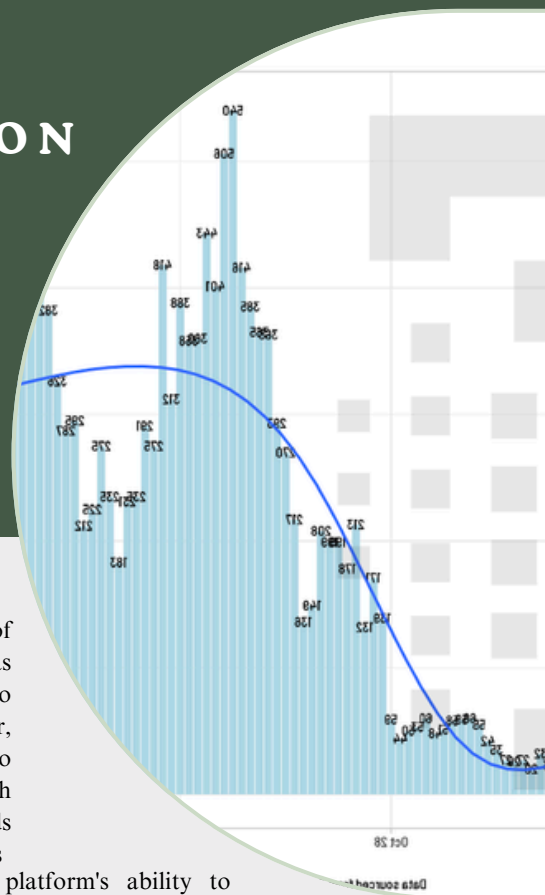
Musk himself has been a vocal proponent of free speech, often using Twitter to express unfiltered thoughts. However, striking the right balance between free expression and preventing abuse will be crucial. Musk himself in a show of hypocrisy has numerous times now, removed posts on the app that opposed him.

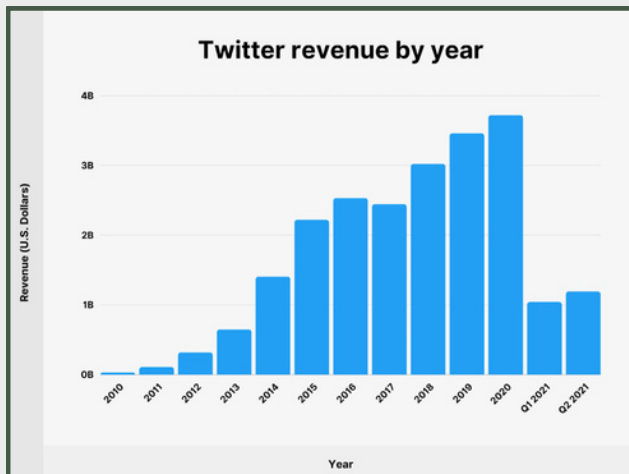
The challenge lies in defining the parameters of acceptable content without stifling diverse opinions. Twitter, under Musk's leadership, faces the task of finding innovative solutions to maintain a healthy online environment while respecting individual freedoms.

## Financial Implications:

Musk's Twitter takeover has not only ignited discussions about the platform's functionality but also raised questions about its financial future. The unpredictable nature of Musk's business decisions, combined with his tendency to make market-moving statements on Twitter, has led to fluctuations in the company's stock value. It does not help that Musk paid for twitter by selling additional Tesla shares, reducing shareholders wealth and indirectly, making them pay for the purchase of sorts.

Investors are closely monitoring how Musk's leadership will impact Twitter's revenue streams and overall market standing. The success or failure of Musk's vision could have far-reaching consequences for the platform's financial health. If his changes attract a broader user base and increase engagement, Twitter could see a surge in





advertising revenue.

On the other hand, if the user experience is compromised or if advertisers become wary of the platform's evolving dynamics, it could spell trouble for Twitter's financial outlook. Since the purchase, the user count initially skyrocketed, which was due to people wanting to jump on the bandwagon and watch this ship sink; Forward a few months, and now the count is declining further and further. Twitter revenue is reaching lows, not seen since its initial launch, and this is just the beginning.

### Ethical Shifts

Beyond the technical and financial aspects, Musk's influence extends into the cultural and ethical realm. His Twitter presence has been both entertaining and controversial, with tweets ranging from announcements about Tesla products to memes and attempted witty remarks. Musk's unique brand of online engagement has contributed to Twitter's identity as a platform where real-time conversations unfold.

The transformation under Musk might not be limited to technological changes; it could also bring about shifts in the platform's culture and user engagement. Users will be closely watching how Musk's persona and style align with or challenge Twitter's existing community dynamics. The majority of users are a part of the 25 to 34 year age group which is not one Musk panders to, usually. His target audience is more suited to 14 to 20 year olds trying to define a personality for themselves and stumbling upon this eccentric billionaire who is "just like them". Interesting to see how that pans out.

### Community Response

Ultimately, the success of Musk's Twitter transformation hinges on the response from the platform's diverse user base. Twitter has a unique and engaged community that values the platform for its ability to facilitate public discourse. Musk's challenge is to align his vision with user expectations and concerns.

A successful transformation could establish Musk as a pioneer in the evolution of social media, reshaping the way we interact online. However, failure to address user concerns or to navigate the delicate balance between free expression

and responsible moderation could lead to a mass exodus of users seeking alternative platforms.

In conclusion, Elon Musk's transformation of Twitter is a high-stakes gamble that has the potential to redefine social media. Whether it proves to be a blunder or a masterstroke will depend on Musk's ability to navigate the complex landscape of technology, free speech, finance, and culture.

As the story of Twitter's transformation unfolds, the world watches with bated breath, eager to see whether Musk's vision will revolutionise social media or become a cautionary tale in the industry,

As the Roman emperor Augustus once said, "I found Rome a city of bricks and left it a city of marble." Time will only tell if Musk leaves Twitter a city of marble, or in flames and ashes.



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# EGOISTIC ALTRUISM: A PROFOUND ECONOMIC ARGUMENT

BY AYUSH HANS

B.A (HONS.) ECONOMICS



## What's the deal with us?

Until recently, the world was mostly an agrarian economy. If we take things to scale, the global output was stagnant and did not change much year by year. The size of the pie was fixed, so the world was a zero-sum game, where no wealth was created or destroyed. Then the industrial revolution happened and everything changed. Production increased and improved by multifold. We found a way to create not just a bigger, but a growing pie. So essentially a positive sum world was given birth. This leads us to the conclusion that if more people are better off, it is in your personal best interest. It is good for you if people in third-world countries you might have not even heard of are prospering. There is a genuine selfish argument for making the world a better place, because in a positive sum world, the more people are well-off, the better your own life is. But the current situation doesn't seem that way. It was assumed that if more goods were produced, economic welfare would prosper, but modern plundering still leaves a majority of the population at a disadvantage. The article further looks into what modern plundering is and how we can combat it.

## Current status quo:

Developed countries like The US, Saudi Arabia, UK have reached economic heights wherein innovation and development are prospering. The US alone contributes to revenue of 75,690.00mn Dollars in luxury goods. In the realm of economic inequality, luxury exploitation may be observed when a small segment of the population enjoys significant wealth and access to luxuries. At the same time, a larger portion experiences financial insecurity or lacks access to basic necessities. Issues such as income disparity, unequal access to education and healthcare, and disparities in living conditions can be seen as instances of luxury exploitation. This alone satisfies our assumption that the US, and other developed nations can fulfil their needs even if their focus is shifted just slightly towards welfare rather than luxury items and catering to the rich.

Let's take an example of two guys from India, Ram and Sham. Both won a lottery ticket for a travel voucher to a foreign country. Ram, who is luckier than his friend, wins a trip to Dubai. While Sham's astrologer could only find Vietnam in his stars. Ram and Sham have been instructed by their wives that they have to get souvenirs for them. While Ram explores lavish high rise buildings and luxury brands, Sham can only come across local shops, which of course have their own beauty.

Now both are rational consumers, so it is best if they get maximum satisfaction with minimum price. Now given the circumstances, Ram would be paying exorbitantly high for a perfume in Dubai which would give almost the same satisfaction as a souvenir due to the situation as Sham, who gets the perfume for a lot less. This creates a disadvantage for Ram as a rational consumer, because he had to pay more price for the same souvenir. Within the same context, we can take the whole population of both the countries, which raises a few questions in our minds.

1. Can relative utility, i.e creating an equal scale of utility possible for all countries, to signify equality?
2. Is it beneficial for developed countries to form a better future by global growth?

To answer the first question, no, not exactly. One good that is important in India, such as a certain spice, may not be as important in any western country. This brings us down to a common threshold of items such as power, technology, luxury goods, etc that are viewed equally in different countries, with their price not changing as such. So, developed countries should basically change their interpretations of further growth. The ideas of social exploitation for affluent goods, or a general consumer mindset, that fixates its happiness on consumption of an economic status better than the ones around them leads to nothing but wastage of resources. No doubt it leads to fueling our economies, but where? It is leading towards a dying economy because they can't grow forever, with our said limited land, water and minerals.



### **The nature of innovation:**

Coming back to our main argument, as to creating a positive sum world, the nature of innovation plays a key role here. It is fundamentally driven by supply and demand. The supply increases when more people have the opportunity to contribute with the help of healthcare, education, and equality. Likewise, the demand for newer solutions that flourish the economy increases as people have more resources and can now pay for new solutions. Improving the lives of people that are worse off has a multiplying effect, it increases both demand and supply of more solutions. Let us take an example of something that affects all of us. Research indicates that if more people can invest in cancer research, it can prosper at greater heights than what we can imagine right now. Therefore it is in the selfish interest of developed countries to lead the way, for the development of others.

### **Doughnut economics and conclusion:**

Kate Raworth, a renegade economist and creator of Doughnut of Social and Planetary Boundaries argues that economies are destined to thrive, not grow. There will come a time when economies sustain life, rather than spread it all over. The central idea of Doughnut Economics is visualised in the form of a doughnut shape. The inner ring of the doughnut represents the social foundation, ensuring that everyone has access to essential resources such as clean water, food, education, and healthcare. The outer ring represents the ecological ceiling, acknowledging the planetary boundaries that, if crossed, could lead to environmental degradation and harm to the Earth's ecosystems.

The goal is to place humanity within the "doughnut", in the space between the social foundation and the ecological ceiling. This signifies a balanced state where people's basic needs are met without overshooting environmental limits. Raworth argues that traditional economic models, often fixated on continuous GDP growth, that is a by-product of hungry consumerism have failed to address social inequalities and environmental sustainability adequately.



In looking out for welfare, and overall global development, which is the only future we can account on seeing how consumers are becoming increasingly interconnected as a market and should be, as seen in the Ram and Sham example, the research output of humanity would be many times what it is right now. The more people want the same thing that you want, the more likely you are to get it. That is what it means to live in a positive sum world, you don't gain more pie if the poor stay poor, instead you get more pie when there is overall development and innovation of more ideas. The faster we get to this world idea, where resources are collectively spent and spent judiciously, the better it is for each of us personally.

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# THE ECONOMICS OF FERMENTATION

BY JAYVEER SEHGAL

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## Introduction

Generation Z (people born between the late 1990s and 2010s) has quite the reputation of being fussy when it comes to health products. Healthy foods for this age group as defined by itself are something 'fresh', that 'provides nutrients', or 'has fruits or vegetables'. However, a new health wave has been brewing (excuse the pun) recently, one related to a millennial old process of food preservation, now a leading force in promoting gut health - fermentation.

Fermented food is everywhere - from the yogurt in our breakfast, and the soy condiments we use, to the wine accompanying our dinner. Let us have a look at the history and economics of this vast industry.

## Fermentation - History

Fermentation is a chemical process through which molecules (for example, glucose) are broken down anaerobically. Fermentation dates back as far as 10,000 B.C.E. Evidence ranges from fruit and honey-based drinks in Neolithic China to wine-making around 6000 B.C.E. in Georgia. Fermentation was used mainly as a tool for food preservation - fermentation provides a way to store food without refrigerating. It is probable that fermentation occurred spontaneously, rather than intentionally, due to naturally present microflora in milk. The first ever Zymologist - Louis Pasteur originally defined fermentation as "respiration without air".

Only after 1910 were fermented foods considered beneficial for health. Russian Bacteriologist Elie Metchnikoff identified a bacteria in fermented milks in Bulgaria, which enabled them to have an average lifespan of 87 (!) years. He named this bacterium Bulgarian Bacillus, which would later be renamed Lactobacillus Bulgaricus.

Over the last half century, research has been conducted on the benefits of consuming friendly bacteria. A relationship has been found between consuming these friendly bacteria and improved gut health. Although our ability to control this process is reasonably understood, there are still many ways fermentation can be improved.

## Forms of fermentation

- **Lactic Acid Fermentation** - Sugars are broken down to produce lactic acid.

- **Ethanol fermentation** - Pyruvate molecules in sugars are broken down by yeasts in carbon dioxide and alcohol used to produce wine and beer.
- **Acetic Acid Fermentation** - Sugars from grains or fruits are converted into sour-tasting vinegar and condiments.

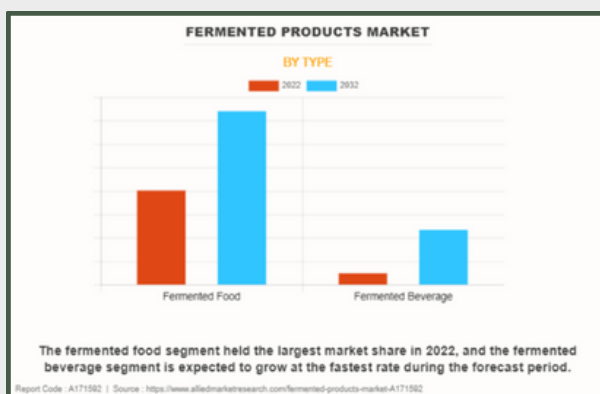
## Popular fermented foods and drinks

- **Kimchi** - Made from fermented vegetables like cabbage and radish. Common in Korean cuisine.
- **Kombucha** - A naturally effervescent probiotic drink, Kombucha is a fermented tea that carries a host of good bacteria.
- **Miso** - A Japanese seasoning/paste made from fermenting mashed soybeans and grains.
- **Mead** - An alcoholic beverage made from fermenting honey with water. Can also include fruits, spices or grains.
- **Tempeh** - Made from fermenting cooked soybeans.
- **Yoghurt** - Produced by bacterial fermentation of milk.

## Economics of Fermented Foods and Beverages

### Market Analysis

- The global fermented products market size was valued at \$52.5 billion in 2022 and is projected to reach \$78.7 billion by 2032, growing at a compound annual growth rate of 4.3% from 2023 to 2032. Growth in this market has been the result of increasing curiosity among consumers towards health and fitness.
- The above graph categorizes the market into fermented foods and fermented beverages. The fermented food market dominates the beverage sector and is likely to be on top for the foreseeable future.
- Asia-Pacific holds a prominent market share in the fermented product industry. In this region, demand for these products is growing due to rising urbanization and the increasing purchasing power of the common masses. Also, products such as tofu, tempeh and other products are vastly consumed across southeastern countries such as Indonesia, Vietnam and others.



### Market Leaders

- Fonterra Co-operative Group Limited
- Constellation Brands, Inc.
- Yakult Honsha CO. Ltd.
- Danone S.A.
- PepsiCo, Inc.

### MARKET TRENDS

#### Emergence of Gut Health

The importance of the gut has been a topic of increasing research in the medical community. Research suggests that the gut microbiome can affect every organ in the body. Links have been found between gut health and the immune system, mental health, autoimmune diseases, cancer, sleep, endocrine disorders, gastrointestinal disorders and digestion.

- Free Form and vegan products have seen an increase in demand.
- Products like Kefir, Kombucha and many more have gained popularity owing to their antioxidant, anti-inflammatory, anti-diabetic, and anti-fungal properties.
- Home fermentation is an art which has been re-emerging among individuals. Products such as yoghurt and kimchi are particularly popular among those experimenting in their backyard.
- Probiotic foods and drinks have become more popular due to their health benefits and easy availability. Dairy-based fermented foods and plant-based foods hold a major share in this segment.

#### Market Happenings

- In 2016, PepsiCo introduced the Tropicana Essentials Probiotics beverages.
- In May 2022, Nurture, a Fonterra Co-operative brand, launched its brand of cultured milk in Singapore.
- In September 2022, Nestle launched new probiotics for kids' growth in China.
- In May 2023, India's National Chemical Laboratory (CSIR-NCL) licensed the technology for producing bacterial nanocellulose for wound care and cosmetic applications.

#### Ferments of India

Indian cuisine is stuffed with fermented foods and products.

- Items such as Dhokla, Idli and Uttapam all require some form of fermentation in their preparations.
- Desserts like jalebi, gulgule and selroti are made from a

fermented batter.

- Fermented drinks are abundant all across India. Beverages such as kesar kastoori, kanji, chuak, kiat and many more are all fermented.

### CASE STUDY OF AN INDIAN BRAND IN THE FERMENTATION INDUSTRY

#### Odd Fellows Brews

A brand started by 2 brothers from Delhi who aim to bring the miracles of fermentation into the public eye.

The venture started in 2020 when they found a gap between the taste/flavour and benefits of fermented foods.

As per the owners, fermentation as a technique brings a wide variety of good bacteria, the kind that is hard to find in supplements and pills. But the flavour profile is such that it can put many people off.

Rather than mass producing, they made small batches, delivered to customers fresh and sugared with fruits. This reduced the sourness of fermented products and improved their benefits.



In terms of sales, there has been a steady growth. This is again due to a growing awareness of gut health as well as a changing trend of more farmers/organic markets popping up in Delhi. A problem faced by OddFellows is the fragility of naturally fermented drinks in terms of breakage and over-fermenting. Another core aspect is minimising waste. This is done by staying away from plastic and reusing glass bottles to reduce carbon footprint.



There has also been increasing competition, showing a great desire for organic brews in the marketplace. The approach to increase the audience has been different for different brands. While some pasteurise the products and carbonate artificially to increase shelf life, some have diversified into products that do not contain live microbes to increase their audience and brand awareness.

### Seasonal trends

Summer months see a rise in sales via restaurants and cafes while in-person marketing takes a hit. More gut health workshops are organised to increase awareness and educate the audience.

During winter months the sales at cafes reduce, but in-person farmers markets take a rise.

An increase in sales in terms of fermented condiments is seen during the winter.

Festive seasons such as Diwali are slower in such marketplaces. However, online sales do tend to increase.

### Conclusion

We can see that the fermentation industry is a growing one, and that the proverb 'old is gold' is correct - this millennia-old technique is being popularised yet again; not only for its tremendous preservation properties but also for the health benefits it provides.

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# UNRAVELING THE VEBLEN EFFECT - IS A ROLEX WATCH WORTHY OF ITS PRESTIGE AND PRICE?

BY KAVYA SARAOGI  
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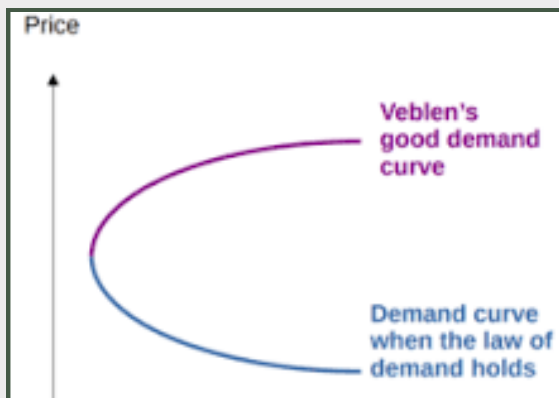


We've all seen a Rolex watch – whether in the flesh or in the media. We've all been enamoured by the appeal it has – how its wearer immediately becomes an object of envy or attraction. But, the psychology of the human mind is one to be held in high regard. Seldom does it possess an opinion without a reason.

And the reason is one which is provided by the wonderful field of Economics.

All of us find ourselves prey to the qualities that compliment the very essence of being human. We are envious of those who possess objects that we deem hard to obtain – either due to their price or rarity. Oftentimes, we sour at the thought of someone else working towards possessing these items and critique their pursuits to the effect as well. Yet, despite our jealousy, we would love to have these items for ourselves. As humans, our two-faced approach towards this conundrum provides for an interesting topic to dissect and discuss.

The effect that is in cruise control of our emotions and desires during said conundrum is known as the Veblen effect popularized by famed economist Thorstein Veblen.



The Veblen effect explains that – for certain products – higher price can be associated with an increase in demand for said product. The elevated price provides for – in the mind of the ever-incongruous consumer – an increase in the prestige, exclusivity, or status for the commodity. As a result of this, individuals are more inclined towards purchasing these goods to indicate that they belong to a higher social

strata. The Veblen effect is also one of the many reasons behind why certain luxury items maintain their appeal even as their prices rise. This is due to obvious reasons. The demand for these luxuries depends more on their price as opposed to their utility. On the technical side, the demand curve of Veblen goods possesses an upward slope – in clear violation of the typical downward-sloping demand curve which is often seen with normal goods.

Explaining this effect is one thing. Seeing it happen in practice is another. One real-world commodity that is often cited in cahoots with the Veblen effect is a watch – one that is particularly from the Rolex brand.

Rolex watches are known to command exorbitant prices. There are a multitude of reasons behind this, but the biggest slice of the cake is undoubtedly because of the Veblen effect. We will explore all the reasons behind its price in this article.

## CRAFTSMANSHIP

No shadows can be cast on Rolex's claim to build watches that possess supreme craftsmanship. The watches that bear the Rolex name are durable, reliable, and last a lifetime if kept well. These watches are composed of a number of materials – all of which have been exclusively tested by the brand to determine their usefulness in making the watch endure all that nature throws at it. With supreme quality, an increase in price is to be expected. This is seen with the Rolex brand.

## DESIGN

Rolexes have been trendsetters for the watch industry since their introduction to the market. These designs have been defined as timeless for watch enthusiasts and buyers. The company is known for having invented the world's first self-winding mechanism with a perpetual rotor as well as for inventing the first-ever waterproof wristwatch. Such designs and inventions have captured many a heart in their long and momentous history. This factor contributes – as did the earlier one – to the steep price of a Rolex watch.

Whilst the above two factors are certainly important, let us now discuss the factors that are primarily responsible for the stiff price of a Rolex watch.



## EXCLUSIVITY

There is no doubt to be attached to the exclusivity of Rolex watches. The demand for Rolexes exceeds its supply manifold in markets. The company has made extensive use of waiting lists to further captivate its cult-like audience. Shying away from mass production, and being selective about its retailers has allowed Rolex to retain its image as an exclusive brand – one whose watches are wrapped around the wrists of individuals who, quite literally, strove to obtain it.

Out of all the factors discussed so far, this contributes to the price of the watch like none other. Limiting the supply to inflate the price of a commodity is a concept we have all discussed in classrooms. This is a clear example to that effect.

## MARKETING AND BRANDING

The Rolex brand has been very careful when it comes to marketing itself. The brand has used traditional methods of marketing – in the form of television ads, printed ads, sponsorships etc – but has done something that is a little different from the norm in each of these types of media. The printed ads by the company have been classically published in black and white – thus displaying an aura of exclusivity and class. Television ads have consistently followed a pattern, wherein, the watches are shown being worn by celebrities whilst engaging in an activity associated with luxury such as golfing, yachting etc. This has solidified the brand image of the company as one which is meant for the rich – or rather, which is owned by all the rich. It gives the impression – to those that can afford the watch – that they are missing out on something that people of their economic level possess thoughtlessly.



A glass must be raised, however, to the other methods of marketing Rolex employs as well such as celebrity endorsements, limited edition watches (which sell out upon release) etc. These factors further maintain and condition the image of the brand.

## PERCEIVED VALUE OF THE PRODUCT

The final factor is one that works hand in hand with the Veblen effect. The high price of Rolex watches contributes to their perceived value as status symbols. The luxury and exclusivity associated with the brand make owning a Rolex a symbol of success and social standing. When an individual buys a Rolex watch, they also buy into its history, its exclusivity and the social standing that it proffers.

All of the factors that have been explained are responsible for the high price of Rolex watches; the final three, even more so. The Veblen effect mainly operates on the basis of the final three factors, with the exclusivity of the product being a major one. Let us say that the price of a Rolex watch increases by 10% tomorrow. One of the major changes that will occur is with regard to its exclusivity. With an increase in its price, it will become even more exclusive. It will come to be priced higher than other watch brands as well. As a result of this, individuals – who can afford to buy it at its new price – will flock to stores to obtain it, as a means to display their social and economic standing. The number of people who are unable to afford a Rolex at its new price will be dwarfed by the number of people who increase their demand because of the rise in price. This clearly explains the Veblen effect, and how Rolex watches adhere to it.

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# THE DIFFERENCE IN THE INDIAN CONSUMPTION ATTITUDE OVER THE LAST DECADE

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It is a known fact that consumer behaviour is dependent on time and generational differences. Many aspects of consumer behaviour change over time: attitudes, values, lifestyles, and the political and cultural environment. It had even been proposed by Nicosia and Mayer in 1976 that time may be the most crucial variable in consumer behaviour. But there is no concrete evidence to support that change in time (or marginal time, shall I use?) will guarantee a change in consumer trends.

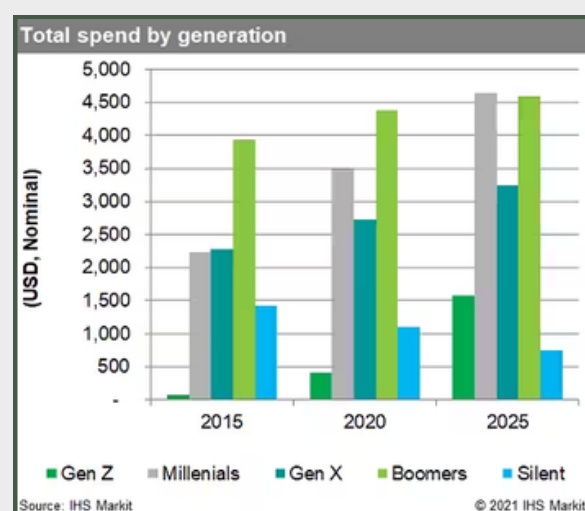
Before we jump into examining the changes in consumer trends in India, let us talk about consumption attitudes. What exactly does attitude mean in terms of the market? Attitudes are evaluations, or basically, preferences people have when it comes to buying an 'object' that can be a product, service, package, advertisement, or any other aspect of consumption. Consumers learn attitudes from a variety of sources, ranging from direct experience to peer influence to marketing. India is an extremely diverse country. With the advent of the internet and social media apps, there has been a stark difference in the opinions and lifestyle goals of the current generations (the 90s and 2000s) to those of the preceding generations. India has a large young population i.e., individuals aged 30 and below. This age group spends the majority of their time on the internet in some way or the other. And since one gets to learn about the rest of the world a lot more easily on social media, the perspectives and lifestyle goals of the people in this age bracket are bound to be influenced by people of other nationalities.

For instance, fast food consumption. Our parents' generation was a lot more cautious regarding the amount of fast food it was consuming, especially when it came to American/Western brands. Barista, KFC, McDonald's, and the like became more accessible in the 90s and have seen steady growth since then. But again, with a new generation (the 2010s, or Gen Alpha) comes the rise of yet newer brands that support the lifestyle endorsed by social media influencers. Starbucks has now replaced CCD and Nestlé due to its popularity amongst TikTok creators. According to a market study, 90% of consumers discovered new products on YouTube, and 64% of consumers in India made purchases based on an influencer's review.

Earlier, the most common goals were to save money to be able to buy a house and a car and live comfortably. But for millennials, the interest in spending on traditional things, such as the purchase of a home, has fallen. Increasingly,

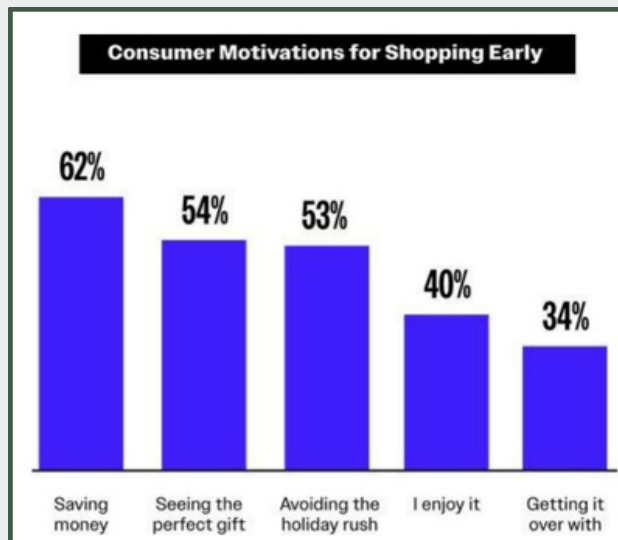
people are spending more on experiences, customised products, and time-saving services. Another very important element that influences consumer trends is income. With the rise in the average income, a lot more Indians are now spending regularly on luxury brand items (Points Table: Necessary goods- 0, Luxury goods- 1). Brands like Gucci, Louis Vuitton, and Michael Kors can be afforded by many more people now, as compared to a decade back. Similarly, nowadays, Indian teenagers indulge in thrift shopping a lot more than ever before. In a Boston Consulting study, more than 60% of respondents said that in the past year, in at least one category, they had purchased something because it was trendy and they felt like upgrading— and not necessarily because they needed a replacement. Well, we cannot really blame them, because FOMO- Fear of Missing Out, is a very real thing. Although fast fashion is environmentally not a good phenomenon, it is an interesting consumer trend.

E-commerce continues to soar, with consumers increasingly relying on online platforms for shopping, from groceries and fashion to electronics and furniture. This shift has considerably enhanced convenience for which consumption, in general, has been at an all-time high. Companies are leveraging advanced technologies like artificial intelligence and data analytics to create immersive and relevant customer experiences. This trend has resulted in increased brand loyalty and repeat purchases. Nowadays, there is also a heightened awareness of sustainability and ethical consumption. There is a growing concern for the environment, leading to a shift in buying behaviour. Consumers are actively seeking out eco-friendly





and socially responsible products and brands. Adopting energy-saving lighting solutions has seen a surge, such as LED lights, which are not only ecological but also save up to 80% on electricity.



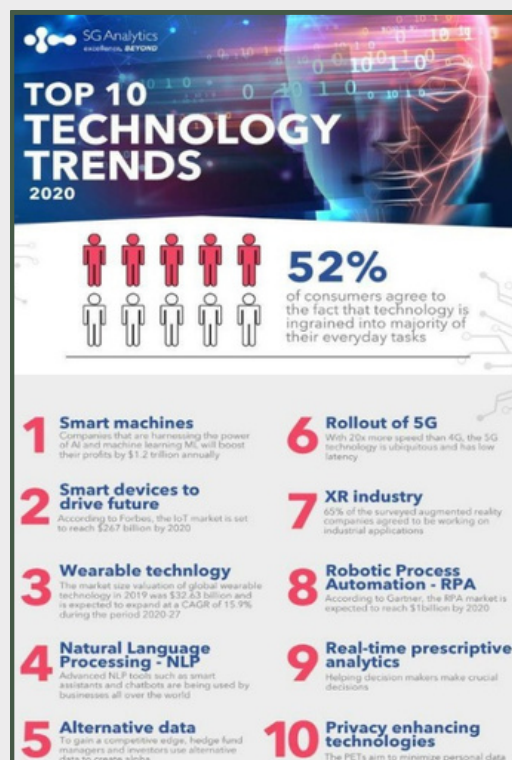
And though international brands stand strong in the Indian market, 'small businesses' and indigenous brands have also started gaining traction in recent years. The COVID-19 pandemic also influenced consumer behaviour, especially in the health and wellness industry. According to Accenture's 16th annual research report, which surveyed over 25,000 consumers across 22 countries, 71 per cent of respondents changed their behaviours and values due to the pandemic. Fitness apps, nutritional supplements, and mental health services are undoubtedly consumed more post-pandemic. The awareness that started with picking out organic foods and supplements has trickled down to the purchase of products like smart wearables that offer features such as monitoring blood oxygen levels, health tracking, hand sanitization reminders, sedentary alerts, and Spo2 monitoring to name a few. As a result, businesses are now designing cutting-edge health and hygiene features to cater to consumers' evolving wellness expectations. A survey by OneGreen, one of Asia's largest e-commerce marketplaces for sustainable products, indicates a shift towards health-conscious and environmentally-friendly buying. Eight out of 10 Indians have changed their buying behaviour to prioritise their health and well-being, while six out of 10 respondents consider the environmental impact when making purchase decisions.

And even though AI, AR/VR, and other futuristic technologies are drastically changing the online shopping experience, in-store experiences are still a major driver of foot traffic and contribute to the growth of the brand's culture. Also, offline shopping is still a popular way for consumers to spend time with their family or friends outside of the home, therefore this trend is here to stay (the ever-increasing fuel prices might diminish that urge, though).

To conclude, change is the only constant in an economy. Consumers have evolved in certain ways and in some other ways, gone back to old buying habits, indicating the revival of innate buying patterns. But whatever the case, people will always like to upgrade themselves and that is what essentially shapes the concept of consumer trends and how they change over time in countries like India.

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# THE ECONOMICS OF DRUGS

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These past few years have been quite a rollercoaster, don't you think? We have gone from lockdowns and social distancing to even the talk of a potential world war. And to top it off, this whole global warming and pollution situation has worried everyone. In the midst of this, we have come across a topic that we have kind of thrown dust on because of other major sandstorms, it is the increasing drug abuse around the globe. It is starting to become a spreading epidemic causing large numbers of deaths. Globally, more than 100,000 people die from drug overdoses every year.

## What causes this addiction?

Drug addiction is thought of as an adjunctive behaviour or a subordinate behaviour catalyzed by deeper, more significant psychological and biological stimuli. The main three components involved are; Development attachments: it is created by environmental influences such as parental care or lack of it, when a child receives more erratic care they may tend to believe that short-term risks to escape from their ancient environment are a good option. Second, the pharmacological mechanism is the belief that many substances of abuse have healing powers, which often motivates overuse and addiction. The belief of expected gain associated with drug addiction is often a falsified sense of increased fitness and viability related to drug abuse. Finally, the social phylogeny, includes social inequality, dominance, and social dependence.

Whatever the theory may be, withdrawal is unavoidable. As a drug is injected into the body of an individual the brain slowly becomes dependent on it and with the absence of the same the body experiences withdrawal symptoms. In many cases these withdrawal symptoms cause the addicts to return to drug abuse.

Addiction is a psychological attachment to certain effects associated with drugs and alcohol, leading to excessive use even when not needed. Repeated use increases tolerance levels, leading to greater intake and addiction. The addictive potential of drugs and alcohol can create a vicious cycle, leading to addiction and dependence. The body may experience withdrawal symptoms, anxiety, shakiness, nausea, and sweating, which can be severe and life-threatening.

Dependence leads the patient to ignore all social norms to get sufficient funds to satisfy his/her needs. These result in many social adjustment problems.

## Economics and Drugs

While we are well-acquainted with the profound social and health repercussions it imposes, the development of effective policies to curb its use necessitates a thorough examination of its complex interaction within our economic framework. Understanding how drug abuse influences the market is paramount.

This entails an analysis of both the benefits and costs associated with drug abuse. By delving into the economic aspects, we can gain insights into the web of supply and demand, the implications for various stakeholders, and the broader impact on our socio-economic landscape. This complex perspective is crucial for crafting informed and effective policies that address the multifaceted challenges posed by drug abuse in our society.

## Benefits

While the benefit for consumers of drugs is short-lived and is quickly overshadowed by the cost of considerable health and financial burdens faced by society, there are unquestionable profits for suppliers and traffickers of illicit drugs.

A bigger portion of the income generated from drug sales remains in the consumer countries, i.e. most of the profits are made, and re-invested, in the consumer countries. Producer and trafficking countries, however, tend to pay a high social and political price for short-term economic gains. More than 90% of the value added (gross profit) of these drugs is generated at the distribution stage of the drug industry. In the domestic market of Pakistan, wholesalers and retailers reap about nine-tenths of the retail price of heroin. Even larger is the value added by international trafficking when the heroin leaves Pakistan. The free onboard price of heroin in Pakistan was \$3.3 per gram in 1992/93, while the retail price per gram in street markets was around \$130 in Western Europe.

This shows the lopsided gains of the suppliers and traffickers of drugs.

## COSTS

### Costs of drug prevention and treatment

Amidst the drug abuse in society, there is a need for the government to take action for its prevention, education, as well as treatment, and rehabilitation. Some may question why the government should allocate funds to address drug abuse. The response is straightforward: by investing in prevention now, the government can effectively save money



in the long run by mitigating the future costs associated with it. According to studies, for every \$1 spent, good prevention programs can save Governments up to \$10 in subsequent costs.

### Healthcare and mortality

In recent years there has been an increase in drug-related deaths, crimes, and accidents. Hospitals have seen increasing cases of overdoses and adverse reactions along with the spread of infectious diseases, like hepatitis B and C, and HIV/AIDS, due to injecting drug use. For people aged between 15-49 years, drug abuse is the sixth most common reason for death.

### Crimes

Crime committed under the influence of drugs is a major problem worldwide, whether it is car accidents, fights between suppliers and buyers, or offences committed to get money to buy them.

### Work, Employment and Productivity

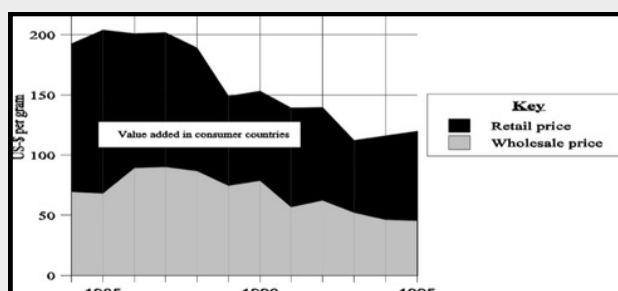
Drug abuse is mainly seen among young people in the 15-35 age group, with a concentration in the 18-25 age group. It thus consists of people who are either already part of the workforce or are about to join it. With unemployment being an issue in many countries, drug abuse slims their chances for employment further.

According to many surveys and studies conducted from time to time, there is a strong correlation between the employment status of a person and drug-taking habits. It is revealed that drug abuse is more common among the unemployed which is much higher than amongst the employed.

The underlying reason for drug misuse was seen as the loss of jobs in the last few months, increased trouble with jobs, and more. It was reported that in half of the cases of drug abuse in employees leads to performance impairments and frequent absences from work, ultimately culminating in termination of unemployment in many cases.

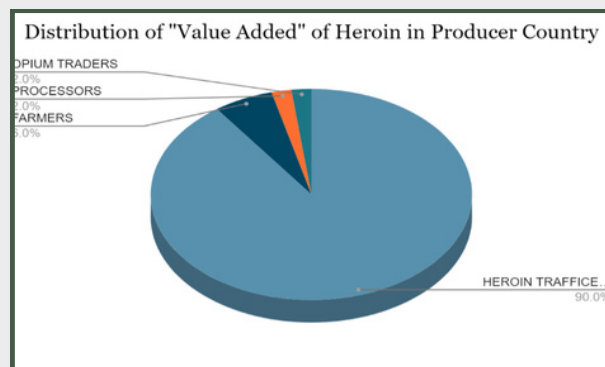
Drug abusers in the workforce act like an impaired limb causing the companies to be slowed in the race of growth and development.

The reduction in employee productivity affects the companies directly in the short run, but its long-term repercussions extend beyond corporate boundaries, impacting the broader economy of the country.



### Price Determination and Income Elasticity

Unlike other commodities, the price of drugs is fixed by the level of risk involved in their manufacturing and trafficking. The prices and profits are not proportionate to factor cost but to the risks and monopoly in the drug market. Thus, in a market like this, the price increase at the beginning of the chain (like production) would result in only a marginal change in the final price and won't lead to price hikes that are seen in other commodities.



Knowledge of the price elasticity of drugs is important not only to calculate the effects of drug abuse on the economy but also to see the impact of prohibition efforts, many of which are based on the assumption that higher prices reduce consumption. Thus the main question is whether the drugs are price elastic or not. It can be believed that price elasticity may exist to a limit but it is very small as an addicted person will try to obtain these drugs by any means possible irrespective of the prices even if it leads them to commit crimes to obtain the money.

Additional investigation reveals that though the price elasticity of drugs may be inelastic in the short run, it can become elastic in the long run. The rationale for this is higher prices may discourage the new potential abusers from drug use but may only have a little effect on the already addicted ones.

### Income Distribution

Drug abuse diverts resources that could otherwise be invested in building human capital through education and healthcare. The funds generated from the illicit drug trade are often channeled through money laundering or invested in cash-intensive businesses that operate without proper financial documentation. These enterprises can persist as loss-making entities for extended periods, disrupting market dynamics by undercutting prices and distorting fair competition. In essence, the negative impact of drug abuse extends beyond individual health concerns, affecting broader economic aspects and societal well-being. Furthermore, when examining the consumption dynamics, a distinctive hourglass pattern emerges. The widest segment of drug consumption is found within the lowest income group, indicating a higher prevalence of drug abuse in this demographic. The middle-income group experiences a more modest consumption pattern, resembling the narrowed waist of the hourglass. Interestingly, the trend retakes an upward turn among the higher-income groups, illustrating an

elevated level of drug consumption. This complicated connection between supply, income distribution, and consumption unveils the complex socio-economic dynamics inherent in the drug industry.

#### Investment

In the realm of the drug industry, a notable phenomenon is observed in the economic structure. While the pyramid representing the supply chain maintains an upright configuration, signifying the sequential stages of production and distribution, the pyramid illustrating income distribution takes on an inverted shape. This means that as one ascends through the layers of the supply chain, there is a visible increase in the concentration of income, with higher ranks reaping more significant gains.

#### Drug Abuse in India

Like many other countries, India also struggles with the major problem of drug abuse. In India, cannabis, heroin, and opium are the most commonly used drugs. But there is an increasing prevalence of methamphetamine too. The number of users who inject drugs has also gone up substantially. There are one million heroin users registered in India according to a UN report. But unofficial estimates suggest 5 million as a truer figure. There has been an alarming increase in the number of suicides due to drug abuse.

These deaths not only lead to the loss of human capital but also have a deep impact on the families affected by it. Often drug addicts become a burden on the family as they tend to spend a lot of money to support their addiction.

#### CONCLUSION

Due to the addictive nature of drugs, and their perceived benefits like relief from stress, a person may try taking these in the face of peer pressure, examinations-related, and competition-related stresses. In doing so, he/she may get addicted to them. Education about their harmful effects, counselling, and seeking immediate professional and medical help would relieve the individual from these evils.

Not only society but also the economy ends up being harmed by this, the money invested in this industry is mostly corrupted which can't return to the flow of money in an apt way that may lead to curbed investments. The lower productivity of human resources is also a major issue for the economy. Without an efficient and equally effective human capital, it will be hard for any country to develop.

Some recommendations and best practices to reduce the economic and health consequences of drug abuse are:

A wide variety of social programs, not directly related to drug abuse have the potential to reduce the economic consequences of drug abuse, vocational training programs can be targeted to reach young people who are at risk of becoming drug sellers and interventions can target those vulnerable to homelessness, social deprivation, unemployment, and exclusion from educational opportunities.

The United Nations Board recommends that the Government increase its collaboration and partnerships with relevant international organizations, like the United Nations Children's Fund.

Strengthening government institutions is a key strategy for reducing the consequences and costs of drug abuse in all countries. Policies and initiatives against drug trafficking must be integrated into development programs in all countries, keeping in mind the goal of strengthening institutions and shared responsibility at all levels of government.

Drug treatment courts rely on swift and modest sanctions coupled with treatment and drug testing to promote abstinence from drugs, reduce crime, and increase social reintegration which may require a major reorientation of national drug control and justice policies and may also require significant investments.

The government can prohibit the movement of narcotics in the black market and seize them whenever and wherever spotted. Stringent measures and continuous monitoring to control the same is necessary. By doing so the government can ensure that these drugs do not reach unwanted hands that use it for intoxication.

As statutory bans on drugs may lead to an unavailability of drugs required for medical treatment which are life-saving, in some cases the same has not been mentioned.

The age-old saying is always to be kept in mind,

**"PREVENTION IS BETTER THAN CURE"**

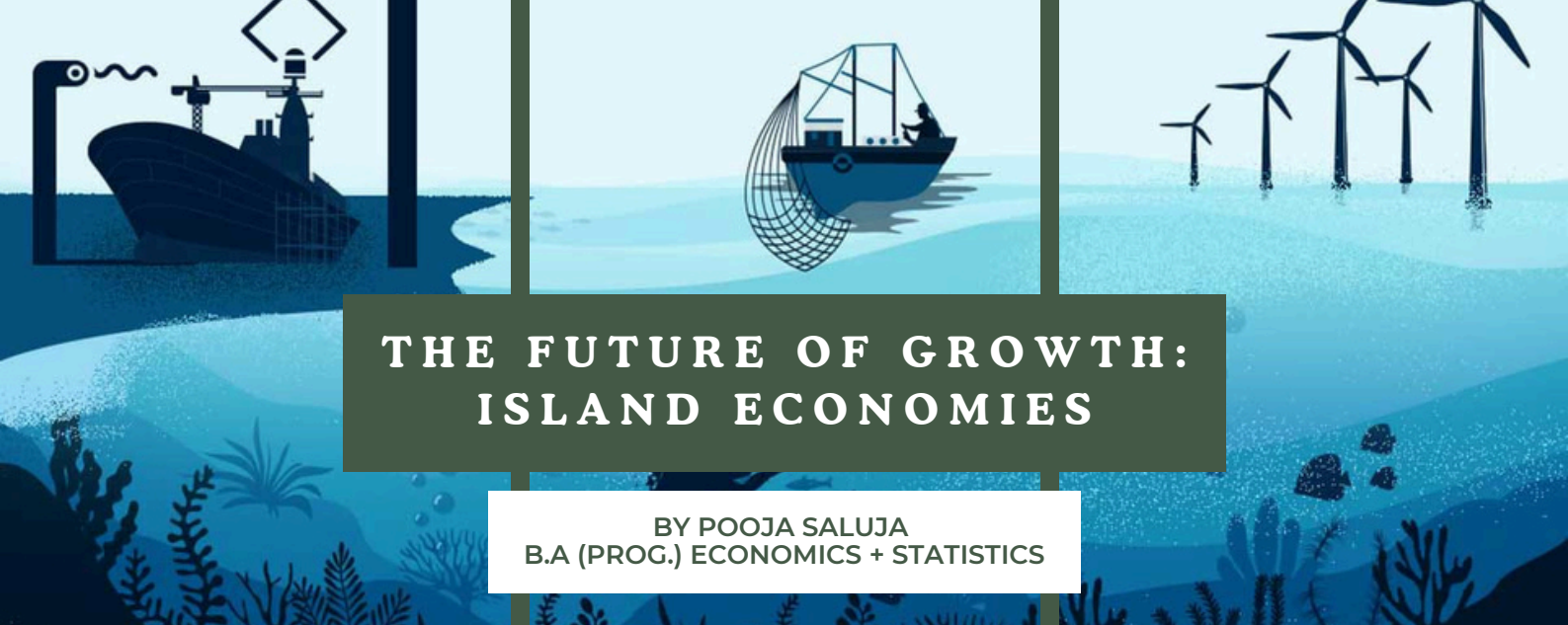
TOP 5 STATES	Maharashtra	Kerala	Mizoram	Punjab	Tamil Nadu
2011	8.9	2.8	5.6	11.4	1.6
2012	10.5	3.2	35.3	8.8	1.4
2013	10.8	4.6	8.4	6.8	2.6
2014	8.4	5.6	4.3	4	3.4



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# THE FUTURE OF GROWTH: ISLAND ECONOMIES

BY POOJA SALUJA  
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‘Opimus’ which translates to rich in Latin is home to Mr. Ambani’s latest vacation home at the beachfront. However, that’s not all, Opimus also holds Reliance’s biggest production units, and what’s more, is that Mr. Ambani now holds Opimus in his investment portfolio. Opimus is an island located somewhere in the Andaman archipelago at the junction of the Bay of Bengal and the Andaman Sea. Nobody could have imagined that an uninhabited barren island would someday become one of India’s biggest company’s most valuable asset, but why imagine when you can see it happen. All thanks to Mr. Ambani, Opimus is now a production powerhouse for Reliance and most of its subsidiaries. Surpassing Guyana, Macao and Fiji, it is now the world’s fastest-growing economy. Island economies usually suffer a comparative disadvantage in setting up the manufacturing sector. However, Mr. Ambani’s entrepreneurial prowess and resources have overcome transportation obstacles and allowed Opimus to enter into free trade agreements with most southeastern countries. Holding a current account surplus, Opimus is home to people from all walks of life. It is not just a flourishing economy, but also a happy and healthy nation, let us see how-

When Opimus was designed, some of the world’s best minds came together to discuss how to build a country like one huge production cell. Be it the roadways, staff quarters or supermarkets, everything is designed to eliminate all inefficiencies and leakages. When Mr. Ambani hired and migrated people from India as workers and inhabitants of Opimus, he gave them undeniable perks and facilities: free quality education, healthcare, and housing for all employees and their families of up to 6 members. To keep things competitive, Mr. Ambani has provided special economic zones for setting up of businesses, all for the welfare of his people. Sounds too good to be true, but here’s how deep pockets can lead to deeper pockets.

Mr. Ambani, like a true businessman, needs to see the numbers work in his favour. It is widely known that Islands can appreciate in value over time, and development projects on the island such as resorts or high-end real estate can provide a lucrative return on investment. Owning an island can be part of a broader strategy for diversifying one’s asset

portfolio. It provides a tangible and unique asset that may appreciate over time, offering a level of diversification beyond traditional investments. But that is not at all the complete picture but only one-third of it.

Developing an economy designed for efficiency and having the resources to meet an infant economy’s needs solves a lot of problems faced by growing nations.

This is like having a stellar startup idea knowing that it will work, having access to the most effective resources for achieving maximum levels of production and also being able to access markets to consume such high levels of production. There is a reason why poor economies are often struggling to grow, but we cannot say the same for Opimus. It is rightly said that when the product is free, the consumer is the fee. Similarly, with such great infrastructure and framework, the price must also be borne by the citizens. Opimus’ demographic is dominated by middle-class employees who receive incomes after a 30% tax slab deduction. There is negligible, if not zero leakage in the economy on the basis of taxation inefficiencies and defaulters. Essentially, everyone earns well in Opimus and all who earn, pay the tax. So,, although Reliance has built a mitochondria-like society initially purely out of its own pockets, it is able to churn out hefty taxation revenue from its citizens to repay the loans at uncanny interest rates. Also, making facilities optimum for other businesses to establish production units on the island also helps earn taxation revenue from them, allowing Opimus to keep investing on infrastructure, increasing the asset value of the island and leaving Reliance’s funds unscathed. But that is still only two-thirds of it all.

What if India always had IITs, IIMs and startup programs making all resources available to not just provide opportunity to the youth but also have one of the most appropriately skilled workforce with hands-on training, meeting most, if not all job requirements? We don’t have to answer the question, because Opimus does so. It is common knowledge that education helps develop human capital by equipping individuals with knowledge, skills, and competencies. A well-educated workforce is more productive, adaptable, and capable of contributing to economic growth. Education fosters a culture of innovation



and creativity. A well-educated population is more likely to engage in research and development activities, leading to technological advancements that drive economic progress. By just providing world-class education which grooms kids in fields that are truly relevant and up to date with the latest technical developments, Reliance no longer needs to look for the sharpest minds when it can groom them. Undoubtedly, there will be human capital looking out for other opportunities, but the technical advancements and innovations developed domestically offset the losses caused by such leakages where students pursue occupations not offered by Reliance. Most well-informed investments create a multiplier effect where the outputs are x times the inputs employed. But that is not the case here at all, rather than an investment multiplier, we see a compounding effect lasting for generations to come.

Hence proved, that deep pockets lead to deeper ones by sharing prosperity with those who are unaware of the depth of the pockets they have fallen into.

Opimus can potentially reap benefits for more people than it intended to, but, to our disappointment, Opimus most likely lies in one of the dust-covered files stamped with bright red “Rejected” on its cover in one of Reliance’s storerooms. It was probably a proposition that did not even manage to reach Mr. Ambani’s CA’s office, let alone Mr. Ambani. Well, water under the bridge now. Mr. Ambani is a content man with simple needs. Just like he doesn’t need celebrities from all over the world to give him and his family private shows, he doesn’t need a college fresher to give him investment advice and he definitely doesn’t desire to have another beachfront villa on some barren island called Opimus. Because when you always reach for a sky above a sky, you stop looking down, you forget where you’re from, and you never find where you belong.



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# AN ANALYSIS OF THE WORKING AND SUCCESS OF RGGI: A GREEN ECONOMIC MODEL

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Even as the largest emitter of carbon dioxide till date, the United States of America does not have a centralised climate policy. Pointing fingers, is however counter-productive not only to tackling climate change, but also to the purposes of this article. This analysis seeks to explore, and through relevant research and findings, even appreciate, the working of the RGGI as a relatively new 'economic system'.

In the formative years of this century and the dearth of a policy of the aforementioned nature, several states of the USA took it upon themselves to devise their own system to that end. This system — the Regional Greenhouse Gas Initiative, or RGGI (pronounced 'Reggie') for short — in my belief, was a product of the profound realisation that the economic system disallows the State to rely solely on the benevolence of private corporations to keep a check on their carbon footprints. For a climate policy to truly work, the functioning and progression of the market and the goal of reduced emissions would somehow, have to go hand-in-hand — that is to say, space had to be made within the market to incorporate the realisation of this seemingly-unattainable goal.

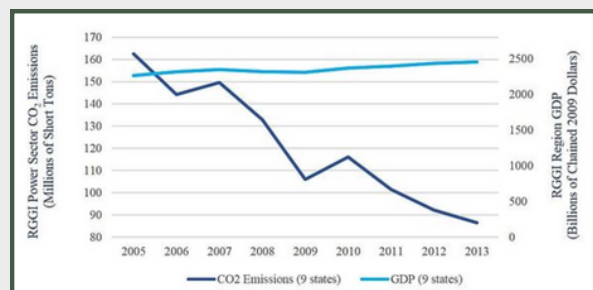
How could the policymakers ensure that market operations facilitated a fall in emissions? They had two options: first, to implement a carbon tax, as New Zealand had announced it would in 2002, or, second, to impose a cap-and-trade system. These both were means of making polluters pay in cash for the damage they caused - to make them, in a sense, "internalise the externalities". With the decision of the implementation of a cap-and-trade system, in 2005, the governors of Connecticut, Delaware, Maine, New Hampshire, New Jersey, New York, and Vermont signed a Memorandum of Understanding (MoU) to reduce carbon dioxide emissions within the northeastern and mid-Atlantic region under the model of RGGI. In 2007, RGGI was expanded to include Maryland, Massachusetts, and Rhode Island. Similar entries (and exits) of states would continue taking place (such as the exit of New Jersey in 2011).

The basic premise of cap-and-trade is that, instead of the government directly instructing corporations to limit their carbon emissions, it would simply impose a cap on said emissions. Each company would start the year with a certain number of tons allowed — their so-called "right to pollute".

The company would decide how to use its allowance; it might restrict output, switch to a cleaner fuel, or even independently innovate ways to cut emissions. If it does not use up its allowance, it may sell what it no longer needs. On the flip side, it may end up buying extra allowances in the open market. Each year, the cap would ratchet down, and the shrinking pool of allowances would get costlier. To quote the official RGGI 'Fact-Sheet':

*"Over time, the regional cap declines, so that CO2 emissions decrease in a planned and predictable way. Since its inception, RGGI emissions have reduced by more than 50%—twice as fast as the nation as a whole—and so far raised nearly \$6 billion to invest into local communities."*

The attached graph further highlights the positive impact of RGGI on both emissions and economies of the participating states in the last decade.



In a nutshell, under this system, the prerogative to pollute is driven by the invisible hand, much as prices of commodities are in the open market, as supported by the principles of 'laissez faire'.

Note that the RGGI is not an economy-wide system. It applies to fossil-fuel power plants of 25 Megawatts or greater (just shy of 170 facilities), located within the participating states. It is on these facilities that a declining cap of the total greenhouse gases permitted is set. Regulated power plants must acquire one RGGI CO2 allowance for every short ton of CO2 they emit. For 2023, the RGGI cap for the twelve participating states is 187,968,414 CO2 allowances.

The reporting cycle is three years. This means, that every three years, each facility must report its total tons of carbon emissions and submit an equal number of emission allowances. Every quarter, the states (through the third-



party organisation set up by them) issue a number of allowances equal to the cap, as the cap declines, the number of allowances declines. As for their distribution, RGGI designers decided that permits would be quarterly auctioned: thus, in effect, power generators would pay for allowances, but the market would set the price. (An exhaustive list of volumes auctioned, and respective prices offered is available on the official website, and can be checked out by interested readers at <https://www.rggi.org/auctions/auction-results/prices-volumes>.)

Auctioning has proven to have had several virtues. First, it created a source of revenue for governments. Second, regulating the auction mechanisms allowed the government bodies to exercise some control over the prices of allowances.

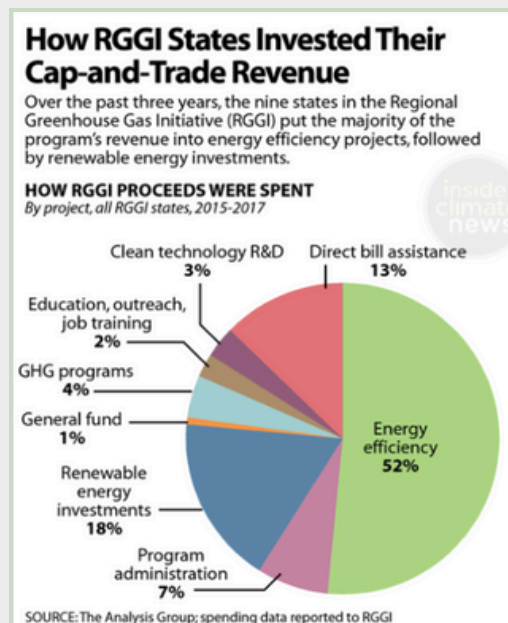
Indeed, this auction system is nothing like the dramatic, haywire bidding procedure for, say, antique objects, as depicted in the media. Here, we delve briefly into the more technical details of the mechanism to gain a better understanding of it: the Minimum Reserve Price is the minimum price that emission allowances can be sold for, at a RGGI auction (in 2023, the reserve price was \$2.50 per allowance). The Cost Containment Reserve (CCR) allowances are made available for sale at an auction if the allowance price exceeds a predetermined maximum price. Conversely, Emissions Containment Reserve (ECR) allowances are withheld from sale at an auction, if the price would otherwise fall below a set trigger price. In 2023, the CCR price was \$14.88 and the ECR price was \$6.87. For the sake of simplicity, this practice can be compared to the releasing/hoarding of foreign exchange by central banks when the value of forex exceeds or dips beyond the desired limit.

Further, these allowances are tradable on secondary markets — this forms the “trade” part of cap and trade. So far, we have seen that RGGI is built along the lines of a classic economic model on two counts: first, the cap-and-trade approach as a market-based system, which incentivises corporations to automatically reduce emissions, and second, the determination of price through the auctioning system. The third and fourth, quite closely related to each other, are revenue recycling and the resulting economic benefits.

The participating states had agreed to spend at least 25 percent of the revenue generated by auctions on consumer-benefit programs. According to Analysis Group, “during the 2015-2017 period [RGGI] states received and spent the roughly \$1.0 billion in auction proceeds primarily on energy efficiency measures, community-based renewable energy projects, customer bill assistance, other GHG-emission reduction measures, and on research, education and job training programs.”

In practice, governments of several states have spent more than 25 percent of the funds on consumer-benefit programs, of which energy efficiency programs and community

renewable energy have been the primary beneficiaries. According to Analysis Group, the resulting benefits of the investments outweigh the costs to consumers in higher electricity prices. In the 2015 to 2017 period, “the RGGI program led to \$1.4 billion (net present value) of net positive economic activity in the nine-state region.” The attached pie chart breaks down the revenue streams. This is note-worthy that, only two states, New York and New Jersey, have diverted RGGI funds to pay off state deficits, following which they were subjected to criticism by environmentalists.



The investment of RGGI auction funds — a cumulative \$2.6 billion since the program started — has, according to multiple studies, produced enormous economic benefits. It created 30,000 job-years, saved consumers \$618 million on energy bills, generated \$2.9 billion in regional economic growth, and produced \$5.7 billion in public health benefits. \$4.7 billion have been produced in net economic benefits. It has had a positive impact on low-income households and has provided funding for energy efficiency programs that benefit low-income households, bringing equitable growth to the forefront as a goal of RGGI.

As for the environmental impacts, data suggests that the RGGI program has been successful in reducing greenhouse gas emissions from the power sector. The program has reduced emissions by 47% since 2009, and the participating states are on track to achieve the goal of reducing emissions by 65% by 2030.

Simplistic conclusion-drawing from data, however, is perilous. In keeping with Mark Twain's views on statistics and lies, reports have expressed concern regarding emission leakages, offsets, and the working of the CCR after analysing reported figures. A research article states, “From a practical standpoint, the RGGI program's contribution to directly reducing the global accumulation of GHG emissions in the atmosphere is arguably negligible.”

However, literature on the subject has been largely in favour

of RGGI's efforts to reduce emissions, and virtually none has discounted its positive economic impacts. As the writer, and therefore, the entity that possesses monopolistic control over this narrative, I take what is arguably the 'easier way out' by concluding with a question for the readers: can a system comparable to RGGI be implemented in India? What factors must be considered to make it a success in this still-developing country, given the vastly different ways in which the US and Indian economies operate? Ponder over this, and the prospect of the development and perfecting of a revolutionary, potentially global, economic system that caters to arguably the two most important imperatives for our kind: the market, and the planet.



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# THE PSYCHOLOGY OF BEING POOR

BY PRIYANKA SHEOKAND  
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In a world where some people have more money and others have less, we often overlook how the struggle of not having enough is tied to the feeling of being poor. Besides the obvious difficulty of making ends meet, there is a mental side marked by thinking there is not enough, what others think, and the lasting effects of poverty on families. The feeling of not having enough, even if it is not true, shapes how we think and decide things. This mental pressure from not having much money is something people deal with every day. Feeling poor is not just about not having money; it is a force affecting both the choices we make now and the path our lives take in the long run.

Think about Maria, a single mom juggling two jobs to support her two kids. Despite her hard work, the constant feeling of 'not enough' seeps into their home. Maria's daughter, Sofia, soaking up the stress, perceives that opportunities are scarce, and dreams are a luxury. As Sofia grows up, the weight of feeling poor shapes not just her dreams but also how she sees herself in the world.

The impact of economic inequality goes beyond just not having enough; it affects how we see ourselves and how others see us. Let us talk about the social stigma tied to poverty, a heavy burden that eats away at our self-esteem and keeps cycles of shame going. In a society where success often means having money, those in financial shadows might feel trapped in judgment. This judgment, when we take it in, becomes a weight that transforms poverty from a financial challenge to a deeply personal one. The idea of the deserving and undeserving poor adds another layer, affecting how we see ourselves and our place in the world.

Think about Jamal, who grew up in a neighbourhood where money was tight. Despite being smart and capable, Jamal faced outside judgments that assumed his money situation defined him. Society's view of his poverty limited Jamal's chances and disrupted how he saw himself. Breaking free from these limits meant not only overcoming money barriers but also getting rid of the shame tied to being labelled as part of the "undeserving poor".

Generational poverty is another layer of this story. It is a cycle where the mental weight is passed down through generations, just like the money struggles. Kids growing up in tough times do not just deal with money problems; they take on a way of thinking that limits their dreams and keeps family stories on repeat. Breaking free from this cycle needs more than just money fixes; it needs everyone working

together to heal the deep mental scars that echo through generations.

Now, let us talk about how we naturally compare ourselves to others and how it plays a part in the psychology of inequality. In a time where social media is everywhere, seeing others with more can make us feel like we are missing out. For those dealing with financial challenges, these comparisons can make them feel even worse. Social comparison is part of being human, and addressing the mental toll of poverty means understanding this instinct.

Imagine Jessica, a young woman trying to make ends meet in a society that loves flashy success. Her daily scroll through social media is a tough reminder of the money differences between her and her seemingly glamorous peers. The constant comparisons make Jessica feel even less, adding to the emotional weight of feeling poor.

Our journey does not end with just looking at the struggles; we also explore ways to improve things. Giving people more financial power is a big help — things like better access to education, job training, and work opportunities not only give financial independence but also bring back a sense of control and self-worth. Furthermore, mental health support is imperative. Understanding the mental toll of poverty means making mental health services affordable and available. Changing how we talk about poverty is important too. Public campaigns that challenge stereotypes and show genuine systemic issues help build a more understanding and compassionate community. Education, both in schools and for everyone, is a tool for creating empathy, understanding, and breaking the cycles of generational poverty.



Consider an education program that connects students from tough money situations with successful people who have faced the same struggles. By sharing stories and mentoring, these programs give not just educational support but also a mental boost, challenging the idea that some folks are limited.

In conclusion, our journey through the psychology of inequality is a detailed look into how money struggles, shape our minds. It is a personal story that goes beyond numbers, weaving through thoughts, feelings, and how society works. As we all grapple with the challenge of money inequality, recognizing and dealing with the mental toll of poverty is not just about being kind; it is a big step towards creating a future where everyone has a fair shot at success and feeling good about themselves.

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# THE CIRCULAR ECONOMY

BY UTKARSH PRAKASH  
B.A (HONS.) ECONOMICS



## BACKGROUND

Approximately 2.01 billion tonnes of municipal solid waste is generated globally.

In the South Asia region (India, Afghanistan, Maldives, Pakistan, Sri Lanka, Bhutan, Nepal, Bangladesh), food and biodegradable waste constitutes the largest proportion but still a large portion is dumped in the open. This emits greenhouse gases and increases global warming.

Waste generation volumes are generally correlated with income levels and urbanization rates.

Presently, 377 million people living in urban cities, produce approximately 55 million tonnes of Municipal Solid Waste (MSW) (like organic waste, recyclables like paper, plastic, wood, glass, etc.) per year, with these numbers expected to skyrocket to 125 million tons per year by 2031. Moreover, only 75-80% of the MSW gets collected, of which only 22-28% is processed, and the rest is dumped in dump yards. MSW generation is projected to increase to 165 million tons by 2031 and ascend to 436 million tons by 2050. Hence, reducing the amount of waste generated is crucial to achieving the sustainability targets and that is where the concept of circular economy comes into play.

## INTRODUCTION

The circular economy is an economic system designed to minimize waste and make the most of resources. It aims to keep products, materials, and resources in use for as long as possible, extracting the maximum value from them while in use and then recovering and regenerating products and materials at the end of their service life. This approach contrasts with the traditional linear economy (take, make, dispose of) by promoting strategies like recycling, reusing, repairing, and manufacturing to create a closed-loop system that reduces waste and environmental impact.



## BENEFITS

### • Resource Efficiency

As a circular economy focuses on increasing the lifespan of products, it makes the resources in use much more efficient.

### • Economic Benefits

According to the Ellen MacArthur Foundation, adopting a circular economy in India could create an annual value of ₹40 lakh crore (USD 624 billion) by 2050, amounting to 30% of India's current GDP. This value would come from material cost savings, profit opportunities, and increased productivity for businesses and industries. For example, in the construction sector, circular practices such as modular design, prefabrication, and reuse of materials could reduce costs and waste by 70%.

### • Innovation and Job Creation

Transitioning to a circular bio-economy creates new job opportunities across various sectors, including agriculture, forestry, bio-based industries, research, and waste management.

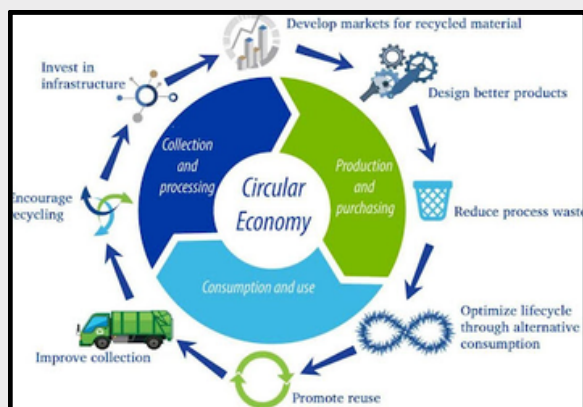
### • Environmental Benefits

A circular economy has the potential to diminish greenhouse gas emissions by 44% in 2050, compared to the current development path. This would help India meet its climate commitments and improve air quality. Moreover, a circular economy could preserve natural resources and biodiversity by reducing the demand for virgin materials and enhancing the regeneration of ecosystems. For example, in the food and agriculture sector, circular practices such as regenerative farming, composting, and biogas production.

### • Social Benefits

A circular economy could also improve the well-being and livelihoods of India's population, especially the poor and marginalized groups. By creating more efficient and inclusive systems of production and consumption, a circular economy could provide better access to basic services, such as energy, water, sanitation, and health care. It could also create more employment opportunities, especially in the informal sector, where millions of waste pickers and recyclers contribute to the circularity of materials. Furthermore, a circular economy could foster innovation

and education, by encouraging the development and diffusion of new technologies, skills, and business models that support circularity.



Implementing a circular economy in India would require enabling an ecosystem that encourages the identification and adoption of new business models in this sector.

## CHALLENGES

### • Infrastructure and Technology

Developing and upgrading recycling and waste management infrastructure and adopting advanced technologies for resource recovery can be a major challenge.

### • Behavioural Change

Encouraging a shift in consumer behaviour towards responsible consumption, product reuse, and recycling requires effective communication and behavioural change campaigns.

### • Regulatory Framework

Ensuring effective and harmonized policies, regulations, and incentives to support circular economy practices across different sectors is challenging.

### • Financial Investment

Circular economy projects often require significant upfront investments. Attracting private and public investment to fund these initiatives can be challenging.

## ACTIONS TOWARDS CIRCULARITY

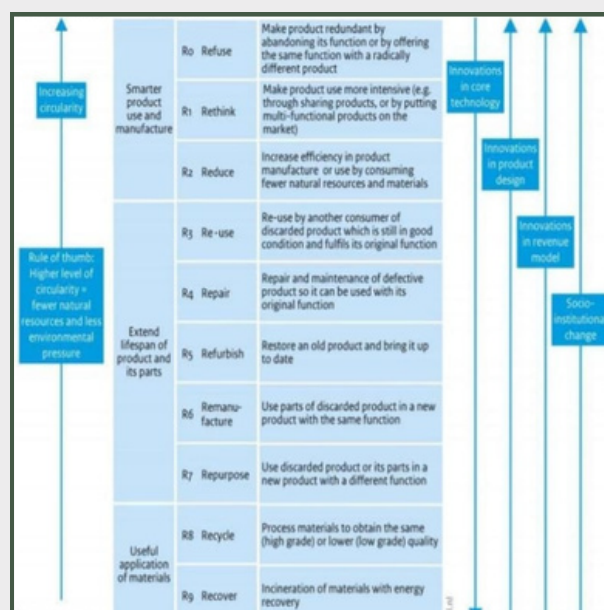
India has deployed various policies for circularity which include financial support for research and development, eco-mark / eco-labelling standards, public procurement, tradable permits & certificates, and self-regulation. Even rationalization of unwarranted benefits in the subsidy reform played an instrumental role towards sustainable consumption of resources.

Some of the notable policies for promoting circularity in India are :

- Minerals and Mining Development Regulatory Act (MMDR) (2016).
- National Design Policy (2007).
- Perform Achieve and Trade (PAT) scheme (2012).
- Batteries (Management and Handling) Amendment Rules (2010).

- Various waste management acts like Solid, Plastic, E-waste etc.(2016).

Along with these policies, 11 committees have been formed by the government which comprise representatives from NITI Aayog and the Ministry of Environment, Forest, and Climate Change (MoEFCC), SMEs and industry representatives. These different committees have been formed for eleven focus areas (municipal solid waste and liquid waste, scrap metal, electronic waste, lithium-ion batteries, solar panels, gypsum, toxic and hazardous industrial waste, used oil waste, agriculture waste, tyre and rubber recycling and end-of-life vehicles) to accelerate the transition from a linear to a circular economy in their respective areas. The committee will also take regulatory measures to ensure the efficient implementation of their recommendations and findings.



## WAY FORWARD

Although it has been a good start for India towards a transition to a circular economy, addressing the following areas can aid in achieving its objectives.

### 1. Policy Framework and Regulation:

- Develop and strengthen policies that incentivize circular practices across industries.
- Implement regulations that encourage product design for durability, reparability, and recyclability.

### 2. Education and Awareness:

- Conduct awareness campaigns to educate businesses and the public about the benefits of a Circular Economy.
- Encourage sustainable consumption patterns through educational programs.

### 3. Innovation and Research:

- Allocate resources towards research and development to discover innovative solutions for waste management, recycling, and sustainable materials.
- Foster collaboration between research institutions,



businesses, and government bodies.

#### 4. Waste Management Infrastructure:

- Develop robust waste management infrastructure, including recycling facilities and waste-to-energy plants.
- Implement effective collection and segregation systems at the community level.

#### 5. Monitoring and Evaluation:

- Establish monitoring mechanisms to track the progress of circular economy initiatives.
- Regularly evaluate the environmental and economic impact of circular practices that leverage the strengths of each sector for effective implementation.

#### 6. Incentives for Sustainable Businesses:

- Provide financial incentives and tax breaks for businesses adopting sustainable and circular practices.
- Recognize and reward companies that demonstrate leadership in circular economy principles.

Through the implementation of these strategies, India can lay a solid foundation for a Circular Economy, fostering sustainability, economic growth, and environmental resilience. It requires a collective effort from government, businesses, communities, and individuals to successfully transition towards circular practices.

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# ECONOMIC TENSIONS: NAVIGATING THE STRAINED RELATIONSHIP BETWEEN INDIA AND CANADA

BY VISHWAJEET SHUKLA  
B.A (HONS.) ECONOMICS



The India-Canada conflict is nothing new. It is like leaving a pot of milk to boil on a high flame and expecting it not to overflow. The crisis has been brewing for a long time and has finally reached a tipping point. Though there are many ways to analyse the fallout from this conflict, for now, let us put on our economic specs and realise this issue.

A diplomatic dogfight between Canada and India over the alleged murder of a Khalistani terrorist threatens to put a stop to the burgeoning economic ties between the two countries, which are far wider than the flow of commodities across the oceans.

According to Vivek Dehejia, a renowned professor at Carleton University, "The financial connections are powerful in both directions, but the recent diplomatic fallout could have a "chilling effect" on investment flows."

## INVESTMENT ECOSYSTEM BETWEEN BOTH COUNTRIES

India is a modest buyer of Canadian goods but plays a quite pivotal role in the Canadian education sector and is by far the largest source of foreign students attending Canada's colleges and universities. Meanwhile, several Canadian companies have demarcated their presence in India, besides the country's more important pension funds, such as the Canadian Pension Fund (or CPP), which have poured tens of billions of dollars into the Indian market in areas like real estate, renewable energy, etc.

The fate of future investments could be called into question if the fight between the countries escalates. though observers in Canada believe that in the immediate term, their positions might not be at risk.

"If the spat gets protracted and drags on for months while Canada continues its investigation, I see that could have a dampening effect at the margin," Dehejia said.

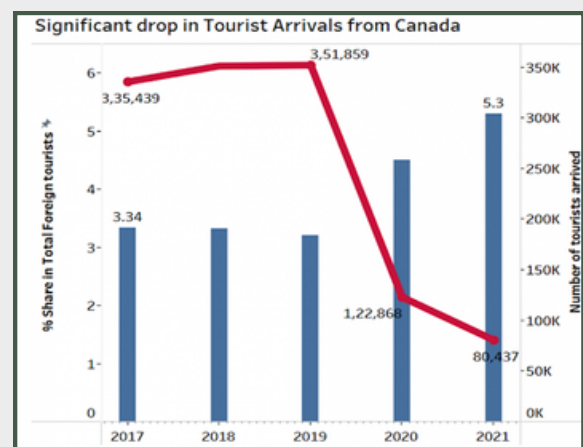
Now the real question here is how important the trade relationship is for both countries.

- Canada accounts for 0.56% of the total FDI in India.

According to the Indian Department for Promotion of Industry and Internal Trade (DPIIT), the total FDI equity inflow in India between April 2000 and June 2023 stood at \$645,386.0884 million, of which 0.5644 per cent came from Canada.

- Canada is the fourth largest source of tourists in India.

Canada accounted for 5.3% (80,437) of foreign tourist arrivals. In India in 2021; 45.9% of these tourists were female, and 54.1% were male. 72.6% of the Canadian FTAs were members of the Indian diaspora; 2.5% came for leisure, holidays, and recreation; 1.1% for business and professional reasons; and 0.3% for medical reasons. A small 0.1% of Canadian FTAs in 2021 were students, and 23.4% were in the category of others. They spent 52.32 days in India on average. FTAs from Canada rose to 3,51,859 in the pre-pandemic year 2019 from 88,600 in 2001. However, post-pandemic arrivals from Canada fell sharply.



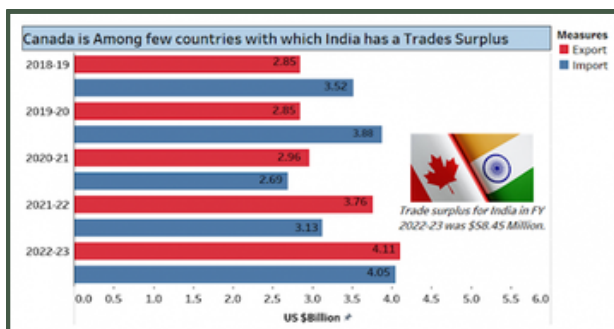
- Bilateral trade with Canada accounts for only 0.70% of India's total trade.

India's bilateral trade with Canada stood at \$8,161.02 million during the financial year 2022-23 (April-March), which was just 0.70% of India's total trade of \$1,165,000.88 million.



Canada was India's 35th biggest trading partner country. India has higher bilateral trade with smaller countries like Nepal (\$8,855.61 million) and Taiwan (\$10,901.77 million).

The balance of trade is in India's favour, and Canada is among the few countries with which India has a trade surplus. In 2022-23, India's exports to Canada stood at \$4,109.74 million, which exceeded its imports (\$4,051.29 million) from the country.



According to Mohit Singla, Chairman of the Trade Promotion Council of India (TPCI), the trade between the countries is “pretty balanced.” He elaborates that Canada is ranked 14th in imports globally (with a share of 2.3%), but is 32nd in India's export markets, with a share of 0.9%, currently exhibiting “low potential.” but recent years have seen an upsurge in exports from India, which includes all the basics like mineral fuel but also in rubber, nuclear reactors, pearls, and furniture too.

This shows a strong surge in confidence by Canadian companies when it comes to sourcing from India across a wide range of categories.

From the Canadian perspective, India is a “priority market.” It was Canada's 10th largest trading partner. India will be a key partner as Canada strengthens its economic links to the Indo-Pacific under a new, comprehensive strategy for the region.

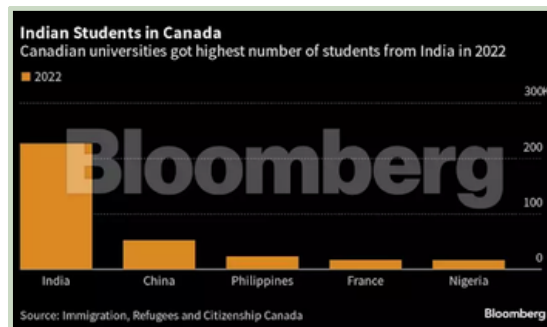
Furthermore, talks for a potential trade deal between India and Canada were held expansively, but that has now been put on hold. Last year, Canada exported goods and services worth ₹71,700 crore to India, which included goods like lentils and metallurgical coal. India's primary exports to Canada have been smartphones and railway cars.

#### THE UNWRITTEN EDUCATION RELATION BETWEEN THE COUNTRIES

Academic collaboration, student exchange programmes, and research partnerships characterise the education relationship between India and Canada. Both countries actively promote initiatives to enhance educational ties, with a focus on government support, cultural exchange, and language programs. The Indian diaspora in Canada also contributes significantly to fostering connections between the two nations, reflecting a shared commitment to preparing students for the global workforce. Overall, the education relationship between India and Canada is dynamic and

multifaceted.

As of now, Canada has about 1.08 lakh students from India at present. This accounts for more than 37% of its overall international student pool; which helps fund the subsidies provided by universities to local students. Thus, this present conflict presents a threat that can damage the relationship; which would lead to a dampening effect.



Jeff Nankivell, President and CEO at the think-tank Asia Pacific Foundation of Canada, told Bloomberg that the “single greatest economic relationship between the two countries is the inflow of students from India... and if that is diminished, it would have negative implications not just for educational institutions but also for Canadian communities that are hosts to Indian international students.”

**Lastly, India's Commerce and Industry Minister Piyush Goyal, while confirming the pause in trade relations, said, “We need to make sure that geopolitically and economically, we are on the same page.”**

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# THE ECONOMIC IMPLICATIONS OF EL NINO

BY VANSHIKA SHARMA  
B.A (PROG.) ECONOMICS + ENGLISH

El Nino is a word of Spanish origin and could be defined as a natural phenomenon wherein the parts of the eastern tropical Pacific Ocean experience an unusual temperature rise. It is a sub-part of El Nino Southern Oscillation (ENSO).

## But what does it mean?

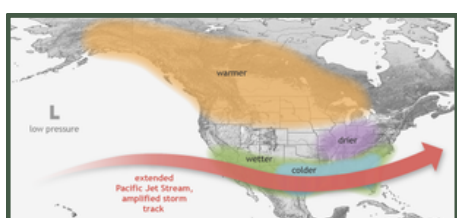
In a normal year, trade winds blow relentlessly from the eastern Pacific to the western parts of the Pacific, pushing warm sea water and moisture-rich winds. This creates low atmospheric pressure in the west resulting in rainfall in Australia, India, and Indonesia, and hence the temperature remains balanced. However, In a span of two to seven years, these normal east-to-west trade winds over the Pacific weaken and warm water that normally travels westward starts moving towards the east. This shift of warm air away from Australia makes the central and eastern Pacific unusually warm, sometimes reversing and even locking the event until next year.

## El Nino Through The Years

El Nino is not a regular cycle or very predictable, but it does possess the pattern of repeating itself every two to seven years. Although there is no real record, it was first noticed by the fishers of Peru's coast.

An El Nino is officially declared when the surface temperature of the Pacific Ocean increases by 0.5 degrees Celsius for three to five consecutive months and changes in atmospheric conditions are noticed alongside changes in rainfall patterns. The year 1997-1998 is said to have experienced the most intense El Nino, the temperature of the Pacific rose from 7.8 to 12.8 degrees Celsius above normal. As a consequence, Mongolia experienced a shoot-up of 42 degrees Celsius and similar havoc across the globe resulting in approximately 2100 deaths and damage worth 33 billion dollars.

The last El Nino was experienced in late 2018 and is now expected to show up in April 2024.

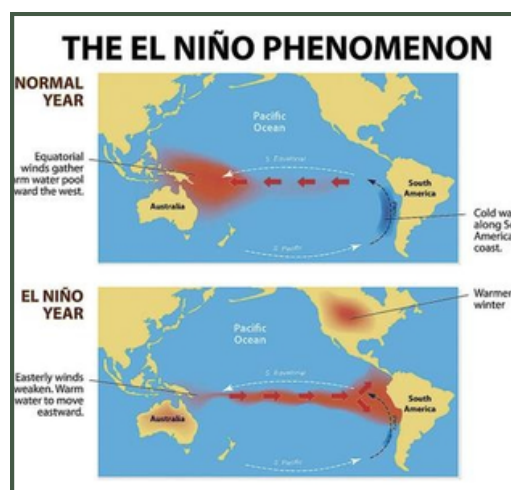


The temperature of Pacific waters has already surpassed the threshold of 0.8 degrees. It will be at least 1.5 degrees Celsius higher than average with the standing probability of even surpassing two complete degrees Celsius taking over the events of 1997-1998 El Nino causing extreme weather conditions, floods and droughts worldwide.

## El Nino and India

The biggest concern of our country with weather changes lies in monsoon. Our agricultural sector relies majorly on monsoon for a successful harvest and El Nino necessarily complements the drought-like situation in India. The recent patterns show that its frequency has undoubtedly increased. In the last century, 18 severe droughts have been recorded out of which 13 were associated with El Nino.

The northern parts of India, however, feel comparatively higher intensity as compared to the southern parts of India. The country might, unfortunately, not experience the chilling winters as usual this year.

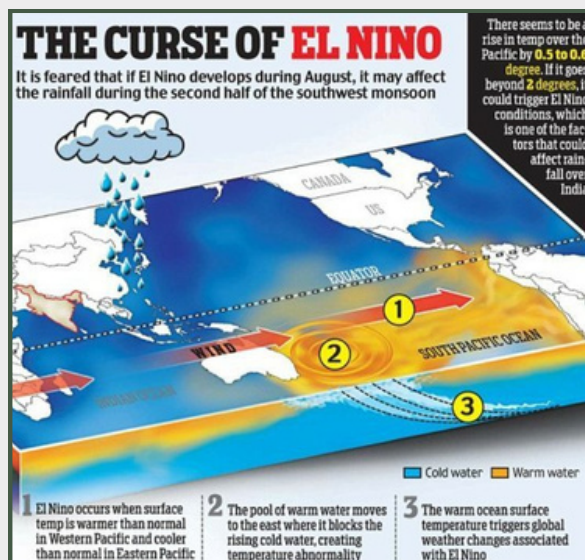


## Economic implications

- The prolonged dry spells would lead to water scarcity and lower crop yields, disrupting the production and supply. Further, we would be unable to export crops to ensure stability in the domestic market but could still experience a hike in the prices of crops.
- Our agricultural sector is a significant contributor to our country's GDP. The hit in this particular sector and crop failures would make farmers worse off, as well as our GDP with other severe consequences.



- Expected drought or reduced rainfall would also lead to a decrease in water availability in reservoirs impacting hydroelectric power generation negatively. We would experience power shortages and higher reliability on other sources of energy.
- The power shortage would also disrupt industrial work, increasing our monthly bills and impacting overall economic growth.
- There will be a significant decrease in the purchasing power of the consumers, increased food prices, decreased incomes, and lower investments lowering the country's GDP growth rate. Adding to it, The government will have to consider subsidies for people below the poverty line to contain the horror.
- The country, on the contrary, would experience more sunshine hours, bringing solar energy and traditional energy into the frame whose significant growth has been calculated in recent years.
- Investments would be appreciated by the government and policymakers to install precautions in irrigation systems, and drought-resistant crop varieties and promote renewable energy to control the forecasted vulnerability and minimize the impacts of Super El Nino.



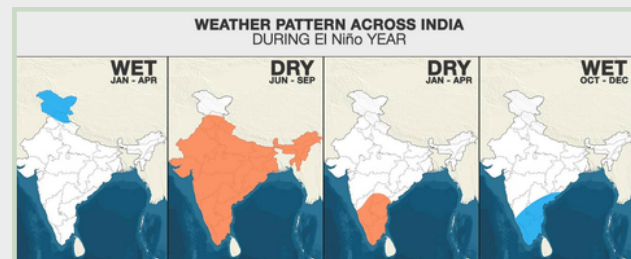
#### Regional impacts:

- Africa: In the eastern parts, from the month of March to May, long rains are experienced and weather conditions remain wetter than normal. In the southern central parts, from December to January, conditions become drier than normal.
- Asia: An extensive drought is experienced in the western Pacific and rainfall is in the eastern dry Pacific zone.
- Australia: The average temperature is recorded to be warmer creating high pressure resulting in reduced rainfall even delayed by two to six weeks.
- Europe: El Niño remains just one of the many factors impacting the weather conditions of Europe, the reason being, that the study of its impact has been complex and controversial.

- Antarctica: The increased high pressure leads to an influx of heat traps and results in reduced sea ice and disruptive temperature.
- North America: In Canada, no significant changes are recorded, apart from the fact that the winters remain milder than average. Whereas, in the United States, conditions remain wetter than average whereas areas around Hawaii remain to be drier than average.
- South America: parts of the western South American coast experience increased rainfall and even thunderstorms. The northern coast of Peru and Ecuador experience heavy floods and also loss in fisheries due to disruption in marine life.

#### Monitoring El Nino

There are several technologies introduced by different governments to study and predict weather changes. However, NOAA (National Oceanic and Atmospheric Administration) remains frequent in the news with its tool of scientific buoys which are placed in 70 different locations from Australia to the Galapagos Islands. They measure and study the ocean temperature, current winds and humidity which are carefully transmitted to the researchers. Further, it is studied through satellite images and events are predicted thereafter.



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# ECONOMICS EVERYWHERE

Research Paper Contest: Unstop





# THE JAPANESE FINANCIAL SECURITIES MARKET IS EXPERIENCING A GRAND UPSWING: AN ESCAPE FROM 33 YEARS OF DEFLATION.

BY AKSHAY KUMAR DUTTA  
NIFM, FARIDABAD

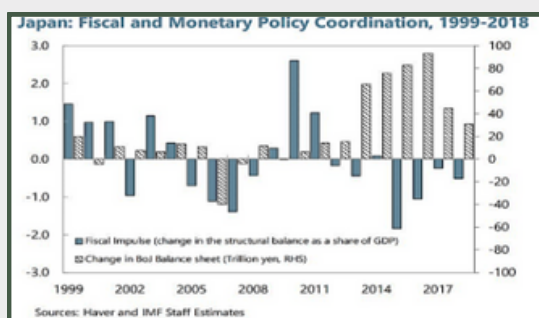
## Introduction

This comprehensive case study explores the resurgence of the Japanese Government Bond (JGB) market following a prolonged period of deflation in Japan. After enduring 33 years of deflation, the JGB market has witnessed a significant revival, largely attributed to policy measures enacted by the Bank of Japan (BoJ). This research explores the understanding of the behavioural finance of the Japanese and pivotal policy changes by the BoJ contributing to the remarkable outcome. Furthermore, it examines how these policy shifts have influenced the investment preferences of investors, particularly in relation to the Indian financial market. Additionally, there also exists critical evaluations of the limitations of the BoJ's monetary policy on the bond market, shedding light on potential challenges and risks. This article reveals the factors behind the recovery & consequential shifts in preferences of investors & its impact on the Indian financial market with critical assessment of the potential limitations, and side effects of the BoJ's monetary policy on the bond market.

## Objectives

1. To understand the factors that contributed to the Japanese government's bond market resurgence.
2. To evaluate how the preferences of investors have shifted in response to the changed JGB market conditions.
3. To study the limitations and potential adverse consequences of the monetary policy of the Bank of Japan (BoJ), and its effects on the Indian as well as Japanese bond market.

## Significant role of Monetary and Fiscal policies of Japan's deflation



**Monetary Policy:** The Bank of Japan (BoJ) pursued a policy of low interest rates and quantitative easing (QE) to stimulate economic growth.

However, the effectiveness of these measures was limited by a "liquidity trap," where nominal interest rates were close to zero, and conventional monetary tools became less impactful. The prolonged period of near-zero interest rates reduced the incentive for households and businesses to borrow and spend, leading to weak demand and deflationary pressures.

**Fiscal Policy:** The Japanese government implemented various fiscal stimulus packages to boost economic activity, including public infrastructure projects and tax cuts. However, these efforts often led to mounting public debt without substantial improvements in economic growth. The large debt burden, coupled with demographic challenges (an ageing population and shrinking workforce), limited the government's ability to sustain fiscal expansion. As a result, the impact of fiscal measures on demand and inflation remained subdued.

The Joint Statement in 2013 by the government and the BoJ was an important attempt to address this coordination failure. However, the effort has not panned out as hoped [2].

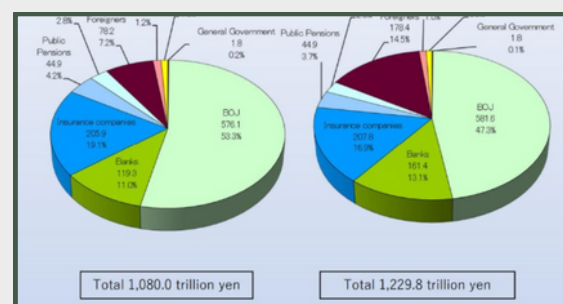
## Japanese Government Bond (JGB)

### Key Participants of JGBs :

The Japanese government is the issuer of JGB, Domestic Investors, Foreign Investors, Commercial Banks and Central Bank (Bank of Japan), intermediaries like Brokerage firms, credit rating agencies, regulatory bodies, such as Japan's Financial Services Agency (FSA).

### Distribution of Japanese Government Bond (JGB) holders:

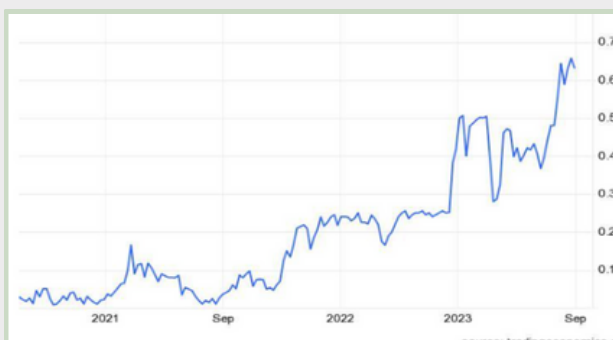
According to the distribution of Japanese Government Bond (JGB) holders, at the end of March 2023, the Bank of Japan (BOJ) held 53.3%, domestic banks held 11%, foreigners held 7.2%, insurance companies held 19.1%, pensions held 2.8%, households held 1.2% and so on.



### Recent Surge of JGB

The yield on 10-year Japanese government bonds (JGB) rose to 0.65% on Thursday, August 03, 2023, 08:05 AM IST, the highest since April 2014, after the Bank of Japan loosened its grip on yield curve control last week. The Bank of Japan now owns half of outstanding Japanese government bonds (JGBs) issued in the market, data showed Monday, a sign that the bank's aggressive buying to defend its 0.25% yield cap is bloating an already huge balance sheet.

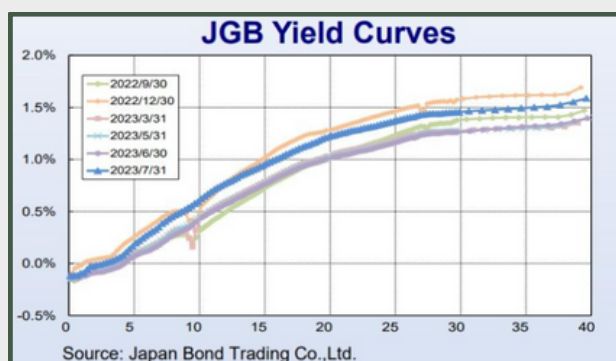
In a statement, the bank said it would maintain its current inflation target until it could be maintained in a "stable manner," adding that it would "not hesitate to take additional easing measures, if necessary."



## DISCUSSION ABOUT THE CASE STUDY

### Factors Driving the Surge in JGB Yields:

- 1) The Bank of Japan (BoJ) introduced the YCC policy to target a specific yield curve shape, keeping short-term rates low and stable. This policy has helped in stabilising yields and providing clarity to investors, boosting confidence in JGBs.
- 2) The BoJ's Quantitative and Qualitative Monetary Easing (QQE) program involved large-scale purchases of JGBs and other assets to inject liquidity into the market, reducing yields and providing support for bond prices.
- 3) The BoJ's introduction of negative interest rates on certain deposits at the central bank pushed investors toward seeking higher yields in the JGB market, creating demand. The global low-yield environment made JGBs relatively attractive compared to bonds in other countries, contributing to foreign investors' interest in the market.



### Investor's Preferences

The shifting preferences of Japanese investors in response to changing Japanese Government Bond (JGB) market conditions have been influenced by a variety of factors as follows -

1. Japanese investors, notably institutional entities like pension funds and insurers, are actively pursuing higher-yielding alternative investments to meet income demands. This quest has steered them towards foreign markets, particularly emerging ones like India, for their potential for superior returns.
2. Regulatory shifts, both at home and abroad, hold sway over investor inclinations. Japanese governmental policies and regulations concerning international investments can significantly impact the allocation of capital to foreign markets, with tax implications, such as withholding taxes on foreign investment income, also factoring into investment decisions.
3. Japan's ageing populace and dwindling birth rates cast a profound influence on its investment landscape.

### The Impact on Indian financial Market

#### Impact of Currency:

For Japanese investors holding Indian bonds, a weakening Japanese currency (Yen) can lead to reduced returns when they convert Indian currency (INR) proceeds back into Yen.

#### Impact on Indian Bond Market:

Higher yields on JGBs can make them more attractive to global investors seeking safe and stable returns. India's sovereign credit rating is typically lower than Japan's, indicating a higher level of credit risk.

#### Future outlook

The resurgence of the Japanese Government Bond market, orchestrated by the Bank of Japan's policy adjustments, has exerted profound and widespread effects on investor preferences and foreign markets, notably India.

Citibank has cited expectations that the Bank of Japan (BOJ) will purposefully phase out its ultra-accommodative monetary policy before the close of 2023. They opine that if this materialises, the yen could strengthen further. However, this study underscores the constraints and potential adverse consequences of the BOJ's monetary policy on the bond market. Failure to do so may result in a swift shift in investor sentiment in response to unforeseen events, such as the collapse of Silicon Valley Bank.

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持続化給付金

# LEVERAGING THE GLOBAL MACROECONOMIC ENVIRONMENT FOR RECOVERY & GROWTH: OPPORTUNITIES FOR THE G20 UNDER INDIA'S PRESIDENCY

LAKSHEYA KHANNA  
IIM, LUCKNOW

## Introduction

The G20 has discussed issues related to the global macroeconomy since its inception in 1999, when it began as grouping of finance ministers in the wake of the Asian financial crisis. The G20 Leaders Summit began in 2008. Early discussions were centered around financial coordination across the member-states to address the impact of the global financial crisis. In 2009, countries coordinated efforts through the Financial Stability Board to increase the resilience of the global financial system, while preserving its openness and integrated network structure. As a result, the G20 was able to stabilise financial markets through a series of coordinated financial and monetary stimuli that averted a major economic depression.

## Global Macroeconomic Developments:

The most notable recent changes in the global macroeconomy include:

- (i) An uneven economic recovery from the pandemic across the world, with advanced countries recovering more quickly than emerging and low-income countries;
- (ii) Marked increases in inflation and inflationary pressures;
- (iii) Continued increases in global debt;
- (iv) The disastrous impact of climate change; and
- (v) The fallout from the Russia-Ukraine conflict. These issues are likely to continue to evolve and dominate as India's G20 presidency approaches.

## GDP growth in 2020-2023

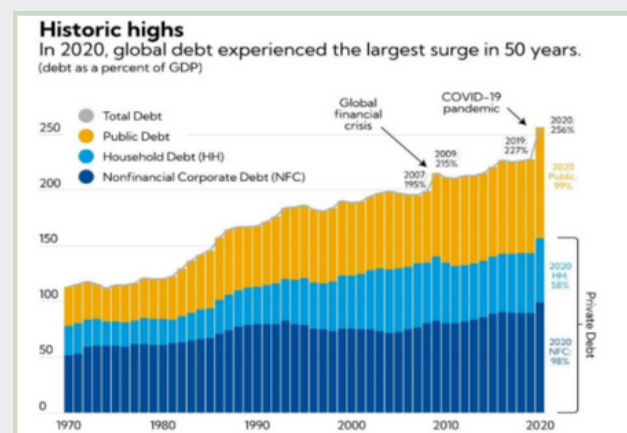


Source: IMF January 2022 Update. Actual (2020) and estimates / forecasts (2021-2023)

The pandemic had an unprecedented impact on the global economy in 2020. Richer countries were quick to respond in

terms of fiscal and monetary measures, and their GDPs are now approaching pre-pandemic levels. The US Federal Reserve (Fed), for example, injected large amounts of liquidity into the system, including the credit market, by purchasing commercial paper and exchange-traded funds, reducing the interest rate to zero and guaranteeing some loans. At the same time, the European Union (EU) aimed to keep inflation below 2 percent. Unfortunately, alongside the uneven impacts on the global economy, the pandemic has also had disproportionate and persistent effects on the poor, young, informal, and women workers in richer and poorer countries.

## Global Debt, Public and Private (1970-2020)

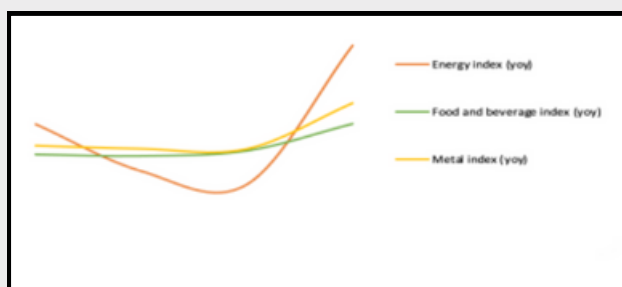


Source - IMF

Inflationary pressures have built up in 2021, due in part to supply shortages. In addition, demand side factors have also played a role, as countries come out of the pandemic-induced recession through measures that stimulate the global economy. As a result of both supply and demand side factors, energy, food and beverage, and metal prices all increased quickly in 2021.  
(see Figure 3).



Figure 3: Commodity Price Change (by %, year-on-year)  
Source: IMF Primary commodity price system database, 2021



Source: Financial Times

Estimates suggest that the combined impact of the pandemic and the ongoing conflict with Ukraine on Russian GDP over 2022-2023 is 5 percent, and the world economy is between 0.4 percent and 0.9 percent (and between 0.3 percent and 0.7 percent for the UK, and between 0.4 percent and 1.2 percent for India).

The effects stem from increases in the price of oil, metals, and food, recessions in Russia and Ukraine, and general supply chain disruptions. All these effects are highly uncertain and will depend on the evolution of the conflict and associated sanctions. Further impacts can be expected from trade and financial sanctions.

### Managing the Global Macroeconomic Recovery

G20 countries have responded to the pandemic with large monetary policy measures (unprecedented low-interest rates, more liquidity), fiscal actions (worth some US\$16 trillion), and liberalising trade policies. They now face a balancing act in the context of large increases in debt, higher inflation, and the need for a green and inclusive transformation. Fiscal and monetary policies were complementary; lower interest rates allowed governments to borrow historically large amounts at historically low costs. However, as central banks raise interest rates to dampen inflationary pressures, borrowing costs will rise, and this is already affecting emerging markets. This section reviews the recent evolution in macroeconomic policies.

### Monetary policy and tackling inflation

The rise in commodity prices, especially energy, has caused inflationary pressures in many countries. Central banks have responded with monetary policy measures to maintain price stability in their domestic markets. This comes at a time when major economies are looking to raise interest rates to tackle inflationary pressures and prevent price volatility. Expected tightening by advanced economies has contributed to currency depreciation in several emerging market economies.

### Fiscal policy and confronting public debt

Falling government revenues, coupled with major public spending to reduce the immediate impact of the pandemic, increased global debt by US\$20 trillion between Q3 2019 and Q3 2020. Global debt-to-GDP ratios have climbed to an all-time high (see Figure 2).

### Green growth

The disastrous effects of climate change are undeniable, and

it would take an international collaborative solution to confront it on multiple fronts. The macroeconomic risks of climate change are far-reaching and can leave a long-term footprint on the planet. As a result, climate change was a key part of the Framework Working Group (FWG) agenda for 2021 under the Italian presidency and is likely to remain an important part of the agenda in the coming years.

### Leveraging macroeconomic measures for inclusive, sustainable, and digital transformation

Macroeconomic policies are normally used to address short-term shocks, but they can also be used to steer the global macroeconomy in a way that fosters desirable structural changes along the lines in previous sections. For example, there are major finance related issues to supporting a vaccination drive, access to green finance, or driving a digital transformation. Such finance related issues could be supported through targeted fiscal, monetary, and trade issues.

### Conclusion

The global macroeconomic environment is undergoing rapid changes, to which the G20 will need to respond. Some macroeconomic policies need to respond to short-term shocks (for example, addressing inflationary pressures) and in other cases will need to accommodate structural shifts, such as a green and digital transformation or drive towards full global vaccination.

Table 1 sets out key macro-economic issues facing the G20, what the core balancing interests are, and India's possible role in advancing these issues. Specifically, India will need to:

Table 1: Global macroeconomic issues and possible roles for India's G20 Presidency in 2023

Global macroeconomic challenge	Balancing macroeconomic issues	Macro policy instruments under consideration	Possible G20 actions under Indian presidency in 2023
Increased (public) debt	Supporting households and firms to recover versus higher borrowing costs (and debt sustainability)	Moving towards better targeted fiscal measures	Continue fiscal consolidation and examine debt pressures in the poorest economies
Inflation	High (transitory) inflation versus a less strong than expected recovery	Balanced / cautious approach towards raising interest rates  Providing limited but targeted liquidity	Continue to highlight a flexible and diversified approach, bearing in mind spillover effects
Inclusive health (vaccination)	Increasing vaccination rates in the poorer countries	Development co-operation to finance and deliver vaccines	India to take lead in push for global vaccination, leveraging global public finance
Green transformation	Access to (cheap) energy and increasing use of renewable energy	Central bank to ease monetary policy to accommodate green finance (e.g. directed liquidity)	Focus on leverage private capital for green transformation
		Use DFIs and targeted climate finance	
Supply chains	Self-reliance vs production efficiency with higher risks	Trade openness	Pushing for easing of trade restrictions, consolidating supply chain resilience measures, co-operation within the G20, and WTO reform

Digital divide	Improving digital infrastructure in poorest countries	Targeted DFI finance	Further promoting private capital flows to emerging markets and low income countries; highlighting India's digital achievements
New shocks (eg impact of Russia – Ukraine)	Disruptions to supply chains, increased inflation, economic impact of sanctions		As democracies, India and UK can work together to address conflict and economic fall-out
Voice for emerging market economies in macroeconomic issues	Domestic importance of macro-policies versus negative spillovers	Forward guidance and better collaboration	Keep pushing for emerging market economy voice

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# THE ECONOMICS OF HAPPINESS: BRIDGING WELL-BEING AND ECONOMIC FRAMEWORKS

BY ROHIT BHUNYA  
KIIT, BHUBANESWAR

## Abstract

*This article explores the fusion of economics and positive psychology in understanding well-being within economic paradigms. It challenges the limitations of traditional metrics like GDP and introduces alternative measures encompassing happiness dimensions. Delving into the 'Happiness Paradox', it highlights diminishing returns of economic growth on happiness beyond a threshold. Cultural nuances, social capital, education, technology, and ethical considerations are examined, emphasising their roles in shaping individual and societal well-being. The article underscores policy implications, advocating a holistic approach that integrates happiness alongside economic growth. It stresses interdisciplinary collaboration as vital for advancing this evolving field and promoting inclusive and sustainable societal progress.*

## Introduction

In the realm of economics, the pursuit of happiness has often been viewed as a subjective, elusive concept tangential to the core metrics of production, consumption, and wealth. However, a paradigm shift is underway, reshaping traditional economic models to incorporate the importance of well-being and contentment in assessing societal progress and individual welfare. This shift has birthed the interdisciplinary field known as the Economics of Happiness, a blend of economics and positive psychology that seeks to understand and measure human well-being within economic frameworks.

## Redefining Progress Beyond GDP

Conventional economic indicators like Gross Domestic Product (GDP) have long served as the cornerstone of measuring the economic health of a nation. Yet, they fall short of capturing the holistic well-being of citizens. The Economics of Happiness challenges this limited perspective by recognising that wealth accumulation does not necessarily equate to happiness. Instead, it asserts that the success of a society should be gauged by the well-being and contentment of its populace. The growing economies of a nation does not always have to be based on the factor of attaining and spending wealth, but has more to do with the well-being of its people, the fulfilment of needs and more important self actualisation through contentment.

## Measuring Happiness: Beyond Material Wealth

One of the pivotal challenges in integrating happiness into economic discourse lies in measurement. Unlike quantifiable economic variables, happiness is inherently subjective and multidimensional. Economists, in collaboration with psychologists, have devised various metrics to gauge well-being. Surveys, such as the World Happiness Report, incorporate indicators like social support, freedom to make life choices, generosity, perceptions of corruption, and healthy life expectancy, painting a richer portrait of societal contentment.

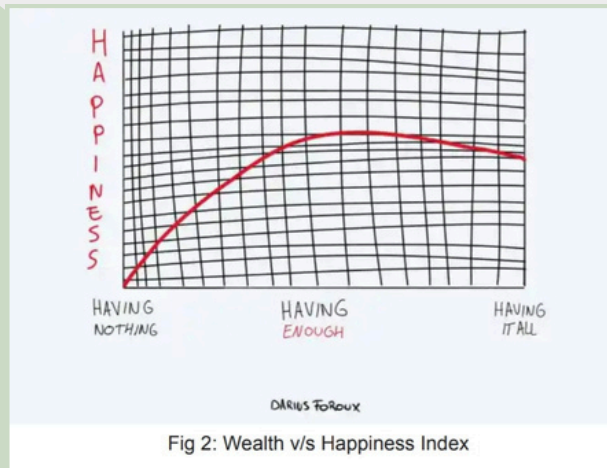


Here, we see that the United States Of America, in spite of having a GDP of more than 20 trillion dollars, is ranked lower than its European allies. China, being the 2nd largest economy in the World, is ranked at 64 with an index of 5.818. This clearly shows that the growth in economy of a particular nation is not linear to the happiness of its people.

## The Happiness Paradox: Beyond Economic Growth

A fundamental insight from the Economics of Happiness is the concept of the 'Happiness Paradox'. The Happiness Paradox is the simple idea that people who try being happy directly may end up being less happy as compared to those who focus on other goals. This paradox is based on the principle that happiness is an ever-changing goal that cannot be achieved.

This paradox clearly explains that while economic growth and rising incomes can initially boost happiness, the correlation weakens beyond a threshold. Once basic needs are met, the pursuit of additional wealth no longer gives the same amount of dopamine as it does initially. This challenges the traditional economic narrative that perpetual growth equates to sustained happiness.



### Workplace Dynamics: Integrating Happiness for Productivity

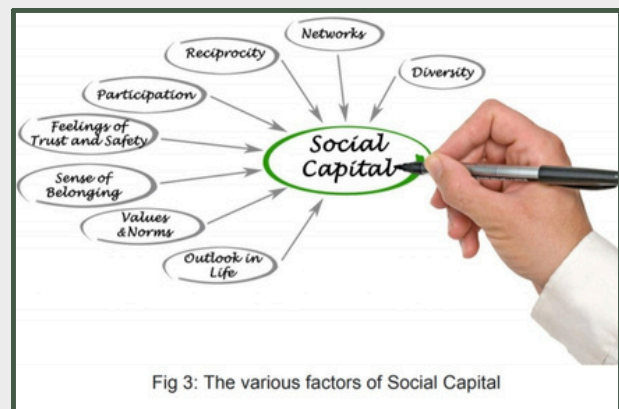
In the realm of business economics, there is a growing realisation that employee happiness is intricately linked to productivity and success of the company. Companies are exploring strategies to enhance employee well-being by fostering positive work cultures, promoting a healthy work-life balance, and prioritising mental health support groups. Investments in employee happiness are being recognised as a crucial aspect of sustainable business models.

### Cultural Variations in Happiness

Understanding happiness through an economic lens requires acknowledging cultural distinctions. Cultural disparities significantly influence perceptions and determinants of happiness. For instance, collectivist societies often prioritise community well-being over individual happiness, shaping their definitions and pursuit of contentment. The Economics of Happiness endeavours to incorporate these cultural variations into its frameworks, recognising the diverse pathways to happiness across different societies so as to achieve the end goal of collective happiness.

### The Role of Social Capital

An intriguing aspect explored within happiness economics is the role of social capital in fostering well-being. Strong social connections, trust in institutions, and community engagement contribute significantly to individual happiness. China is under a dictatorship rule, so in spite of being the 2nd largest economy in the World, it ranks pretty low at just 64. Similarly in the USA, racism, divisiveness on the basis of culture, and religion have left the country grappling with its 15th-number position in spite of having the largest GDP in the World. Economists are examining how societal structures and policies can cultivate social capital, recognising it as a fundamental determinant of overall happiness.



### Environmental Sustainability and Well-Being

The intersection of environmental economics with the happiness discourse is gaining traction. Research indicates a strong correlation between environmental quality and individual happiness. The degradation of natural resources and environmental stressors pose threats to human well-being. The level at which the Air Quality Index (AQI) for countries has degraded has reduced the happiness levels of people in some countries. Thus, integrating environmental sustainability into economic policies becomes imperative to ensure long-term societal happiness.

### Education and Long-Term Happiness

Education emerges as a pivotal factor in the pursuit of lasting happiness. Beyond its economic benefits, education correlates strongly with improved well-being, providing individuals with the tools to make informed choices, enhancing cognitive abilities, and fostering personal development. Investments in quality education are, therefore, essential in promoting long-term happiness and societal progress.

### Global Perspectives and Policy Implementation

The Economics of Happiness transcends national boundaries, offering a global perspective on well-being. Collaborative efforts among nations are essential to address global challenges that affect happiness, such as inequality, poverty, and climate change. International policy coordination that prioritises happiness and well-being could lead to a more equitable and sustainable world.

### Conclusion

The Economics of Happiness continues to evolve, encompassing a wide array of interdisciplinary perspectives to understand, measure, and promote well-being within economic paradigms. As the world navigates complex challenges, integrating happiness into economic discourse offers a differentiated approach to addressing societal needs, fostering inclusive growth, and creating environments conducive to human flourishing.



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# EXPLAIN IT LIKE I AM 5





## PRISONER'S DILEMMA

PRIYANKA SHEOKAND

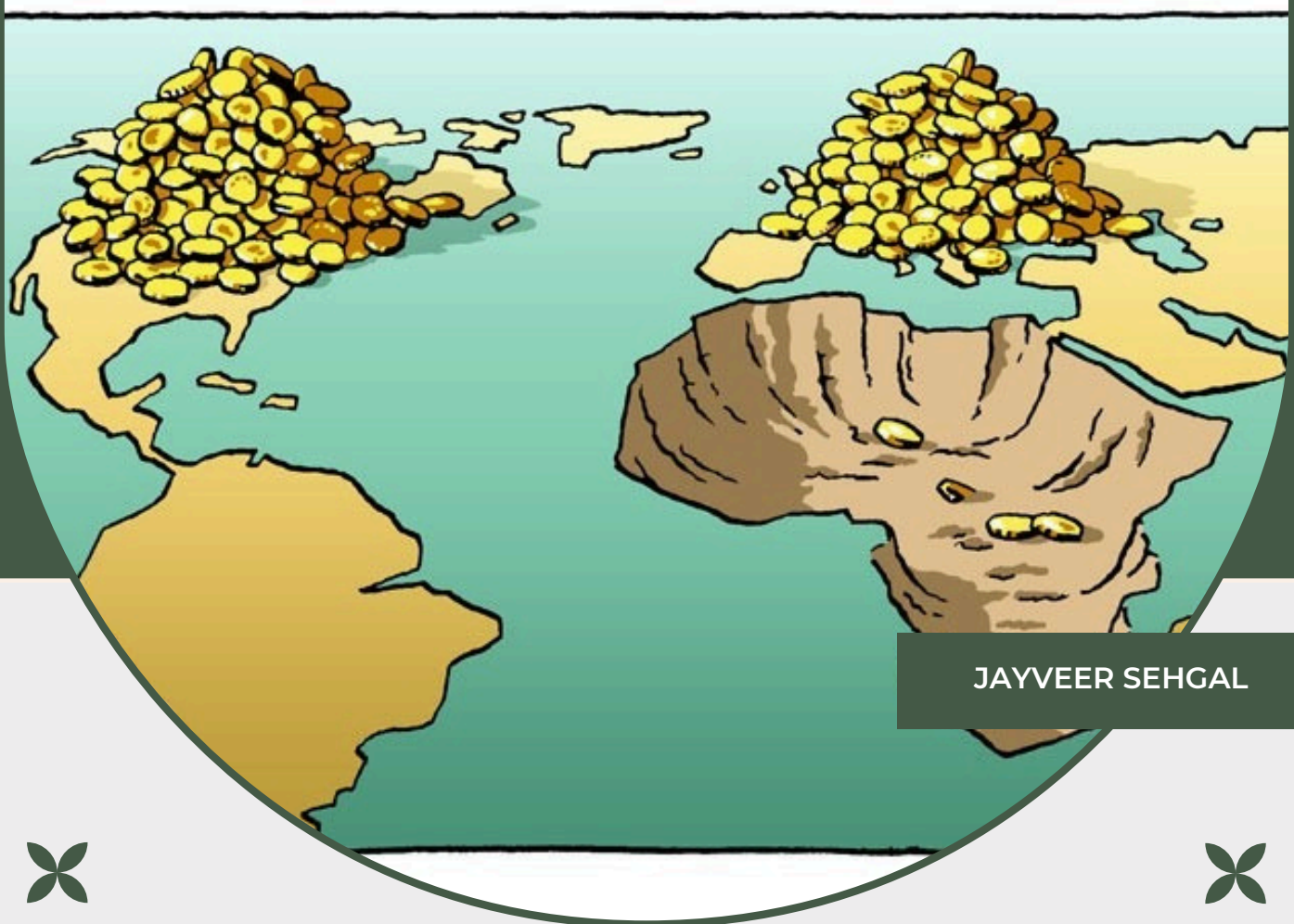
Imagine you and your friend breaking a window while playing cricket together. The house owner catches you but is not aware of who is responsible. They separate you and your friend and offer you a deal: you and your friend stay quiet, and you both get a small punishment. But if one of you tells on the other, the one who tells gets no punishment while the other gets a big one. If both of you snitch on each other, they give you both a medium punishment.

The decision is to be without discussion. You will consider trusting your friend and staying quiet, or you might tell on them to save yourself. The catch: your friend is thinking the same thing! They are also weighing their options like you. Both of you do not want the big punishment but also try to avoid the medium one. And while both of you are trying to decide what to do, you are also thinking of what the other person might be thinking. The last layer of thinking: you might be thinking of what your friend thinks you are thinking of; mind boggling and confusing, right?

And that is the Prisoner's Dilemma! It shows how sometimes, even when betraying someone might be the best option for you, it can make things worse for everyone. It is a tricky situation where you balance what is best for you with what is best for both of you together.



# WHAT IS THE RESOURCE CURSE/PARADOX OF PLENTY?



JAYVEER SEHGAL

The Resource Curse examines the trend that countries rich in natural resources are more likely to be worse than other countries in economic and social aspects.

In the simplest of terms, the 'paradox of plenty' states that if a country has too much of a single non-renewable resource (petroleum, for instance), then the chances of the country fumbling said good and being economically unstable in the long term is quite high. Think of it as an over-dependence on a single commodity, while overlooking the development of other sectors of the economy, like putting all the eggs in one basket.

## Let's take an example:

Imagine some random country (say ABC) discovering oil reserves. Good news, right? Right????? Let's look at what negative effects this event can have:

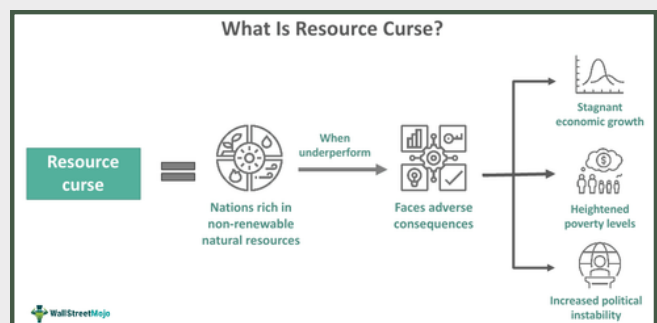
**Dutch Disease:** In simple terms, the value of ABC's currency in the international market increases. This means goods from ABC are more expensive, and countries don't take stuff from ABC anymore, which is bad news for everyone but the oil merchants (what happened in Holland after 1959).

**Democracy:** The leaders of ABC might feel that democracy might not be the way, as they would risk losing too much in terms of power and wealth if they were to lose. Dictatorship incoming!!!!

**Human capital:** If students see a wage hike for oil refinery workers, they may decide to leave school and join the workforce early to earn extra a few bucks.

You wouldn't want to be an ABC citizen now, would you?

**Moral:** Don't put all your eggs in one basket if you are the leader of a state with a single great natural resource - rather, diversify (like mutual funds).





# PURCHASING POWER PARITY

NISHTHA GOYAL

If given the option to choose between working in New York for a package of \$ 125000 and a package of INR 30 lakhs in Gurgaon, which one would you choose? At first glance, most of us will choose the New York package as it provides more money and better living conditions, but what if I were to tell you that INR 30 lakhs may be a better option than \$125000? According to reports, you would need around ₹831,225.3 (\$10,004.4) each month in New York to maintain the same standard of living that you can have with ₹150,000 in Gurgaon. Though you are earning more money living outside the country, the cost of living is higher due to the difference in purchasing power - and this is where PPP, purchasing power parity plays a role.

Let us begin with purchasing power. It is the value of a currency expressed in terms of the number of goods or services that one unit of money can buy. So if you can buy a candy for \$1 then it is the purchasing power of that \$1.

And this purchasing power may be different in different areas. Suppose you have \$1 to spend on a bar of chocolate and can buy a single bar of chocolate in the US with it. While in India you can buy three chocolate bars for \$1. This difference could be because of the difference in the rate of exchange, production costs, inflation, and so on.

It is crucial to eliminate the purchasing power disparity to gain a clear understanding of our spending patterns across various regions of the world. This will allow us to make better-informed decisions and allocate resources more effectively. This is what purchasing power parity does - it is a way to compare two currencies based not on their exchange rate, but on how much they can buy.

One commonly accepted metric for PPP is the Big Mac, which is used to measure the actual costs of doing business in various countries. The Big Mac is a perfect basket of goods for this measurement because every McDonald's buys all ingredients locally and prepares an identical product. For instance, a Big Mac costs \$4.93 in the US, but in Canada, it costs USD 4.14 or \$5.84 Canadian. This means that the same 'basket of goods' costs less in Canada than in the US, which means that it would be profitable for American firms to buy Canadian goods instead of American. PPP is therefore a useful tool to separate trends and market shocks from the real value of currencies.

# SHRINKFLATION VS SKIMPFLATION

POOJA SALUJA

Once upon a time in the bustling city of Delhi, there lived a spirited young boy named Aryan. He was a regular passenger on a cherished shuttle service known as Vroom-Zoom, or simply 'VZ.' The year 2019 marked the beginning of Aryan's adventures with VZ, as he hopped onto the plush white Mercedes Benz Sprinter for an exciting ₹100 journey from India Gate to his beloved Sri Venkateswara College. The 15-seater shuttle, like a trusty friend, arrived every 30 minutes, making Aryan's daily commute a delightful experience.

However, the pages of time turned, and the winds of change blew through Aryan's world in the form of inflation. By 2023, the once-mighty ₹100 note felt lighter in Aryan's pocket, and VZ faced the challenge of adapting to the economic landscape while keeping its young rider base content.

## Option 1: The Price Hike Dilemma

One sunny day, Aryan found himself in the midst of a bustling meeting room where VZ's executives debated a daring option – raising the ride's cost. Aryan, a dedicated VZ rider, pondered the impact on his pocket money. The

vitality of VZ.

As the story unfolded, Aryan's journey with VZ continued to evolve. Whether through the uncertainty of a price adjustment, the excitement of shrinkflation, or the adaptability of skimpflation, Aryan and his fellow riders experienced the ebb and flow of economic changes while keeping the magic of their shuttle service alive. The tale of Aryan and Vroom-Zoom serves as a reminder of how businesses, much like cherished characters, navigate the twists and turns of economic challenges while staying connected to the hearts of their young patrons.



fear of disappointing his fellow young passengers made him hesitant to embrace this change.

## Option 2: The Shrinkflation Shuffle

As Aryan's mind buzzed with thoughts, a creative idea emerged – shrinkflation. VZ chose to retain the cherished ₹100 fare but subtly altered the journey. The shuttle now ventured from Chanakyapuri to Sri Venkateswara College, maintaining the same intervals and the familiar Mercedes Benz Sprinter. The price stayed at ₹100, but Aryan and his friends noticed the nuanced shift, akin to an unexpected plot twist in their favorite comic book.

## Option 3: The Skimpflation Strategy

In the decision-making process, VZ chose a more personal approach – skimpflation. Aryan, ever curious, saw the graceful Mercedes Benz Sprinter make way for the pragmatic Traveller. The shuttle's rhythm slowed to intervals of 45 minutes, and Aryan sensed a touch of inconvenience in his daily adventure. Yet, he understood that the story had taken an unexpected turn to maintain the







# SCHOLARS SPOTLIGHT:

*Insights from Academia*





## WILDLIFE TOURISM: WHO GAINS AND WHO LOSES?

BY DR. ARUNA RAO  
ASSOCIATE PROFESSOR & TEACHER-IN-CHARGE,  
DEPARTMENT OF ECONOMICS

Have you ever visited a place as a tourist and wondered about who gets the lion's share of the money you've spent there? About 60% to 70% of the tourists strongly believe that the benefits of tourism automatically percolate to the lowest echelons of the local community. This belief is largely held by the general public and the policy makers too. The dissenters, on the other hand, believe that most of the gains are siphoned off by the middlemen- the tour operators, the rich hotel owners (not necessarily local), and transport providers. The umbrella of general tourism shelters many categories of tourism acts: tourism done for social and religious purposes, adventure tourism, nature tourism, ecotourism, wildlife tourism and now even medical tourism. I propose to look at which of the above statements holds in the context of Wildlife Tourism, with special reference to the Ranthambhore National Park (RNP) in Rajasthan.

This article stems from primary data collected for my PhD Thesis from two villages (out of 54 villages) situated on the east and west sides of the RNP.

You might well be aware that man's relationship with his environment is a two-dimensional one. On the one hand, he harvests natural resources to meet both his direct and indirect requirements for consumption and production. On the other, he returns to the environment a toxic by-product of his activities: pollution. The typical issues facing most countries, concerning environmental policy, may be broadly classified into the "green issues" and the "brown issues." The green issues arise from man's exploitation of nature to meet his consumption and production needs and include issues such as deforestation and depletion of both the forest and marine species. The "brown issues" arise from the amount of waste released into the environment as pollutants.

Nature's capacity to provide resources is not infinite but bounded, and there are severe limitations to its rejuvenation and waste assimilation capacities. Environmental protection has therefore come to be recognised by societies and governments of both developing and developed countries as the fulcrum of all policies relating to sustainable development.

Forests play a critical role as far as the environment is concerned. They act both as providers of resources for "development" as well as carbon sinks to absorb the toxic gases and wastes, which are the by-products of the said development process. Today, the percentage of the world's green cover, including forests, is at an all-time low.

According to the Convention of Biological Diversity (CBD), a Protected Area is a "geographically defined area which is designated or regulated and managed to achieve specific conservation objectives". The aesthetic and ecological benefits of preserving wilderness by establishing National Parks(NPs) have long been acknowledged, yet they have rarely been quantified.

Initially, the primary objectives of most NPs were to conserve and promote sustainable use of natural resources in an area. Most National Parks operate on an "Exclusionary" principle. Ancient philosophy perceived men to be distinct from nature. Hence, to conserve Nature, it was essential to 'exclude' men from natural reserves by relocating villages settled inside Parks and currently deriving their sustenance from it. The people of the villages settled inside the parks and drew their sustenance from the forest by hunting, using forest land for grazing purposes and collecting non- timber forest produce. This process of relocation of villages to create a Protected Area for conservation leads to the creation of "conservation refugees", a considerable loss



of livelihood avenues, a worsening of the level of welfare, and a consequent increase in the number and intensity of human-wildlife conflicts. Incidentally, Conservation Refugees have a lower status than political refugees or 'development refugees' (e.g. people displaced to create a hydroelectric water generation plant for development purposes) and are therefore not even recognised, let alone compensated for their loss of livelihood by the government.

The 1990s saw the emergence and success of the "Inclusionary" principle whereby it was felt that the overall success of any conservation plan depended on the active participation of all relevant stakeholders. In the case of wildlife tourism, there are three major stakeholders: tourists, wildlife itself and the local communities. A clause that the local community should not suffer on account of the said conservation effort was therefore added to the existing Wildlife Protection Act of 1972. Since then, most conservation efforts make a conscious effort to include the local people in the planning and implementation of any policies relating to conservation.

The creation of Protected Areas necessarily increases the human-wildlife conflict at all stages. Prohibition or restricted use of a previously free resource ignites the initial feeling of resentment against the wildlife that are perceived by humans to have "stolen" their source of sustenance. Even if the relocated villagers are granted arable land as compensation, the conflict may continue. Wildlife are no respecters of human boundaries and attacks on domestic cattle and humans only intensify the initial conflict: it doesn't matter then that it was the human encroachment on forest land that led to the conflict. Most studies relating to the creation of Protected Areas and conservation efforts associated with the consequent increase in wildlife tourism, have focused solely on the ecological side of the conflict, with no inputs from the social sciences. Assessing the social impacts of protected areas on the livelihoods and welfare of the local communities was perceived as being hostile to the cause of conservation. Few studies exist on this aspect of the declaration of National Parks in India. However, it is a well-known fact that any successful conservation effort requires the active participation of the local community. Even if the benefits of the National Park are only "perceived" and not "actual," the resulting support for conservation may well be substantial.

India today boasts of 52 National Parks and 372 Wildlife Sanctuaries. The Ranthambhore Wildlife Sanctuary (founded in 1955) was one of the 9 sanctuaries which was declared a National Park in 1980 under the aegis of The Project Tiger. In 2016 it ranked first among all NPs in the area of revenue generation from wildlife tourism. The 2 major attractions of the sanctuary are the Ranthambhore Fort situated inside the park and the Trinetra Ganesh Mandir situated inside the Fort, and the Tiger.

I first started visiting this park in 1985 and have personally witnessed the increase in the number of hotels, transport providers and handicrafts sales over time. The cataclysmic

rise to fame and fortune of some individuals, both in the transport and the handicrafts sector, was very intriguing. The increase in the number of five-star hotels established by well-known hotel groups like the Taj Group and the Oberois made me wonder whether the benefits of the expanding tourism industry was largely being siphoned off by intermediaries or percolating to the local population.

This niggling question became the basis of my research. The main objectives of my study were:

1. To estimate the livelihood and welfare augmenting impacts of wildlife tourism. Average per capita monthly income and average per capita monthly expenditure (on food, non-food and total) were defined as the welfare variables. Two villages, on the outskirts of the Ranthambhore National Park, were selected for data collection. A novel study village -control village approach was followed. Sherpur, the study village and Mei Kalan, the control village, are similar in most ways, except in the extent of participation of households in the tourism industry. The control village is necessary to filter out the direct and indirect effects of tourism on the livelihood of the local community. The study village was further subdivided into 2 groups; the tourism participating households and the non-tourism participating households.

2. The direct benefits of tourism are expected to yield higher average levels of per capita income and average per capita total expenditure for the tourism participating households when compared to the non-participating households. Any trickle-down effect or indirect effect from tourism would yield higher average levels of per capita income and average per capita total incomes for the non-tourism participating households when compared to households in the control village.

3. Further, an analysis of the local perception of potential benefits and adverse impacts of tourism was carried out to substantiate the findings from the quantitative analysis.

T procedures and multivariate regression-based analysis was done to check whether tourism has a substantial impact on per capita monthly income and per capita monthly expenditure. A simple analysis of the difference in means was carried out across households in the study and control villages for essential measures of physical and human capital as well as income and expenditure patterns. Simple aggregate-based tests for qualitative analysis of local perceptions have also been carried out.

The results of the study show that:

Agriculture and allied activities are the main occupations in both the Study Village and Control Village.

2. In the non-agricultural sector, the majority worked as casual labourers (pooled data from both the study and control villages). However, forty-five per cent of the income earning population within the tourism participating households in the study village was employed in the tourism sector. The tourism participating household's average per

capita income from non-agricultural activities, including tourism, is nearly seventy five percent higher (and statistically significant) than that of a non-tourism participating household in the Study Village. However, a much lower per capita income from agriculture in the tourism participating household dampens the income augmenting impact of tourism on per capita incomes.

3. Interestingly, the results of the multivariate econometric analysis, carried out to ascertain the differential impact of tourism related activities on per capita incomes of households in the study village, do not yield significant results.

4. Simple T-tests of differences in average per capita expenditure did not ascertain whether tourism income results in any significant direct or indirect benefits to households, implying the significance of other confounding variables.

5. The multivariate econometric analysis, using Dummy variables for tourism participation as well as for the study village shows little evidence of any significant direct impact of participation in tourism-related activities on household welfare in terms of per capita expenditure of households in the study village.

6. The econometric results conducted for the study village in isolation, for both per capita incomes and per capita expenditure do not seem to be very different from the results on the pooled data.

7. The results of the qualitative analysis conducted on questions capturing the positive and negative impacts of tourism are skewed in favour of significant adverse impacts of tourism. These include the economic, socio-cultural and ecological impacts.

8. Most locals feel cheated. They feel the absence of enough job opportunities either directly in the National Park or the tourism-related service sector. Most jobs in the tourism sector are lower-level jobs and offer lower wages and lower stability.

9. Complaints relating to crop damage and livestock loss by wildlife continue to emerge as vital factors in the interviews. Compensation procedures for damages caused by wildlife are considered time-consuming, and the amount of compensation is inadequate.

10. A Local Advisory Committee, with the hallowed objective of consulting locals in all matters relating to policymaking/ implementation of all policies relating to the National Park, conservation issues as well as its effect on the local community does exist, but on paper only. Meetings have not been held regularly, local interests are not adequately represented, and there is very little dissemination of information regarding their rights or decisions taken thereof.



11. Locals lose out on any gains from tourism because they have very little interaction with the tourists.

Based on the findings of this research, the following recommendations must direct policy decision-making –

Since conservation can only be successfully achieved by including all major stakeholders, especially the local community, a more significant attempt should be made to increase their participation. Their recommendations should not just be “advisory”, but “binding” on policymakers. Direct interaction between the local community, the Forest Department and the tourists should be promoted, to allow greater opportunities for residents to profit from tourism.

Local youth should be given preferences for direct employment in the park. Part of the revenue collected through tourism should be ploughed back in the development of the park itself as well as the surrounding areas.

Alternative tourist interests in and around the park should be developed and advertised to change the nature of the contribution of tourism to income and employment: from a seasonal source to a regular source.

This study represents findings from only two villages. A similar analysis could be done for the remaining villages. The meta- analysis is more likely to yield accurate results for policy making.





## CORPORATE SOCIAL RESPONSIBILITY IN INDIA

BY DR. SONAKSHI JAIN  
ASSISTANT PROFESSOR , DEPARTMENT OF ECONOMICS

Corporate Social Responsibility (CSR) is a concept which has attracted the attention of companies, government and academicians alike. This is due to the growing recognition of the role of the firm in promoting social welfare, rather than simply increasing profits for its shareholders (Friedman 1970). Corporations have large resources, knowledge, and capacity to contribute to sustainable development and there is an increasing expectation of proactive socially responsible behaviour from them (Bansal et. al. 2017). While there is no canonical definition of CSR, it depicts the need for corporations to ethically give back to the society that helps them flourish (Garriga & Meie, 2004). CSR is also indispensable for a firm's long-term endurance as its benefits include risk reduction, staff recruitment and retention, cost savings, and building good relationships with stakeholders (Welford & Frost 2006). Therefore, CSR isn't just motivated by altruism and the personal attitudes of managers but also involves self-interested strategic decision-making (Baron 2001).

CSR practices include efforts to reduce the firm's environmental footprint, philanthropic activities and charitable donations, and ethical labour practices. As early as 1912, India witnessed companies such as Tata engaging in CSR activities to lay emphasis on its role in development. In modern times, the concept of CSR has widened to include legal, economic, ethical and social standards to bring awareness to the global arena (Sharma and Kiran 2012). Thus, from a mere attempt to bridge the gap between business and society, it has become a cooperating mechanism, building a more comprehensive mutual relationship between society and corporates.

While CSR expenditure predominantly has been viewed as voluntary philanthropy by firms (Dahlsrud, 2008), India is one of the 3 countries in the world to have a legal mandate regarding CSR by firms. The Indian government

established voluntary guidelines for companies to set up CSR policies (Ministry of Corporate Affairs, 2009), yet, in 2013, the mandate was introduced through Section 135 of the Companies Act. It requires eligible companies to spend 2% of their average net profits made during the three immediately preceding financial years on CSR activities. An eligible company meets the requirements below:

- Has a net worth of INR 500 cr. or more
- Has a turnover of INR 1000 cr. or more
- Has a net profit of INR 5 cr. or more

The CSR Act in India defines CSR more specifically as contributions to the national objective for social development. In accordance with this Act, expenses that directly benefit the business or its employees are not regarded as CSR activities. Instead, the business is required to spend this money outside of its borders, particularly to enhance the neighbourhood where it operates. It defines CSR as endeavours that go beyond a company's internal efforts to be socially or environmentally responsible to those that address the larger societal needs, such as ending extreme hunger and poverty, advancing education, advancing gender equality and empowering women, lowering infant mortality and improving maternal health, battling the HIV, AIDS, malaria, and other diseases, and ensuring environmental sustainability. The Act also gives businesses the choice to carry out CSR initiatives directly, through their non-profit foundations, or independently registered non-profit organisations, provided that the latter have a minimum 3-year track record in related endeavours.

The compulsory mandate has now made CSR a common practice among firms operating in India. Mandatory CSR further has grown to be of utmost importance with India's position dwindling in global rankings of various development indicators. India ranks 132 out of 191 in HDI for the year 2021-22, with a fall in life expectancy (69.7 in

2019 to 67.2 years in 2021) and a fall in per capita income on a PPP basis (\$6,681 in 2019 and \$6,590 in 2021). India also ranked 140 out of 156 countries in the Global Gender Gap Report 2021 and 121 out of 163 countries in her performance in achieving sustainable goals as noted by the Sustainable Development Report (2021). India's Global Hunger Index (2021-22) is 29.1 which ranks her at 107th of 121 countries. It is to note that while India has been underperforming in achieving development goals compared to its global counterparts, it has also been witnessing a secular deterioration in the said ranks over the years.

Besides being a poor performer, the Indian government is not spending at par with its counterparts. The Economic Survey 2021-22 states that the total social sector expenditure was at 8.6% of the GDP, an increase from 8.3% in the previous financial year. However, in 2019, average social sector expenditure in OECD Countries was at 20%, with India only earmarking 7.5% of the GDP for the same. The recent National Health Accounts estimates for 2018-19 show total health expenditure (as a proportion of GDP) is 3.2% while on average, OECD Countries are estimated to have spent 8.8% of their GDP in 2018, with the United States spending the most (16.9%). The world average for the same is 9.83% (2019). As far as total expenditure on education is concerned, it is 4.5% for India in 2020 which is slightly above the world average (4.3%). Average OECD Country expenditure was at 5.3%.

The aforementioned statistics urge one to re-evaluate the role of social sector expenditure, with its incidence and impact on development. Expenditure in CSR activities can be a prime mover in alleviating India from its grim position as it serves as a complement to government expenditure on the same.

Firms that come under the purview of the law to undertake CSR are required to disclose their CSR activities in their annual statements. The government collects data for all the companies that are registered at the Registrar of Companies. Companies disclose the CSR expenditure, projects, and mode of implementation through a predetermined form, provided by the MCA. This data is made available through the National CSR portal on the Ministry of Corporate Affairs website.

It provides data for all the districts for the years 2014-15 to present. The CSR funding received by the district is further subcategorized into specific sectors- Education, Differently Aabled, livelihood; Encouraging Sports; Environment, Animal Welfare, Conservation of Resources; Gender Equality; Women Empowerment; Old Age Homes; Reducing Inequalities; Health, Eradicating Hunger, Poverty and Malnutrition, Safe Drinking water, Sanitation; Rural Development; Slum Area Development; Heritage Art and Culture; Other Sectors -Technology Incubator and benefits to Armed Forces and Admin Overheads and Others.

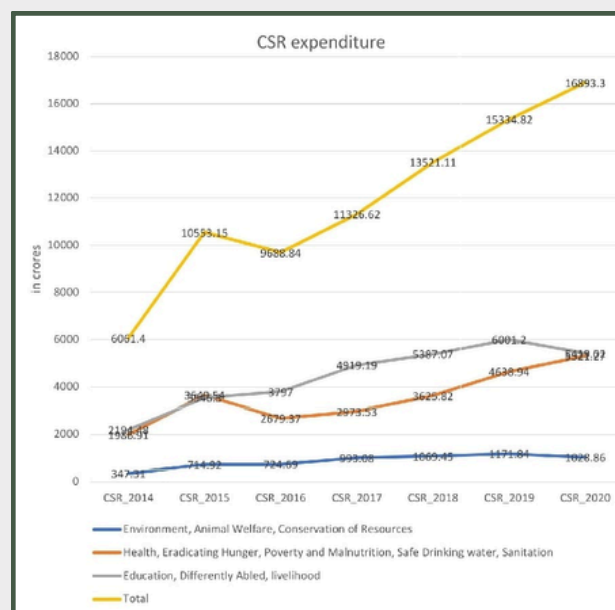
We collected the data on all the specific CSR sectors for all the districts. The data is collected for seven years since the

law came into act- 2014 to 2021. In Figure 1 we see that over the years CSR expenditure has increased by three times with INR six thousand to begin with.

From the data, we observed that Education and Health receive considerably more funds than the other mentioned sectors. Furthermore, between 2015-17, the difference between funds received by Education and Health widened. Companies spend on capacity building (like training of teachers, and provision of school books, tables, and chairs) at the school level, they run their own foundation schools that provide free education to the marginalized sections of the society. Some companies, provide free meals to school-going children to increase the health of children.

Funds set up by the government such as Prime Minister's National Relief Fund, Swachh Bharat Kosh, Clean Ganga Fund, and other central government funds received (7.5%) of total CSR funds between 2014-20. Between 2014-19, spending on government funds remained between 1% to 3%, of total CSR expenditure, but in the year 2019-20, spending on government funds rose to 6%, which is likely to be due to companies diverting their funds to support relief efforts for the COVID-19 pandemic.

The sectors that have received the highest amount of CSR funds were Education (29.9%), Health Care (20.6%) and Rural Development (10%). There are many potential reasons for such a preference. Health and Education are relatively more relatable and visible as critical development needs in a country like India. In 2020, we see a rise in the spending on health and the Prime Minister's National Relief Fund, which signals that corporates took cognisance of the Covid-19 Pandemic. Health, Education, and Rural Development are the major focuses of the Indian Government as well, one should note that in 2019-20, Rural Development received the most funds from the union budget (Rs. 1,17,647 crores BE). This was followed by Education (Rs.94,854 crores BE) and Health and Family Welfare and Health Research (Rs. 64,559 Crores BE).



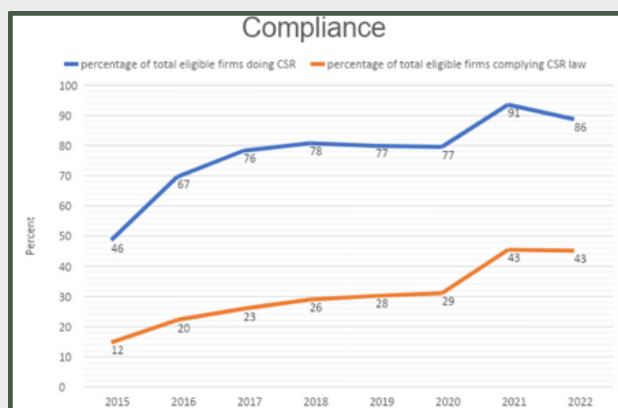


Causes such as gender equality (0.3%), sports (1%), agro-forestry (0.3%), as well as technology incubators (0.17%) received a minuscule amount of CSR funds over the years. There may be several reasons for the same: (a) certain causes require companies to challenge complex and deep-rooted socio-cultural and/or religious norms that need a longer duration of implementation, mature donor systems, etc. all of which are currently nascent in the CSR Ecosystem. (b) Most development indicators capture urgent needs/depreciation based on quantifiable aspects pertaining to health, education, and standards of living. Companies and governments hence tend to prefer these development areas for urgent redressal. (c) sectors such as agro-forestry or technology incubators may require advanced skill and technical knowledge which developing countries like India lack. (d) Sectors such as health and education directly benefit people and therefore companies can use it strategically to create a pro-social image.

CSR data is also compiled by the Prowess that is prepared by the Centre for Monitoring Indian Economy (CMIE) in India. The Prowess database is the largest available firm-level time series data set on financial variables for publicly listed and unlisted companies, as well as private limited and unregistered companies in India. This database includes data on over 50,000 firms and is built from Annual Reports, quarterly financial statements, Stock Exchange feeds, and other reliable sources.

The eligibility criteria are that a firm should have a profit of over 5 crore or net worth of more than 500 crore or sales of more than 1000 crore. Using Prowess data we see how over the years firms that come under the purview of the law have started engaging in CSR. Almost eighty-five percent of the firms are undertaking CSR and forty percent of firms are expending at least two percent in CSR in recent years.

The aforementioned statistics urges one to re-evaluate the role of social sector expenditure, with its incidence and impact on development. Expenditure in CSR activities can be a prime mover in alleviating India from its grim position as it serves as a complement to government expenditure on the same.

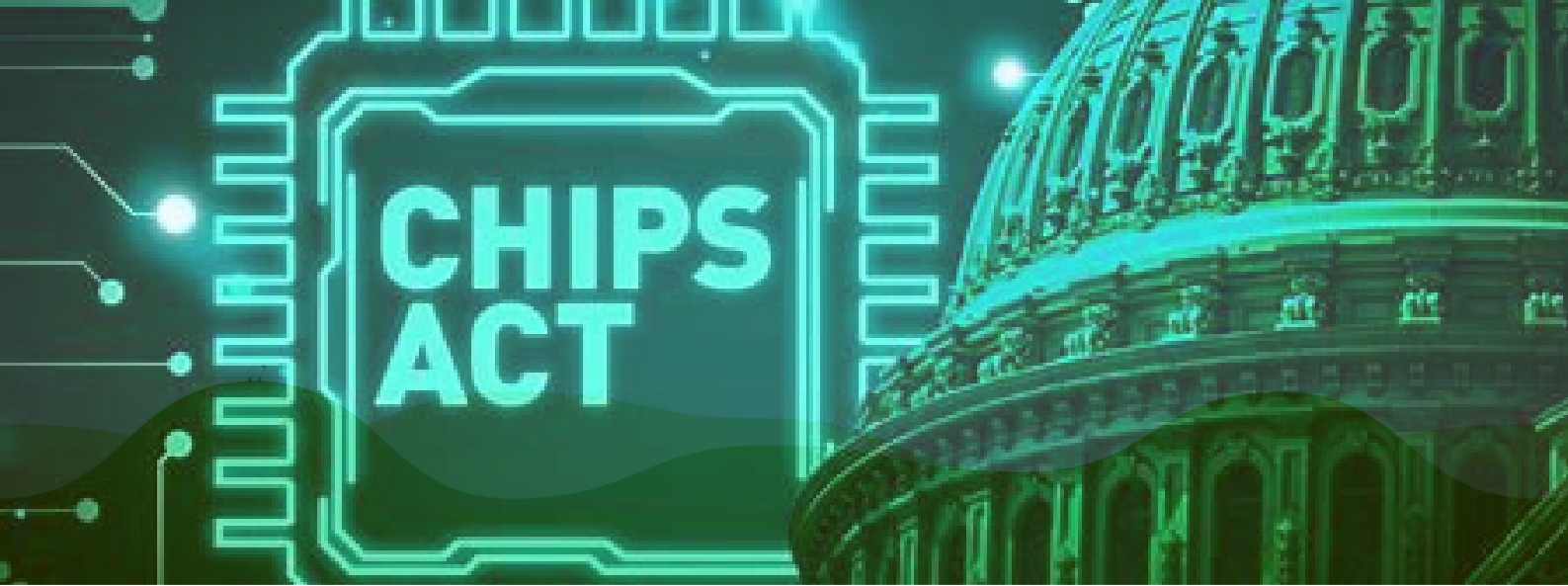


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## US CHIPS ACT 2022 AND THE RISE OF NEW INDUSTRIAL POLICY

BY DR. S. KRISHNAKUMAR  
ASSOCIATE PROFESSOR , DEPARTMENT OF ECONOMICS

As part of the CHIPS Act 2022, President Joe Biden has tried to put forward initiatives towards reshoring to the United States the activities relating to the fabrication of semiconductors. This has been rationalized under the logic that the potential demand for the same would be on the rise and the share of the United States in the production of the same has been on the decline, from 37 percent in 1990 to 12 percent in the present.

Furthermore, with most of the semiconductors coming from Asia, during the Covid-19 period, the United States has been exposed to the risks associated with the rupturing of the global supply chain. Given that chip shortage was an important impediment, particularly so in the post-Covid period where the demand for the same has risen steeply, the US feels that most of the same being offshored might work inimical to its strategic interests. Taiwan, and, TSMC being there has always been an American concern.

The leading country that has been propagating the virtue of markets and has been highly critical of government support has now been so generous in its support through fiscal incentives, subsidies and investment tax credits towards reshoring semiconductor fabs to the United States. Wasn't it the same country that took India to the WTO on the latter insisting on domestic content requirements in the solar cells dispute? Didn't the state in China play the role in promoting state-owned enterprises a big sore in its relationship with China? Homeland economics, like one of those recent issues of The Economist, has observed, is back in action across countries. The days of neomercantilism are here again. Indeed, all of this points towards the rise of new industrial policy.

Needless to say, President Biden's efforts at the outset have

been able to attract investments in the semiconductors fab sector to different parts of the United States. The Taiwanese multinational TSMC has kickstarted one of the largest semiconductor fab investments ever in Phoenix Arizona. Work is underway and Ohio is all set to get its largest investment of \$20 billion from Intel. Samsung with its investment of \$26 billion in Texas and Global Foundries with \$1 billion in New York have all been cheering the Biden- Harris dispensation with their large moves.

From Ohio to Oklahoma, from New York to Texas, the tax credits and subsidies-based CHIPS Act have been able to do what it has intended to. And, in catering to the low middle classes in the US who felt that they were left out in the lurch, this has been a large political accommodation too.

That said, does this policy make sense?

Known for its advantage in highly skilled labor, it is only logical that US firms like Intel and AMD had found being well off doing the fabless part of the semiconductor production, that is, design of the chip within the United States and offshoring the rest to low-cost destinations abroad. Is the President's move going to be sustainable? If strategic threats associated with Taiwan are what guide all of this, then why not relocate to some other destination, why re-shore?

It is here that the operations of TSMC as reported by various news agencies presume importance. It is reported that the cost of fabricating in Arizona is at least 50 percent more than in Taiwan. The shortage of necessary skills has been alarming, engineers had to be sent to Taiwan to pick up skills. Might be till the next elections, the government would stay with these policies, and, afterward, it would be fabless.



designs in the United States again and fabs from Asia.

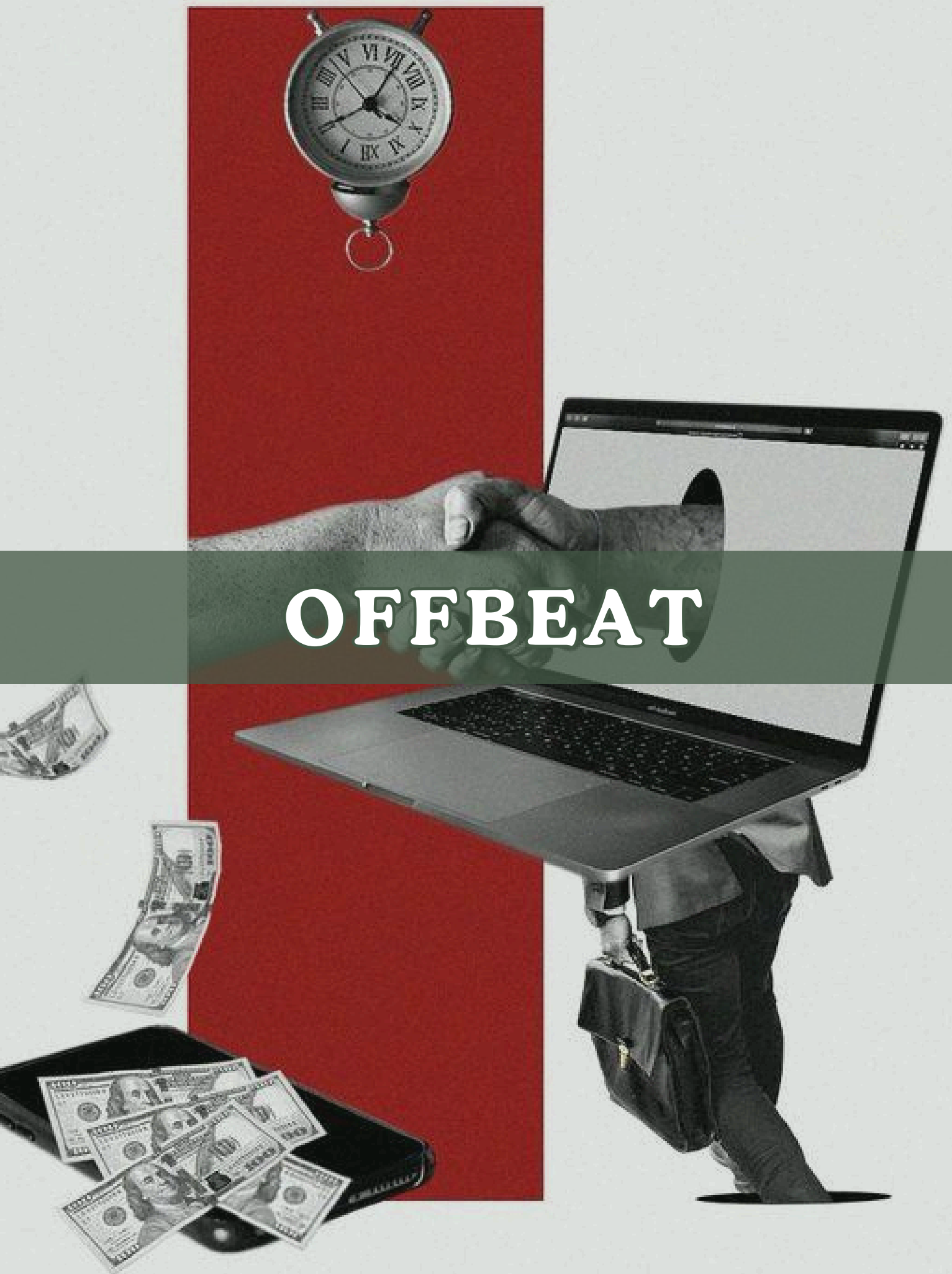
Worse, the government would also not want to do the same with a liberal H-1B regime. This would mean that the workers from outside would have most of these jobs. With liberal H-1B, you are politically not going to benefit. Without that, you are sure to be doomed, labor costs would rise. Of the fresh Ph.D.s in STEM in the United States, 60 percent of them are first-generation Indians or Chinese. They would catch their flight back, of course with reluctance, and do the fabs in their own countries.

In trade literature, as wage costs go up, there is a relocation of such activities which occurs to an even lower-cost destination, is the flying geese effect. In this case, rather than flying to any of those South Asian or African destinations, the goose is flying to a high-cost destination, of course, lured by the plethora of fiscal incentives by the leader country.

Politically, the CHIPS Act would do well for the Democrats, sure. But between choosing tech skilled as against skilled work, shouldn't the US be focusing on the former?

Ambitious though, the Chinese Communist Party has set a theme that China should go for intelligent manufacturing. It stands a good chance of happening if these STEM Ph.D.s get back to Beijing. The story has just begun.

Krishnakumar S. teaches economics at Sri Venkateswara College, University of Delhi. This piece draws from a lecture he delivered on "Trade Wars, Protectionism and the Developmentalist State" under the Pravah Series organized by the Department of Political Science, Sri Venkateswara College.





# Guess The Economist

Because after all, we're econ majors; Our job is to make assumptions.



## 01



Neither of his hands is invisible but he keeps talking about the benevolent hand. He's the father of capitalism.

- a. Karl Marx
- b. Adam Smith
- c. John Maynard Keynes
- d. Milton Friedman

## 02



He woke up one day and decided to be the founder of macroeconomics. He was a British economist and alumnus of Cambridge University.

- a. Adam Smith
- b. John Maynard Keynes
- c. Paul Krugman
- d. James Heckman

## 03



He was a German-born economist, political theorist, and sociologist. He predicted that capitalism would eventually destroy itself as more people become relegated to working-class status, inequality rises, and competition drives corporate profits to zero. So he's basically anti-whomever-father-of-capitalism-is.

- a. Paul Krugman
- b. Daniel Kahneman
- c. Karl Marx
- d. Arthur Laffer

## 04



He was the first American economist to win the Nobel Memorial Prize in Economic Sciences. He also served as the advisor to John F. Kennedy and gave significant insights into consumer theory and welfare economics.

- a. Paul Samuelson
- b. Arthur Laffer
- c. Jeffrey Sachs
- d. Alan Greenspan

## 05



Born and raised in Kolkata, India, this Indian-American economist went on to study Economics at Princeton University, USA, and has served as the first deputy managing director of the International Monetary Fund, since 21 January 2022 (this post was created by IMF for her, specifically). She has authored numerous research articles on defaultable debt, interest rates, and business cycles.

- a. Rohini Pande
- b. Jayati Ghosh
- c. Gita Gopinath
- d. Devaki Jain

## 06



She is known for her economic model of 'Doughnut Economics' which talks about balancing essential human needs and planetary boundaries. She is an English Economist and is an alumnus of Oxford University.

- a. Janet Yellen
- b. Joan Robinson.
- c. Esther Duflo
- d. Kate Raworth



# FISCAL FIESTA:

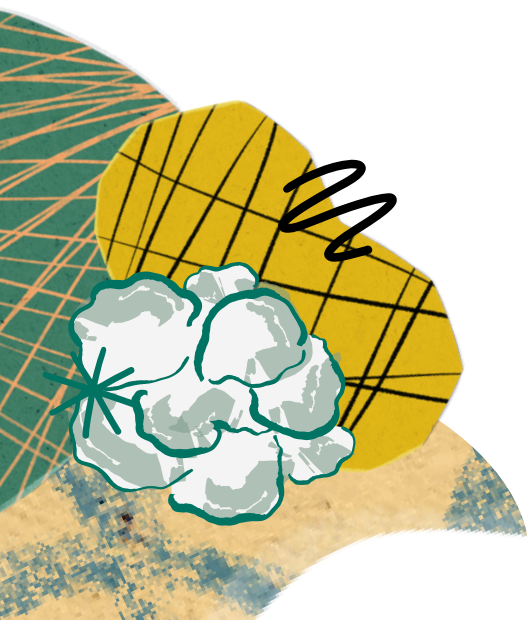
## The Ultimate Economic Trivia

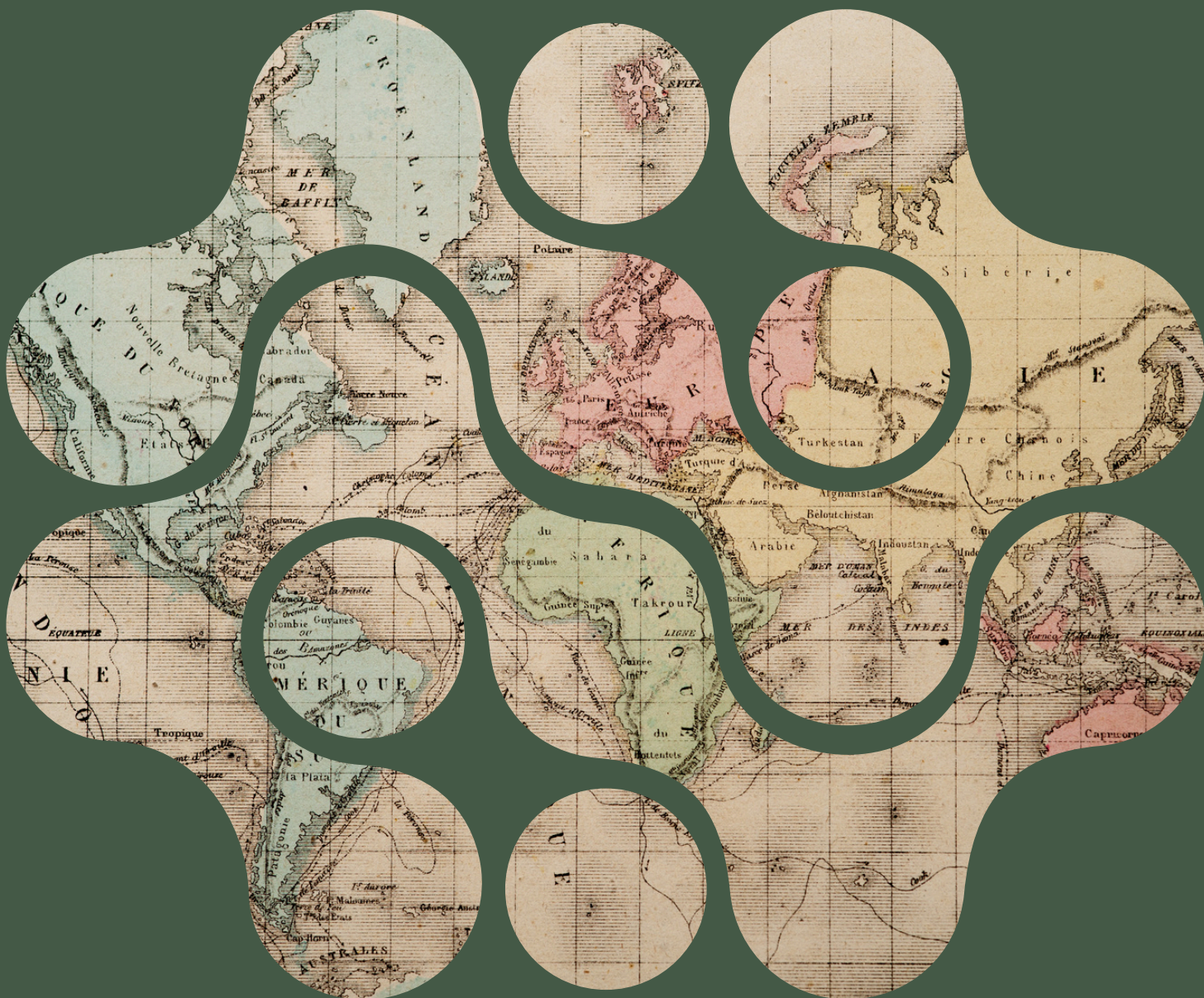
- Named after the economist, like all the other economic theories, concludes the romantic relationship between your bread being costly and your parents losing their jobs. This theory fluctuates the same as the LED bulbs of a large conglomerate. Initially, the economist who devised this theory was a crocodile hunter!
- This concept dates back to the 18th-century writings of David Hume and other classical economists. However, the term itself was popularized by Friedrich von Wieser, an Austrian economist, in his book "Theorie der gesellschaftlichen Wirtschaft" (Theory of Social Economy) published in 1914. Wieser emphasized the importance of considering alternative uses of resources when making economic decisions.





- This concept was popularized by economist Adam Smith in his book "The Wealth of Nations," referring to the self-regulating nature of the marketplace, where individuals acting in their own self-interest inadvertently promote the public good.
- This concept emerged in the mid-20th century as economists began to study the effects of taxes, subsidies, and other market distortions on economic efficiency. It basically refers to the loss of economic welfare that occurs when the equilibrium quantity of a good or service is below the socially optimal level, typically due to market inefficiencies. It emphasizes the notion of lost economic value.
- Named after economist Vilfredo it describes a state of allocation where it is impossible to make any one individual better off without making at least one individual worse off. It is used to evaluate the efficiency of resource allocation in markets and policy interventions.





# Answers

## Guess the Economist

1. Adam Smith (b.)
2. John Maynard Keynes (b.)
3. Karl Marx (c.)
4. Paul Samuelson (a.)
5. Gita Gopinath (c.)
6. Kate Raworth (d.)

## Fiscal Fiesta

1. Bill Philips, Philips Curve
2. Opportunity Cost
3. Invisible Hand
4. Deadweight loss
5. Pareto efficiency





# ECHOES OF EXCELLENCE

*Interviews: Distinguished Alumni*





## IN CONVERSATION WITH MS. MAMTA A. RAJNAYAK

Ms. Mamta A. Rajnayak is a working professional providing her services in data science, particularly Artificial Intelligence (AI). Having completed her bachelor's degree in mathematics from SVC, she pursued a master's degree in economics from Indira Gandhi Institute of Development Research (IGIDR). Through this interview, conducted by Vedansh Lamba and Utkarsh Prakash, the readers are made aware of the multiple aspects of the booming AI sector.



**Your career has evolved gradually, from mathematics to economics and then to AI. Did you always have a plan to move towards technical fields, or did it happen naturally along the way?**

Back then, I didn't really plan much. Mathematics was my favorite subject in school, so I pursued it for graduation. After graduation, I wanted to learn more practical aspects. IGIDR, an RBI-established and funded institute, was known for its focus on deep research in econometrics and financial economics. They recently started a Master's program in economics. I joined it as I knew I'd learn a lot. Since then, I have worked in predictive analytics and data science in a few organizations. Before American Express, I led a large digital transformation project for my clients at Accenture. At American Express, I head AiDa, an enterprise Artificial Intelligence and Machine Learning, AI-ML platform, that allows machine learning models in the organization to develop, govern, implement, and monitor their machine learning models to aid data-driven business decision-making. Though not entirely planned, I would say it was an informed decision.

**Talking about AI, it was becoming significant during your time, and it was just the inception. Now, in the past four to five years, we've seen a lot of advancements. Some suggest we're currently in the AI era. Do you think this AI era is unfolding now, or is it something we'll see developing in the distant future?**

AI isn't new, but it's gaining more attention now. Machine learning, a subset of AI, was discussed as far back as 1960, but lacked popularity due to computer constraints and

limited data.

Only a few could afford the expensive machines needed for research. Today, greater awareness, advancement & the democratization of technology is marking AI accessible to everyone. We're only beginning to scratch the surface, there is a lot more to explore. References to advanced technology in ancient texts like the Ramayana and Mahabharata are becoming realities today, like live telecasts and virtual meetings resembling physical interactions. Concepts like the metaverse are emerging, offering immersive virtual experiences. Once just dreams, technological advancements have now made them possible.

**AI is becoming more prominent and user friendly, owing to which it is being used everywhere, from businesses to students, to improve decision-making, there are costs involved. What do you think are the main challenges in fully reaping the benefits of AI?**

Talking about using AI in general, one challenge is bias. When humans build AI programs, their biases can affect the outcomes. For example, if someone prefers spending time with certain groups, it might show in the AI's decisions. So, it's crucial for organizations to create AI responsibly, ensuring fairness and avoiding biases. Another challenge is for organizations that aren't very tech-savvy. They might be excited to use AI, but if their employees aren't trained to use it, it becomes difficult. Upskilling the workforce and ensuring their acceptance of new technology is important. Otherwise, investing in AI tools would be like buying a fancy car that no one can drive or appreciate.

**You mentioned how government organizations are adopting AI due to its hype. Do you think there's a similarity between this and the dot-com bubble of the 1990s? Do you think the AI hype will eventually burst?**

The dot-com bubble burst because of a stock market boom linked to the internet companies. But did it affect internet usage? Internet usage has grown exponentially over time. While many new AI companies are emerging and stock prices are rising, predicting their future might depend on various factors like their performance, competition, macro economic factors and what not. As more companies enter the AI market, competition increases, which may affect stock prices. However, the usage of AI is expected to keep growing steadily, possibly even exponentially and that has very little to do with the stock prices of certain AI companies.

**When it comes to gender diversity in companies, including STEM fields, there's been progress. More women are joining STEM courses and careers, even taking leadership roles. However, do you think gender discrimination still exists in workplaces, possibly holding women back from higher positions?**

It varies from one organization to another. Some, like Amex or my previous employer, Accenture, are progressive. They've worked on reducing the gender gap by encouraging women to join STEM courses and roles. They've also created growth paths for women in effective ways. However, overall, there are still relatively few organizations actively addressing this issue. As per a recent UNO article, only one in five professionals (20%) is a woman in AI, clearly there's much more to be done. Leaders, especially those who've experienced the challenges themselves, have a responsibility to help us bridge this gap. They can serve as role models for new talent, not just for women, but for all diverse groups, including women and individuals with disabilities, diverse ethnicities etc.

**AI and ML heavily rely on mathematics. Do you think graduates from non-technical backgrounds can switch to this field?**

There are two aspects to consider. Firstly, can anyone join the technical field of AI without prior formal education in mathematics? And secondly, can they join without technical skills? Let's use an analogy: becoming a pilot. If you didn't study math and physics, you couldn't become a pilot. However, you can take courses in these subjects and then pursue pilot training. I had a similar personal experience with a subject (social sciences) I disliked in school, however when my son wanted help with social science, I was nervous. But as I delved into it, I found it wasn't as boring as I thought, I could not only understand but also teach it to my son. With an open mindset, tasks that were once challenging can become more achievable. For those who were not interested in math & stats earlier but are keen to enter the field, I suggest starting from the basics. For machine learning and AI aspects, there are many courses available online on platforms like Coursera, Udemy, Analytics Vidya etc.

You can also participate in Kaggle competitions to practice and learn. But it's important to brush up on statistics first and then take coding courses. Coursera offers courses covering the basics of machine learning, including topics such as decision trees, random forests, SVM, and gradient boosting. Kaggle is a great platform to practice your skills with datasets and business problem statements. However, mastering the basics, especially statistics, is crucial for success in data science and machine learning.

*Thank you for your insightful answers. I believe we've covered all the topics we intended to discuss. I believe our conversation has been incredibly enriching, and I'm sure our audience would agree. We appreciate your warmth, professionalism, and willingness to share your wisdom. Thank you for your generosity in sharing your time and expertise with us. It's been a privilege to hear from you, and I'm sure our audience feels the same. Once again, thank you.*

*I want to express my gratitude for inviting me to be featured in my institute's magazine. It's truly an honor. Thank you for reaching out, and I'd like to extend my gratitude to the entire team for their time and effort in conducting this interview. If anyone is interested in data science or AI and encounters challenges, don't hesitate to explore resources available. I'm here to help if you need assistance.*

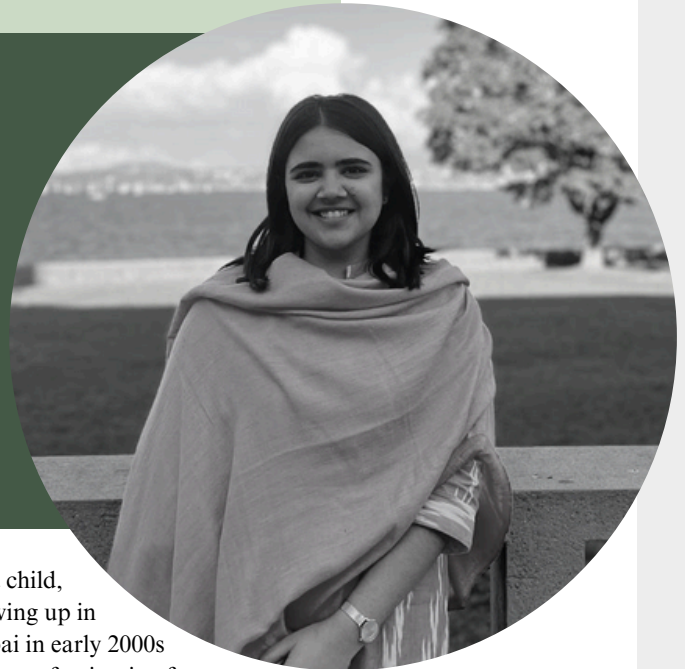
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Today, greater awareness, advancement & the democratization of technology is making AI accessible to everyone. We're only beginning to scratch the surface, there is a lot more to explore.



## IN CONVERSATION WITH MS. SHRADHA BHATIA

Employment and experience post economics is truly a difficult path to navigate; who better to help shed light on this endeavor than someone who herself, not too long ago, rode the currents and came out a victor. Ms. Shradha Bhatia is a prestigious Sri Venkateswara College Alumnus who embarked on a journey through entrepreneurship in Dubai, to internships in India and finally to studying with the Swiss. She now works with the World Trade Organisation in Geneva. This is her journey, interviewed by Prachi Kapoor, and Akansh Gandhi.



**What were your days as an undergrad like? Would you like to share an anecdote or memory from your days at Venky that had a significant impact or bearing on your goals, mindset or career path? Do we, a group of 17-19 year-olds with idealistic mindsets, remind you of your younger self?**

I appreciate the mention of idealism, as I believe it's something that remains important as we navigate life's challenges and boundaries. The freedom to challenge and play with our own boundaries is essential. Retaining ideals helps us stay grounded and provides a framework for answering introspective questions about our purpose and other aspects of life.

Speaking of Venky, I see it as the perfect first step into the real world. I was very active in numerous societies and clubs. My active involvement in various extracurricular activities, especially within the Placement Cell, not only enriched my college experience but also taught me valuable lessons about mutual respect and treating everyone as equals, regardless of their status. Memories of interactions with HR managers from major corporations, contrasted with a visit from Google, highlighted the lasting impact of respectful engagements. The difference between the intimidating demeanor of certain professionals and the egalitarian approach of others taught me the importance of humility and recognizing the worth of each individual.

Moreover, I'd like to discuss the transformative influence of Dr. Prasada Rao in the Statistics department, whose teaching method reignited my passion for the subject. Despite already securing a job in consulting, Professor Rao's approach rejuvenated my interest and broadened my understanding of statistics' real-world applications.

### CAREER TRAJECTORY

**a) Was it always your aim to work at the WTO? How does it compare to what you dreamt of as a child?**

As a child, growing up in Dubai in early 2000s was very fascinating for

me. The city was under development and the property market was booming. The advertisements made me believe that even I, as a ten-year-old, could become an entrepreneur and earn a buck or two. I was a student at DPS Dubai, and back then, schools weren't Co-Ed. I was a part of a very tightly knit all-girls group. We all delved into writing poetry and even considered publishing a collection. I also once had a business idea to sell Scooby-string keychains and other crafty things we used to make but didn't execute it.

Upon returning to India at age 11, the stark differences between Dubai and India fuelled a desire to address societal issues. This led to the aspiration of becoming a civil servant to make a positive impact. In school, economics captured my interest, and despite not getting into Economics honors, I pursued Statistics at Venky, eventually finding a way into Economics.

The journey continued with a Master's at the Graduate Institute in Geneva, where I specialized in international trade and finance, leveraging my statistics background for empirical research. This path eventually led me to the WTO.

**b) When did this career trajectory start unveiling itself, and how did you come to land the role? Specifically, I am referring to the post-college, pre-WTO phase.**

In my first internship with a consulting firm, at the end of the first year, I worked on a dummy project that involved coding and data analytics. This marked my introduction to coding. The self-driven learning experience was exciting. The office in Cyber Hub added to the allure, making the corporate environment seem fancy.



For my second internship, I worked with a nonprofit called Consumer's India. This hands-on project involved studying the breadbasket of Delhi, conducting surveys, and analyzing consumer preferences. Although it was unpaid, it provided a valuable takeaway, in the form of insights into consumer rights, legal engagement, and the functioning of nonprofits.

The third job experience was with another consulting firm where I was hired as an operations delivery associate after college. However, I was placed in a team focusing on data analytics, experimenting with hiring non-engineers in such positions. This experience exposed me to SQL programming and emphasized soft skills, including client communication and workplace professionalism. The consulting firm taught me the importance of preparation before entering meetings and the need for clarity in communication, whether interacting with juniors or seniors.

These diverse experiences equipped me with transferable skills and a proactive mindset. Before transitioning to the WTO, I had interned with an impact investment firm in Geneva, working on financial operations. However, the experience made it clear that my passion lay in trade rather than finance. I decided to dedicate my time to studying trade more closely, focusing my thesis on economic geography and trade. I wrote about the concentration and tradability of services in India. The WTO thus became the logical next step.

**c) How is working at the WTO different from the interning jobs you had taken up prior to that, and at what point of climbing up the ladder at WTO did you realise that you wanted to stick to it, at least for that time?**

Upon securing an internship with the Trade Forecasting team at the WTO in September 2020, I was able to study and contribute to GDP forecasting during the pandemic. This role provided a unique perspective, allowing me to witness global events unfold and understand their actual implications on trade. The ability to work with data and utilising it to understand the direct impact of policies and political events on people worldwide has kept me engaged and committed to my work at the WTO.

## **LIVING EXPERIENCE**

**How was living, studying and working in India like, versus in Switzerland?**

Studying in India offered a more comfortable experience as a day scholar, allowing better control over my time and activities. Despite the challenges of commuting in the metro, the convenience of not having to manage household chores made it easier to balance academics with extracurricular pursuits. On the contrary, pursuing education in Switzerland, particularly in Geneva, proved to be a significant shift. Being away from home for the first time, coupled with the high cost of living, presented new challenges. The responsibilities of cooking for myself, finding accommodation, and handling other responsibilities added to the complexities. The academic environment in Geneva was rigorous, with strict assignment requirements,

leaving little room for extracurricular engagements. During Master's studies, the focus naturally shifted towards specialization, deeming extracurricular activities less relevant. However, the unique aspect of studying in Switzerland was the emphasis on networking. Networking became a pivotal investment of time for students, especially for those aspiring to work with international organizations. Balancing academic commitments with networking activities became a demanding yet essential aspect of the student experience.

## **A DAY IN THE LIFE**

**What does a day in your life typically look like?**

I usually wake up at 7:30 a.m. I do a bit of yoga and then head to the office, where I have my breakfast. I work for a bit and then attend my French class, followed by lunch. I resume work at 2 p.m. with coffee breaks whenever required. I usually work throughout the afternoon and head home at 6-6:30 p.m. It is a pretty straightforward schedule. However, on the weekends, I travel a lot. With Geneva being centrally located in Europe, I can hop on a plane and go to any part of the continent quite easily.

**Do you miss India?**

A lot. I don't feel at home in Switzerland. An identity crisis is a common occurrence while talking to friends back home. In India, I feel much more at home compared to Switzerland. Although, being here for a long time has brought about changes in me, affecting the way I approach situations. Nonetheless, I have tried to keep many aspects of my culture alive in Switzerland with me. I often wear Indian clothes to work, and my colleagues are accustomed to it as well. I feel it is important to embrace your true self in any way you can. I have even celebrated Diwali with my colleagues here. I miss India for its food, its language, its people, and most importantly, for being at home with my family.

**Is there any advice you would like to give to students? To yourself a decade ago?**

One feeling that I had during my graduation was undermining the value of my statistics degree. I would've advised myself to be patient and be on my toes to look for opportunities from fields that align with statistics. Now, being a statistician, I realise the beauty of the subject. Statistics can find its way anywhere – economics, political science, biology, psychology and much more.

And for advice to anyone who is younger than me – Keep trying different things. It's better to know what you don't like or are not meant to do than getting stuck in something and only realising it much later in life. The advice to preserve one's curiosity and remain true to one's ideals is indeed valuable. Sometimes, staying steadfast in your beliefs, even if deemed idealistic by others, can lead to meaningful and fulfilling outcomes. While it's true that practical considerations may warrant adjustments, there's also room for finding a balance that aligns with one's personal values and aspirations.

# From the DESIGNER



As I reflect on the incredible journey we've traversed in bringing this magazine to life, I am filled with gratitude and contentment. More than just a design endeavor, this was a journey of growth, collaboration, and shared passion. From its inception, we knew that our magazine is more than just words, it is a beautiful art piece that speaks volumes to its reader. With this vision in mind, we set out to infuse every aspect of our design with meaning, purpose, and elegance, reflecting a commitment to visually engaging storytelling.

Our design philosophy has always been rooted in the belief that a magazine should not only inform and entertain but also inspire and engage on a deeply emotional level. We aimed to create a visual experience that would captivate our readers from the moment they lay eyes on the cover, and continue to enchant them with every turn of the page.

From typography to layout, from color palette to imagery, every element of our design has been meticulously crafted to evoke a sense of wonder and curiosity around economics.

Leading the marketing team through this process has been both challenging and immensely rewarding. Together, we've navigated through the complexities of design trends and our target audience, always keeping our eyes firmly fixed on our ultimate goal: to create something truly extraordinary. Collaborating closely with the Editorial Board, we were able to ensure that our design choices were not only visually stunning but also aligned with the overall theme this year.

The late-night design marathons, the countless iterations, the moments of creative breakthroughs – each one has left an indelible mark on me. But beyond the challenges and triumphs, what has truly made this journey special are the moments of connection and camaraderie we've shared as a team. I would also like to extend my utmost gratitude to my co-head, Sansriti Mishra, who provided her unwavering support throughout our tenure. Now, as we prepare to share our creation with the world, I feel an overwhelming sense of pride in what we've accomplished together.

Thank you all for your dedication, creativity, and passion. I can't wait to see our magazine in the hands of the readers, inspiring and delighting them just as it has inspired us.



**GRACY GUPTA**



# From the DESIGNER



Completing this edition of Econ Expressions fills me with immense gratitude and a deep sense of accomplishment. Our biggest takeaway from being the Heads of the Marketing department was the vitality of visual storytelling. From designing appealing Instagram posts to informative research articles, every element was carefully curated to leave a lasting impact on the reader. Designing dedicated pieces for the magazine made it aesthetically pleasing for the consumer as well as greatly enhanced our knowledge across a plethora of topics that delve into the intricacies of economics.

This creative process has deepened my appreciation for aesthetics and attention to detail. Choosing the right colours to evoke specific emotions, selecting elements that enhance readability and visual appeal, and experimenting with fonts to convey different tones and moods have sharpened my design sensibilities. It has taught me the importance of balance, harmony, and intentionality in visual communication.

When I assumed the position of Marketing Head, I was filled with apprehensions. *"There is no power or authority without responsibility, and he who accepts the one cannot escape or evade the other."* With this in mind, I assumed responsibility and authority alike. This taught me the importance of resolution and accountability.

I am deeply grateful to my co-head, Gracy Gupta, whose unwavering dedication, support, and enduring collaborative spirit were instrumental throughout this journey. I also extend my sincerest appreciation to the Editorial Heads and their teams for their invaluable contributions and unwavering commitment to excellence.

As we prepare to reveal our creation, a surge of immense pride washes over me for what we have collectively achieved. I eagerly anticipate the moment our magazine ignites the imagination and delights our readers, leaving a profound impression as impactful as the one it has made on us.



SANSRITI MISHRA



# FROM THE *Editor*

As the editor-in-chief of Econ Expressions 2024, my journey has been a dynamic exploration of my own boundaries. During the course of last year, I have had the privilege of working alongside 15 extraordinary writers and exceptional thinkers. My role as the Secretary of the Editorial Department may have involved more learning from my team than imparting knowledge to them.

As I reflect on this journey, it's not just the tangible output of a magazine that I celebrate, but the intangible growth and camaraderie that have become indelible aspects of my collegiate experience. The lessons learned in the pursuit of academic and creative excellence, coupled with the invaluable bonds forged, will undoubtedly leave an enduring impact on my personal and professional journey.

Expressing gratitude seems insufficient to capture the depth of appreciation for everyone who played a part in this venture. Yet, I recognise that I owe a debt of gratitude to Vedansh Lamba, my co-head, whose unwavering support, especially during periods when my health required me to deprioritize, has been invaluable. Not to forget mentioning my team. It is their sheer dedication and commendable professionalism that have brought Econ Expressions 2024 to fruition. Additionally, I'd like to thank the secretaries of the Marketing Department and their entire team for shaping the visual aesthetics.

So, here's to the culmination of Econ Expressions 2024. This collaborative effort underscores the ethos of The Economics Association at Sri Venkateswara College, fostering an environment where ideas flourish and diverse talents find a harmonious confluence.



**AKANSH GANDHI**

# FROM THE *Editor*

Econ-Expressions 2024 is a culmination of the intangible efforts of many brilliant minds which harbour ingenious insights into the world of economics. This collection of articles and pieces from every walk of life guarantees to leave the reader awestruck. Econ-Expressions serves as a reflection of the Economics Contingent of Sri Venkateswara College, nurturing dialogue and thought-provoking ideas.

My tenure as the Editor-in-Chief fills me up with a mix of emotions - happiness, pride, nostalgia but most importantly, gratitude. Gratitude puts us in a place where we're humble. Working with a team of 14 wordsmiths was a humbling experience, teaching me invaluable lessons. Observing them closely revealed our beautiful heterogeneity and the unique ways we each tell our stories.

When I assumed this position, I was filled with both excitement and apprehension. However, as challenges arose, I navigated my way through them. I must express my deepest gratitude to my co-head, Akansh Gandhi, whose organisational skills and punctuality provided unwavering support during times of heavy workload. Additionally, I extend my heartfelt thanks to the Heads of Marketing and the entire marketing department, whose tireless efforts ensured that Econ Expressions stood out and appealed to the eye.

I sincerely hope that the relentless efforts and unwavering determination of the members of the editorial and marketing departments, as well as the heads and the core team, result in a rejuvenating experience for the reader. At the very least, may it offer them a fresh perspective into the world through the eyes of an economist.



VEDANSH LAMBA



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## SPECIAL THANKS

ANJALI RAO

(Vice President of the Economics Association for the session 2023-24, for her continuous support and invaluable guidance to the Editorial Department which resulted in articles and pieces nurturing dialogue and perspective.)

HARIPRIYA MURLIDHAR

( President of the Economics Association for the session 2023-24, for providing her guidance and experience to the Marketing Department to infuse every aspect of the magazine with meaning, purpose, and elegance.)

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