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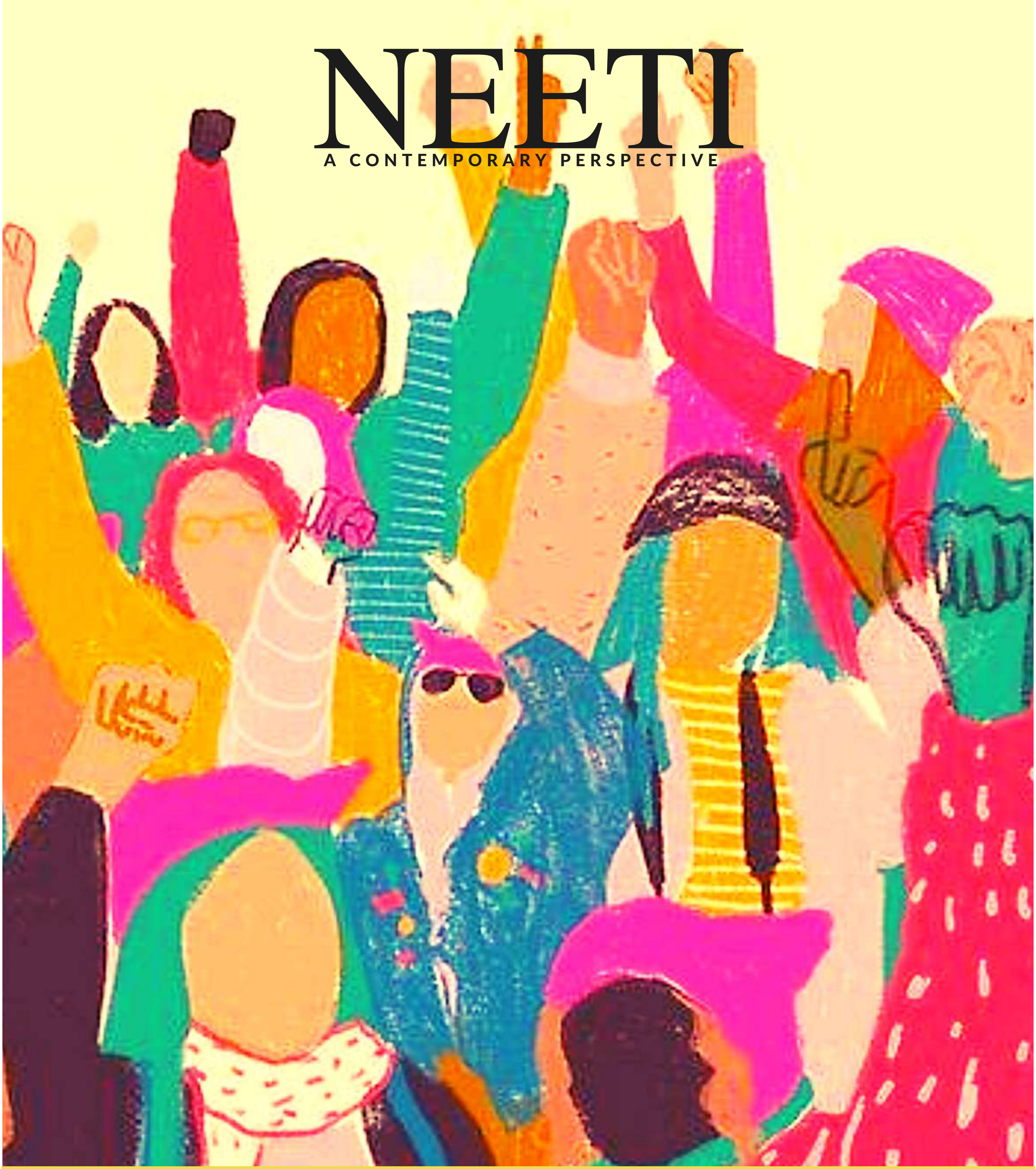
NEETI

A CONTEMPORARY PERSPECTIVE



A GAME OF DOMINOS: IMPACT OF TRADE WAR ON WORLD ECONOMY

ROADMAP TO RECOVERY : $5 TRILLION ECONOMY

THE LAND OF AUTONOMY AND APPLES - JAMMU AND KASHMIR

Our team.

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FROM THE EDITORS

It has been an intellectually stimulating year; India and the world has undergone massive changes, for the good and bad. Sadly, in the times of most connectivity, we are least aware and informed. It is vital to engage and understand this dynamic environment - our world.
We have curated a newsletter with an illuminating approach to the best of our efforts. We are glad that we have engaged ideas from students across the University into a consistent endeavour to voice raw opinions.

It is difficult to talk about issues that are often hidden under the carpet; we are proud that we have successfully provided a platform for such tough conversations. It's a start for students to commence their journeys on building an opinion, no matter what it is. An active engagement of novel ideas and thoughts is what it takes to become rational, liberal and tolerant.

I have been a part of the Editorial Board since my first year and it gives me immense pleasure and pride to say that I have evolved in this beautiful journey of three years. Working for the Board has given wings to my dreams of becoming a writer. I am glad that I was given the esteemed opportunity to serve as the Editor-in-Chief. I am thankful to all our contributors , teachers and the entire Department of Economics, Arthaneeti.

I sincerely hope this newsletter enlightens you and gets your thinking caps on. Have a fruitful read!

Riya Nagpal
Editor-in-Chief

FROM THE EDITORS

Since decades economists have tried to predict and understand the plausible reasons for economic slowdown/growth, their expected outcomes, their implications and even ways to circumvent the cons and preserve and sustain the pros. The second issue of Neeti, The Annual Newsletter of Economics Department of Maitreyi College has been centered around the same.

In the past year, India has undergone major macroeconomic and structural reforms. From the criminalization of Triple Talaq on 30th July 2019 to abrogation of the Article 370 and 35A on 5th August 2018 and then to enactment of Citizenship Amendment Act (CAA) on 11th December 2019, India's social, political and economic system underwent a 360° change. Moreover, the riots and protests that followed the implementation of these and several other acts; the social and the institutional structure of India, which is ironically the biggest democracy of the world, hit a rock bottom. Additionally, climate change which is no longer a doomsday prophecy but an actual reality, as witnessed by the Australian Fires of 2019; was a wake-up call for the world. As Greta Thurnbeg, my favorite environmentalist once said, " Our house is on fire and every inaction of ours is fueling the flames by the hour." The second issue of Neeti has tried to cater to all these issues with the motive of helping of providing solutions to the problems and help the readers to form an opinion. This is because, as students of economics, our prime strength is to have a firm opinion. As Harlan Ellison once said, "You are not entitled to your opinion. You are entitled to your informed opinion. No one is entitled to be ignorant." To support this, we have provided unfiltered, unbiased and untainted reports, facts, opinions, narratives, and reviews. Our second issue is the reflection of our relentless effort to campaign for the needs of the people, culture and society as a whole.

As the Deputy Editor-in-Chief, I am truly proud of the Editorial Board whose grit and determination has ensured the fulfillment of this dream of ours to continue this annual student-run magazine, started by our seniors, Gauri and Bhavya. I am thankful to all our contributing writers for sharing with us their contemporary perspectives. I modestly hope that Neeti, gives you a good read.

Shubhi Gupta
Deputy Editor-in-Chief

Content

JAMMU AND KASHMIR: THE LAND OF AUTONOMY AND APPLES

SHUBHI GUPTA (MAITREYI COLLEGE)

Introduction

This article aims at providing a brief overview of special status provided to Kashmir at the time of independence, its implications, its abrogation and detailed analysis of the expected economic changes in Kashmir post the revocation of articles 370 and 35A. While according to some, India scrapping special status of Kashmir has corrected a historical fiasco, others believe the contrary. Such a velitation with additional questions of whether the timing and the way/method was right or not, require arguments and facts both in favor and against along with a long time period in hand after the decision was made and therefore, cannot be (and is not) catered by this article.

Articles 370 and 35A:

In 1947, when the British Indian subcontinent was being partitioned between Pakistan and India, the Indian Independence Act gave the rulers of the princely states the right to choose one of the following three options:
(I) Become part of Pakistan's hegemony
(II) Become part of India's hegemony (III) Remain an independent country with certain reservations.With a series of events that eventually took place (including the invasion from tribesmen and Army men in plain clothes from Pakistan) Raja Hari Singh, the then ruler of Jammu and Kashmir signed an Instrument of Accession to the Indian subcontinent in October 1947.

This instigated conflict between independent India and Pakistan as Pakistan considered J&K to be simply a natural extension of Pakistan while India intended to honor its Instrument of Accession. Today, India administers the southern and the south-eastern portions of J&K and Ladakh. The Indian and the Pakistani administered portions are divided by the Line of Control (LOC) and the China controls the eastern part of Kashmir and north-eastern part of Ladakh (since 1950s and 1962 respectively). Article 370: Mohammad Abdullah,who was the then Prime Minister of J&K (appointed by Maharaja Hari Singh) ambitioned to be the ruler of an independent Kashmir. Coupled with his dislike for the Maharaja, he managed to coerce Pandit Jawaharlal Nehru in giving special status to J&K. Article 370 of the Indian Constitution was a 'temporary provision' which granted special autonomous status to J and K,and became the only state of India with a separate flag and the constitution of its own. According to this article, except for foreign affairs, defense, finance and communications; the Centre cannot enact any law in J&K which may or may not be applicable to other states without the state (J&K) government's concurrence.

Thus, the state's residents live under a separate set of laws including those related to citizenship, fundamental rights, ownership of property in the state, etc. Indian citizens from other states are prohibited from purchasing property or land in J&K. Article 35A (referred as the Permanent Residents Law): The article was introduced by the presidential order (of President Rajendra Prasad on the advice by Prime Minister Jawaharlal Nehru's led government) of 1954. This empowered J&K to define a permanent resident as someone who has been a resident of the state for at least 10 years or was state's subject on 14 May 1954 and has lawfully acquired immovable property. It created a subclass within class of Indian citizens. In other words, non-permanent residents of Jammu and Kashmir are treated as 'second-class citizens' and were denied employment under state government, educational scholarships in the region, permanently settling and buying land and contesting in elections. The article also prohibited female residents of J&K who married a person from outside the state from any property right. The same was applicable to the children of such women of Jammu and Kashmir.

Implications and the state's predicament/plight

The Article 370 was a temporary provision which was included in the constitution to corroborate J&K accession to India during the troubled times of India immediately after Independence. However, was retained due to the vested interests -both within the state (by politicians, businessmen, judiciary, bureaucrats) and the political parties outside the state as they tried to win the vote banks.

This separatist psychology wreaked havoc on the unity and integrity of the country and provided a medium for the other countries to mock at India's concept of being one from Kashmir to Kanyakumari and nourished the two-nation theory. The Kashmir valley which has been reduced to a machine for carrying out politically vested interests of the day is plagued by corruption- by both state administrators and the local political elites. The rich through their coordinated efforts have consistently used the articles to ensure that no financial legislation that might unveil their loot from the state treasury is introduced in the state. These include provisions dealing with Urban land Ceiling Act, Wealth Tax, Gift Tax, etc. As a result, the politically influential people, the administrative elites and the rich in the state have been becoming richer, simultaneously denying the poor their admissible share of the economic pie. The state has been under the invincible mojo of arrested development because of the apathetic, corrupt and inefficient administration and has allowed the internal and the external forces to freely impel disturbance. The state has turned into an anarchy where the politically influential people and the rich make the rules, determine the commodities to be sold and purchased and their price and also decide who can buy and sell as competition from outside is completely dismissed from even consideration.

Nepotism coupled with institutionalized corruption has incited the social unrest, giving rise to violent insurgency spread by organised crime networks and Pakistan-backed terror organisations. Survey done by Observer Research Foundation (ORF) in 2017-18 showed that since 2008, poor governance has been the main factor for the revolts and unrest by nearly 64 percent of the people in Kashmir. Similarly, Jammu and Kashmir is the most corrupt state of India according to CMS India Corruption Study 2017. State has less than one-third of Punjab's economy even though the former is four times bigger than the latter in geographical sense. For instance, in 2018-19, J&K perceived growth of 11.7% in its Gross State Domestic Product (GSDP) and grew to Rs 1.57 crore. While on the other hand, Punjab whose GSDP growth was only at the rate of 8.52%, grew to Rs 5.18 lakh. One might say that J&K has grown at an average rate of 10% p.a. for three out of the last five years, it is important to note that it is the result of the low base effect. Since many years, Jammu and Kashmir has been succoured by the grants from the center which comprises of more than half of the total revenue receipts of the state. For instance, in 2018-19, J&K budget estimate showed Rs 34,330 crore as grants-in-aid which amounted to over 53% of the total revenue (Rs. 64,269 crore) estimated for the period. According to a report published by The Hindu, Jammu and Kashmir took Rs 1.14 lakh crore (10% of the total) grants from the Centre over the 17-year period of 2000-16 even though it has only 1% of the country's total population.

The gumshoes of Central Bureau of Investigation (CBI) have unraveled the deep-rooted bureaucracy-police-criminal nexus in Jammu and Kashmir which shall connect us further to the organized crime syndicates. The 'arms license scam' elucidate how easily fake licenses can be used by terror organizations across India (especially in the Valley) for target killings and causing large-scale civilian casualties.

کشمیر

Dismissal of the special status of J&K and the expected positive economic changes

Narendra Modi-led BJP government revoked Articles 370 and 35A of the Indian Constitution on August 5, 2019, and bifurcated the state into two Union Territories - Jammu and Kashmir with legislature and Ladakh without legislature. Consequently, all the policies/laws/bills introduced by Central Government such as RTI, Triple Talaq, reservation for minorities, Sukh Samriddhi Yojana, Pradhan Mantri Yojana, Ayushman Bharat etch which were earlier not applicable in J&K, will now be followed.

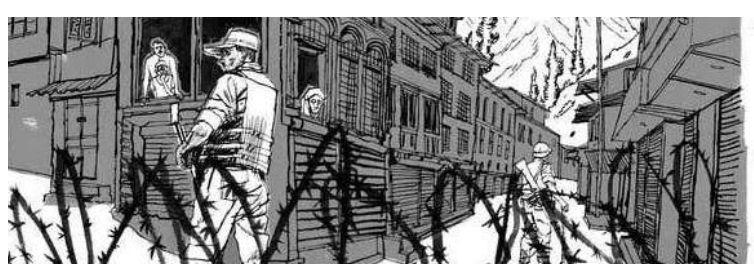
To doge the potential agitation and unrest, Modi government snapped internet, broadband, telephonic, text messaging services and traveling in the Valley with thousands of troops deployed in the region. Ironically, while India was celebrating its 73rd Independence Day on August 15, 2019; J&K was under lockdown. As a consequence of these restrictions, farming, tourism, handicraft, handloom, horticulture, cottage industries and mostly all the businesses in the region haven incurred and will be incurring losses in the short run. Moreover, even when all the restrictions are uplifted, it will take time for various industries to consider the Valley a safe bet.

Assuming that the government takes all the steps and measures needed for the rapid development of the state, at the right time and in the right quantity after it has uplifted all the restrictions, in the long run, the following changes can be expected to be seen:

'Improvement in ease of doing business' as people from outside the state can now freely acquire land and establish businesses or invest in commercial ventures in the Valley. Sectors such as infrastructure, metals, PSUs, and FMCG will have the chance to trade better in J&K now.

Additionally, handicraft, handloom, horticulture and cottage industries for which the Valley is famous for, can now expand their reach to other states of India as well as to other countries ardently. Moreover, Central Government programs and schemes such as Pradhan Mantri Mudra Yojana, Stand Up India Scheme, Credit Guarantee Scheme for Micro and Small Enterprises, Single Point Registration Scheme and many others which help in establishment, finance, expansion and in several other activities of MSMEs in India will also facilitate in development of small and medium enterprises and self-employment in the region. J&K will conversance with globalization almost 28 years after India opened itself to the world. The tourism industry will benefit from the increased influx of tourists each year, as the region develops. This will generate income and investment, benefitting the state as well as the country as the multiplier mechanism comes into function. Not to mention, the employment opportunities and 'efficient utilization of the rich and natural resources.' Furthermore, 'Political stability' will increase investors' confidence, resulting in influx of investment.

Residents of the state will benefit from the spike in the land rates (as the demand for land will increase) and 'private investment in schools, colleges, and hospitals.' The expected rise in the literacy level, income level, and health status are likely to raise the standard of living of the people of the state. Moreover, the 'strong and developed financial infrastructure' in the form of a transparent, inclusive banking system and the online tax system will benefit the residents in multiple ways.



Flaws and Challenges ahead

Now that Article 370 is history; nearly after 6 months, the pertinent question that remains is how to restore the languished faith of the people of the Valley in the administrative machinery and the democratic structures of the newly formed Union Territory. Albeit the Centre has been able to 'technically' transform and integrate Jammu and Kashmir with the rest of the country by scrapping Article 370, doubts remain over the decision's effectiveness in bringing socio-economic development and integration. Given that the Valley is plagued with corruption and inefficient administration, the present cadre of administrators should be removed from their respective positions and replaced by a new cadre of honest and capable administrators with a higher degree of integrity who function without any vested interest. However, according to the Jammu and Kashmir Reorganisation Bill, 2019, "The members of Indian Administrative Service, Indian Police Service and Indian Forest Service for the existing State of Jammu and Kashmir, on and from the appointed day, shall continue to function on the existing cadres". In other words, the state is still administered and governed by the same old bureaucracy which has helped instill and deepen the roots of corruption. As a result, even the clause in the Bill that the Central government has the power to review the orders issued under this section will be inefficacious. Henceforth, even though the supposedly biggest hinderance (article 370) to the development of the Valley has been removed, it is now the duty of the Centre to change the perception of the people of the Valley through good governance and administration. Therefore, the real test begins now. Centre must ensure that sufficient funds are allocated efficiently and transparently and that it does not nurture corruption in any manner. Otherwise, the abrogation of the articles will be rendered as nothing more than another political gimmick to merely affect the 'Constitutional' transformation of the state and incite right-wing sentiments in the rest of the country. Aphoristically, this will aggravate the issue rather than mitigating it.

UNION BUDGET 2020

A Quiver of Arrows

OSHIN SHARMA
(MAITREYI COLLEGE)

"The Budget seems like a mighty arrow aimed at numerous inefficacies of the economy in 2020. However, the arrow is as good as the aim to which it is shot."

The Union Budget is a statement of the estimated expenditure and receipts of the Indian Government for a particular year. The Budget is presented on 1st February so that it can materialise before the start of the new financial year on 1st April. The Budget has to be passed by the Lok Sabha before it can come into effect. The Economic Survey of India, drafted under guidance of Chief Economic Advisor of India, is released ahead of the presentation of the Budget for discussion in both Houses during the Budget session. The Budget 2020 aims to achieve delivery of government services through digital medium, to improve the quality of life through National Infrastructure Pipeline, to mitigate risk through Disaster Resilience, and to achieve social security through Pension and Insurance penetration. For the purpose of this analysis, have divided the budget into six areas namely Agriculture and rural sector, Wellness, water, and sanitation, Education and skills, Economic development and infrastructure, Governance, society and climate, and Financial sector. Let’s take a look at what the govt. has been aiming for in the agriculture sector. They have announced a 16 point agenda which includes fields as diverse as Kisan Rail and Blue Economy. Key goals include increasing fish production to 200 lakh tonnes by 2022-23 and fisheries export to 1 lakh Cr by 2024-25, setting up Kisan Rail through PPP, building a seamless national cold supply chain for perishables (milk, meat, fish,etc), launching Krishi Udaan by the Ministry of Civil Aviation, strengthening Organic products market through Jaivik Kheti Portal, expanding Integrated Farming Systems in rain-fed areas, launching multi-tier cropping, bee-keeping, solar pumps, and expanding PM-KUSUM, a scheme that would enable farmers to set up solar power generation capacity on their barren lands and sell it to the solar power grid. Wellness, water, and sanitation are key areas of improvement for a populous country like India. This budget proposes PM Jan Arogya Yojana (PMJAY) Viability Gap Funding window for setting up hospitals in the PPP mode. It aims to cover Aspirational Districts with no Ayushman empanelled hospitals in the first phase. This Budget set up a major goal of eliminating tuberculosis by 2025 through TB Harega Desh Jeetega campaign. Under Jal Jeevan Mission, the aim is to augment local water sources, recharge existing sources and promote water harvesting and desalination. Education and Skills are quintessential for a young nation. Budget 2020 proposes National Police University and National Forensic Science University for policing science, forensic science and cyber-forensics. It aims to offer degree level full-fledged online education programs with the aid of top 100 institutions of the country in the National Institutional Ranking Framework. The budget offers engineers a 1 – year internship by Urban Local Bodies. It shall also attach Medical colleges to an existing district hospital in PPP mode. A new direction comes along the approval of FDI and External Commercial Borrowings in the education sector. Economic development and infrastructure are the pillars of a successful nation. In that regard, the government has proposed five new smart cities, a National Technical Textiles Mission to position India as a global leader in Technical Textiles, the NIRVIK scheme to achieve higher export credit disbursement, and another ambitious target of taking the turnover of Government e-Marketplace (GeM) to Rs 3 lakh crore. The government shall launch the National Infrastructure Pipeline in December 2019, the National Logistics Policy to clarify roles of the Union Government, State Governments and key regulators, and focus on generating employment by making MSMEs competitive. The government would also accelerate development in Highways. Railways, one of the most valuable possessions of the Indian government until 2019, shall climb new heights if Budget 2020 becomes reality. Rail track would see large solar power capacity being set up, 150 passenger trains operating through PPP, and more Tejas type trains connecting iconic tourist destinations. The government aims
to corporatize one major port and list it on the stock market. The Arth Ganga aims to increase Economic activity along river banks. To top it all off, the government aims to develop 100 more airports by 2024 to support the Udaan scheme. The government has proposed Rs.8000 Cr over the next five years for National Mission on Quantum Technologies and Applications. The aim's to take advantage of new technology policy to enable the private sector to build Data Centre parks throughout the country. The plan is to link 100000 gram panchayats this year through Bharat Net FTTP connections. To benefit startups, the government wants to build a strong digital base.

Some features of the base would be having facilities for designing and fabricating as well as validating proof of concept. Early stage Start-ups would be aided through early life funding, including a seed fund to support ideation and development of Start-ups. Governance, Society, and Climate form the fundamental fabric of a society. The government is likely to include a taxpayer charter into the statute to bring in efficiency and fairness in tax administration. It is likely that the Companies act would be amended to convert certain offences from criminal to civil offences. The government shall establish a National Recruitment Agency (NRA) to conduct recruitment for non-gazetted posts. Along with an allocation of Rs.28600 Cr for women specific programs, the government has proposed to appoint a task force to study the age of girls entering motherhood and submit recommendations in six months. The Budget has proposed an Indian Institute of Heritage and Conservation. Five sites would be developed as iconic sites with on-site museums along with another Maritime museum at Lothal-the Harappan age maritime site near Ahmedabad. The Budget has proposed to advise the utilities to close the old thermal power plants with carbon emissions above the set norms in an attempt to safeguard environment. The government has, until date, announced mergers of 10 PSBs into 4 while infusing a capital of Rs.350000 Cr. The Budget indicates that more governance reforms would be carried out to bring in transparency and greater professionalism in the finance sector. The government asked the Deposit Insurance Credit Guarantee Corporation to raise deposit insurance from the current level of Rs.1 lakh to Rs.5 lakh per depositor. The Budget would strengthen co-operative banks by amending Banking Regulation Act by enabling oversight and governance powers given to RBI, enabling access to capital. A new development aims to amend the Pension Fund Regulatory Development Authority of India Act to strengthen the regulating role of PFRDA. The government would also increase the FPI limit in corporate bonds to 15% from 9% of its outstanding stock.

This Budget proposes a new personal income tax regime. Although optional in nature, it removes about 70 of the existing exemptions and deductions. It also removes the Dividend Distribution Tax. Offering Startups with a 100 Cr plus turnover a 100% tax deduction for a 3 year consecutive period, this Budget equalizes the tax rate of cooperatives and the corporate sector. With a view to incentivize customers to seek GST invoice, the government has envisaged a Cash reward system. The government would also implement a pilot run for features like SMS based filing for nil return and improved input tax credit flow. Another step towards security would be the Aadhaar based verification of taxpayers to weed out dummy non-existent units. A 5% health cess would be imposed on imports of medical devices, except those exempt from Basic Customs Duty. Where dumping of goods may prove detrimental, the Budget proposes provisions for checks and balances in the imports of subsidized goods along with provisions relating to safeguard duties to enable regulating surges in imports in a systematic way. The government would allot instant PAN online through Aadhaar. The launch of 'Vivad Se Vishwas' scheme, with a deadline of 30th June, 2020, would reduce litigations in direct taxes. The government will offer benefits to taxpayers in whose case appeals are pending at any level.

The Budget seems like a mighty arrow aimed at numerous inefficacies of the economy in 2020. However, the arrow is as good as the aim to which it is shot. Budget 2020 depicts no visible policy actions to address key issues surrounding the Indian Economy today. Undoubtedly, the Sensex crashed over 700 points during the announcement of the Budget in the Lok Sabha. The Indian Economy is integrated into the world economy enough to absorb the growth trends of the world. If not the Budget 2020, a ray of light for the Indian economy could be a favorable shock in the global economy.

TRILLION DOLLAR ECONOMY FOR INDIA

SHRUTI BADONI
(MAITREYI COLLEGE)

India, the fifth largest economy by nominal GDP and the third largest by the Purchasing Power Parity, is characterized as a developing market economy. Currently, swinging at an economy of $2.936 trillion, on July 05, 2019, as the Union Budget was presented by Ms. Nirmala Sitharaman, Minister for Finance and Corporate Affairs, Government of India, in the Parliament, mentioned that the second cabinet of the present government is all about making India a $5 trillion economy by 2024. This jump of $2.064 trillion is nearly a 70.29% increase in the economy in the coming 5 years. To achieve this target put forward by our government, India will have to grow at a pace of 9% (in real terms). Contrasting to the current growth rate of 4.8%, the target looks unimaginably over-ambitious. For the past few months, the country has unfortunately the targets that are to be achieved, look daunting, if not impossible. The country's exports have gone down to 6.57%, the unemployment rate has been strikingly hitting a 6.1% - a four decade high percentile, an estimated fiscal deficit is considered to be as high as 5.5% in 2020 along with a drastic revenue shortfall of 1.6 trillion rupees. Unsurprisingly, India falls well below its potential its production capacity, due to justifiable reasons like fast growing inflation due to the selling of assets by the government and contrary recession in the lower part of the country that inhabits a major population.

The country, at present, is following a growth recession,which means that even though the economy is still growing at a rate of 4.5%, lowest in the past few years, it is also experiencing a high inflation rate of 6.7% with people losing their jobs, loss of income leading to decline in consumption and investment, and a further loss in employment. It is a viscous circle that the economy is supposedly trapped in. Though, foreign direct investments have seen a happy picture in the first half of the current fiscal year of 2020 and rose by 15%, mostly in the services sector but still lag behind to reach the $5 trillion mark and needs to continue growing sharply if India wants to enter the $5 trillion economy. As of 2019, 1.75 crore people from India were settled abroad; that is 1 person in every 766 people is an international emigrant, with many other's waiting in line. To top it up, almost every citizen who flies out of India is one of the most competent individual that this nation creates and eventually, loses. With the quality population drifting away from the country, the quality production capacity reduces too, shifting away the focus from domestic production to increasing imports. In order to achieve this goal, there are 5 main things India must focus on –

Increase ease of doing business and quality living to enable the private sector to create wealth over a longer period of time: Over the last 4 years, the government has scarped about 1300 laws. Through a series of reforms in the first tenure of the BJP government, India did see a jump of 65 positions in The World Bank Ease of Doing Business. But the real challenge lies in, jumping furthermore and saving a seat in the top 25 position in the next 5 years.This will only happen if the country's focus for the next 5 years is plainly on foreign direct investment, supporting start-ups, easing out rules and regulations for commencement of new companies in the country, and creating more job opportunities by providing for basics of quality education and health.

Focus on urbanization – Urbanization is a major contributor in growth not just in India but all around the globe. In totality, cities only account for about 3% of the total land mass but 82% of the global GDP. This itself shows how important cities are and that a major focus should be on urbanising the country. Cities are big centres of growth, development, dynamism, innovation, and the largest indicator of economic growth. The process of urbanization has completely ended in America and Europe, almost ended in China, but has just begun in India. For a big country like ours, urbanizing must come with planning. The government shall focus on recycling waste, water, and every other precious resource to fulfil every man's basic needs.

Penetrating global markets: India cannot be speaking in lieu of protectionism, we cannot solely depend on domestic market, and expansion of trade is the need of the hour. Core focus should be on the exports, and the import should be brought down in order to expand the economy. Globalization enables a country to prosper and maintain healthy relations with other countries across the globe. Employment generation especially amongst the females: India can never really grow until and unless it surpasses its gender parity. Here, only about 26% of the women work, whereas the world average for the same is 48%. The agricultural sector in India needs major structural reforms and strong attention because they cannot always grow on subsidies, negligence, assisting farmers without providing them with better markets, without introducing latest technology, and without contract farming. If the GoI does not direct its attention towards the agriculture sector as soon as possible, the economy would drift far away from its goal of expanding, let alone the goal of a $5 trillion economy. India's fiscal deficit as of now is about 3.3% of the GDP, which is a highly alarming figure, which has led to macroeconomic instability and a huge fall in the foreign exchange rate. Currently, India is the worst performing currency in the entire continent of Asia.

The 8 sectors in the core infrastructure industries' output that account for two-fifth of the country's factory output has shown the worst results in 14 years – resulting in an industrial slowdown of the country. Crude oil, electricity, natural gas, cement, refinery, steel, and coal all have shrunk in the past few months only leaving the fertilizers industry on the path of growth.

Ever since demonetisation and the implementation of Goods and Services Tax, the country has seen a deceleration of the economy. On one hand as the government banned the legal tender of the economy, it implemented taxes on the other. People were cut short of money, employees lost their jobs, the stock market fell, development saw a major hold, and the country as a whole, started losing its pace of growth. "What happened in 2017 is that even as the world picked up, India went down. That reflects the fact that these blows (demonetisation and GST) have really been hard blows. Because of these headwinds we have been held back", said our former RBI governor, Mr. Raghuram Govind Rajan.

Undeniably, India is seeing its best demography ever, with about 65% of its population below the age of 35, i.e. most of Indians are currently in their working age, provided that they have jobs. The estimated dependency ratio of the country in 2020 is just a little over 0.4, fairly a good ratio, which shows the dependency of the non-working population on the working population. The lower this ratio is, the better it is for the country. But, to reap the benefits of its demographic dividend and increase the country's production capacity, serious measures should be taken in favour of education and health. Unfortunately, the education and health status of India is far below than what is required for a better nation-wide progress.

With such tensions flowing in the country, unless of an occurrence of a miracle, I am highly doubtful of India turning into a $5 trillion economy by the end of 2024. To end with, all I would like to quote is that, I am neither for a flower, nor for a hand, all I am is for my nation, since the day I understood what economics actually meant, since the day I looked at my country with genuine repent.

"What happened in 2017 is that even as the world picked up, India went down. That reflects the fact that these blows (demonetization and GST) have really been hard blows. Because of these headwinds we have been held back", said our former RBI governor, Mr. Raghuram Govind Rajan.

Islam not Modi's cup of tea?: CAA and NRC array

Introduction

The year 2019 will be remembered as the year of turmoil and unrest all over the world. The world is in chaos at the moment. Unrest has erupted all over the world. Mass movements have emerged overnight, out of nowhere, unleashing public fury on a global scale—from Paris and La Paz to Prague and Port-au-Prince, Beirut to Bogota and Berlin, Catalonia to Cairo, and in Hong Kong, Harare, Santiago, Sydney, Seoul, Quito, Jakarta, Tehran, Algiers, Baghdad, Budapest, London, Manila, and Moscow. India could not remain immune to this influenza; protests broke out in India too and on a very large scale, which the government did not foresee nor imagined. What's happening in India?

On December 11th 2019, Parliament of India passed a controversial act i.e. Citizenship Amendment Act or CAA which provoked nationwide protests and unrest among the citizens of India. CAA is an amendment to the original Citizenship Amendment Act, 1955. It provides citizenship of India to illegal immigrants from Pakistan, Bangladesh and Afghanistan who have come to India before December 31 December 2014. Sounds right? There's more. It provides citizenship only to people belonging to belonging to the Hindu, Sikh, Buddhist, Jain, Parsi or Christian and not to Jews, Agnostics, Atheists and Muslims. This has resulted in fear among the people. Some Indians, especially Muslims, feared their citizenship might be taken away (which is not true because CAA has nothing to do with the Indian citizens, but the government entirely failed to abate this fear). And this fear was augmented by some people trying to wring benefit from this situation. Some feared this is a covert attempt of thwarting the India Constitution. Some were angry at the dictatorship of the current government. And all this fear and anger resulted in protest, starting on December 4th in Assam and then major protest broke out on December 15th near Jamia Millia Islamia, Delhi. In response to the protests by the unarmed students, the Delhi Police unleashed their sheer power and brutality on the students of Jamia, which resulted in nationwide anger and solidarity among students from across the nation. All the anger, frustration, fear snowballed into nationwide protests and solidarity among people against CAA. And these protests are not just against CAA, they are against its link with National Register of Citizens or NRC which aims to identify illegal migrants across the country and put them into detention centres. NRC was initially to be implemented only in Assam on directions of the Apex Court, as illegal immigrants have been a problem for Assam. But the BJP government and Home Minister Amit Shah decided to implement NRC to the whole Country and he even mentioned the chronology many times that first the CAA will come into force and then Nationwide NRC. The government now says that there is no link between the CAA and NRC. And the Prime Minister Narendra Modi even claimed that his government has not mentioned about NRC even once since the BJP came into power in 2014. However, there are plethora of evidences on the internet which quash these foul claims. And with these lies, the government seeks to solace the people of this country.

There is plethora of problems with CAA and NRC ranging from unconstitutionality to immorality and injustice. But this article focuses on the implications and repercussions of CAA and NRC. Implications and Repercussion of CAA and NRC: Now let us understand the implications of these acts.

1. Economic Implications- Perhaps one of the most dangerous and paralyzing implication is the economic implication. Indian economy has already been struggling on the knees since months and punitive measures of government have been futile in reviving the economy. Unemployment rate is at a 45-year high. According to Centre for Monitoring Indian Economy (CMIE), almost 11 million people lost their jobs in 2018 alone, significant hit taken by women (accounted for 8.8 million jobs lost out of 11 million jobs lost). Thousands of people were laid off in the past few months in 2019 due to the economic slowdown. As per a report by State Bank of India, India will create 16 lakh fewer govt jobs in FY20. Our GDP growth has been constantly falling. According to the Advance Estimates (January) of the National Statistical Office (NSO), the growth of the gross domestic product (GDP) will be 5% in 2019-20 in real terms. It is a steep fall from the 2016-17 growth rate of 8.2% (at least according to the official statistics). The fall is more dramatic in terms of the quarterly output estimates, from growth of 8.1% in JanuaryMarch 2018 to 4.5% in July-September 2019. IMF cuts India's FY20 growth forecast to 4.8%.

And all this fear and anger resulted in protest, starting on December 4th in Assam and then major protest broke out on December 15th near Jamia Millia Islamia, Delhi.

When all these issues were still to be dealt with government decides to implement CAA and NRC which would further aggrandize the economic burden. Assam's population is almost 3 crore and its NRC cost the Government of India a whopping Rs 1,220 crore. Since India's population is almost 140 crore a Nationwide NRC would cost around 60,000 crores rupees. All this amount just to collect data which has already been collected for Aadhaar. Who would bear all the cost? Us, the taxpayers. And for what? Just to harass the poor people of India. As per Census 2011 immigration rate in India was just 0.5% and according to government these miniscule number of immigrants are an obstacle in India's growth, they are leech to India's economy. So, the government decides to spend 60,000 thousand crores rupees to identify those people and then put them in detention camps, just on the basis of documents. In September 2019, the Assam government started setting up a detention camp in Goalpara district for around 3,000 people. The cost for the project was estimated at ₹45 crores. If the government were to construct a detention camp to house 19 lakh people who have been excluded in NRC list in Assam, the cost would be close to a massive ₹28,500 crore. Now imagine the policy being rolled out on the national level. With an estimated 2 crore Bangladeshis, the Government may have to spend a massive ₹2-3 lakh crore to construct and maintain detention camps. Since these people would be lodged in Detention Camps, they would not be able to make a living and hence would have to be provided for. Keeping the monthly consumption as a base, the government would have to provide ₹ 1,500 per month for every inmate of these camps. This would mean an expense of ₹3,000 crores per month or ₹36,000 crores a year just to take care of the basics. Moreover, Home Minister Amit Shah has also said that NRC would again be conducted in Assam, which means the already spent 1220 crore rupees on Assam NRC, efforts of 52,000 government employees, mental cost inflicted on anxious citizens who fear being misclassified, all went in vain. Nostalgic, right? After going through the estimated expenses of NRC, a question arises, Does Amit Shah even understand what NRC will cost? Clearly, it is visible who's the actual leech to the Indian Economy. To control the protests, the government-imposed internet bans in several parts of the country which resulted in huge amount of losses. India lost over 9,300 crore rupees in 2019 because of the internet shutdowns it imposed. Many people whose jobs were solely based on the Internet have suffered unimaginable losses because of the government's ineffectiveness in handling the people. Rajan Matthews, director general at telecom industry body Cellular Operators Association of India — COAI, which represents the Indian telecom industry confirmed that each telecom company is currently making a loss of at least INR 1.5 Cr daily per state. The cab owners working on these online platforms like OLA or Uber also lost more than ₹ 2,500 every day as people could book cabs on the said apps. Similarly, even the e-commerce segment started incurring losses due to the Internet ban. Online delivery apps — Zomato, Swiggy, Uber & Ola eats handling 2-2.5 million orders daily, and e-grocery platforms such as Grofers, which rely their businesses on the Internet, have seen a volume dip by 10-20% in their business. "We have two branches in Lucknow and since Friday we are facing a loss of Rs 35,000 every day. There is no demand for food because people are unable to book online orders'', said Jeevan, a chef in the restaurant in Lucknow, while talking to India Today. Tourism industry is one of the main ingredients of Indian Economy. The World Travel and Tourism Council calculated that tourism generated ₹16.91 lakh crore (US$240 billion) or 9.2% of India's GDP in 2018 and supported 42.673 million jobs, 8.1% of its total employment. Protests against the controversial Citizenship (Amendment) Act have resulted in the tourism industry in states like Assam, Uttar Pradesh and Goa take a big hit, according to reports. While tourists are hesitant to travel because of the protests, the government's imposition of internet bans to contain protestors has also unsettled travelers. According to a Reuters report, about 200,000 domestic and international tourists "cancelled or postponed their trip to the Taj Mahal" during the last two weeks of December. According to a police inspector overseeing a special tourist police station near the Taj Mahal who has access to visitor data, there has been decline of 60% of visitors in December 2019 as compared to December 2018. Assam, where the protests began, has also witnessed gargantuan reduction in the number of tourists visiting the state. The state is visited on average by 500,000 tourists during December. But this time, due to the ongoing protests and travel advisories by various countries, the number is down by 90% if not more.

December accounts for 30% of an estimated annual revenue of ₹1200 – ₹1500 crores. It has been reported that the state tourism department has only collected up to ₹300 – 400 crores this year. According to a Times of India report, in Guwahati alone, Rs 13.25 core was lost between December 11 to December 25 through the cancellation of hotel bookings. The agitation against the CAA has also hampered the activities of the Northeast Frontier Railway (NFR) zone, which claimed that in December 2019, it incurred a cumulative loss of Rs 100 crore. The number of confirmed train tickets for travel during the last week of December this year is a mere 2.8 million, compared with 6.84 million in the same period of 2018, according to data from train ticket booking platform Confirmtkt. Overall, Tourism Industry in India saw 18% fall in tourist arrivals in December.

2. Global Image of India Because of CAA and protests against it, global image of India also took a hit. United Nations raised concerns over CAA. Spokesperson for the United Nations High Commissioner for Human Rights had said in Geneva that it is “concerned” that the CAA is “fundamentally discriminatory in nature”. The European Parliament is set to debate and vote on a resolution tabled by some of its members against India's Citizenship Amendment Act, which it says marks a "dangerous shift" in the country's citizenship regime. The resolution, tabled by the European United Left/Nordic Green Left (GUE/NGL) Group in the Parliament earlier this week, is set to be debated next Wednesday and voted on the day after. India slipped 10 places to 51st position in the 2019 Democracy Index's global ranking, according to The Economist Intelligence Unit, which cited "erosion of civil liberties" in the country as the primary cause for the downtrend. India's overall score fell from 7.23 in 2018 to 6.90 in the Index. Based on their total score, India was included in the "flawed democracy" category. Overall, CAA, in its current form, is an unconstitutional act and NRC is a flawed concept that is aimed at, in its current form, snatching away the citizenship of Indians who can’t produce documents to speak for their “Indianness”. CAA coupled with NRC is a dangerous tool which holds the potential to be used against the poor and unprivileged people of India. Even if the government makes the necessary amendments in CAA then also the question remains unanswered; Why implement CAA at a time, when economy should be given the greatest importance? Does the government want to dodge the questions related to relevant topics such as economy, inflation and jobs? When abrogation of Article 370, the peaceful settlement of Ayodhya Land Dispute couldn’t divert people, is this a new propaganda tool used by the government to divert people from relevant topics? All these questions remain unanswered because the government refuses to address the public and answer their queries let alone abating their worries.

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Based on their total score, India was included in the "flawed democracy" category. -The Economist Intelligence Unit

UNDERTANDING THE WORKS OF

ABHIJIT BANERJEE

NOBEL LAUREATE IN ECONOMIC SCIENCES, 2019

VISHAKSHI (MAITREYI COLLEGE)

Ever since the age of industrialisation started, the parity in wealth and financial independence has been an interest to economists of all times, and for the 2019 Nobel Laureate, Abhijit Vinayak Banerjee, this has been a topic of interest and concern since forever.

A graduate of the Harvard University, and currently the Ford Foundation International Professor of Economics at the Massachusetts in statute of Technology, Banerjee contributed most of his life in studying the reasons behind the financial parity among the people of a state and also between two countries. He is also a member of the Consortium on Financial Systems and Poverty. His works mostly focus on development economics and together with Esther he has discussed “field experiments” as an important methodology to discover casual relationships in economics.

The research affiliate for innovations on poverty actions, is also the cofounder of Abdul Latif Jameel Poverty Action Lab (along with wife and co-recipient of his Nobel Prize Esther Duflo and Sendhil Mullainathan). Banerjee and his co-workers mainly try to measure the effectiveness of actions in improving people's lives through randomized controlled trials. The theory of his research work mainly validates the idea that the poor are trapped in extreme poverty due to lack of assets and inability to use financial intermediation. In his book, Poor Economics, co-authored by Esther Duflo, Banerjee has suggested a radical rethinking of the way to fight global poverty. The book lays out a middle ground between purely market based solutions to poverty, versus "grand development plans". Rejecting the ideas of broad generalisations and formulaic thinking, the authors instead, help us understand how the poor really think and make decisions on matters of education, healthcare, savings, entrepreneurship, etc. They advocate the use of observation, using rigorous randomized controlled testing in five continents and most importantly, by actually listening to what the poor had to say. From this empirical approach, the authors believe that the best strategies for eradicating poverty can emerge. Their work defies certain presumptions: that microfinance is a cure-all, that schooling equals learning, that poverty at the level of 99 cents a day is just a more extreme version of the experience any of us have when our income falls uncomfortably low. They give us a view of how to fight global poverty; rather, this book offers views from both sides of the foreign aid debate, (i.e. Sachs vs. Easterly) and provides examples of different organizations that have dealt with attacking poverty on both small and large scales.

There are five major key points that their work suggests which can help in the betterment of the situations of the poor and alleviate global poverty.

1. Individuals/Communities inherently believe that outside organizations/companies claiming to help their economic/health statuses do not make true claims. Information campaigns must educate the poor on critical facts/information, and this must come from a legitimate and reliable source (i.e. press) and must be attractive.

2. The poor bear the responsibility for most/all aspects of their lives. Unlike the individuals of the first world the people of the middle and upper class, the poor do not have direct access to proper banking or credit institutions or governmental aid. Certain institutional changes must be made to give the poor better access to these resources.

3. There are good and legitimate reasons that some markets are missing for the poor or face unfavourable prices in certain markets. This provides the opportunity for technology or institutional organization to develop a market (such as microcredit lending). Local and national governments need to create conditions to allow such markets to emerge of course.

4. It should not be assumed that poor countries are destined to fail because they are or have been poor, or that it is because of their long running history with failure. The failure can be solved with proper planning of public policy, greater monitoring of workers and politicians and greater education and involvement of the people themselves within this public sphere.

5. Expectations matter. If we expect people to fail, they will fail because of the low expectations laid out for them which subsequently are the bars they set upon for themselves. In order to create changes for the poor, the expectations must be changed.

They bring their analysis down to specific recommendations about concrete programs that will make a difference in the lives of poor people such as improving the nutritional yields of foods that people like to eat, increasing access to immunisations, giving away benefits and cash transfers.

Banerjee and Duflo together stress on the importance of information gathering, speaking to the poor, exploring what it is that is making the lives of the poor people hard to increase their level of income and in the process they understand that the belief of the ideation of poverty needs to be given a second thought and that prejudices about people and their lifestyles need to be changed to make the world a better place. They also conclude that when it comes to helping the poor, details matter, and state that most economists that are dealing with poverty are too general and not specific enough with their recipes for sustaining the development in poor countries. In the same time, they do come up with concrete suggestions as to what can be done. Humans have a bias toward believing in big changes for big results, but the authors believe, "that there is no evidence that big changes are the result of big levers." In other words, much of the whole enterprise of attacking poverty is built on wrong foundations: the idea that big changes are necessary to create the world we want. This foundation is shared on both sides of the political spectrum. For want of better descriptors, the "interventionists" want to invest large sums to remake the context of the poor all at once; the "libertarians" want to drastically change the structure of poverty interventions and social safety nets; and the "social impact investors" are hell bent on brand new ideas that scale up rapidly.

According to the Stanford social innovation review, one of the common critiques of Banerjee and Duflo's work is that they don't appreciate how hard it is to alter policy to implement the kinds of changes their insights into the lives of the poor suggest, but they do appreciate exactly that- and therefore they disdain those big changes entirely. Their belief supports the idea of thinking small. Improving the lives of the poor, measurably and consistently is primarily a matter of making a series of small changes in lots of different domains, changes that don't require major political battles or dramatically changing funding structure.

Summing up the efforts, we can say that Banerjee and Duflo are a team that works together in finding ways and exploring and expanding visions in understanding the reasons behind poverty across the globe and the reasons why there is a constant decrease in the overall upliftment of the lower classes.

Summing up the efforts, we can say that Banerjee and Duflo are a team that works together in finding ways and exploring and expanding visions in understanding the reasons behind poverty across the globe and the reasons why there is a constant decrease in the overall upliftment of the lower classes.
They make constant efforts in understanding the mindset of the poor people and the reasons that in spite of receiving education, not many children of the lower classes become illiterate. They advocate that the solution to the problem lies in formulating small changes in the designing of national budget focusing the issue and this shall not change other concerns of the governing bodies of the state at all. All we require is a little attention to the problem and a directional action for the same.

"the poor are no less rational than anyone else—quite the contrary. Precisely because they have so little, we often find them putting much careful thought into their choices:They have to be sophisticated economists just to survive."

— Abhijit V. Banerjee, Poor Economics: rethinking poverty & the ways to end it

HINDUISM, A REVOLUTION: COMPLEX & CONTRADICTORY?

PALAK TYAGI (MAITREYI COLLEGE)

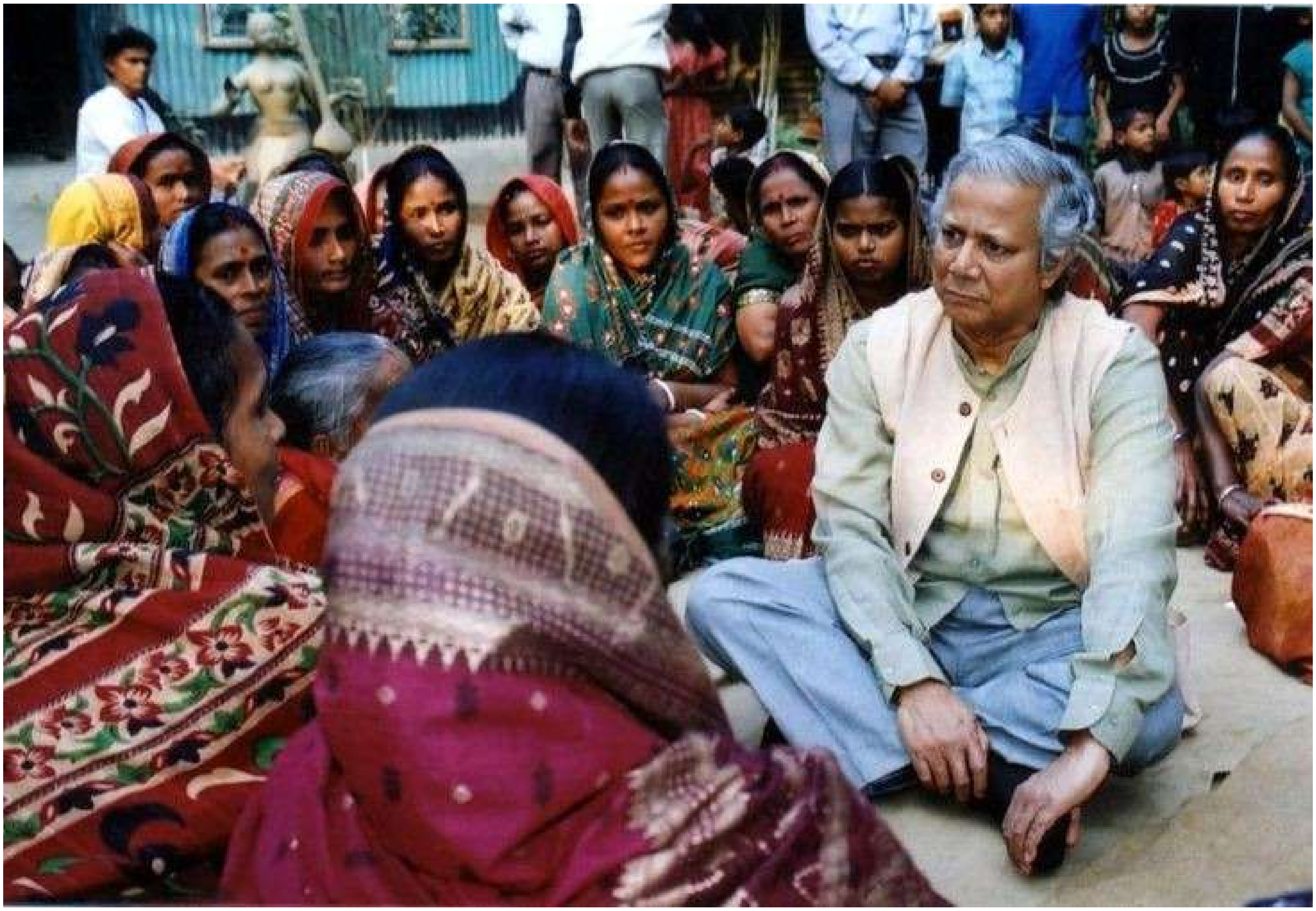
The different shapes into which gold is beaten gives rise to different names and forms, ultimately its gold. On similar lines Gandhiji believes Hinduism to be a relentless pursuit after truth with no creed but truth and non-violence. If today it has become moribund, inactive or irresponsive to growth it can be attributed to fatigue be that for truth, non-violence or respect for all. Hinduism for Gandhi is like a living being who's liable to growth and decay, subject to the natural laws. It is indivisible at the root level and has dwelled into a vast tree with euphoric leafy visage with innumerable branches. It is often compared to Ganga for being pure and unsullied at its source, picking and taking in all the impurities as it bickers away and yet beneficent in its total effect. Gandhi often eulogized Hinduism for the beauty of its all-embracing exclusiveness, oneness and sacredness of all lives. The pillars of strength of Hinduism are fortified by ceaseless search for truth and non-violence. Its freedom from dogma which makes a forcible appeal to one, broadening the horizon for tolerance and the scope of self-expression. Faith can't be propagated unless it's experienced or lived and Hinduism admires and assimilates into it what is exemplary in other faiths.

The Sanatan Dharma is a pious faith but Gandhi abhorred the misdeeds carried out in the name Hinduism. He believed the Bible, the Quran and the Zend Avesta to be as much divinely inspired as the vedas and declines to be bound by any interpretation and thus, emphatically repudiated the claims of erstwhile Shankaracharyas' pseudo interpretation of scriptures and accused them of Hinduism's advancement to a frightfully chaotic state. He believed that the fundamentals as of every great religion perpetually stand the ground that holds the souls spellbound and considered the service of humanity to be the greatest service of all. The omnipresent pauperism in the country had a grave impact on him and consequently he urged people to revaluate their definition of religion. He raised questions like -

"Of what avail is the
tilaka and tulsi,
Of what avail is the rosary
and the muttering of the names,
Of what avail is the grammatical vedic
interpretation,
Of what avail is the
mastery of letters and
Of what avail is the is the
idol veneration when innumerable likes of us are
forced to lead cattle-like
lives even today."

A Muslim counts the beads of his tasbih and the Christian of his rosary but a person following a faith of denominational religion is not dharma and Gandhi urged that all of us find our own rosary to worship when he took up spinning of the wheel as his rosary to worship the helpless for he believed that God manifests himself to us in the form of the helpless and the stricken.

It is the worship with the spirit of service that transcends one into a better being, making a brahmana a better brahmana, Muslim into a better Muslim, Sikh into a better Sikh and Christian into a better Christian.
Gandhi's allusion of catastrophic turn taken by Hinduism holds true even after decades. He held contempt for the way ill practices are conducted in the name religion. Hinduism faith followers have made a fetish of outward observances have degraded the religion, simply reducing it to the question of eating and drinking. Brahmanism owes its unrivalled position to its self-abnegation, its inward purity and severe austerity are all illumined by knowledge. Hinduism isn't comprised of just eating and non-eating. Its kernel is consisted in right conduct and correct observance of truth and non-violence. A religion teaches us to teach to treat all lives as we treat ourselves and thus, Hinduism can't possibly countenance the human treatment of a single creature, let alone a whole class of perfectly innocent human beings. Hinduism insist on brotherhood and attainment would restore equality and harmony not just amongst men but with all creatures. He believed that all religions are divinely united. However, if Hindu-Muslim unity is endangered because of an Arya Samaj preacher or a Muslim preacher preaching their faith in obedience to a call from within then that unity is only skin deep.
Pre-dominance of non-violence spirit in Hinduism has helped its preachers to abstain from violence or any kind of fighting.



BOOK IN FOCUS

BANKER TO THE POOR

The book begins on a mixed note where author describes his time in the USA and how he tried to use his diplomatic contacts and knowledge to bring his part of Pakistan to justice in the war of liberation. He then himself moved to Bangladesh's Chittagong district and settled there, started teaching at the University there. He was concerned about condition of people who ploughed day and night and couldn't even muster enough takas to be able to afford a square meal for their families. He went and spoke to locals in a village nearby called Jobra. He there realized that the poor could never escape their misery, for they were trapped into a vicious circle involving money borrowing and the middle men charged rates so high that many of them had to take even further loans to pay back the previous loans. Given their crippled economic situation the question of dreams for a better life seemed out of picture. He raised his education altogether as to what avail was having scholars beneficial for the society if they couldn't address problems so basic that people were dying of lack of food. He abhorred the education system in the moment and decided to devise a new plan to put all the knowledge acquired to action.

He did a survey to question wage workers like basket weavers and after the analysis arrived at a conclusion that on an average people earned 22 takas per day but they needed 27 takas to pay back to the money lenders as the loan amount. It was because of the paucity of 5 takas that these people were forced to live the lives even worse than that of animals. He clubbed his money and gathered 42 neediest of all the poor and lent them a sum total of 27 Rupiyahs. He went to talk to the local residents if Jobra and convinced them how he's going about the concept of a negative interest rate policy wherein he'll lend them the bare minimum required at first and then keep 50% of the profits, giving rest to the poor people's community. At first he had to go and request people to convince them of the process and how it wasn't a ploy to push them into a debt circle and not meant to torment them in any way. He categorized poor in 5 slabs, of which only the ones belonging to the lowest slab could access access the loans from the Grameen Bank.

Many people questioned the trustworthiness in the process, i.e., what if they failed to repay the loans. In that moment Mohammad Yunus said, "it's the poorest of the poor who have nowhere to go and have nothing to lose, their default rate would be far better than for the rich who take loans from commercial banks." It was true! More than 98% of the loans were paid back! And seeing the upliftment in the living state of the ones who were allied with the Grameen Bank, many people were encouraged to step ahead to make their lives better. After the success of the first round, he made the process more organized, divided people into groups of 5 wherein they were first taught about how Grameen Bank works and then all members had to take a test. Yunus believed that this was the perfect way to ascertain who were insincere ones and thus, are more probable to falter and were hence, not given access to loans.

"..things are never as complicated as they seem. It is only our arrogance that prompts us to find unnecessarily complicated answers to simple problems."

This way the neediest and the poorest would get the loan because for them there won't be a way out and would thus, give their best shot and such a man wouldn't have flunked the test, given how easy it was. Then the loans were sanctioned and being in groups was an encouraging factor as the peers would come to the rescue of ones who falter due to some unforeseen circumstances and could arrange for regular meetings to discuss any discrepancies that needed to be catered.

Various other countries like Philippines, Vietnam, India, etc. opted for this idea and Yunus happily volunteered every time he could help, for his goal was universal poverty eradication. One would always think that such poverty eradication programs aren't of much use in the developed world. Yunus has brought about yet another side of the coin. Thousands of people living in the USA who rely on the government's support system live under detestable circumstances. If they earn even 5 cents more than what they're earning to get the support amount, the government withdraws all the supplies and without them with meagre income levels they can't sustain in a capitalist economy like that of USA's. They thus, lose the incentive to work and are forced to lead such miserable lives throughout their lifetime. They can't even pay for their medical healthcare or even the basic necessities. Grameen Bank helped many of them, uplifting their spirits and thus, their standard of living to be able to sustain in an expensive society like theirs. The model was adopted in various European and Latin American countries too. It has touched lives of as many as 2.5 million people in more than a hundred countries spanning five continents. Yunus won the 2006 Nobel Peace Prize for his decades of work. It's book for all to learn and be inspired by.
Palak Tyagi (Maitreyi College)

PSEUDO FEMINISM

THE CHI CHI ACT: FEMINISM EXPLAINED AT ITS PSUEDO BEST

I don't believe in your idea of feminism because it's nothing short of ingraining the minds of youth with the vitriolic view of men. I believe misandry is as bad as misogyny and that not all men are presumptive rapists or sexists or predators, it's not always the women who're caught between the devil and deep blue sea.

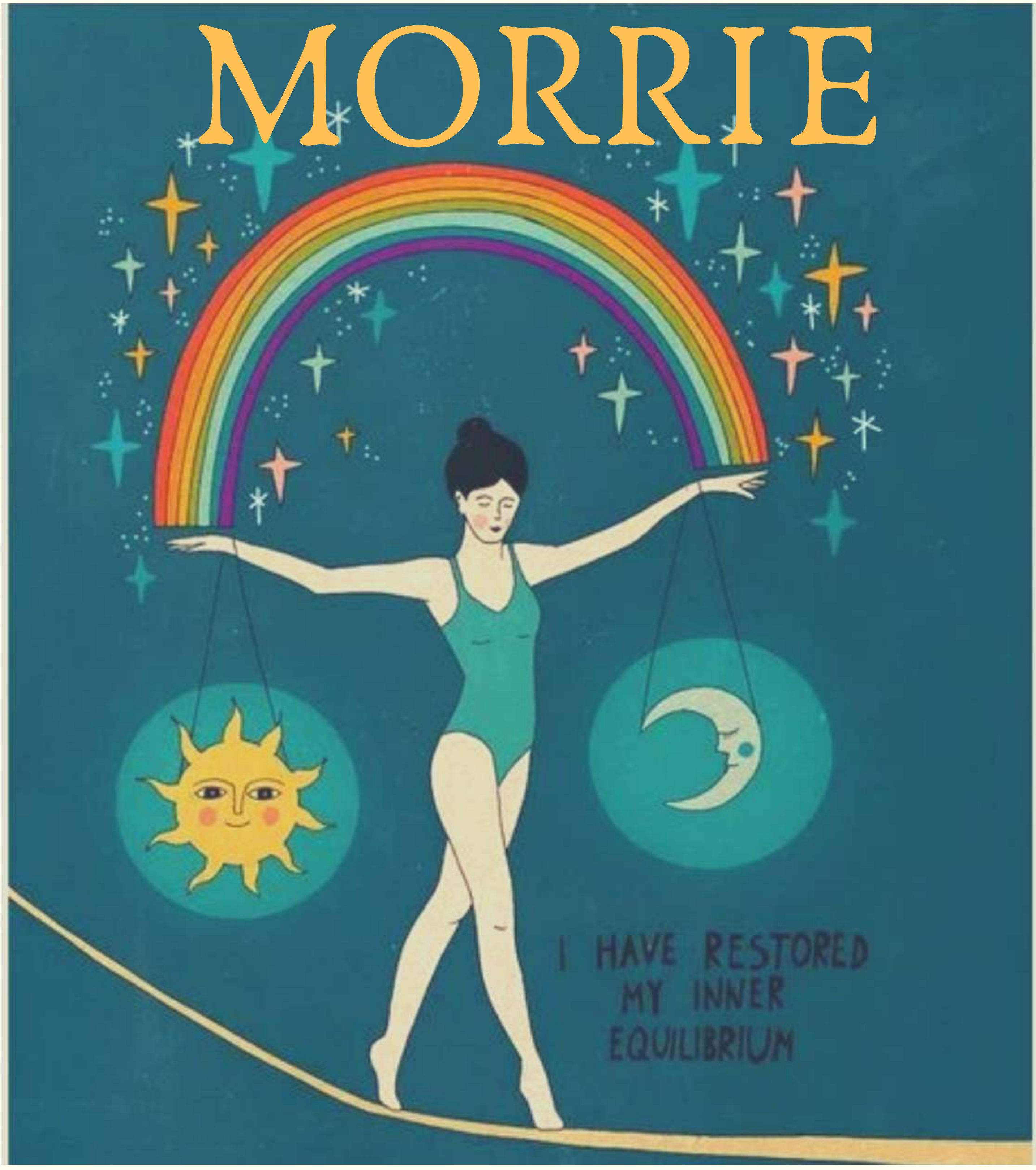
It's because of the pseudo-feminists that men have become so helpless as women claim they are. It's because of them that feminism has merely come down to the usage of big and, hefty words and to propound the simplest ideas in the most complex form but that's just another way to garner attention. The saddest part is that they've completely moulded the idea of feminism as per their discretion. The ideals of feminism revolve around women empowerment as well as equality. Equality is in opportunity and respect for which I believe men and women should be at par in the two cornerstones of life. The kind of feminism these pseudo-feminists promote is limited to social media in many cases as a result of which it becomes a revolution of the elites. I ask you, what's the point of posting a picture online holding a sanitary napkin when there is plethora of needy who're left bereft of even the basic amenities and aren't even aware of such movements? I'm not against feminism, we need it because in India there are 940 women to every 1000 men, 71% of the female population is non-working, 35% of the women are illiterate, approximately 2 million female infanticides occur every year and two women are raped every hour. What disgusts me the most is that there are thousands of Nirbhayas and Asifas whose voices and efforts are being suppressed under all the corrupt policies and nepotism helping their kins escape these terrible crimes.

That's where we need feminism! Sadly, there are so many women who misuse the acts for protection and well being of women who allege their husbands of heinous crimes by orchestrating the crime scenes themselves in the first place for sake of alimony or to break free from the clutches of marriage and hence, drive one to the point where one takes his own life. This isn't my idea of empowerment. To quote some anecdotes, I've witnessed such instances where young girls in their 20's make the elderly vacate the seats reserved for the women in the metro train. Isn't the idea of reservation in the first place meant for the needy? Body shaming is yet another example, pseudo-feminists consider shaming against women equivalent to "objectification of women", ignoring an entire sect who's a victim to body shaming. This abhorrence is what we need to get rid of it.

And the very idea of providing period leave is a regressive approach as it totally defeats the idea of feminism because casual and sick leaves are more than enough to compensate the same.Different people have distinct medical needs and we should respect that but the basic idea of feminism is equality among both genders which is being defeated here as it goes into the favour of one, being unfair to the other. To conclude, I'd say, ‘Dear women, we've spent so lomg long aspiring to "strong" women, not realising that the glorification of strength is itself a patriarchal hang-up! Be vulnerable women, be soft women, be women who falter and fumble and then learn. It's okay, strong is overrated!’

Palak Tyagi (Maitreyi College)

TUESDAYS WITH MORRIE



"The class met on Tuesdays. No books were required. The subject was the meaning of life. It was taught from experience."
Such was the legacy of Professor Morrie Schwartz! When sixteen years into his miserable life, besieged by his professional duties when Mitch Albom despite of having climbed the ladder of success felt like he'd hit abysmally low in his life because the void in your life can't be filled up by material things listening to the voice of his old professor in a talk show while flipping through the channels felt like a soothing balm to his grieving self. In the moment all his grief was gone but as he discovered that fatal disease of ALS has struck his professor, he couldn't refrain from travelling thousands of miles just to meet him. Morrie was the kindest soul he has come across, the kind that would make everyone theirs using the weapon of love. This began the series of their lectures every Tuesday. The first meeting was the orientation wherein they both learned about each other, making up for whatever's been lost in the last sixteen years. Mitch Albom runs parallel runs this parallel to the first time he met Morrie when he had his first class with him. And stark similarity of the two is uncanny. Morrie didn't fail to bewilder him with his ways. Mitch had everything he once desired and yet the simplicity in Morrie's ways gripped him. Morrie teaches him in their 'final thesis' together how one shouldn't succumb to the ways of society. Trading dreams for bigger paychecks was the first one that Morrie took reprimand of. He claimed to have created a culture of his own where he did what he felt was appropriate in the moment and not what the culture expected of him. He believed that one's life should have a meaning: instead of chasing superficial alluring things one should chase relationships, cultivate love and devote your time to spread that love, to make people feel that they're valued , to do something that gives one purpose and satisfaction.

Morrie had agenda for each Tuesday. They talked about world, about feeling sorry for yourself about having regrets, about death, about family, about emotions,, the fear of aging and missing out on worldly pleasures, about money, the eternal perpetuation of love, about marriage, about culture, about being content with what you have and that nothing is beyond us, they talked about the importance of forgiveness, about how having the perfect things for a perfect day can be so simple yet beyond the reach of most of us. Morrie taught him how simplicity is only exhilarating and rest is all a façade. He taught him to keep his loved ones close, value all the time we get with anyone anywhere because one can never know when will it be the last time they see someone else. Their journey through their rekindled relationship that turned into their final class is a magical chronicle who inspires the life of anyone who reads it. This story shines and leaves you forever warmed by it's afterglow in the arms of love and compassion.

Palak Tyagi
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BOOK IN FOCUS

Dozen years later, lesson learnt?

DUSHYANT DEWAN
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A study of the financial crisis of 2007- 08

On 15 September 2008, Lehman Brothers, one of the oldest, richest, most powerful investment banks in the world filed for bankruptcy. It remains the largest bankruptcy filing in the US history, with Lehman holding over USD $600 Billion in assets and having over 250 subsidiaries. This is generally considered to be the day the economic crisis began in earnest. The 2008 crash was the greatest blow to the global financial system in almost a century – it drove the world's banking system to the point of collapse.

Within a few weeks in September 2008, Lehman Brothers went bankrupt; £90bn was wiped off the value of Britain's biggest companies in a single day; and there was even talk of cash machines running empty. Ultimately, this all lead to the Global Recession of 2008. The burden can easily be shifted on to the greedy bakers by not taking the notice of other factors at work. The advent and advancement of the crisis can't be entirely burdened to a single sect while ignoring the numerous factors adding on to the plight as a crisis like this does not develop overnight.

The collapse in the Subprime Mortgage Market after the collapse of a major housing boom in the US which had been propelled by expansionary monetary policy and long standing government policies encouraging home ownership, and the plunge in the value of mortgage backed securities in 2007, led to a crisis in the US banking system.

These pressures lead to liquidity shortages in the inter-bank market that funded the financial sector. The crisis spread to European banks and the Northern Rock Bank sought and received liquidity support from the Bank of England, as a result of its exposure in the credit markets. Ultimately, in 2008, the bank was taken into state ownership by the British Labour Government. Similar exposure of other European banks to Mortgage Backed Securities held in off balance sheet SIVs (Structured Investment Vehicles) lead to threats to the solvency of banks in Germany, France, Belgium, Netherlands, Italy, Switzerland and Iceland.

Although the Federal Reserve, ECB and Bank of England provided ample liquidity, the crisis worsened with the fall of Lehman Brothers and near collapse of American International Group (AIG), both of which operated on a global level, dragging the world economy down, along with the US economy.

The global crisis ended with the government bailouts of insolvent banks, guarantees of the liabilities of the banking system, the provision of credit facilities to unclog financial markets and expansionary monetary and fiscal policy in many countries. The global recovery began in 2009 making the recession which began in 2007 in the US and other countries the longest in the post-war era.

What caused the banks to fail the way they did? That's the million-dollar question. Let us explore in detail.

The Greenspan Put

Alan Greenspan was the Chairman of the Federal Reserve of the United States from 1987 to 2006. He was, perhaps, the person most single handily responsible for the housing bubble in the U.S., although he said that "I really didn't get it until very late in 2005 and 2006".

Greenspan became concerned about the rising stock market and the over valued asset prices more than once but failed to act. The Fed watched while stock prices continued rising in the dot-com boom as companies without earnings or even revenues sold shares at astronomical prices. The Fed continued to keep interest rates very low, fuelling the flames of asset-price inflation by telling wall street and banks across the country that the Fed would not raise interest rates to curb asset prices, and that if matters went terribly wrong, it would step in to pop prices up. And indeed, they went wrong.

Leverage Ratio of Banks

After a rule change in 2004 by the Securities and Exchange Commission (SEC), the Wall Street was allowed off its short lease to take unprecedented risk. From 2004 to 2008, we saw dizzying increases in the amount of leverage on the Balance Sheets of Wall Street Firms, leaving the financial system virtually no margin for error. . Leverage (calculated as ratio of debt or assets to equity) went from 12:1 in 2004 to a staggering 33:1 in 2008, as shown in the figure below. This meant that a mere 3% drop in the value of a firm's asset can wipe out it's equity. A stern real-life example of this was the collapse of Bear Stearns, in March 2008, that had $18 billion in cash on its balance sheet, collapsed and its equity evaporated in a week's time.

Tail Risk: Searching for Alpha

Although it is not surprising that risky mortgage-backed securities were created, it is surprising that financial institutions, including those who originated these securities held on to significant portions of them. They decided to take "Tail Risks" in their search for Alpha. Risks that occur in the tail of the probability distribution, i.e. very rarely, are known as Tail Risks. There is something special about the nature of these risks. The fact that they occur so rarely is because the biggest feature of these risks is that systemwide adverse events are necessary to trigger them; to cause the mortgage backed securities to default, mortgages across the country would have to default, suggesting widespread household distress. Unfortunately, in their search for Alpha (excess returns over a benchmark, like S&P 500), banks ignored that their actions were increasing the probability of such an action from one-in-a-ten-thousand-years to one-in-a-ten years. Eventually such an event happened and took the whole banking system down with it.

The interest rates and its effects

The Fed conducts monetary policy largely through the short-term interest rate. Through this rate, the Fed hopes to influence the long-term interest rate. According to common economic view, investors see the long-term interest rate as the function of the sequence of the short-term interest rates that are expected to prevail over a period. After the dot-com bubble burst, there was a collapse in the investment and consumption in the economy. To offset this, the Fed decided to cut short-term interest rates steadily. From a level of 6% in January 2001, interest rates were brought down to 1% by June 2003. Such an unprecedented low level sent strong signals to the economy. However, it had drastic impacts on the economy. Firstly, Low short-term rates pushed investors to move to riskier avenues, such as Mortgage Backed Securities, which as we all know lead to the whole crisis in the first place. Secondly, low short-term interest rates caused asset prices to rise rapidly, leading to the formation of the Real Estate Bubble which burst in 2007 and ultimately lead to the crisis of 2008.

Rising asset prices

Propelled by the low short-term interest rates set by the Fed, asset prices started to rise and eventually departed from their fundamental prices. Rising asset prices gave households and firms the collateral with which to borrow. Much of the financing of low-income households was based on house prices rising. It also enabled borrowers to refinance with lower interest rates. Thus, a higher house price, instead of increased income was the means through which borrowers would keep themselves current on payments. This went on well, until house prices stopped increasing and instead started declining, taking the whole real estate market down with them.

Credit Quality

After the housing bubble burst in 2007, millions of Americans were left to drown in a sea of debt, as they defaulted on their home mortgages. Shockinglay, so many of these people didn't have the capacity to repay their mortgages even at the time when they entered into such contracts.

So, did no one care about credit quality? The investment banks ad rating agencies did care, after a fashion. To sell the mortgages, they had to satisfy themselves that the underlying credit was sound. Initially they did strong background checks to verify the credibility of the borrowers. They would verify the employment and income and assess whether the borrower would be able to carry the debt. However, as the market became red hot, they no longer even bothered to verify employment or income. Background checks became a thing of the past.

The Loophole in the Ratings

Roughly 60% of all asset-backed securities were rated AAA during the lending boom, whereas typically 1% of all corporate bonds are rated AAA. How was this possible, especially since the underlying assets against which the securities were issued were Subprime Mortgage Backed Securities? Was this a charade by the rating agencies? Theoretically, it didn't have to be a charade. In certain circumstances securities issued against a package of low-quality loans can be highly rated. This can be done by putting together a number of subprime mortgages from different parts of the country and from different originators and it is possible to convert a substantial quantity of subprime mortgage securities into AAA rated securities. The bankers used this loophole to create false ratings which the entire banking system relied on blindly.

The Helping Hand of Government

It is hard to argue that the bankers were ignorant of such risks. The obvious explanation for their continued exposure to risks is that they did not think they would need to bear the risks since the government would step in. This was more so because of the nature of risks that the bankers took. These highly rated, diversified mortgage-backed securities were likely to default only if mortgages across the country defaulted. If such an improbable event were to occur, the government would likely step in and support the market for housing and for housing finance. And that is what precisely happened, thus signalling to the bankers that it is okay to take such risks and the government is there to protect them if things go south.

The Aftermath of the Crisis

The financial crisis of 2007-08 was the worst economic disaster to hit the United States since The Great Depression. In the United States, the stock market plummeted, wiping out nearly $8 trillion in value between 2007 and 2009. Unemployment climbed, peaking at 10% in October 2009. Americans lost $9.8 trillion in wealth as their home values plummeted and their retirement accounts disappeared. In all, The Great Recession of 2008 led to a loss of more than $2 trillion in global economic growth, or a drop of nearly 4 percent, between the pre-recession peak in the second quarter of 2008 and the low hit in the first quarter of 2009, according to Moody's Analytics. The aftermath of the crisis was highlighted by the huge bailouts of "Too Big to Fail Companies" by the US Government. Initial estimates of the cost of the Treasury bailout were in the range of $700 billion to $1 trillion U.S. dollars. In April of 2008, the U.S. government, through the Federal Reserve Bank of New York, rescued Bear Stearns by lending $29 billion to JPMorgan Chase to buy the financially troubled firm. Freddie Mac and Fannie Mae, which were government backed, were also victims of the subprime mortgage disasters. The government committed up to $200 billion to save these two giant mortgage lenders from collapse. In mid-September 2008, the U.S. government took control of American International Group (AIG), one of the world's largest insurance companies. Private lenders declined to loan money to the financially troubled firm, prompting the federal government to take control of the company and guarantee to loan it up to $85 billion.

What lies ahead?

In his book, "Fault Lines", Raghuram Rajan, ex-governor of the RBI says, "Although I believe that the basic ideas of the free-enterprise system are sound, the fault lines that precipitated this crisis are indeed systemic. They stem from more than just specific personalities or institutions. A much wider cast of characters shares responsibility for the crisis: it includes politicians, foreign governments, economists like me and people like you. Furthermore, what enveloped all of all was not some sort of collective hysteria or mania. Somewhat frighteningly, each one of us did what was sensible given the incentives we faced. Despite mounting evidence that things were going wrong, all of us clung to the hope that thigs would work out fine, for our interests lay in the outcome. Collectively, however, our actions took the world's economy to the brink of disaster and they could do so again unless we recognize what went wrong and take the steps needed to correct it."

All the talk encompassing the crisis has been about shifting blames or holding some particular entity accountable. But he clearly states how it couldn't be attributed to a single party to have turned blind eye to any possible caveats on the way. The blame must be taken jointly so that we can recognize exactly what went wrong and how. That being said, the financial sector needs to buckle up and take responsibility, for this isn't the last time bankers will get greedy.

The Indian Scenario

Though the Indian financial sector largely escaped the turmoil of the global recession because of limited exposure in it, it should have been a wake up call for it. However, so far it has failed to learn it's lessons provided by the collapse of global financial markets. Overreliance on Liquid Debt Mutual Funds to finance their long term capital needs has led to a liquidity crunch in the banking sector. This liquidity crunch has caused the credit growth of Indian banks to fall to a 58 year low of 6.5-7% during the current Fiscal Year, ending March 31st 2020.

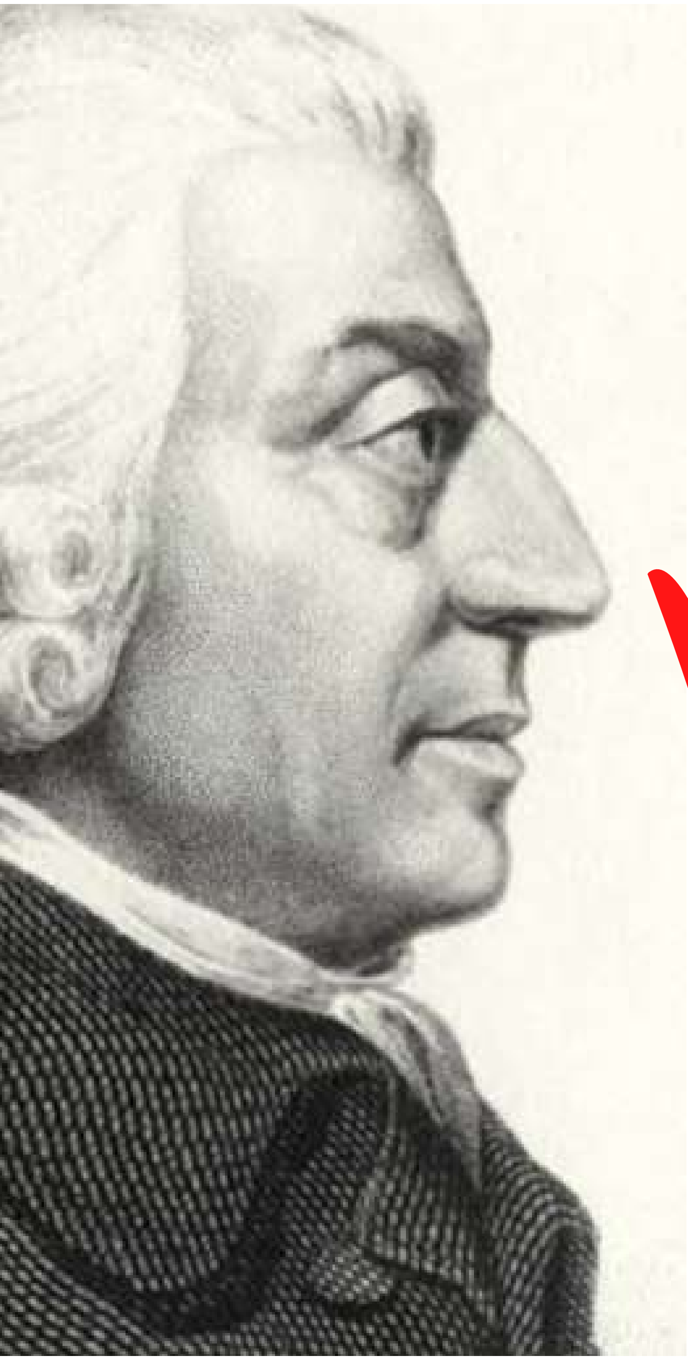
Two subsidiaries of Infrastructure Leasing & Financial Services (IL&FS) defaulted on their payments in the period from June to September 2018, while Dewan Housing Finance Limited (DHFL) did so in the period from June to August 2019. In response to the defaults, mutual funds started selling off their investments in the NBFC sector to reduce exposure to stressed NBFCs.

Panic-stricken investors in debt mutual funds started pulling out their investments in these funds rapidly.

Coinciding with the news of payment defaults by IL&FS and DHFL being known to the wider market, the months of September 2018 and June 2019 saw the highest net outflows from LDMFs and money market funds. According to the Economic Survey of 2019-20, “Debt mutual funds with exposure to stressed NBFCs lost approximately 4000 crore after adjusting for recoveries in the aftermath of defaults. Debt mutual funds, facing increasing redemptions, were hesitant to finance the NBFC sector. This, in turn, led to the difficulty of NBFCs to raise funds, which took a toll on the overall credit growth in the Indian economy and a decline in GDP growth.” *With the financial sector constantly ignoring warning signs like these, are we headed for another major collapse like the one we saw in 2008?*

"With the financial sector constantly ignoring warning signs like these, are we headed for another major collapse like the one we saw in 2008?"

CLASSICAL



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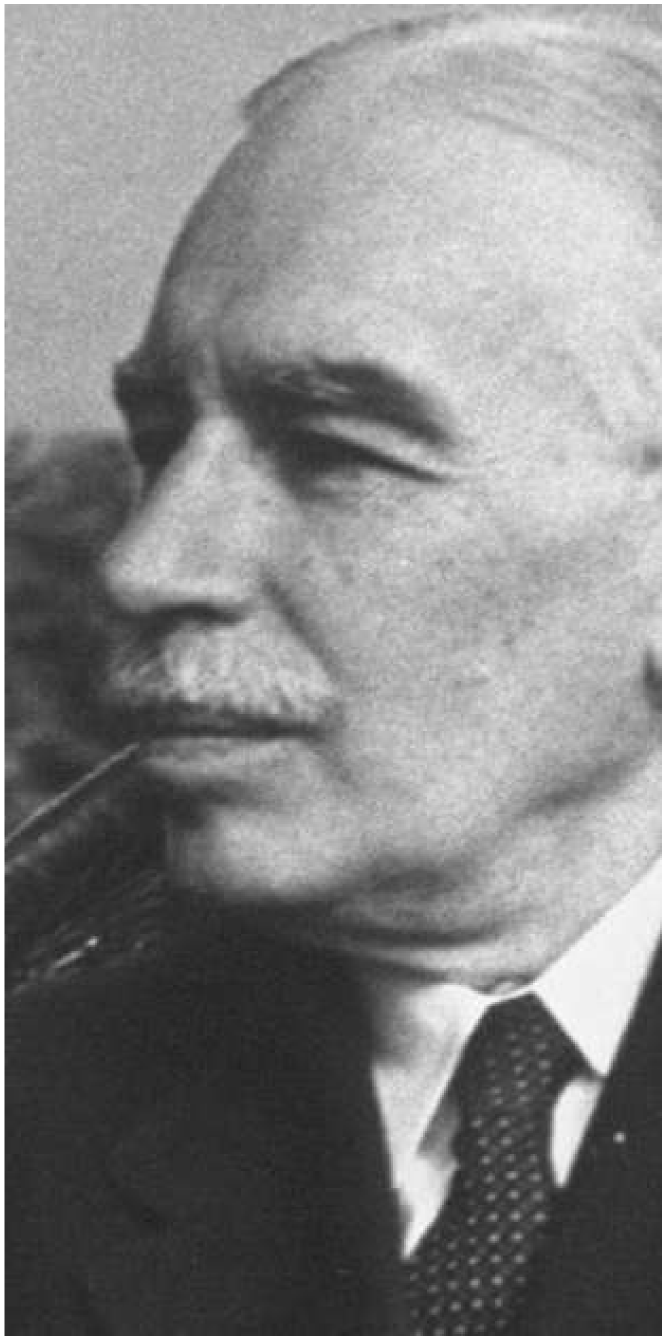

KEYNESIAN

OSHIN SHARMA (MAITREYI COLLEGE)

You would often hear economists speak of school of thoughts. There are fundamental premises on which the subject matter of economics has been built, and it is these premises that different economists differ on, each difference creating a school of thought. There have been various schools of thoughts ranging from Monetarism to the Austrian, however two dominated economic study like no other - Classical and Keynesian. Founded by Spanish and French scholars and popularized by Adam Smith, the Classical school of thought believes that markets work best when left alone, also called laissez faire. It believes strongly in the efficiency of the markets to generate growth and leave very little room for government intervention. It favors free trade and competition. Adam Smith's 1776 released Wealth of Nations highlights a concept called the invisible hand which says that the competing forces of demand-side and supply-side automatically move the market to equilibrium. Another famous Classical economist, Jean-Baptiste Say, propounded that supply creates its own demand meaning that production of commodities alone would suffice to propel growth. Classicals believe that the market will reach full employment by itself. Classical economics emerged at a time when the world was still recovering from monarchy. Most nations followed a top down, command and control approach to the economy. In that atmosphere, Classical theories emerged as alternatives to protectionism and stood for economic as well as political freedom.

However, in the 1930s, a British mathematician John Maynard Keynes posed a thorough challenge to classical theory. Keynes held that free-market economies (classical model) tended toward underconsumption and underspending. He raised criticism against high-interest rates also refuted Say's Law. Keynesian economics proposes an active role of governments in economic affairs, making Keynes popular with British and American politicians. After the Great Depression and World War II, Keynesianism had replaced classical economics as the dominant intellectual economic thought among world governments. Keynesian economists may be termed skeptical of that idea that if left alone free markets will inevitably move towards a full employment equilibrium. Keynesian Economics proposes the use of active government policy to manage aggregate demand in order to address or prevent economic recessions. Activist fiscal and monetary policy are the primary tools recommended by Keynesian economists to manage the economy and fight unemployment. Keynes developed his theories at the time of the Great Depression, and was critical of classical economic arguments that economic forces would naturally help the economy recover. Previously, classical economists held that cyclical swings in economic output would adjust by themselves.

According to the classical theory, if aggregate demand in the economy fell, the resulting slowdown in production and jobs would lead to a decline in prices and wages which would in turn induce employers to make investments and employ more people, restoring employment and economic growth. The severity of the Great Depression, however, tested this hypothesis. And post the depression, Keynesian economics emerged as the glorifying explanation of everything going wrong in the Classical theory. This piece offers a rudimentary overview of Classical and Keynesian economics. As a student of economics, I would delve deeper into the nuances of economic thought. If you have not studied economics outside school, I would urge a polite departure, for now we shall enter the world of wages, prices, and full employment! **Difference 1**. Full Employment Classical economists assume full employment of labour resource. Full employment essentially means that there is no involuntary unemployment. To them, full employment is a normal situation and unemployment, an abnormal one. According to Classicals, even if there is less than full employment in the economy, there is a tendency towards full employment. They believed that the best way to ensure full employment for the government was to pursue the policy of 'laissez faire' capitalism under which free competitive market forces are allowed to play freely. Keynes, on the other hand, held that free markets have no self-balancing mechanisms that lead to full employment. Keynes argued that aggregate demand determines the level of economic activity in an economy. If demand falls short, it leads to recession and unemployment. Keynes theorized that during recessions, the public gets frightened and holds back on spending, resulting in more layoffs, which in turn produces less spending in a vicious circle of economic decline

The way to break the cycle, according to Keynes, is to pump government spending into the economy by building roads, bridges et cetera. **Difference 2**. Policy of 'Laissez Faire' Classicals believed in laissez-faire capitalism, which means 'to 'let alone' in the context of markets. Laissez-faire capitalism would not invite intervention by the government in markets. Classicals believed in price mechanism, profit-motive, free and perfect competition and the self-adjusting nature of the markets. They felt that if the system is allowed to work freely without any encroachments on the part of the state, it has the potential to overcome the misallocations in the economic system, if any. Keynes, however, severely tested this hypothesis, with evidence during the Great Depression. It seemed that the market could not bring itself back to boom. Keynes propounded that government intervention in the form of fiscal and monetary policy has the power to resurrect output growth. **Difference 3.** Long Run Aggregate Supply The Classical view is that Long Run Aggregate Supply (LRAS) is inelastic. This means that real GDP is determined by supply-side factors – the level of investment, the level of capital and the productivity of labour et cetera. Classical economists suggest that in the long-run, an increase in aggregate demand would cause inflation and not increase real GDP. The Keynesian view is that the economy can be below full capacity in the long run due to sticky wages (labour markets don't clear), negative multiplier effect (once there is a fall in aggregate demand, this causes others to have less income and reduces their spending creating a negative knock-on effect), and a paradox of thrift (in a recession, people lose confidence and therefore save more. By saving more and spending less, people cause a further fall in demand.)

Difference 4. Demand deficient unemployment Classical economists argue that unemployment is caused by supply side factors – real wage unemployment, frictional unemployment and structural factors. Keynesians place a greater emphasis on demand deficient unemployment. For example on the current situation in India, a Keynesian would say that this unemployment is partly due to insufficient economic growth and low growth of aggregate demand. **Difference 5.** Flexibility of prices and wages Classicals assume that prices and wages are flexible, and that in the long-term markets will clear. However, Keynesians argue that in the real world, wages are often inflexible. In particular, wages are 'sticky downwards'.Workers resist nominal wage cuts. For example, if there were a fall in demand for labour, trade unions would reject nominal wage cuts. Therefore, in the Keynesian model, it is easier for labour markets to have disequilibrium. Wages would stay and unemployment would result. **Difference 6.** Rationality and confidence Classical economics assumes that people are rational and not subject to large changes in confidence. Keynesian economics suggests that in difficult times, the confidence of businessmen and consumers can collapse – causing a much larger fall in demand and investment.This fall in confidence can cause a rise in saving and fall in investment, and can last a long time without policy action. These are some points of departure between the two thoughts in terms of the fundamental premises of economics. However, to say that laissez faire implies that there is absolutely no room for policy intervention would be incorrect. Both Classical and Keynesian Economics contain scope of policy action. The kind of policy actions, however, differ significantly.

1.On government spending, the classical model takes a 'laissez-faire' approach whereas the Keynesian model makes a case for government intervention, especially in a recession when there is a need for government spending to offset the fall in private sector investment. **2.** On fiscal Policy, Classical economics places little emphasis. Classical theory is the basis for Monetarism, which only concentrates on managing the money supply, through monetary policy. Keynesian economics suggests that governments need to use fiscal policy, especially in a recession. **3.** On government borrowing, a classical would stress the importance of reducing government borrowing and balancing the budget because there is no significant benefit from higher government spending, they believe. Lower taxes will increase economic efficiency. The Keynesian view holds that government borrowing is necessary because it helps increase aggregate demand. **4.** On supply side policies, the classical view holds that it is crucial to enable the free market to operate. This may involve reducing the power of trade unions to prevent sticky wages. Classical economics is the umbrella of supply side economics which highlights the role of supply-side policies in stimulating long-term economic growth. Keynesians don't reject supply side policies. They doubt their effectiveness, say, in a deep recession, supply side policies may not be able to deal with the fundamental problem of a lack of demand.

Through a dynamic overview, we observe the fundamental points of departure between classical Keynesian economics. Numerous schools of thoughts have yet again departed from these two prominent systems to form new ones. The underlying idea, however, remains intact — a school of thought is like a fortress which is only as strong as its foundations.

PERSONALITY CHARACTERISTICS AS BEHAVIORAL CONSTRAINTS FOR RETIREMENT SAVINGS

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One of the big lessons from behavioural economics is that we make decisions as a function of the environment that we're in.” is beautifully quoted by Dan Ariely, Professor of Psychology and Behavioural Economics at Duke University. Behavioural Economics is the study which is an amalgamation of the effects of psychological, cognitive, emotional, culture, and social factors on the economic decisions of individuals, group of individuals, institutions and how these decisions may vary from those implied by classical theories. Personality characteristics as behavioural constrains play a major role in the aspect of retirement savings. Personality traits significantly affect the economic decision making in any household, or even at a bigger level, like, the entire nation. Every individual thinks differently and decides according to what is right in front of his/her own eyes; which is why, decisions are highly volatile and vary from person to person.

Personality traits are already recognised in the psychological literature and are now slowly being recognised in the economic literature as well, as it has been proven that such traits do affect economics as a whole and is a part of the behavioural economics study. Major economic decisions like asset allocation, the retirement time, the savings that will be consumed after retirement, resource allocation for the post retirement period, etc. are highly influenced by personality traits.

According to many contemporary personality psychologists, there are five basic dimensions of personality, referred as the "Big-Five" personality traits. These traits are extraversion, agreeableness, openness, conscientiousness, and neuroticism. To remember these 5 traits easily, researches have set an acronym for the same, known as **"OCEAN"**. Every single trait mentioned here is a connotation of two extremes, either very high or very low. **Openness,** is described as a trait wherein, if somebody is extremely open, is creative, open to new ideas, adventurous, likes taking risks, and ready for challenges. When we commence to relate such a trait with its effect on retirement savings, we reach to a conclusion that anybody who is highly open is not going to be sacred about their post retirement journey. He/she tends to believe more in the present and likes going with the flow, instead of worrying about the future and letting the present suffer. However, on the other hand, if somebody is on the other extreme of this character trait, is going to be the opposite in nature. Such a person dislikes change, resists new ideas, follows the path everyone chooses, is not very imaginative and is definitely not spontaneous. Relating this with the concept of retirement savings, he/she will plan well in advance and save enough money for the future that does not lead him/her into any trouble later.

Conscientiousness, on one extreme is when a person is highly goal oriented, very thoughtful, extremely punctual, prepares well, focuses on every minute detail, and is likely to have a set schedule for everything he/she does. such people are bound to prepare well for the future by investing in fixed deposits, or an alternate asset that makes them financial secured post their retirement. Whereas, somebody on the other extreme is someone who is flexible, does not enjoy rigidity, is likely to be irresponsible, hates structuring, inhabits forgetfulness, and procrastinates important tasks. Somebody on this end is highly seen not caring about their post retirement stances and is never fully prepared about the future.

Extraversion is a personality trait that highly belongs to the social standing of any person. People who are high in extraversion are highly social, likes attention, communicative, outgoing and friendly, love meeting new people, always excited, and generally do not think before they say something. In short, they are extroverts. Such people tend to discuss about their future planning and take advices from other people in order to make a sensible decision about their post retirement phase. They like a person advising them about important decisions which enables them to inherit the best advices. On the contrary, people on the lower stand of extraversion, also known as introverts are the exact opposites. They do not like making small talks, prefer solitude, likes being by themselves most of the time, are not very outgoing, have a very small circle, do not discuss about their personal life in open, and carefully think twice before saying anything. They do not like being the centre of attraction and are easily exhausted when asked to socialise. Such people often tend to make their decisions themselves and are protective towards their financial withstanding in the future. Hence, they plan accordingly and save enough which would secure them after their retirement.

Agreeableness is the personality dimension that includes attributes like trust, selflessness, affection and other pro-social behaviours.

People who are highly agreeable are more cooperative than the ones who are not, are extremely helpful, think about others before themselves, are empathetic, and highly care about them. Such people are generally loved by all and are of the thought who like to secure their family's future before their own, which makes them think about their post retirement phase and the savings to run their family thereafter. They make decisions in favour of their family and make sure that there is enough financial and social happiness for every family member even after they retire. Whereas, people low in agreeableness take little interest in others, does not care about anyone except themselves, are manipulative, and belittles others

Such people are highly selfish and only think about themselves and their own goodness. They make decisions both in the present and future that solely benefits them and makes saving decisions accordingly.

Neuroticism, last but not the least, is a trait characterised by gloominess, emotional instability, anxiety and other such negative personality characteristics. People who are eon the high extreme of this trait experience a lot of stress and anxiety, are very worrisome, are extremely emotional, gets upset easily, have dramatic mood swings, and struggles in even the smallest of situations. This makes them worry about the future even more and the anxiety kicks in very easily which makes them save extremely well in advance and makes their retirement savings a major goal during their current work life, too. However, people on the lower level of neuroticism are emotionally very stable, make wise decisions, deal well with stress and anxiety, are very relaxed and rarely worry about what is going to happen next. Such people do comparatively well than the former and plan greatly in favour of their retirement savings. They keep a balance in their present happiness and future joyfulness.

These 5 traits are found out to be universal and are highly influenced by biological and environmental factors.

Retirement savings is one of the behavioural economists' greatest success stories. It is a prototypical behavioural-economics problem because saving for retirement is cognitively hard - figuring out how much to save - and requires self-control. Savings is an aspect that is the most crucial for any household but is often looked over because of the opportunity costs that are involved. In order to save for the future, one needs to cut their current expenses, and hardly anybody likes to cut short their present consumption thinking about the long term future. Savings for retirement comes with great planning and determination and is proven to be a great help for people after they retire. It not only makes them financially stable in their later days but also ensures a healthy lifestyle even after no regular income. In respect to health, retirement savings again play an important role. When one saves sufficiently enough for the future, they are mentally eased out about the same. After they retire, they no longer have to worry about how their expenses will be managed and lead a happily independent life.

In India, at present, only about 33% of the population successfully saves enough to cater their post retirement living. According to the Economic Survey of FY19, India's gross domestic savings have fallen about 60 basis points as a share of GDP in two years to 30.5 per cent in 2017-18.

Households are saving less than they should which is also affecting the net financial savings and the economy, as a whole, is suffering due to the same. Indian households have been considered the biggest savers ever on the face of earth. But the picture has taken a toll with more Indians taking home loans and spending way more than their capacity through credit cards. Home loans have been found out to be doubled in the recent times, whereas unsecured borrowings have trebled. This has been causing major problems for people to be able to save as most of their salaries go into paying for loan EMI's and credit card bills. This leaves them with no savings in the end and having little or no savings often leads to financial crises and increases dependency of the parents on their children.

Inflation. I would say, also plays some role in the savings rate. With high inflation on board real incomes of people do not tend to increase. When the real income does not tend to increase, the person is seen to be at the same level where he/she was, earlier. On 1st February, 2020, the budget for the financial year of 2020-2021 was presented by Ms. Nirmala Sitharaman, Minister of Finance and Corporate Affairs of India where she talked about the multiple tax slabs that will now be implemented. Individuals, though given a choice to either follow the old tax slabs or the new ones, will majorly suffer financially, especially the ones with home loans. This would further impact the savings rate amongst households and draw it down even more.

Savings for retirement thus becomes a very complex pattern to conquer.

Though, the government does play its role in promoting savings for retirement amongst every individual, whether in the private or the public sector. Schemes like National Pension Scheme, Public Provident Fund, Provident Fund, Superannuation Scheme, etc. are the initiatives taken by the government to cover each individual's retirement savings plan, which makes it relatively easier for people to plan, spend, and save.

This is where behavioural economics comes into picture; the psychology of a person matters the most when it is about spending or saving. If a person is of the mind set of being carefree and living life in the present, their saving rate will stoop low. This psychological vulnerability refers to our tendency to prefer immediate rewards to rewards more distant in time. Temporal discounting is explained by the fact that individuals attribute more value to a reward obtained immediately than to a greater reward obtained later.

However, a person who spends carefully and is concerned about the future is likely to save more and plan their post retirement days. People's preference for immediate rewards declines and eventually reverses as the time horizon lengthens. They then begin learning and drafting a proper retirement plan and save accordingly, as their retirement days approach closer. The closer the days are, the tighter their planning becomes. This fear of not having enough after they leave their jobs is what pushes them to save and procrastinate about their post retirement phase.

Behavioural scientists and economists work together with governments to solve the problems affecting the pension systems and help citizens to save more for retirement. Nevertheless, more time and effort is needed to design better and more robust strategies, that would help minimise opportunity costs for individuals and prompt them future to save for their later days. A growing body of work in behavioural economics now focuses on ways in which an understanding of human psychology can help people save more for their retirement, and this segment of behavioural economics has been taking a toll for the past few years now.

Over the years, citizens of India and all around the world have understood the need for savings, especially retirement savings, and have started acting upon the same. More and more people are now taking up savings as a serious concern and are making sure that they save at least some part of their income for future purpose, by drafting a well settled plan through the various schemes available. Yet, compared to the huge population of India, there is a long way to go when every person understands the need of retirement savings and starts with this practice.

DOMINO EFFECT OF TRADE WAR ON GLOBAL ECONOMY

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The game of tug of war between two countries is usually one which is accompanied by the massive spill over effects to the rest of the world; a domino effect caused by a decoupling of the world's two weightiest economies, namely, China and the United States. The process seems as inescapable as its extent and global impact remains incalculable. According to the available data in 2017, the U.S. had $336 billion trade deficit with China. The U.S. and China are the world's first and second largest economies in terms of GDP. The U.S.-China trade war is one of the biggest ongoing economic conflicts.

This conflict was initiated by President Donald Trump, who increased sanctions on Chinese goods from 10% to 25%. Some of the top U.S. exports to China were aircraft, soybeans, microchips, motor vehicles etc.President Donald Trump's main motive is to increase sanctions on Chinese goods so that Chinese imports will make U.S. a much stronger and richer nation all over the world. In March last year, President Trump had imposed tariffs hikes of up to 25% on $250 billion worth of Chinese goods. China, the second-largest economy in the world imposed tariffs on about $110 billion of American goods, in what can be called a tit for tat situation.

The U.S. had also tried to restrict China's Hi-Tech industries, with U.S. tariffs throwing millions of Chinese workers out of jobs. Clearly, after decades of rapid development, China is still grappling with slowing growth pace and weaker business sections.

Due to the U.S.-China trade war, Hong Kong's export would suffer its largest decline. The trade war has affected not only Hong Kong's exports to the U.S. but also other markets such as Taiwan, Japan, Vietnam, etc.

The trade war talks between the two countries collapsed due to a difference in opinions. One of the trade practices which the U.S. claims to be unfair is the theft of intellectual property through the forced transfer of American technology to the Chinese. After the failure of the recent trade talks, both countries are preparing for trade talks in Washington in October.

If the U.S.-China relationship breaks down, it will also end up hurting the world's economy badly— because they are important pillars of the global economy.

The humid heat of the oil-rich kingdom, the United Arab Emirates is also rumbling with the consequences of the trade war, and it's resulted into a profound impact on the area, not only for this year but perhaps for this era.

The most knowing delegates at this year's World Energy Congress, who met here this week, continued to worry about the US-Chinese trade war. It has slowed growth and placed the biggest drag on oil prices. At the same time, however, they were shifting focus to the more momentous and generational event of decoupling. They saw it in the Liquified Natural Gas contracts that the world's fastest growing LNG exporter, the United States, wasn't signing with the world's fastest growing importer, China. They recognized it in the recent Chinese deal to take an equity stake in Russia's Arctic LNG 2 project taken by China National Petroleum Corp (CNPC) and China National Offshore Oil Corp (CNOOC). Delegates also heard decoupling in the only four LNG vessels that have sailed from the United States to China this year, according to the US Census Bureau, down from 32 in 2018 and 23 in 2017.LNG has transformed global gas markets dramatically in recent years, driven slargely by significant demand in China and the rest of east and southeast Asia. However, in a market where financing is driven by long-term contracts, often even before construction begins, American suppliers are already gauging the potential costs, until recently unanticipated, of lost Chinese buyers.

The tit-for-tat technique implemented by Trump, both in the form of tariffs along with his tweets have been driving markets all year, but what traders haven't even begun to speculate in is the longer term, is the structural impact of this decoupling and its particular danger to individual companies.

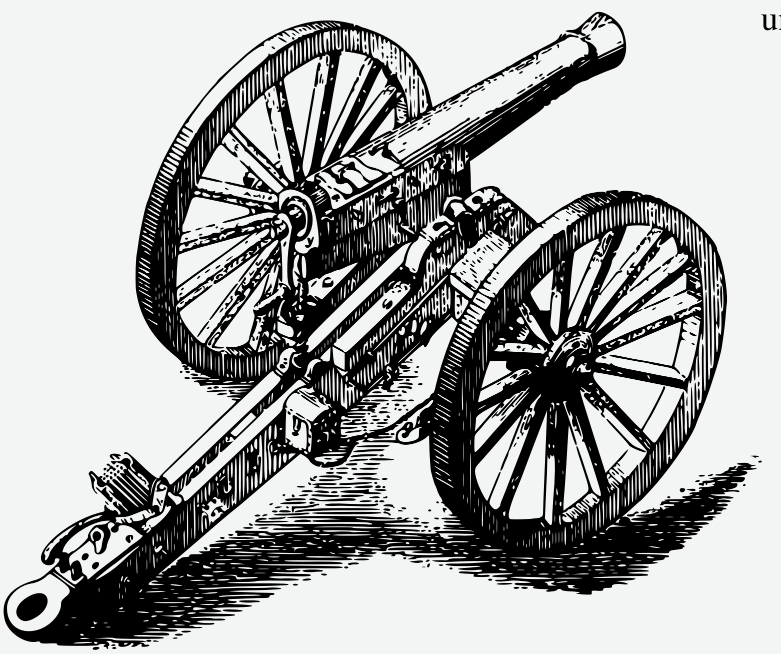
One can also see decoupling in the oil deliveries not made to China from the United States this year, even though the U.S. has become the world's largest oil and gas producer and a net exporter. Whereas US shipments of crude oil to China reached half a million barrels a day in summer 2018, they averaged only a third of that in the spring of 2019.

Though delegates had come here to focus on energy markets, the implications of decoupling have begun to touch almost all economic sectors, from aviation to automobiles, from finance to farmers, and from cell phones to semiconductors.

Wary that U.S. leaders fundamentally want to undermine their country's rise, Chinese leaders increasingly are dissuading or outright preventing their companies from dealing with American partners. Meanwhile, chastened U.S. companies are rethinking supply chains and relocating Chinese-based manufacturing.

If nothing interrupts this process, it will reverse 40 years of increased trade, financial and economic integration of the two countries. Other nations' companies won't follow the American lead but rather look to pick up lost U.S. opportunities among China's 1.4 billion consumers.

Encouraged by his trade advisor Peter Navarro, President Trump made his own decoupling druthers clear in a late-August tweet: "Our great American companies are hereby ordered to immediately start looking for an alternative to China, including bringing your companies HOME and making your products in the USA."



President Trump's trade policies are resulting in an economic slowdown that could endanger his re-election and thus his revived efforts toward a solution. Yet, it remains unlikely that any major deal can reverse this downward trajectory in bilateral relations in any lasting manner, even as China and the United States open the 13th round of trade talks in October (no specific date set yet).

The game between the two largest economies in the world is being carried on regardless, yet, the resultant collision can be seen in faraway countries with little contact between the two. In the less nuanced world of Trump tweets and global markets, it's time to buckle up for what is likely to be a long and bumpy ride. It also may be the moment to shift one's focus from President Trump's "art of the deal" to what one Chinese expert, Li Mingjiang of Nanyang Technological University, calls President Xi's unfolding "art of the struggle."

TECH MONOPOLIES

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In recent years , one could witness a rapid growth in technology. Now, we are living in the era where from local grocery store to banks there is a technology to support which saves time. A service that has been evolved due to this technology revolution is enormous due to its portability. There is no debate that technology is an important part of homo sapiens for good or maybe bad. It is considered undesirable because this growth has resulted in dominance and concentration of power in the hands of major renowned companies to influence market supply and demand through monopoly. Basically, monopoly is a market with only one seller that dominates and sets price and quantity of the good. It is assumed that there are no substitutes and thus a firm is a price-maker that is motivated by profit maximization.

In order to evaluate monopoly and to determine whether it should be allowed or not, it is vital to understand the characteristics of monopoly and to apply various efficiency concepts such as productive efficiency, allocative efficiency and X-efficiency to the market structure, perfect competition and monopoly, to understand their effect on both consumer and producer surplus in the form of households and firms which consequently affect the general economic welfare

The top dogs of technology, Google, Apple, Amazon and Facebook have certainly turned into tech monopolies and consist of more than 80 percent of market share in their respective fields. Google, the dominating search engine owns about 81% of online searches and 85% of ad search revenue. Facebook, the dominating social network have around 77% of mobile social traffic. Apple owns 91% of global smart phones profits and Amazon is having atleast half the amount people spend online. The tech monopolies have combined market capitalisation of more than GDP of many nation's and have entered into dominating and abusive competition. They also hinder innovation as these firms are hiring people, not for the betterment of technology but to sell personal information to unscrupulous advertisers to increase their revenue. The tech firms are too big and face no real competition that they set up aggressive terms and conditions, and since people don't have any option they have accept it even when they don't want to share their private information.

The tech monopolies have become anti capitalist firms and suppress the new firms either by creating situation of bankruptcy for them or by buying them out. Acquisitions are one of the most common way by which big giants turned bigger. These acquisitions are not good from economic point of view as they supress innovation. In order to shape up the start-up world, one of the strongest actions was taken by Congress by passing bill on ban on acquisition by company with market capital higher than $100 billion. Government can also compel these large firms to share anonymised data with less powerful competitors so as to give them chance to stand in market. Various other actions like restricting Google to pay billions a year to apple to be default search engine on Safari etc, can be taken by government in order to stop these monopolies turn into giant tech firms A monopoly tends to be less motivated towards economic efficiency such as cutting costs or increasing productivity. There is also a possibility that a monopoly would experience diseconomies of scale as the higher it gets bigger, their average costs increase. Further more, the lack of competition could discourage a monopoly from investing in research and development, leading to lack of innovation and worse products.

However, with all the evidence against monopoly, there are still the questions of why do monopolies still exist, why firms seek to be monopolies and why do governments seem to tolerate them? The fact that monopolies make supernormal profits allows them to invest in research and development and allows them to fund high cost investment spending into new technology. This is likely to result, if successful, in improved products and lower costs on the long run. Another advantage of monopoly is economies of scale. An increased output would lead to a decrease in average costs of production, which can be passed to consumers in the form of lower prices.Big Tech has been a topic of debate especially whether it should be broken or not. It is believed that these monopolies should be more democratic and less destructive. These giant technology Monopoly are threat to the new and small business creation. The tech start-ups creation rate was found to be below the death rate of existing business in U.S. economy which is harmful, not only affecting output level but also dwindle employment.

It has been argued that breaking up firms on the notation of reducing power would not help to achieve desired goals of growth. The problem arises that initially it is time consuming to divide segments of a big tech. Also breaking up of monopolies might affect consumer welfare as by the standards of consumer welfare, providing a variety of high-quality products, innovation, low prices- tech monopolies are one of the best things to happen in the economy in decades.

Therefore, breaking up is not a desirable option. This has been seen in the case of AT&T Corporation where they conquered all forms of communication after government forced it to break up in 8 different companies. These companies are now again part of AT&T and company's size is twice the size it was before. Here, the concept of starfish was observed, that is:
If you tear up a starfish, the pieces regrow and instead of having one starfish, now there will be five starfish. Therefore, if we break up a starfish each part grows into a new fish, thus multiplying a numerous alike. If we   apply economic concepts here, we need to separate natural monopoly features from competitive segments that is this process should not again lead to monopolizing back these competitive segments (either by line of business restrictions or monitoring fair access).

Instead of breaking of tech monopolies, there is a need of new and comprehensive law that will contemplate these cases because they've come to have an enormous impact on our lives. For example- in the recent actions, Democratic President, Elizabeth Warren proposed unwinding tech mergers that illegally undermine competition in context with Facebook's deal for WhatsApp and Instagram. One can certainly observe, Warren is not alone in thinking that tech Giants have gained excessive market dominance , making valid point for their monopoly.

Despite the fact that monopoly produces less output at higher prices and the negative implications on consumer surplus and social welfare, nevertheless, the existence of monopolies are inevitable as long as firms seek profit maximisation as well as increased market share and ultimately market dominance.
From the above analysis, it is easy to conclude that substantial economies of scale that a monopoly would have, then it is more likely that a monopoly is more productively efficient than competition. In some cases, such as a natural monopoly, it is more acceptable to have just one firm as a monopoly provided that its price and productivity are regulated.

PRIVATIZATION

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Privatization has timelessly been a solution to government's mismanagement and revenue crunch issues. It is a proposed solution for two reasons- primarily, the cliché – 'It is not government's business to be in business.' Secondly, the proceeds from the sale of stakes to private entities brings about the much-needed revenue to the government. It is important to see both sides of the coins before choosing one.

Why Privatization? Well, it is certainly true that it is not the job of government to run businesses. Government must refocus its time, labour and resources towards other sectors of the economy. In case of India, the dire state of helplessness and chaos has forced the government to privatise companies such as Air India, Bharat Petroleum Corp, etc. The revenue from the sale proceeds certainly provides cash smoothness. Running such enterprises only puts a pressure on government to run them at losses, fearing unemployment of the 'government employees. Japan's zombie firms is the exact tale turned into reality. It also hinders competitiveness and brings about complacency in the efficiency of the enterprise.

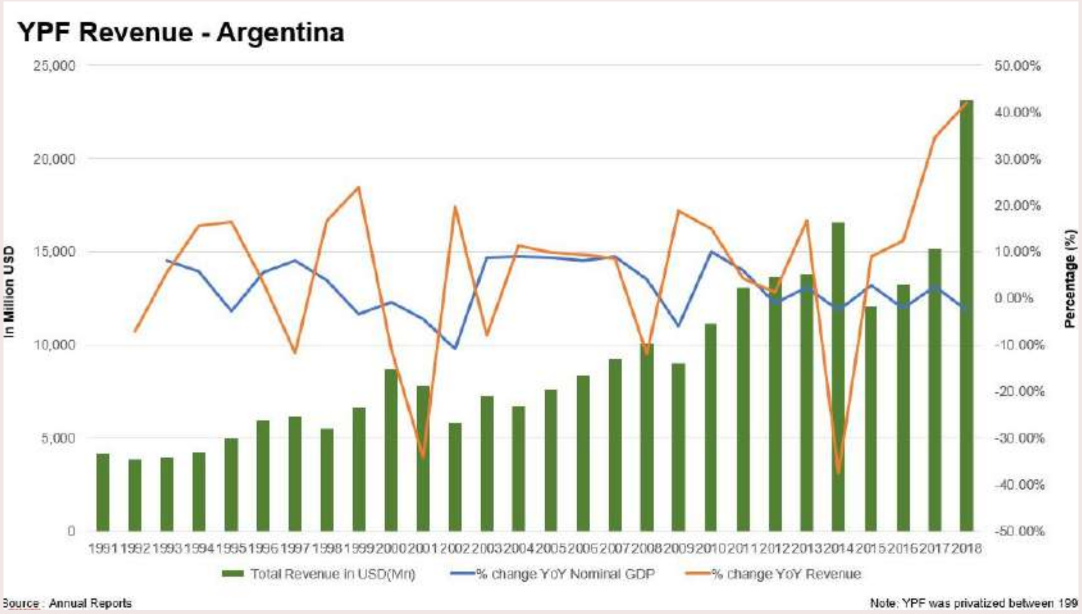
The other side of the coin has some interesting insights in place too. Privatization is not a solution to natural-resource companies of the government; for instance, coal, petroleum, ores and mining, etc.

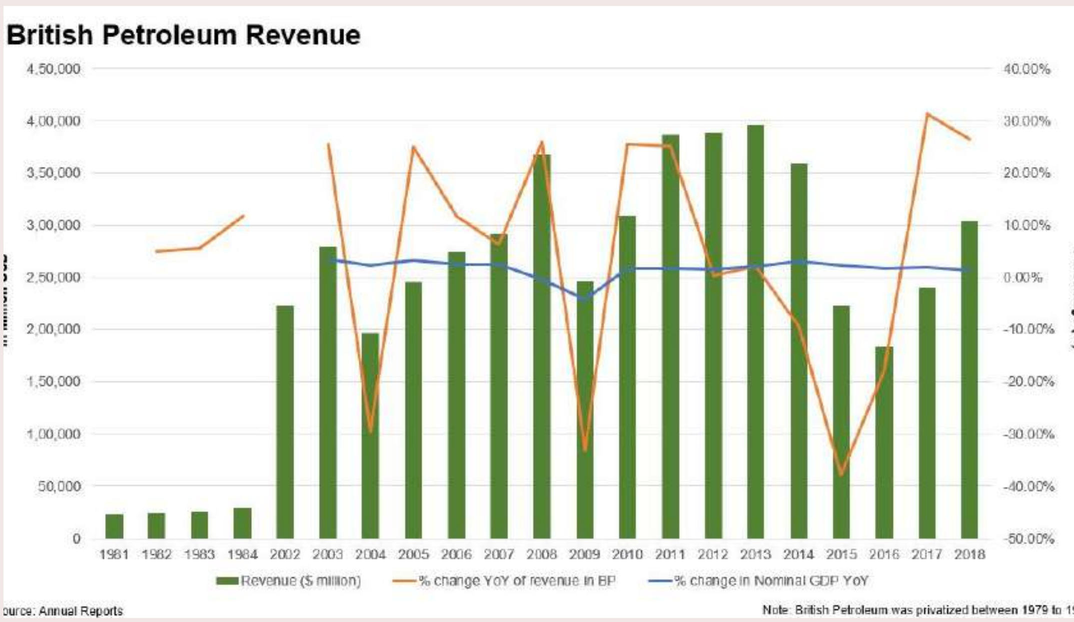
The famous ‘Dutch Disease’ is an economic phenomenon where a country with abundant natural resources isn’t able to develop as much as the one with scarcity of them. This is primarily because of the toughness in the management of resources. Privatisation of such depletable resources could potentially lead to the problem of resource curse in the economy. Private entities would adopt overutilization and overexploitation of these natural resources, leaving the government to repent later. It would also lead to widespread discontent among the working class who would be laid off after privatization of the company. India, being a labour-abundant country cannot deal with this crisis. There would be voluntary retirement for workers which would put a financial burden on the government as a means of compensation; there would be unemployment, social unrest and a feeling of fear of ‘job loss’. The privatised company may then resort to ‘hike’ in prices to meet its novel motive of profit maximization.

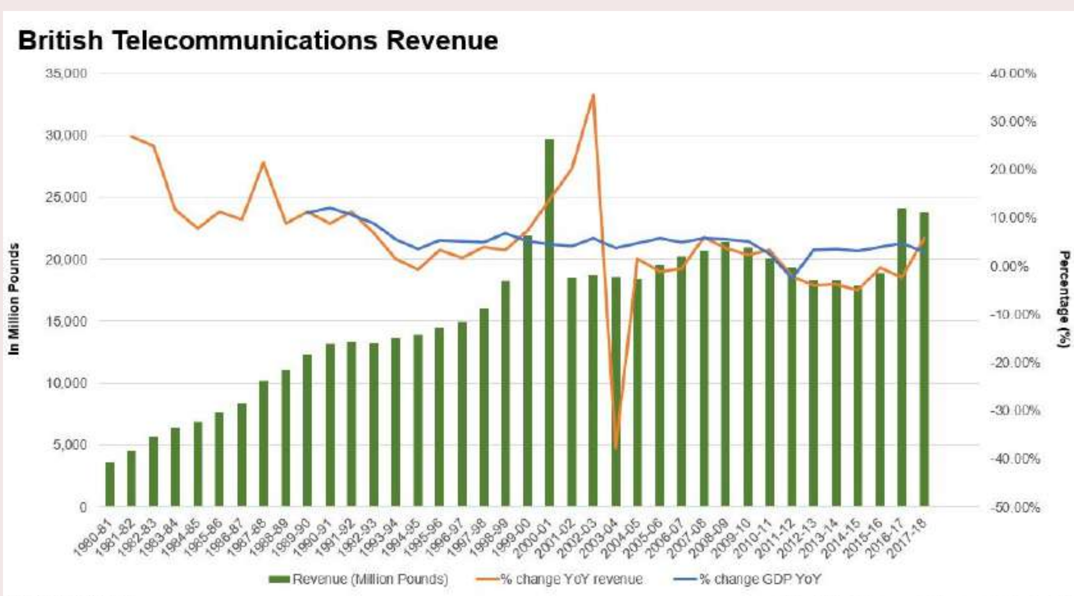
I have discussed two extreme cases of success and failure under my study – United Kingdom and Argentina, respectively. Privatization drives around the world prove that the path of selling stakes is tricky. British privatization under Margaret Thatcher has seen comparative success as the process involved transparency, low corruption and effective regulation. The story of Argentina has been full of ups and downs of indecisiveness. Argentinian government sold YPF- its giant oil SOE and faced massive compensation losses on renationalization in 2012. Underinvestment, mismanagement and excessive dividends have been the root cause of the failure. Government had to pay $5 billion as compensation to Spain’s Repsol.

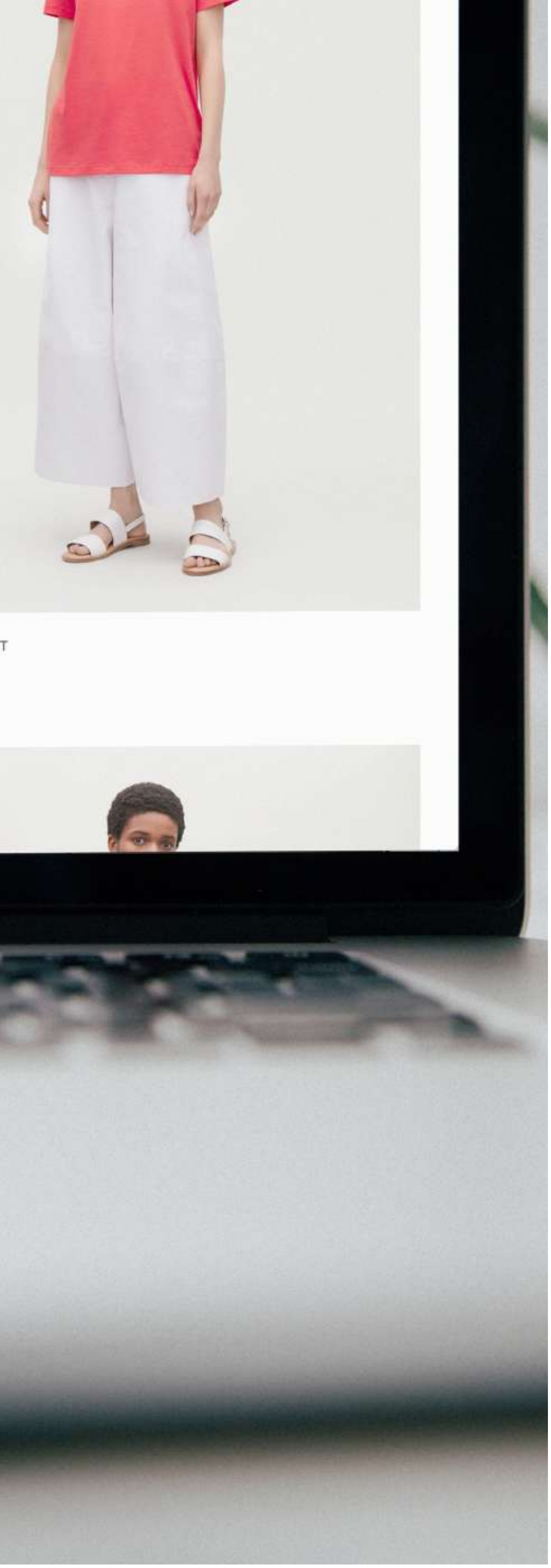
In conclusion, the trade-off remains as the hardest hurdle for the government. A strategic planning, in-depth understanding of the socio-economic scenario and the variability of country’s natural resource profile must be well thought of before taking any major decision. A public private partnership certainly proposes the best of both worlds through regulatory frameworks, increase in efficiency and social welfare along with fair price valuations.

Appendix- Privatization









E-COMMERCE

TREND OR NECESSITY?

VISHAKSHI
(MAITREYI COLLEGE)

Today the world is growing at a very fast rate and the trends change from day to day. With this ever changing and ever-growing world, it's inevitable to notice the patterns of the market and businesses according to the developing interests and convenience of people. One such revolutionary change that has recently made a very prominent place for itself in the market is E-commerce. You can find it everywhere now, be it online shopping and bookings hotels, restaurants, shopping malls, or even local vendors. It hasn't been long that even a grocery's shopkeeper would give you an option of 'Google Pay', 'PhonePe' or 'PayTM' in case you have a shortage of cash, or even no cash in some cases.

If we go back to the dates, the History of e-commerce goes back to the invention of the very old notion of "sell and buy", electricity, cables, computers, modems, and the Internet. E commerce became possible in 1991 when the Internet was opened to commercial use, and ever since that date thousands of businesses have taken up residence at web sites and social media. In fact, if we look into the trends, even the suppliers prefer to promote their goods over the internet and mostly give options of home delivery instead of the old mechanisms of advertisements and promotions.

With the advancements in artificial intelligence, it has gradually embedded itself into each and every aspect of our life and E-commerce is another highly appropriate domain where AI can make a significant impact. Today, business decision making has become more data-driven and there is an ever-increasing demand for measurable metrics. For example, conversion rate, bounce rate, website traffic, engagement rate, etc. are extremely important factors for online marketers. This is where AI tools can be of considerable help for you. They enable you to gather as well as investigate data in real-time and track the way potential customers interact with your brand. AI facilitates better efficiency and competence. Business without understanding consumer behavior is like swimming against the flow of the river, therefore, in this developing economy, which is now available to the globe over a few clicks, AI understands and analyzes customer behavior on the website by using algorithms to predict what products may appeal to your prospects and provide recommendations.Machine learning algorithms can be applied to automate your logistics and warehouse operations.

The study of historical data, data analytics, and latest trends can help in optimizing the resource allocation, build a healthy pipeline and analyze the team performance.

Lastly, an important aspect of e-commerce business, delivery has to be fast, convenient and timely if you want to stay ahead in the competition. In fact, shipping is one of the key differentiators between many online competitors. With the exponential boom in the e-commerce sector, online shoppers have demands and needs that they want addressed more quickly, which will shape delivery options. Amazon is testing drones for package delivery in countries like England and Australia; while online grocery stores like Big Basket and Grofers, connect consumers to vendors and merchants in their community, making it easier, faster and more convenient than ever to get the best food delivered. Speed and efficiency are the hallmarks of e-commerce business, today and even will be in the upcoming future. Consumers are even demanding same-day delivery service, so it’s a good time to optimize your supply chain.

Concluding this, we can say that, the e-commerce landscape is evolving. In other words, the industry will get bigger and better in the coming years and new technological trends will make it more seamless. In fact, the trends of virtual currency like bitcoins have even started to make its space in the market nowadays, and it won’t be unimaginable to expect development in this sector in the upcoming years, therefore we can say that the world is ready to be digital in all its aspects and if one plans their future in the sector of e-commerce, they need to keep a track of these technologies and find ways to use the ones that best suit their needs. From understanding the best and the most popular technology, to the proper designing of algorithms and artificial intelligence, to providing the customer a plethora of options to choose from in terms of goods and services to payment options will form the pillars of the market in the near future and therefore, also subject to study for budding entrepreneurs.

MADHUBANI PAINTINGS

As Madhubani paintings were first painted by the artists hailing from a village situated in Bihar called 'Madhubani' (also known as Mithila) thus, procuring the name. The paintings are characterised by bold and vivid use of colours and complex geometric patterns, they are often said to have remarkable depiction of rituals deep rooted into the Society or rendition of various momentous junctures including festivals, religious rituals, etc. The colours used in these paintings are usually very bright and eye-catching and usually come from natural sources like plants. Various natural pigments too are used to make a natural mix for new colours for the paintings. The paintings usually have a traditional base of plastered mud wall.

Some of the initial references to the paintings can be traced back to centuries ago, as back as the time of the Hindu epic Ramayana. King Janakraj was the ruler of Madhubani. At the time of his daughter Sita's wedding to Lord Ram, he wanted the captivating moments of the wedding and so asked artists present to capture the moments beautifully in form of paintings. The theme for Madhubani paintings has always circled around mythological figures depicting Hindu Gods and Goddesses as well as various momentous scenarios in their lives as those or royal courts. As these paintings passed on to numerous generations, there were several additions have been made to them and the contemporary version now depicts the details of the place, people’s thoughts and can be seen adorned on the walls of houses of Mithila, a practice taken up by the female natives of the region.

And over the time, the roots of Madhubani paintings have seeped deep into the culture that it has now become an integral part of the festivities and special occasions, reflected in every aspect of the rituals. Although traditional art form has now been promoted to the global platform by the connoisseurs of art, the basic designs have remained more or less the same due to confinement of the art form to a particular geographic location but the traditional separate five designs have now been merged by the contemporary artists and they now revolve around Hindu deities like Krishna, Ram and celestial bodies like sun, moon and stars and birds often take the centre stage. Though simple in style, the complex mathematical geometric patterns and vivid brush strokes exhilarate the heart of the ones who behold them.

NEETI : A CONTEMPORARY PERSPECTIVE

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