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The Economics Magazine

Vol.1 Issue. 4; April 2023

A visual from the Expert Panel Discussion on Union Budget 2023-24 held on 28th February 2023 in seminar hall of Block- A

EDITORIAL TEAM

The Economics Magazine

Vol. 1 Issue. 4 April 2023

OIKOS *– the ancient Greek word refers to three related but distinct concepts: the family, the family's property, and the house. Its meaning shifts even within texts, which can lead to confusion. Yet these concepts form the founding blocks of Economic Theory.*

OIKOS*, the magazine of the Economics Association, will act as a guiding principle for our young and curious minds to use knowledge as a powerful tool for the betterment of humankind.*

By covering national as well as international events the magazine aims to ignite critical thinking and inculcate values to adapt to the ever-changing and ever-developing world in order to provide useful solutions and planning for the welfare of our society as a whole.

The editorial team also encourages students to contribute to the magazine through their creative works, articles and reports to make the process of learning holistic.

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FROM THE

EDITORS DESK

Editorial

Budget 2023-24: A Reflection on Priorities and Strategies of the Government

The budget is an annual financial statement of the government regarding its estimated revenues and proposed expenditures. Every budget is based on three important things- analysis of the current economic situation; the expected scenario in the coming year and the direction of growth policymakers give to the economy. Announcements do not mean that what is being said will immediately happen. Even after implementation begins, it takes time for the results to follow.

The Union Budget of India for 2023-24 has come at a time when the economy is ostentatiously doing well but is actually facing challenges both internally and externally. The unorganized sector is suffering due to the policies the government has been pursuing for some time. Externally, the war in Ukraine and the ongoing 'New Cold War' are adding to the problems. The internal challenges are due to the nature of the growth and its extent, high unemployment, rising inequity and persisting inflation. Most importantly, it is the last full budget of the second Modi government, as the country is approaching general elections in 2024 and nine State Assembly elections in 2023.

The persistence of the basic economic problems is the result of the low priority accorded to the schemes that could alleviate them. In turn, that is because the focus of the ruling party is to cater to the interest of its financiers and this does not become apparent upfront. Behind the façade of pro-poor schemes, the government has been pursuing 'supply side' policies, favouring businesses. Up front, the marginalized sections have been given free food, cooking gas, cash (to the farmers) and so on. These immediate gains have created a caring image. Politically, this strategy has succeeded in demonstrating the ruling party's concern for the marginalized. But these policies can neither deliver growth nor equity since rising inequity has led to a demand shortage. As per the RBI data, consumer confidence is at around 85 while the capacity utilization is at 72%. If the unorganized sector is taken into account the situation would be worse and the rate of growth of the economy less than officially stated.

The Union Budget 2023-24 demonstrates the further marginalization of the marginals. Subsidy on food is cut from Rs.2,87,194 crore in 2022-23 to Rs.1,97,350 crore for 2023-24.

This is being done in spite of persisting poverty as signified by the government's offer of free food to 80 crores of the poor. Education and health, key items in the multi-dimensional poverty index, have seen cuts. The National Education Mission was allotted Rs.39,553 crore for 2022-23 but expenditure is slated to be Rs.32,612 crore. Allocation to it for 2023-24 is Rs.38,953 crore, i.e., less than in 2022-23. National Health Mission was allotted Rs.37,160 crore but expenditure is to be Rs.33,708 crore and what is allotted for 2023-24 is Rs. 36,785 crore - less than last year's. So, in real terms, they will be down by about 6% each. MGNREGS, the rural employment generation scheme is being allotted Rs.60,000 crore for 2023-24 which is 49% less than the expenditure of Rs.89,400 crore in 2022-23. The populism of this budget is that it is apparently giving to every section of society- women, tribes, Dalits or farmers and MSMEs. But, announcements have real content only if adequate amount of funds are allotted for each of them.

The Union Budget 2023-24 is crafted in the framework of the 'supply side' policies to benefit businesses in the organized sector at the expense of the unorganized sector and other businesses. The other part of the strategy is, for political reason, keep the marginalized permanently dependent on government handouts. Consequently, the key challenges facing the economy- slow growth, rising inequity, unemployment and poverty- will persist. So, the strategy underlying the Union Budget 2023-24 is counterproductive and needs overhaul in favour of development from below.

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ECO-RNER

Economics Themed Articles

Union Budget 2023-2024: An Assurance for Brighter Futures

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India continues to do well despite the ongoing economic unpredictability in the world, and is well-positioned to take advantage of the numerous business opportunities that the upcoming years will present. The GDP growth rate is expected to stay over 6% in FY 2024 and is expected to be at a high of 7% in FY 2023. The government is confident that it can reduce the fiscal deficit to below 4.5% by 2025–2026, as a result of the current fiscal year's considerable gain in tax receipts.

Given this context, it is not surprising that the budget places a strong emphasis on consistency and stability across several domains, including taxation. The objective of the Union Budget 2023 is to position India as a forward-thinking country. The new tax thresholds might boost consumer spending as well as the economy in the coming fiscal year. Additionally, the emphasis on educating and empowering young people will contribute to the creation of a young, energetic population eager to turn India into an economic superpower.

The Government's ambitious economic program is focused on three main areas: first, giving citizens opportunity; second, giving growth and job creation a powerful boost; and third, bolstering macroeconomic stability. Agriculture and infrastructure are important among the numerous priority areas included in the budget. There is a persistent effort to develop the public digital infrastructure for agriculture, to provide finance to farmers, and to advance the cooperative sector.

The government is correct to consider infrastructure development as a growth and job-creating engine. This is demonstrated by the record capital expenditures this year, which increased by 33% to reach INR 10 lakh crore. In this area, increasing private investment is also a priority.

India's commitment to green growth and its goal of reaching net-zero carbon emissions by 2070 were both reaffirmed in the budget. In order to achieve this, the Budget includes a number of initiatives, such as enhanced support for the energy transition and promotion of energy-efficient coastal shipping.

National Data Governance Policy: the Unknown Key to Start-ups?

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While Nirmala Sitharaman might have dropped her shortest budget speech, the budget was still full of talking points. As usual, people's attention went towards hot topics such as tax regime, infrastructure, 'Amrit Kaal', cigarettes etcetera, while the start-up ecosystem was overlooked. The start-up culture in India is in a boom phase, whether through the government's incentives or popularization of "Shark Tank India", it has become clear that start-ups will play an important role in the Amrit Kaal (2023-47). To make India a developed country, the same must be emphasized. While start-ups usually focus on the "problem-solving" aspect and commercializing it, the question arises as to what extent can anything be even solved.

In India, a niche market can also be a good area to operate as the population acts as a blessing in disguise. Such are the numbers we possess, that if done properly, a lot of untapped markets could be exploited. And in today's world, start-ups need data & technology to back them up. While the govt. has been very protective of its citizen data recently through the IT Act & Personal Data Protection Bill 2022, which made big firms drop down to the requirements, the government ensures total anonymity for its own use as well as private use. This is a continued step in good governance, considering every service provided by the government is now available in electronic form.

But How & What Can Be Used to Help the Start-Ups?

- Collection of "Non-Personal Data" like climate or weather conditions.
- Development of a Research & Innovation eco-system powered with data science, AI, and machine learning.
- Restriction of data that is to be shared with wealthy corporations and international firms.

While the policy draft was released in the public domain in May 2022 by the MeitY, it received widespread criticism and had to be withdrawn. Start-ups or individuals can use this to identify emerging markets (Blue-Ocean Markets) and develop & enhance their products. In the current climate, all technological changes require data to back them up. With no significant competition from the established players, start-ups can even further disrupt & capture a wider market.

To make compliance simpler and easier in the financial industry, the government aims to conduct a thorough review of financial sector rules. By implementing a single window clearance system, recognizing offshore derivative products, permitting acquisition financing, and establishing data embassies, many policy reforms are intended The Budget's efforts to simplify compliance, broaden the tax base, and rationalize various rules persisted in the area of direct taxes. A number of adjustments were made to the new individual tax regime that went into effect in 2020 in an effort to make it more appealing to taxpayers, including a change to the slab rates, rebate, and surcharge. Moreover, provisions that aided startups and MSMEs were implemented.

Another significant area where the Budget makes significant policy interventions is with medium, small, and micro enterprises (MSMEs). The government also proposes to return 95% of the money forfeited because MSMEs failed to complete contracts, in addition to increased funding for credit guarantees for this industry. Another plan is to use graduated settlement terms to resolve contractual disputes.

Anti-abuse clauses that targeted businesses soliciting capital at high premiums were widened to include non-resident investments. This significant change might affect the amount of foreign investment that enters India. There was anticipation that the Government would offer direction on India's adoption of these regulations, including through a thorough public consultation process, as many countries seek to implement the Global Minimum Tax Rules (GLobE). However, there was no announcement made in this regard.

With relation to indirect taxes, the plans seek to increase domestic manufacturing, exports, and domestic value addition while promoting green transportation and energy. According to the 2013 Companies Act, there are limitations on the Input Tax Credit for actions related to Corporate Social Responsibility. Electronic commerce operators are now subject to penalties for breaking rules governing the supply of commodities made through them by unregistered individuals or composition taxpayers making interstate supplies. The amount required to initiate legal action for violations of the GST law has also been raised from INR 1 crore to INR 2 crore, with the exception of the issuing of fraudulent invoices.

The budget also announced the decriminalization of other elements of the GST legislation, including hindering an officer from performing their responsibilities, possessing items that were supplied unlawfully, and destroying evidence or documents.

It is also recommended to change the Online Information and Database Access or Retrieval Services (OIDAR) of the IGST Act to remove the requirement that the provision of the specified supply be largely automated and involve little human participation. The amount required to initiate legal action for violations of the GST law has also been raised from INR 1 crore to INR 2 crore, with the exception of the issuing of fraudulent invoices.

Businesses and startups stand to gain significantly from this budget. The government has opened numerous opportunities in the manufacturing, trade, and infrastructure sectors through announcements. It is clear that the goal is to increase regulatory control over corporations while lessening compliance responsibility. To ensure ease of doing business, business processes such as registrations, approvals, customs, filings, etc. must be made simpler. bringing up the digital age with the use of Digilocker, digital payments, and single windows to contact multiple authorities.

The Finance Bill and Budget have impacted many different areas. It will, indeed, be interesting to see how these announcements and plans translate into actual frameworks, schemes, and amendments.

Decoding the New Tax Regime 2023-24

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In the Budget 2020-21, the NDA government proposed a new optional income tax regime with fewer deductions, reduced tax compliance burden, and lowered tax rates. In the first Budget of Amrit Kaal, the finance minister Smt. Nirmala Sitharaman presented the amendments to the simplified optional tax regime proposed in 2020. Thus, the new tax regime 2023-24 is the extension of the simplified tax regime proposed in 2020-21.

Income Tax Slab	Tax Rate
Upto 3,00,0000	0%
Rs. 3,00,001 - Rs. 6,00,000	5%
Rs. 6,00,001 - Rs. 9,00,000	Rs.15,000 + 10% of the total income exceeding Rs. 6,00,000
Rs. 9,00,001 - Rs. 12,00,000	Rs.45,000+ 15% of the total income exceeding Rs. 9,00,000
Rs. 12,00,001 - Rs. 15,00,000	Rs.90,000+ 20% of the total income exceeding Rs. 12,00,000
Above Rs. 15,00,000	Rs.1,50,000+ 30% of the total income exceeding Rs. 15,00,000

Table 1: New Tax Regime 2023-24 (Default)

The major amendments to the new tax regime presented in Budget 2023-24 are as follows:

1. Changes in Income Tax Slabs and Exemptions:

In the new tax regime 2023-24, the number of slabs was reduced to five from six. In the new regime, people earning more than 15 lakhs must pay 30 per cent, the maximum income tax rate. Similarly, the basic tax exemption limit is increased from 2.5 to 3 lakhs. In other words, people earning up to 3 lakhs per annum are exempted from paying income taxes. The new tax regime has fewer tax deductions and exemptions than the old tax regime. As per the announcements in this Budget, salaried and pensioner taxpayers can also claim a standard deduction of Rs. 50,000 and Rs. 15,000 respectively under the new regime. Thus, taxpayers will benefit from lower tax rates if they forgo the numerous tax deductions and exemptions.

2. Increase of Tax Rebate in New Tax Regime:

According to 87A of the Income Tax Act, individual resident taxpayers can claim a tax rebate so that the individuals' tax liability reduces. From 2020-21 to 2022-23, both income tax regimes had the same tax rebate limit of Rs. 12500. In other words, regardless of the tax regime, an individual can claim a tax rebate of Rs. 12500 under 87A. Thus, individuals earning up to 5 lakhs were not paying income tax using this section of the income tax act. In Budget 2023-24, the rebate limit under 87A for the new tax regime was increased from Rs. 12500 to Rs. 25000. However, the rebate limit under 87A for the old tax regime remains the same. In other words, the individuals under the new tax regime can claim a tax rebate of Rs. 25000 under 87A. Thus, people with income up to Rs. 7 Lakh will not pay income tax in the new tax regime by utilizing the 87A of the income tax act. On the contrary, the people paying their income tax under the old regime can only avail of a tax rebate of Rs. 12500. Since the standard deduction is applicable in the new regime, a salaried person with an annual income of Rs. 750000 and a pension earner with an annual income of Rs. 715000 will benefit from section 87A in the new tax regime.

3. New Tax Regime is now Default:

The old tax regime was the default tax regime when the government announced a simplified optional new tax regime in 2020. In other words, by default, the people will pay income tax under the old regime, and if people want to pay income tax as per the new tax regime, then people have to opt for the new tax regime. As per the announcements in the Budget 2023-24, the new tax regime was declared the default tax regime. In other words, now, by default, the income taxpayers will pay their income tax under the new regime, but they also have the option to opt for the old tax regime if they wish to pay their income taxes as per the old tax regime. The taxpayers can switch between the tax regime. Every salaried individual income taxpayer can switch between the tax regime while filing the Income Tax Return (ITR) every fiscal year. In other words, the salaried income taxpayers paying their taxes as per the new regime can opt for the old tax regime while filing their ITR and vice-versa. On the other hand, taxpayers with income from business or profession can switch between the tax regimes only once in their lifetime. Thus, there is a restriction on switching between tax regimes or individual income taxpayers with income from business or profession.

Switching between the tax regime requires individual taxpayers to file their ITR on or before the due date. Late filing of ITR would result in the computation of income tax as per the new tax regime (default).

4. Reducing the Surcharge levied on High-Net worth Individuals (HNIs):

Previously, the HNIs with income between Rs. 2 crores and Rs. 5 crores had to pay a surcharge of 25 per cent along with the income tax liability. Similarly, the HNIs with more than five crores of taxable income had to pay a surcharge of 37 per cent, the highest surcharge levied on the HNIs. As per the amendments proposed in Budget 2023-24, the highest surcharge rate has been reduced from 37 to 25 per cent. In other words, every HNI with a taxable income of more than two crores has to pay a surcharge of 25 per cent. Ultimately, due to the surcharge reduction, the highest effective income tax rate comes down to 39 per cent from 42.7 per cent. The announcements made in Budget 2023-24 make the new tax regime more lucrative. The new tax regime is a move taken by the government to shift India from a savings-driven economy to a consumption-driven economy. Due to the lower tax rates, the new tax regime will likely increase the disposable income of the people, which they may spend on consumption. Thus, the government can raise its revenue from indirect taxes, and the national income will increase through the tax multiplier effect. However, there are certain concerns with the updated new tax regime: the new tax regime encourages spending, resulting in economic growth, but is the economic growth sustainable? India was in a relatively better position during the recessions and pandemic outbreak as people had a habit of saving for a rainy day. If most people pay income tax under the new regime, will they continue to save for the future? The new tax regime disincentivizes investments. The individuals investing their money in tax-saving investment options for tax exemptions under the old tax regime will rethink their investment plan once they start paying taxes under the new tax regime. Thus, when more people pay taxes as per the new regime, capital accumulation in the financial institution will be challenging. Ultimately, Gross Capital Formation will be affected due to the new tax regime. Due to the increased tax rebate under section 87A, income earners with an annual income of up to 7 lakhs and no investment commitments may easily accept and start paying taxes under the new regime.

People with an income of up to 7 lakhs and benefiting from tax-saving investments are less likely to remain in the new tax regime till the lock-in period of the investment ends. Other income taxpayers are likely to choose the tax regime based on the computation of tax liability under both regimes, and they opt for the tax regime with less tax liability. Only a few taxpayers opted for the new tax regime proposed in 2020, so making the new tax regime a default in this Budget is a clever move. However, if taxpayers with income from business and profession can switch between regimes without restriction, then the new tax regime might gain more traction. "Overall, the new tax regime is expected to increase disposable income and promote consumption, supporting the government's efforts to shift India towards a consumption-driven economy."

Where are the Women?

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The Bharatiya Janata Party government's primary objective, according to India's Finance Minister Nirmala Sitharaman, while delivering the final budget before the 2024 elections, is inclusive development. This is also the first of her "Saptarishis," or seven guiding principles. The government acknowledges "the importance of Nari Shakti (women power) as the harbinger of our bright future and for women-led growth throughout the Amrit Kaal (the 25-year period leading up to India@100)," Sitharaman said in her 90-minute address, emphasizing women's empowerment multiple times. Though the word 'women' appears only seven times during the entire address. One aspect was apparent throughout her speech; it was full of hollow claims for women's empowerment this financial year. Or maybe her promises were not reflected in the policies the budget introduced. It seemed all words, no actions.

To start with, according to budget projections made during the Finance Minister's term, the gender budget has represented an average of 4.6% of the overall spending. The average over the preceding fifteen years was 4.9%. Yet the administration is praising Budget 2023 as "women-friendly"; Smriti Irani, the minister of women's and children's development, noted that "respect for women has improved" in this Budget.
The government can not call an entire budget "women-friendly" if they propose only one major women-directed scheme in the budget. The Mahila Samman Savings Certificate, a one-time modest savings program that is available till March 2025, will give a fixed rate of interest of 7.5 per cent over a two-year period with a maximum deposit amount of 2 lakhs.

Although the interest rate is high enough for a savings account, this initiative is hardly innovative because research on financial literacy suggests that Indian women typically do not manage their funds independently. Most men would simply have their wives create a bank account under their names and take advantage of this program, which might be an issue for the initiative.

Moreover, the government announced with pride that section A of the gender budget, which allots 100% of its funds to programs specifically geared towards women; increased by over 70% from Rs 26,772.89 crore in 2022–2023 to Rs 88,044.20 crore in 2023–2024. Even if this is a significant gain, two factors should be considered.

Firstly, the updated estimate was Rs 90,564.35 crore for 2022–23. So, after considering the updated estimate, the authorized budget was decreased by around 3%.
Secondly, The Pradhan Mantri Awaas Yojana has received a substantial part of the budget, almost 38% (Rs 54,487 crore).

What this year's budget missed out on were special measures for women in response to the pandemic. The Government of India (GOI) has counterintuitively reduced significant financial allocations to the Ministry of Women and Child Development (MWCD) (18.5% fall between 2021-22) at a time when it is so important to address women's needs through policy.

Whether this budgetary investment for women is genuinely achieving its goal of achieving gender equality is an important question. Many budget resources are allocated to programs that are gender-neutral or include women as one of their primary beneficiaries. India has to concentrate on boosting the economic empowerment of women because of the country's skewed female worker population rate, which significantly widens the economic gender gap.

According to the most recent PLFS (Periodic Labor Force Survey) data, the estimated Worker Population Ratio (WPR), 15 years and above, for both males and females, was 73.5% and 31.4%, respectively. The budget, which serves as a preview of the government's priorities for the following year, should have prioritized increasing the number of women in the workforce and their employment chances, particularly in light of the significant obstacles women's employability encountered during COVID-19.

EXTERNA FACTORES

Non - Economics Themed Articles

The Broken Model of Supply of Electricity in India

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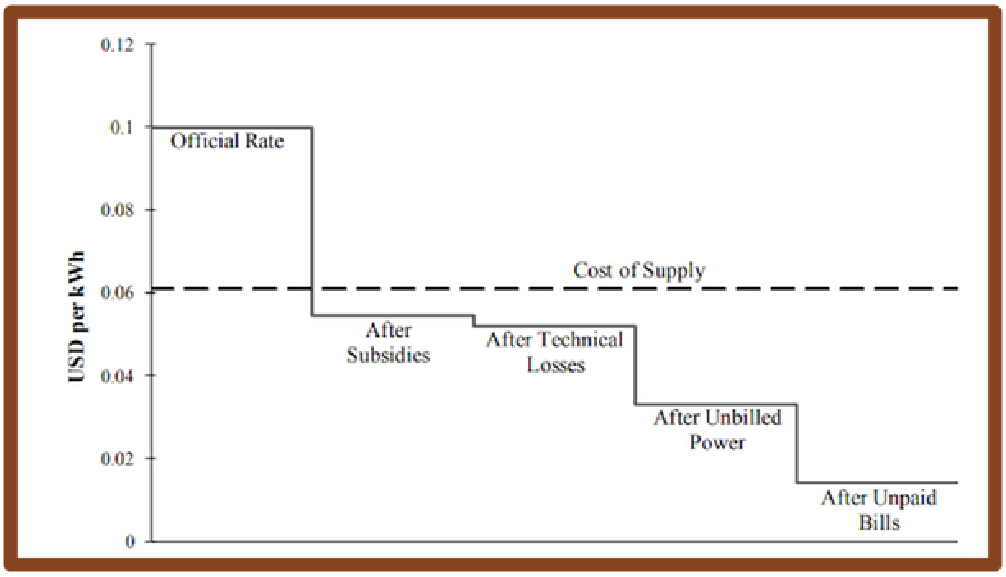
Electricity is often assumed to be a right of the citizens, meaning that everyone deserves access to electricity regardless of their capacity to pay for it. Burgess, Greenstone, Ryan & Sudarshan (2019) has argued that this assumed social norm forces the governments to provide electricity at a subsidised rate even to those who cannot pay for it, which has its social benefits although these benefits are reaped at a high cost which interrupts the electricity distributors from earning profit thus leading to power cuts which in turn causes electricity crisis in India.

To understand this in more detail it's important to recognise the electricity distribution process which involves 3 steps; one, companies that manufacture electricity; second, the power transmission companies that send electricity from a power plant to the various substations; Third, the distribution companies (DISCOM) that carry electricity from the substation to the consumer. Sometimes all three steps can either be done by one entity or by different ones that might be publicly or privately owned. The DISCOMs provide electricity to the people at a reduced rate and the government compensates the subsidised amount to the DISCOMs. The following is the graph showing Electricity Losses in Bihar, India for 2019-20:



Source: Burgess, R., Greenstone, M., Ryan, N., & Sudarshan, A. (2019). Electricity is not a Right. University of Chicago, Becker Friedman Institute for Economics Working Paper, (2019-112)

Since the cost of supply exceeds the total revenue (including compensation by governments) of the DISCOMs, it is impossible for them to effectively distribute electricity. So they end up taking either high-interest loans or purchasing short-term agreements, especially during peak season (such as summer) which adds to the supply cost. The unpaid dues to DISCOMs by the government are another menace adding to their woes. Currently, about 1.23 trillion of subsidy is due as of April 2022. In addition to this in April 2022, more than 100 out of the 173 thermal power plants reported that their coal supply was at critical levels forcing them to import coal at a very high cost increasing their cost of electricity production. Thus, overdependence on coal for power generation is another challenge to be combated. Moreover, about 991,197 GWh (Gigawatt hours) is undertaken by coal which is about 71.8% of the total Gross electricity generation. To compensate for the losses the DISCOMs end up selling less electricity via load shredding (or power cuts). These power cuts also impact those who have the capacity to pay for electricity. Thus inducing huge social costs.

The problem can be dealt with, by revamping our existing subsidy model wherein compensation is provided to the DISCOM so that the electricity bill of the poor is less, this can be substituted by providing the poor with the subsidy amount so that he/she/ they pay the entire ill and the cost of the subsidy is not borne directly by the DISCOM. It will also help in identifying people who require subsidy, hence reducing the cost of subsidy for the government. Prepaid electricity metres may be used to avoid consumers' lack of electricity bill payments. Furthermore, DISCOMs which are collecting more electricity bills can be incentivised by allocation of more elasticity to them, this will encourage people to pay their electricity bill so that the power cuts are less. This will also create a community-level impact where individuals as well as their near and dear ones will be encouraged to pay their electricity bills on time so that they do not suffer from power cuts.

FYI

Economics Simplified

Introducing an Economist - John Maynard Keynes

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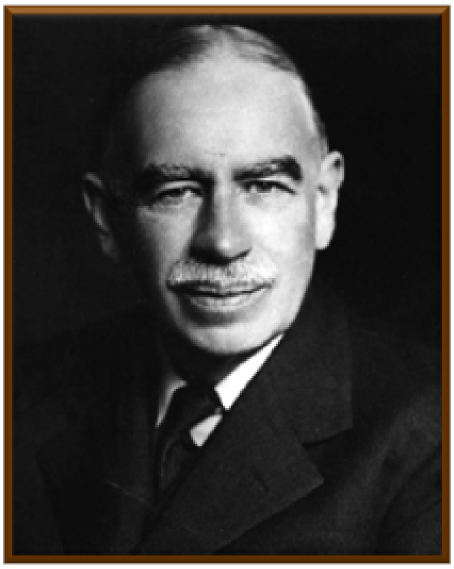
On June 5, 1883, John Maynard Keynes was born in Cambridge, England. His mother was one of the university's first female graduates, and his father was a Cambridge University professor and economist.
Keynes attended Eton College before enrolling at King's College, Cambridge, to pursue a mathematical education. British delegation to the World Economic Conference in 1933.



After earning his degree, Keynes spent a short time in the civil service before going back to Cambridge to teach economics. He subsequently joined King's College as a fellow and started to develop his macroeconomic theories. Keynes assisted in negotiating the Treaty of Versailles, which put an end to World War I, while working for the British government during that time.

Keynes rose to prominence in British economics and politics during the 1920s and 1930s. He served as an important advisor to the British government during the Great Depression and was a member of the Keynes' most well-known book, "The General Theory of Employment, Interest, and Money," was published in 1936. He outlined his macroeconomic theories in this work and made the case for the necessity of government intervention to maintain economic stability during periods of recession or depression.

The General Theory of Employment, Interest, and Money" is a book written by John Maynard Keynes and published in 1936. In the book, Keynes argues that the prevailing economic theories of the time, which emphasized the role of the free market in allocating resources and achieving full employment, were inadequate. Keynes believed that the economy could get stuck in a state of high unemployment, even if interest rates were low and businesses were willing to invest.

Keynes argued that this was due to what he called "aggregate demand," which refers to the total demand for goods and services in the economy. He believed that when aggregate demand was low, businesses would not have enough customers to justify hiring more workers or producing more goods, which would lead to high unemployment. Keynes advocated for government intervention in the economy to address this problem. He argued that the government should increase its own spending, even if it meant running a deficit, in order to stimulate demand and create jobs. This approach, known as Keynesian economics, has been used by governments around the world to manage the economy during times of recession or depression. Keynes also believed that the economy could suffer from "liquidity traps," in which interest rates were so low that people preferred to hold onto cash rather than investing or sending it. In these situations, Keynes argued that the government could use monetary policy, such as increasing the money supply, to stimulate demand and increase investment. Overall, "The General Theory of Employment, Interest, and Money" challenged the prevailing economic theories of its time and had a profound impact on economic thought and policy-making.

Economy This Month

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India has become the largest economy in the world with the quickest pace of growth thanks to its expansion. The RBI predicted India's economic growth would fall to 6.4% in FY24 from 7.0% in the current fiscal year, while the finance ministry anticipated the economy to grow by 6.5% in the 2023–24 fiscal year beginning in April 2023. This year, the world economy is expected to slow down, and certain nations will experience recessions as a result of a number of issues, including the ongoing crisis in Ukraine and persistently high prices.

Following the closure of Silicon Valley Bank and the spread of liquidity issues to smaller US banks and Credit Suisse, there have been new worries about the status of the global economy. We can hope the failure of SVB won't have any impact on Indian banks, as they are more protected and have a more tightly controlled banking system under the control of the RBI. As far as the markets are concerned, the global contagion will have some short- to medium-term effects on market sentiment. The stock market will be affected, as these sentiments will be brought into India with the worry that it will trigger a financial crisis. The startup ecosystem would also be affected, which could, at least initially, result in further funding restrictions.

The new Foreign Trade Policy 2023 will introduce an amnesty scheme for one-time settlement of default in export obligations by advance authorization and EPCG authorization holders. EPCG stands for Export Promotion Capital Goods. The objective of this scheme is to facilitate the import of capital goods with the purpose of producing quality goods and services to enhance India's export competitiveness. India's new foreign trade policy will set the stage for exporters to immensely increase India's share in global trade, as the 2030 target of USD 2 trillion for exports of goods and services is a confidence-building measure of the dynamic FTP. This will contribute to raising India's export share from its existing levels of 1.8% for goods and 4% for services in the global market.

he World Bank and the Central Bank have agreed to provide a loan of up to $1 billion to India to help boost its healthcare system and help it get ready for potential pandemics. Two complementary loans totalling $500 million each will make up the lending. Through this combined financing of $1 billion, the bank will support India's flagship Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission (PM-ABHIM), launched in October 2021, to improve the public healthcare infrastructure across the country.

The low- to mid-income generating population is primarily affected by rocketing costs, while consumption is rapidly slowing down and household savings have reached a three-decade low. After being 5.72 percent in December and 5.88 percent in November of last year, India's consumer price index (CPI) inflation reached a high of 6.5 percent in January. In addition, India's inflation averaged 7.2% YoY in H1FY23, up from 5.8% in the two years prior.

In the first half of the current fiscal year, household total savings decreased to just 15.7% of GDP, the lowest level in three decades. Consumption expanded at the slowest rate in three quarters, 4.6 percent YoY, in 3QFY23, despite rural spending increasing by 5.3% YoY in 9MFY23.

The Centre for Monitoring Indian Economy reports that in March, India's unemployment rate increased to a three-month high of 7.8%. Urban areas have relatively high rates (8.4%), whereas rural areas have slightly lower rates (7.5%). According to the International Monetary Fund, India will have one of the fastest-growing economies in the world, with a GDP growth rate of 6.1% this year and 6.8% the following year.

CHILL-PILL

Fun Corner

Brahmatal Trek Report

Priyansh Doshi
(2BAEPSNCR)

Travelling is something which leaves you speechless and then turns you into a storyteller. In my recent journey, where I went trekking with my NCC cadets to Brahmatal, I found the saying to be extremely true. Despite having achieved many adventurous feats before, this was incomparable to all of them. The journey began on 6th March where we trekked for about 7 km and reached our first location 'Bekaltal'. While trekking, we were all greeted by the breathtaking views of 'mount Nanda Ghunti' and the panoramic views of the mountains. Afterwards when we reached our base camps, we were exuberant with joy. I witnessed a snow fall for the first time, it was one of the best moments of my life. On the very next day, we all headed to 'Brahmatal'. After trekking for a while, we reached a place called 'Tilandi' which was situated at a height of 10500 ft . There, we saw the huge Himalayan ranges and Asia's largest meadow.

After enjoying the ranges and clicking some great snap shots, we again started our journey to Brahmatal . The journey from Tilandi to Brahmatal was one of the toughest journeys throughout the trek. I was extremely tired at that moment but seeing the "Josh" and enthusiastic approach of everyone, I pushed my limits and finally after 6 hours of trekking, we reached 'Brahmatal'. The next and final day was the summit day. We all were tired but at same time very excited to go to the summit. After trekking for 2 hours, we reached the summit where we were mesmerized by the sun rising from an altitude of 12500 feet and the high Himalayan ranges all covered with snow. To say it all in one line, it was the most wonderful, life changing experience.

“A Tender Soul”

Ishita Gupta
(2BAEPSNCR)

Oh! That tender soul!
The most selfless one in the chamber,
living her life for everyone.

Caring and so much cared.
Loving and so much loved.
A soul too beautiful to be deserved by the world.

She had fingers that caressed
the piano keys.
It was surprising to see,
the many friends the shy soul had.

Loved even by the rough neighbour.
Cared even by the restless lad.

Though He took her away too soon,
she was remembered by everyone.
And we devote our flowers and our prayers
To our tender soul!

"Let's find each other..."

Ishita Gupta
(2BAEPSNCR)
[Reworked]

Let's read each other,
Before the diary of our life fades.
Let's see each other,
Before the orbs cloud over.
Let's hear each other,
Before the sound of old radio breaks.
Let's feel each other,
Before our soul leaves our body.
Let's smell each other,
Before we can no longer breathe.
Let's hold each other,
Before the sand get carried away.
Let's read each other,
Before the pages of our diary, are no longer left.
Let's write each other,
Before the words are no more left,
Before no ink stain can be seen.

Let's find each other,
Before the light of heaven blinds us,
Before the end arrives.

Partition

Kajal Gupta
(2BAEPSNCR)

It was an evening, of when, I remember not. Our days ran into and tumbled over the other, blurring into a dreamlike, gauzy, haze until they coalesced into a mere superset of all the days that preceded.

A knock on the door. "Maladak!" I called out to him warmly. Maladak brought news of the Partition, "They call it 'the Great Division', our politicians."
I surveyed my little house in Bengal that'd never been a home. It could be called 'The Great Depression' for all I cared. It was bricks and leaves, but mostly leaves; cement and water, but mostly water. It was a long time back - one year or three, two months or five, I couldn't be sure (time was an enigma, a butterfly that eluded my outstretched hands). We had gathered at the district headquarters for the distribution of house building provisions. Ours was a district of farmers, construction workers and daily-wage labourers. You'd think that when one is so desperate and downtrodden, they would huddle together with the others in the shared warmth of collective misery. For what would one beggar have to best the belongings of the other? Well he must've had something, for the stocks were distributed first amongst the workers. Then, the daily-laborers went and claimed what they wished to be theirs, and from the pillaged ruins of what resembled to be a bull's stampede, we finished up what was left; the scavengers in a hierarchy for the doomed. And though our people hummed and hawed and murmured in disapproval and distaste, in the heart of our hearts, we all knew our places were correct.

The workers and the labourers had the guarantee of a wage – however meagre. All we had were our barren landholdings the size of pinboards, and our nature gods, set in stone, capricious and unyielding.

The great famine had stricken our fields. Our little street leaders predicted they were symbolic of the anger of the gods. They said it was a sign that the Indian bosom would no longer feed the growing bellies of the English. "It's like even the earth is participating in the Quit India movement!", Maladak had exclaimed excitedly, "It's mother earth's retaliation to the cruelty imposed by the British on our people!"

Days passed with regular group prayers at the little stone temple but no rains, nothing changed. I looked at the growing bellies of the Englishmen and the bones of our children poking out of muscle at awkward angles from the shoulders and the wrists. Mother Earth's take on Quit India was quite something. But skepticism never saved a human, so I kept going to the prayers.

It was on the fourteenth day, it started with one man, a farmer; I recognized him as the one who lived two doors down. He had murmured, lips twisted into a madman's snarl revealing peeling skin, "It's as if even their hearts are set in stone." I turned to see if he had been talking to me; I never found out. A commotion ensued; he was dragged out. They say he spat at the gods as he was dragged out. Either way, I never saw him again and our temple gods quickly became theirs.

Puffy-eyes answered my knocks on the hinge less door two doors down our makeshift one, and two hope-starved ones came running in, lingering by the door like shadows trying to escape notice at a night lit by moonlight, the light rising in their black irises for a split second before ebbing away like black tidal waves, permanently, I thought to myself.

Ours was a district knitted together with love. Ours was one of the poorest districts in Bengal. And that's just how it is, you get along sharing misery and grief, news and superstition and yet and yet and yet there remains a natural divide. My religion was a thorn I couldn't completely pry off my foot that dug in deeper with every passing day of the Hindu-Muslim riots in Kolkata – the effects of which spread like cancer to even the farthest districts of the Bengal Province. When you've lived with the people you live with long enough, you learn to read their nuances like the names of Congressmen off a national magazine. The mild reflections of antagonism in their mannerisms didn't escape my notice, but I wasn't going to be the first one to comment. I was a fish mutinously eyeing the hook.

We were sitting on a charpoy outside letting pregnant mosquitoes feast on our blood.
"You know, they all would have agreed with his words if he'd been a Hindu" the same Maladak had begun, furiously.
"In the heart of their hearts, they all felt it. You could feel it."
"But he spat on the gods" I replied quietly.
"And who saw him do it?" his eyes glinted passionately in the night.
They weren't the only ones antagonized.

We left the next day, a battered motley of about 12 people travelling in a windowless bogey. Persuading them should've been harder – it wasn't. Perhaps it was like Maladak had said, in the heart of their hearts, they had all felt it. He didn't join us.

Our 'voyage' to the East of Bengal (East Pakistan, they would call it) was long, our talks were despondent and nostalgic, the impulsivity of the decision catching up on us. The wheels clattered on, rolling past stones and uneven mounds of land raking up dust that entered your nose, made your eyes water, and you throats so hoarse it hurt to swallow. By the time we were halfway to the new place we'd call our 'home' we had unanimously agreed upon this being a bad idea.

I know I would've been berated, then, for talking them into this but the dust crept up through opaque windows lulling wily tongues and heated minds into a lethargic stupor and I was saved.

In hindsight, they should've thanked me. Almost regularly we heard news of masked discrimination and silent persecution against the members of our cohort, the brothers of our religion. Swift raids were carried out so that if they weren't dead, they were penniless; and if you can't starve a body off its life, the next best thing is to starve it off all dignity, because what's a life without dignity? The life of a woman – inconspicuous and insignificant.

In the beginning we lived in temporary camps. The people would gather, eyes glinting, exchanging the latest bits of news, and if they didn't have any, they made it up. We were too rustic to deliberate upon the finer points of legitimacy and morality, and that's how the rumors spread – the ones of persecutions and discrimination. Dangerous stories spun to console oneself and justify a sacrifice that you would try not to think was too big to have made.

I wondered if they did that on the Other Side too. I thought of Maladak and the millions of others who'd decided to stay put, what were they thinking about right now? Were they contemplating choices and decisions like most were doing here? Were they hiding their uncertainties under faux news stories? I would never know.
I was standing in a corner far left, watching some politician (I had long stopped calling them leaders in my head) giving address to the latest inhabitants of the interim camp – foreign words uttered from a foreign tongue.

"The Great Division hasn't just been a division of the geographical boundaries" he paused, I wondered if he had to leave a home behind too and if he did, did he feel happy enough about his decision to convince thousands of other people to be too? ,"it has been a division of hearts" and hopes. and lives. "Our independence has been a triumph as well as a tragedy. Our Independence has come, at the backdrop of a painful Partition" and the Partition has come like a bucket of ice-cold water poured over unsuspecting heads. It has come like a storm, churning stomachs into blood rivers, turning us into the markers of a glory that grieved its triumph.

From where I stood I could neither hear nor see him but it was okay, I put words into his mouth, and why shouldn't I have? He put ashes into mine.

ECO-BUZZ

News From the Economics Department

Students Achievements

Rann 2023

Chanderyo Kundu of 6BA(EPS) secured the 1st position in RANN 2023(football tournament) held in KIET college, meanwhile, Mrinali Srivastava of (1MSC) got 1st and Suraj Mondal of 6BA(EPS) got 2nd position in basketball competition held at KIET University.

Battle of Bands

Daksh Alfred (6BAEPS) and Sanchit Jude(6BAEPS) and Siddharth of (4BECO) secured back to back 1st position in BR Ambedkar and at Sri Aurobindo College, Delhi University in the Battle of Bands .

Panel Discussion

Harichandana (4BECO), Dhruv(4BECO), Manya (4BECO) and Kajal(2BAEPS) won the 2nd position in the budget panel discussion conducted by School of Business and Management.

Chrispo

Mrinali Srivastava (2MSC) got Gold medal in basketball tournament in Chrispo, along with Suraj of 6BA(EPS) and Pathik of 4BA(EPS) who got silver medal in basketball tournament Chrispo. Pathik also got the title of Most Valuable Player(MVP)for the basketball tournament.

Newspaper Feature

Sanchit Jude Puthumana (6BAEPS) got featured in (16/03/2023) issue of Malayalam Manorama, which highlights his musical journey and our college band's win at Moodi Indigo, IIT Bombay and the band's recent achievements in the Delhi Circuit.

Brahmatal Trek

Office of NCC in association with Trekup India, organised first Brahmatal Trek on 4 march to 11 march 2023. Cdt. Navaneetha krishnan. E. P. N of (6BAEPS), Cdt. Niran Joseph and Cdt. Alapati Wekshitha of (4BAEPS), Cdt. Yash Vardhan Bishnoi(2BAEPS) ,Cdt. Priyansh Doshi(2BAEPS), Cdt. Aditya Tejas Nambiyar (2BAEPS) and Cdt. Nikhil Verma (2BAEPS) from our economics department participated in the trekking.

Students Achievements

Paper Presentation

Rakshit Yadav (6BAEPS) presented a paper entitled "The Russia-Ukraine Crisis: Assessing the Geopolitical Fallout and Global Impact " in a National Seminar organised by Department of Defence & Strategic Studies Iswar Saran Post Graduate College University of Allahabad, Prayagraj.

Ecovantage’22

Neeraja (6EMS) secured first position in a Research Symposium (Paper presentation) competition organized by Jesus and Marry College, University of Delhi at their annual Economics fest - Ecovantage'23.











CERTIFICATE

Event Reports

FOOTBALL TOURNAMENT

Department of Economics organized the Intra - Department Football Tournament on the 17th of February, from 8:30 am onwards. Each team consisted of 12 members (9 playing, 3 substitutes), minimum 3 girl participants in each team were required.

Expert Panel Discussion on Union Budget 2023-24:

The Economics Association of the Department of Economics in collaboration with the Department of Sociology and Social Work & Department of Political Science. Organized a Socio-Economic and Political Analysis of Union Budget 2023-24 on 28th February 2023 in the seminar hall of Block- A by 11 am. The key speakers of the event were Prof. Arun Kumar (Retd. Professor JNU, Economist), Dr. Abhijith Kundu (Associate Professor, Sri Venkateshwara College, DU) and Dr. Avinash Kumar (Assistant Professor, Centre for Informal Sector and Labour Studies, JNU).

Student Panel Discussion on Union Budget 2023-24

On 1st March 2023, ECOINSPIRE- The Economics Association of the Department of Economics organized a student panel discussion, where a team of students from the Department of Economics analysed their observations on various aspects of the Union Budget 2023-24. Event was held in seminar hall A Block at 11:30 am.

Workshop on Time Series and Panel Data Analysis using STATA

The Research Cell, Department of Economics held a five-daysonline workshop on Time Series and Panel Data Analysis using STATA Software from 20-24th March 2023. It was specifically designed for students, research scholars and faculty from a background in social sciences and others.


Student Panel Discussion on Union Budget 202


Student Panel Discussion on Union Budget 202


Student Panel Discussion on Union Budget 2023-24

Upcoming Theme

Economics of Education and the National Education Policy 2020

The National Education Policy (NEP) 2020 provides a framework for reorganising and revamping higher education in India. Education is one of the fundament rights of any individual, it helps individuals to become responsible and productive members of the society. It fosters critical thinking, develops skills and knowledge, and makes a person more responsible towards the society as they contribute to the economy of the nation and participate fully in civic life. One of the major goals of the NEP is to increase access to education for all. This will involve expanding the reach of the education system, particularly in rural and remote areas, and ensuring that all children have access to quality education from an early age.Education encourages critical thinking, develops skills and knowledge, and increases one's sense of social responsibility.The NEP aims to provide quality education to all individuals, regardless of their socio-economic background, by promoting equity and inclusion. By focusing on developing skills and knowledge necessary for a 21st-century economy, such as critical thinking, creativity, and problem-solving, it aims to enhance productivity and innovation. The policy also emphasizes vocational education and training, which can equip individuals with the skills needed for various industries, thereby promoting entrepreneurship and job creation in the economy. We are calling for articles and creative works that focus on Economics, Education and the New Education Policy for the upcoming issue of the magazine. We also encourage students to send us articles, poems, stories and other interesting elements for our non-thematic categories on any subjects they find interesting

Guidelines for Submission (Thematic)

- Mention your Name, Class Code and Campus.
- Keep abbreviations to a minimum, particularly when they are not standard.
- The articles should be relevant to the theme.
- The main text should be under 1500 words and mandatorily sent in a Word file.
- Avoid the use of technical jargon, if possible.

Guidelines for Submission (Non-Thematic)

- Mention your name and class code.
- You may submit any articles, poems, or short stories which lie outside the theme of economics.
- Puzzles, cartoons, quizzes, and crosswords are also welcome.
- The main text should be under 1000 words and mandatorily sent in a Word file.
- Vulgarity and hate speech will not be considered

The submission deadline for the next issue of the magazine is July 31st 2023

For further queries, contact:-
oikos.ncr@christuniversity.in

A Still from the Student Panel Discussion on the Union Budget 2023-24 held on the First of March 2023

ECOINSPIRE-The Economics Association
Department of Economics
CHRIST (Deemed to be University), Delhi NCR