



ArthaShashtra

ECONOMICS NEWSLETTER

Jyoti Nivas College Autonomous
Hosur Road, Bangalore 560-095

(By the 2nd year B.A.Economics students)

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OUR MOTTO
"Let Your Light Shine."

OUR VISION
Communion, Excellence, Service, Relevance.

OUR MISSION
To Turn Out Intellectually Enlightened, Morally Upright, Spiritually Oriented, Socially Committed and Emotionally Balanced Young Persons

PRINCIPAL'S MESSAGE



Jyoti Nivas College is an educational institution with the immense responsibility of shaping the future citizens of this world. The education of women has been linked to their empowerment. With female students from varied backgrounds and with different skill sets and talents, JNC focuses on equity, inclusion, and nurturing diversity. Towards this initiative, the Department of Economics has been bringing out a newsletter, a collaborative endeavor of II BA (PYEC, PAEC, HSEC, ECSY, and ECEL) students.

The newsletter "Arthashashtra," created by the Department of Economics, serves as a platform to inspire students to extend their understanding beyond traditional classroom boundaries, aiming to foster innovative thinking and awareness among students about the multifaceted issues and challenges confronting the Indian economy.

The present newsletter envelops themes such as Emerging Economic Trends, Technology and Innovation, Economic growth, International Economics, and various other ideas. The 2023-2024 edition of this newsletter demonstrates a commitment to broadening the scope of economic discourse and equipping students with the knowledge and critical thinking skills needed to address the complex challenges facing the Indian Economy in the 21st century.

This initiative by the Department acts as a platform for the students to express their perspectives on some of the relevant economic issues. The second year B.A Students of Economics (PYEC, ECSY, HSEC, PAEC, and ECEL) have contributed immensely to the same and I congratulate them.

Dr. Sr. Mary Louisa . S
Principal

BRICS and its Relevance in Contemporary economy

What is a trade bloc?

Countries can "protect" their own economies from outside competition using Trading blocs. It is an intergovernmental agreement known as a trading bloc which reduces or eliminates regional trade barriers (both tariff and non-tariff) among the member states, facilitating trade between them as much as possible. It also promotes and allows the idea of free trade especially among the member countries. But they impose trade restrictions on non member nations, which has had a big influence on the pattern of international trade. Trade blocs leads to trade creation but also trade diversion due to the number of restrictions put upon the outside trading or trading with the non members of the bloc. Agreements on international commerce may present exporters with new prospects. Additionally, they can guarantee that imports from other nations are available at reasonable prices. There are varieties of trade blocs such as free trade area, custom union, common market and economic union. Some of the relevant examples of trade blocs are EU- European Union, ASEAN- Association of Southeast Asian Nation, BRICS- stands for the member countries Brazil, Russia, India, China, South Africa.

What is BRICS?

The acronym for Brazil, Russia, India, China, and South Africa is BRICS. The phrase was first coined in 2001 by economist Jim O'Neill of Goldman Sachs as BRIC (without South Africa). He predicted that the four BRIC economies would take the lead in the world economy by 2050. 2010 saw the addition of South Africa to the list.

Goal of BRICS

Cooperation, development, and influence in international affairs are the three core objectives of the BRICS. The goals of BRICS are to promote sustainable development, innovation and technology, social and cultural exchanges, political coordination, economic cooperation, development financing, and peace and security. It operates under the principles of equality, mutual benefit, and non-interference.

The coalition settles political conflicts and has economic and territorial goals. The three pillars of BRICS are people-to-people exchanges, economic and financial stability, political and security, and culture. In a variety of fields, including energy, health, education, science and technology, innovation, trade promotion, and the battle against transnational crime, it has established sectoral cooperation. For many years, BRICS has been listed as one of the developing market economies with the fastest rates of growth in the world. This was made possible during a period of global commodities boom by cheap labor costs, advantageous demography, and an abundance of natural resources.

Brics summit 2023

On August 22–24, 2023, the annual leader's summit of the BRICS (Brazil, Russia, India, China, and South Africa) was hosted by the members of BRICS, South Africa in Johannesburg. The decision to welcome six new members—Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates—who would formally join the organization on 1st January 2024 was the major highlight of the fifteenth summit. This was the first expansion seen since 2010 with the joining of South Africa tuning BRIC to BRICS.

The two leaders Xi Jinping and Prime Minister of India Narendra Modi discussed the major border issue during the summit. The Prime Minister of India brought up the issues along the Laos-Achin border in the western sector of the India-China border areas during a conversation with President Xi Jinping of China. The Prime Minister emphasized that the normalization of relations between China and India depends on maintaining calm and tranquility along the border as well as honoring and observing the Line of Agreement. One of the main highlights was the expansion, though when we analyze the benefits of such an expansion, we must question it. It is true that the founding members of the BRIC group were rapidly growing economies but the enlarged BRICS- 11 is less cohesive. This is because some of the new members are going through crises while others are prospering.

According to the South African president Cyril Ramaphosa, their agenda was beyond the economy and aimed to improve their infrastructure and development with the help of BRICS. During the Summit, Brazilian President Luiz Inacio Lula da Silva said that additional nations' desire to join the BRICS organization demonstrated the significance of the group's efforts to establish a new global economic order. "This summit reaffirmed the importance of BRICS, people-to-people exchanges & enhancing friendship & cooperation," says South African President Cyril Ramaphosa. During this summit, BRICS adopted two Johannesburg declarations. It exemplifies the shared ideals and objectives that guide our productive collaboration as the five BRICS nations.

India's Initiative

At the BRICS Summit, Prime Minister Modi emphasized that India follows the motto "One Earth, One Family, One Future." This viewpoint contradicts expansionism, aggressiveness, coercion, and hegemonic tendencies. China embodies all of the causes that contribute to global conflicts. India rejects hegemonic behavior by any nation within the group and recognizes that to be pragmatic, it must fight these tendencies by retaining interaction with strategically significant, like-minded countries. India has recently adopted an active foreign policy, which means that it will no longer simply observe world or regional events from the sidelines but will actively participate in altering the global landscape in a way that favors economic expansion. He acknowledged that India had given the BRICS a new direction in a number of important areas, including the Railway Research Network, closer collaboration among MSMEs, the online BRICS database, and the Startup Forum, and he also made five helpful recommendations for furthering member country cooperation. These included the establishment of the International Big Cat Alliance to protect them, the BRICS Space Exploration Consortium to promote

global good in fields like weather monitoring and space research, improved collaboration in education, skill development, and technology to prepare societies for future challenges, skill mapping to identify each other's strengths to complement each other in the journey of development, and the establishment of a traditional medicine representative. BRICS has changed from its initial concept in 2016—"Building Responsive, Inclusive, and Collective Solutions"—to its present definition, "Breaking barriers, Revitalising economies, Inspiring Innovation, Creating Opportunities, and Shaping the Future." He asked the group to actively participate in making the new concept meaningful. India has come to represent the Global South because it recognises that the region needs attention. India has proposed that the G-20 provide permanent membership to the African Union. He urged G-20 Summit attendees, who are part of the BRICS, to support this endeavor.

India and BRICS

Following the COVID-19 pandemic, the Indian economy recovered well, with 7.2 percent GDP growth in the 2022–2023 fiscal year. India's policies have implemented numerous measures to boost exports, the country's economy, and its rapid economic growth over the last ten years.

It is estimated that India's nominal GDP will reach approximately US\$3.75 trillion by June 2023, indicating a noteworthy growth rate of 16.1 percent. The focus of New Delhi's foreign policy is appropriate. It also includes implementing reforms, increasing industrial production and exports, increasing private investment, increasing consumption, leveraging available resources, increasing foreign exchange reserves, increasing private sector investments, the flow of foreign direct investment continuing, and appropriate economic growth. All of these factors contribute to the service sector. India's economy currently ranks fifth in the world.

Industry, agriculture, services, and the financial sector are significant economic and commercial sectors in India due to the growth of the country's industrial infrastructure and the absence of total reliance on any one industry. India has nearly doubled its GDP per person over the past ten years, and it can use BRICS as a platform to increase its worldwide influence.

With its commercial partners, New Delhi has made progress in negotiating free trade agreements (FTAs). To encourage commerce, it has also implemented several initiatives, such as open access to BRICS and plans for a digital platform.

Future of BRICS

A crucial turning point for the BRICS' future global leadership and development will occur in 2024. The combined efforts of the BRICS are evident in their cooperation and collaboration in creating SWIFT substitute payment systems, gradually creating a financial system that is not based on dollars, creating a common payment system called BRICS Pay, increasing trade in each country's native currency, and creating a common currency.

While each is moving forward at a different rate, it will be a big step forward when the corresponding digital currencies are used to settle upcoming intra-BRICS transactions. By the beginning of 2025, China, India, and Russia are all set to introduce their digital currencies for widespread use. This will lessen the fear of the same against other nations and enable trade to be done between them without the need for the global SWIFT network. South Africa and Brazil follow closely behind. While most BRICS members achieved this technical stage three years ago, the United States and the European Union, which have somewhat more sophisticated financial markets, have only lately agreed on their digital currency protocols.

By Sowmya Jayaram, Nidhi Santosh
II BA PYEC

MAKE THE MATCH- FAMOUS PERSONALITIES

1. The first Nobel prize winning economist of India.
2. Wealth of (Some) Nations
3. Wealth of Nations
4. Wealth and Welfare
5. Capitalism and Freedom
6. Father of Indian economic planning
7. The General Theory of Employment, Interest and Money
8. The first woman Nobel prize winning economist
9. Author of Arthashashtra
10. First woman chief economist of IMF

- A. Sir M Visvesvaraya
- B. John Maynard Keynes
- C. Arthur Cecil Pigou
- D. Amartya Sen
- E. Milton Friedman
- F. Elinor Ostrom
- G. Adam Smith
- H. Gita Gopinath
- I. Kautilya
- J. Zak Cope

By Aishwariya,
Buela
II BA PAEC
II BA ECSY

FAMOUS FACTS ABOUT ECONOMISTS

ADAM SMITH (16 June 1723-17 July 1790)

- ☒ Adam Smith was the first Scotsman to appear on English money.
- ☒ Smith trained to be an Anglican priest, but never took vows.
- ☒ His personal library consisted of nearly 1,500 books.

JOHN MAYNARD KEYNES (5 June 1883-21 April 1946)

- ☒ Keynes was a director of the Bank of England from 1941 to 1946.
- ☒ Keynes' General Theory was written during a time of Deep Depression.

AMARTYA SEN (Born in 3 November 1933)

- ☒ He was awarded the 1998 Nobel Prize in Economic Sciences for his contributions to welfare economics and social choice theory.

JOAN ROBINSON (31 October 1903-5 August 1983)

- ☒ first woman to be made an honorary fellow of King's College.
- ☒ Made contributions to growth theory
- ☒ Joan Robinson was a frequent visitor to the Centre for Development Studies in Thiruvananthapuram, India.
- ☒ She was in the same league as others who received the Nobel Prize.

DAVID RICARDO (18 April 1772-11 September 1823)

- ☒ Did you know that Ricardo had a passion for finance and trading? Before becoming an economist, he made a fortune as a stockbroker on the London Stock Exchange.

JEAN-BAPTISTE SAY (5 January 1767-15 November 1832)

- ☒ Say was not only an economist but also a successful entrepreneur. He started and managed his own cotton spinning mill.

By Ramhlunpuii, Hmangaihzuai

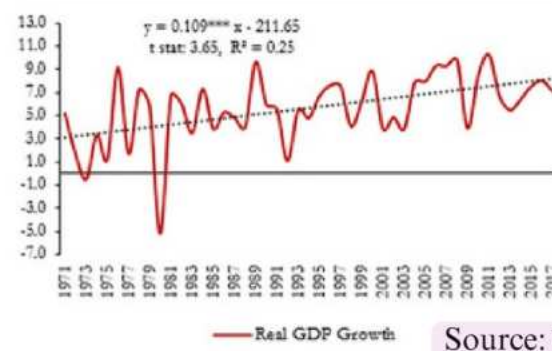
II BA PAEC

II BA ECSY

INDIA AND ITS PATH TOWARDS A \$5 TRILLION ECONOMY

INTRODUCTION: India's economy has been steadily growing over the years with its long-term economic growth steadily accelerating over the past 5 decades. From a 4.4% annual growth in the 1970s and 1980s to a 5.5% in the 1990s and early 2000s and a further jump to an averaged 7.1% growth in the past decade. This accelerated growth has been driven by contributing factors like a large young demographic population, rising urbanization, stable yet diversified growth within economic sectors and a shock resilient economy. Despite occasional setbacks, India today is one of the fastest growing economies of the world even outpacing China's growth rate as of 2022.

India's growth rate over the past 5 decades



Source: World Bank

This "Golden bird" of the pre-colonial era with its richly diverse cultural history boasting an intricate economic landscape is embarking on an ambitious journey towards the goal of becoming a \$5 trillion economy and the third largest economy in the next 5 years with a higher long-term goal of becoming a developed nation by 2047. This article aims to explore the various aspects of India's growth trajectory, exploring the opportunities, challenges and initiatives involved in achieving this monumental goal.

INDIA TODAY: 2023 for India stood as a pivotal juncture achieving significant milestones including its first-time presidency over the G20 forum highlighting its burgeoning economic prowess, bolstered geopolitical influence, and a remarkable display of diplomatic finesse. During the fiscal year 2022-23, India achieved a commendable growth rate of 7.2% solidifying its position as the second-highest performer among the G20 nations that year. In the realm of the global economy, India made a significant contribution accounting for an impressive 16% of the overall global growth in 2023. Since its inception in April 2016 the Unified Payments Interface (UPI) has made substantial strides resulting in a staggering estimated savings of approximately \$67 billion for the Indian economy. May 2023 witnessed an astounding surge as UPI facilitated a staggering 9.41 billion transactions, totaling an impressive INR 14.89 lakh crore (\$181 billion) in value, further solidifying its position as a formidable force in the realm of financial transactions.

The buoyant atmosphere of positivity exuded by India extends its influence on the business world in 2024, as evidenced by a significant leap as the 5th most favored investment destination for global CEOs as per PwC's 27th Annual Global CEO Survey from its previous standing at 9th place in 2023. The Central Statistics Office unveiled its latest projections on the gross domestic product (GDP) for India, revealing a growth rate of 7.3% for the fiscal year 2023-24. As of 7 February 2024, India is a \$4.11 trillion economy and is ranked the 5th largest economy in the world.

KEY DRIVERS & INITIATIVES:

☒ **Demographic dividend:** Demographic dividend is the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population is larger than the non-working-age share of the population (UNFPA). In 2023, India became the most populous country in the world surpassing China. As the population expands, there will be a concomitant rise in the demand for goods and services and intense pressure on the economy to fulfill this demand. However, India can at the same time leverage its biggest strength by realizing the potential its demographic dividend currently holds. India is currently experiencing a phase where its working-age population is increasing while the old-age dependency ratio is declining. With an average age of 29 years, India has one of the youngest working populations in the world with 53% of citizens under the age of 30. This presents a significant opportunity for economic growth provided adequate investment in education and healthcare facilities, opportunities for improving productivity, improving labor force participation, and employment opportunities that include government initiatives like Skill India, Vision 2025, NEP2020, Ayushman Bharat, Jan Shikshan Sansthan, Make in India and investments in MSMEs.

☒ **Urbanization and Infrastructural Development:** Urbanization plays a pivotal role in shaping the social, economic, and political topography of the nation, serving as a catalyst for robust economic growth through the facilitation of industrialization and modernization. Furthermore, urbanization has fostered the advancement of essential social infrastructures, including educational and healthcare facilities. Moreover, it has engendered a fusion of diverse cultures, thereby propelling societal progress. The government has introduced various schemes and initiatives to harness this potential of urbanization through the smart cities mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and Pradhan Mantri Awas Yojana.

☒ **Digital revolution:** India is experiencing a digital revolution with increasing internet penetration, smartphone adoption, and digital payments laying the foundation for a thriving digital economy. The government in recent times has further underscored its dedicated efforts to propel the digital revolution in India, with particular emphasis on amplifying its impact in key sectors such as health, agriculture, and education by harnessing the latest technologies like Artificial Intelligence (AI) making it more commonly accessible and thus promoting the welfare of its people. With this outlook at hand, the government has introduced various initiatives and schemes including Digital India, e-governance, e-Kranti, Aadhaar system, and digital payment methods including UPI and BHIM.

CHALLENGES:

☒ **Income inequality:** For decades, income inequality has persisted as a deeply entrenched and multifaceted concern within the socio-economic fabric of India, presenting formidable challenges. Despite the notable strides in economic growth, the benefits enjoyed remain unequal. One prominent cause is the relentless march of technological progress, wherein automation and advancements empower skilled workers, leaving those with limited technical expertise marginalized and struggling to compete in the evolving labor market. Moreover globalization, while fostering economic expansion and attracting foreign investment, concurrently contribute to wage stagnation in certain sectors, adversely affecting low-skilled workers who find themselves grappling with limited opportunities for upward mobility. The consequences of income inequality are far-reaching and profound. Widening income gaps erode social cohesion, creating a situation of

unrest, resentment, and marginalization among disadvantaged groups. Moreover, unequal access to healthcare services and the educational divide perpetuates socio-economic disparities, as it leads to divergent health outcomes and lack of education promotes the continuance of generational illiteracy and poverty.

☒ **Job creation:** Generating employment opportunities for millions of youths entering the workforce each year is imperative to harnessing India's demographic dividend. India grapples with multifaceted challenges in its quest for robust job creation. Among these, the surge in youth unemployment stands out starkly, having increased threefold from 5.7% in 2000 to a concerning 17.5% in 2019. This escalating trend poses a formidable obstacle to the nation's workforce dynamics. Despite recent signs of an upward trajectory in employment growth, the pace remains insufficient, necessitating urgent measures to accelerate job creation initiatives. Moreover, the pervasive dominance of the informal sector looms large, encompassing a staggering 82% of total employment. This prevalence of self-employment and casual labor engenders low wages and precarious job security, perpetuating economic vulnerabilities. Moreover, labor market inequalities, including gender disparities and regional imbalances, pose formidable barriers to inclusive economic participation. As India undergoes rapid urbanization, with migration rates projected to soar to 40% by 2030 and the urban population expected to exceed 600 million, the challenges of integrating migrants into the workforce and managing urban employment dynamics loom large for the economy.

☒ **Declining performance of manufacturing sector and reduced consumption:** The manufacturing sector, a linchpin of economic growth owing to its contributions to value addition, exports, and employment, has had an endured period of underperformance in India over the past decade. Manifested by a notable decline of approximately 3% in gross value added (GVA) during the fiscal year 2019-20, this trend underscores systemic challenges plaguing the sector. Factors contributing to this downturn include the disruptive impacts of demonetization and the implementation of the Goods and Services Tax (GST), escalating global trade tensions and a lack of competitiveness in the international marketplace. Moreover, the erosion in consumption, a pivotal determinant of GDP vitality reflective of purchasing power and living standards, has emerged as a concerning trend in India's economic narrative. Evidenced by a perceptible decrease in consumption expenditure as a share of GDP from 60.5% in 2019-20 to 57.5% in 2021-22.

FUTURE PROSPECTS: India's journey is marked by immense potential coupled with formidable challenges. By leveraging its demographic dividend, embracing technological innovation, and implementing reforms, India can realize its vision of becoming a global economic powerhouse while ensuring sustainable and inclusive growth for all its citizens. Fulfilling this global goal will be made possible by strategic policies and programs of the government at striking a balance between economic growth, social inclusiveness, and sustainability. Extensive labor reforms coupled with investments for a worldwide manufacturing industry serviced with highly skilled workers and an increased female participation in the workforce can contribute to the growth of India's economy in the path to a \$5 trillion dollar economy.

**By Onenjungla Longkumer, Shirisha Renati
II BA PAEC**

It is common to distinguish necessities, comforts, and luxuries; the first class including all things required to meet wants which must be satisfied, while the latter consist of things that meet wants of a less urgent character.

Alfred Marshall

Navigating the E-commerce Terrain: Insights into Behavioral Economics, Branding, and Post-Pandemic Consumer Behavior in India

The Indian online business sector is thriving, witnessing new entrants regularly, with much of its growth attributed to the e-commerce industry. However, many fail to grasp the complexities in this field. E-commerce, or electronic commerce, refers to conducting trade in goods and services via electronic means and the internet. It encompasses conducting business over the internet, utilizing technologies like Electronic Data Interchange (EDI). E-commerce typically involves vendors selling goods or services directly through their websites, facilitated by digital shopping carts and various online payment methods such as credit cards, debit cards, or electronic fund transfers. This industry streamlines order management processes, facilitates interactions with suppliers and trading partners, and enables business transactions electronically, without the need for physical exchanges or direct contact. In this article we are exploring two things: firstly how branding influences consumer behavior and secondly how a change in consumer behavior facilitated the post-pandemic consumer shift.

How does Branding Influence Consumer Behavior?

The brand image represents consumers' subconscious perceptions of a product, shaped by their experiences and expectations (Pujadi, 2010). In the realm of online shopping, the website and service quality greatly influence brand image. Online service providers like Flipkart or Amazon, carries higher perceived risks due to various attributes beyond just the products offered. Previous marketing efforts significantly impact brand credibility and future purchasing decisions (Erdem, Swait & Louviere, 2002). To foster brand loyalty, e-commerce brands must ensure a positive user experience across their websites. Factors like perceived value, influenced by price perception and product engagement, reflect on brand quality. Prompt customer service responses contribute to higher online shopping frequency. Maintaining trust is pivotal for long-term brand success (Morgan and Hunt, 1994). Purchase behavior is centered on building and preserving valuable relationships rooted in trust (Chaudhari & Holbrook, 2001). Delivery performance notably influences customer satisfaction (Ahn et al., 2004; Ho, 2004; Grewal et al., 2004; Shih, 2004). An empirical study on Amazon and Flipkart examined the impact of various factors on customer satisfaction and purchase intention. The findings revealed significant correlations, emphasizing the importance of factors like privacy, trust, and product variety. The study underscores Amazon's higher popularity and trust compared to Flipkart in India.

In conclusion, the study highlights the critical role of customer perception in shaping brand success in the online shopping landscape. It suggests avenues for further research to explore the influence of perceived value on brand trust (Pujadi, 2010; Erdem, Swait & Louviere, 2002; Chaudhari & Holbrook, 2001).

India's Post-Pandemic Consumer Shift: E-commerce & Sustainability

Amid the pandemic's aftermath, India underwent an unprecedented digital transformation, embracing virtual platforms like never before. E-commerce emerged as a crucial resource for consumers, offering a wide array of goods from groceries to fashion. The surge in popularity of mobile payment apps facilitated seamless and contactless transactions. This shift towards digital shopping, from virtual carts to doorstep deliveries, has permanently changed the retail landscape and interpersonal interactions. A recent study conducted by OneGreen, a prominent e-commerce platform for sustainable products in Asia, highlights a trend towards health-conscious and eco-friendly purchasing among Indians. The survey revealed that 80% of respondents altered their buying habits to prioritize health and well-being, with 60% considering environmental factors when making purchases. These findings indicate a growing preference for "green" choices, reflecting a conscious effort towards sustainable and mindful consumption habits.

In response to the pandemic, Indians swiftly embraced home-based services, including virtual meetings, online education, and telemedicine. This period also prompted a re-evaluation of consumption patterns, with sustainability and ethical considerations taking precedence. Consumers are now actively seeking eco-friendly products and socially responsible brands that align with their values, shaping a more sustainable future through their purchasing decisions. Furthermore, there has been a notable trend of supporting local businesses, with neighbors becoming customers and local vendors gaining recognition as heroes. Recognizing the significance of vibrant local economies, consumers have embraced nearby stores and hyper-local delivery services. Accenture's 16th annual research report, based on a survey of over 25,000 consumers across 22 countries, reveals that 71% of respondents have re-evaluated their behaviors and values in response to the pandemic. This re-assessment has directly influenced their purchasing decisions, reflecting a shift towards conscious consumption, remote work adaptation, and cost-consciousness.

Overall, the COVID-19 pandemic has reshaped consumer behavior in India and globally, catalyzing digital transformation, health consciousness, sustainable consumption, local support, and a reassessment of values and priorities.

Conclusion

In the wake of the pandemic, branding has wielded unprecedented influence over consumer behavior in the realm of e-commerce. Post-pandemic, consumers continue to gravitate towards brands that align with their values, emphasizing sustainability, ethical practices, and community support. E-commerce platforms have become pivotal arenas for brands to showcase their identity and values, influencing consumer behavior through compelling storytelling, personalized experiences, and meaningful engagement strategies. The pandemic's aftermath has sparked an unprecedented digital revolution in India, bringing in a new era of virtual connectivity and the prominence of e-commerce. The retail landscape has been irreversibly altered by the emergence of e-commerce as a consumer lifeline, providing a wide array of goods and services, and the widespread use of mobile payment apps. In addition to completely changing consumer behavior, this massive shift toward online shopping has also transformed social interactions. Further evidence of an emerging preference for sustainable and thoughtful consumption comes from OneGreen's recent study, which highlights a notable shift in Indian consumers' purchasing behaviors towards eco-friendly and health-conscious options. The growing popularity of eco-friendly goods and socially conscious companies is more proof of this emphasis on sustainability. Understanding the intricate interplay between behavioral economics, branding strategies, and evolving consumer behavior is essential for businesses to navigate the dynamic landscape of e-commerce in India, especially in the post-pandemic era. By leveraging these insights, companies can adapt their marketing approaches, enhance customer engagement, and drive sustainable growth in this increasingly competitive marketplace.

By Kriti Sharma,
Ann Jose,
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Historical facts about behavioral economics

1. Early roots: While often associated with the latter half of the 20th century, behavioral economics dates back to the 18th century. Thinkers like Adam Smith and Jeremy Bentham incorporated psychological aspects into their economic theories, laying the groundwork for future developments.
 2. Challenging assumptions: The modern field of behavioral economics is largely credited to the work of Herbert Simon, who in the 1950s, challenged the assumption of perfect rationality in economic decision-making. He proposed the concept of bounded rationality, acknowledging that individuals have limitations in processing information and making optimal choices.
 3. Prospect theory: A breakthrough came in the 1970s with the work of Amos Tversky and Daniel Kahneman. They developed prospect theory, which explains how individuals make decisions under risk, highlighting the influence of factors like framing and loss aversion.
 4. Nudge theory: In recent decades, Richard Thaler popularized the concept of nudge theory, which suggests that individuals' choices can be subtly influenced by how options are presented, without restricting their freedom. This approach has found applications in various areas, from public health to finance.
- These are just a few examples of the rich history of behavioral economics. The field continues to evolve, offering valuable insights into human decision-making and informing policies and practices in various domains.

By Sahiba Purohit
II BA PYEC

Current facts about behavioral economics

1. Growing influence: Behavioral economics is increasingly influencing various sectors beyond traditional economics. This includes fields like healthcare, where nudges are used to encourage healthier behaviors, and marketing, where understanding cognitive biases helps design effective campaigns.
 2. Focus on specific biases: Research within behavioral economics delves into specific cognitive biases and their impact on decision-making. Recent areas of focus include present bias (favoring immediate rewards over long-term benefits) and confirmation bias (seeking information that confirms existing beliefs).
 3. Ethical considerations: As the field matures, ethical considerations surrounding the use of behavioral insights are becoming more prominent. Discussions focus on ensuring transparency and avoiding manipulation when applying nudges and other techniques.
 4. Technological advancements: The rise of big data and machine learning offers new opportunities for behavioral economics. By analyzing vast amounts of data, researchers can gain deeper insights into human behavior and develop more effective interventions.
 5. Public policy applications: Behavioral economics knowledge is increasingly used in developing and implementing public policies. This can involve designing programs to encourage saving for retirement, promoting energy efficiency, or increasing voter turnout.
 6. Global reach: The application of behavioral economics is no longer limited to developed nations. It's gaining traction in developing countries to address issues like poverty, healthcare access, and environmental sustainability.
- These are just a few examples of the current trends and applications in the field of behavioural economics. As the field continues to evolve, we can expect even more exciting developments in understanding and influencing human behaviour.

BEHAVIORAL ECONOMICS

Neo-Classical Economics assumes that most people have well-defined preferences, and make well-informed, self-interested decisions based on their preferences. Behavioral economics is grounded in empirical observations of human behavior, understanding how and why people behave the way they do in the real world. It combines elements of economics and psychology. This field demonstrated that people do not always make "rational" or "optimal" decisions, even if they have the information and the tools available. Behavioral economics has expanded since the 1980s. Some important ideas in the field can be traced back to 18th-century Scottish economist Adam Smith. He recognized that people are often overconfident in their abilities, more afraid of losing than they are eager to win and more likely to pursue short-term over long-term benefits. The pioneers of this field include Nobel laureate in Economic Sciences, Richard Thaler. The field has early roots in the work of Israeli psychologists Amos Tversky and Daniel Kahneman on uncertainty and risk. In the 1970s and '80s, they identified several consistent biases in the way people make judgments. Individuals are bounded by rationality, in which individuals make decisions based on the knowledge they have. Information is often limited by an individual's lack of expertise or lack of available information. Regarding finance and investing, investors may not know the true circumstances of the company's functioning. People can be easily manipulated, and this is often on display in the way promoters craft incentives or deals to make consumers buy certain products. This type of design is meant to steer a consumer into making a decision based on a choreographed demonstration usually between complementary goods.

Everybody makes conscious and unconscious decisions that are influenced by cognitive bias. For example, when choosing between two companies to invest in, behavioral economics holds the theory that the color of the logo, or the city in which each company is headquartered may stir up an unknown bias that causes us to choose one of the companies.

Many consumer decisions are influenced by what other people are doing. Herd mentality is the belief that individual decisions are swayed based on what other people do, not necessarily on what is the best outcome.

In an ideal world, people would always make optimal decisions that provide them with the greatest benefit and satisfaction. In economics, rational choice theory states that when humans are presented with various options under the conditions of scarcity, they would choose the option that maximizes their satisfaction. This theory assumes that people, given their preferences and constraints, are capable of making rational decisions by effectively weighing the costs and benefits of each option available to them. The final decision made will be the best choice for the individual. Behavioral economics explains that humans are not rational and are incapable of making good decisions. Companies use information from behavioral economics to price their goods, craft their commercials, and package their products.

Principles of Behavioral Economics.

The "Sunk Cost fallacy" is the idea that people are less willing to give up on projects they have personally invested in, even if it means more risk. Thaler is also known for popularizing the concept of the "nudge". A nudge takes advantage of human psychology including mental accounting. For example, the idea that people treat money differently based on context. "Heuristics" refers to the cognitive shortcuts that individuals use to simplify decision-making processes in economic situations. Behavioral economics is a field that integrates insights from psychology and economics to better understand how people make decisions.

By Amita Ponappa
II BA PYEC

Psychological impact of health care inflation on people

Inflation is a condition in the economy when there is a rise in the overall prices of various commodities. It is a condition when the money people spend in an economy is more than it can be spent, and this can be due to an increase in demand or a supply chain issue. Inflation takes a toll on many commodities including healthcare, food, housing, education, and much more. Discussions on increases in prices of food items, petroleum, house rents are very common but inflation in the field of healthcare is something that is not talked much about. This article highlights the effects of inflation in the field of healthcare and how it can psychologically affect people around us. Healthcare inflation is when the cost of healthcare services and medical treatments increases over time. Health inflation differs from general inflation as it specifically includes only the healthcare sector. Health inflation tends to outpace general inflation due to factors such as advancements in demand for medical technology, increases in healthcare services, and rising costs of prescription drugs. As a result, healthcare expenses can consume a large portion of an individual's budget, impacting their financial well-being differently from the effects of general inflation.

This rise in inflation in the field of healthcare can partially be blamed on COVID-19 as it stressed out the whole economy of the country especially stressing out the healthcare sector. The lockdown caused panic among people due to the health crisis and uncertainty about their income and jobs. The sudden increase in demand in the healthcare sector disrupted the supply chain in the sector, thus increasing the prices and the rates of treatments and equipment in the healthcare sector. To manage this crisis of inflation in the healthcare sector, people need to be aware of healthcare education. The government must work on bringing price transparency, educating people about health and medical insurance and drug price regulations. Installing effective policies to manage the rising prices can be a way to mitigate this problem as well.

By Unnati Jitesh Bhagat, Pavana M
II BA PYEC

Microsoft and its \$3 Trillion Dollar Economy

Microsoft achieved a historic 3 trillion-dollar market valuation recently. It was breaking news in the tech field. But this news raised a lot of questions. How it happened? Did someone help Microsoft Corp? How did Microsoft Corp. manage to achieve this historic valuation? Everything happens for a reason and every question has an answer.

AI is revolutionizing various aspects of life, including home chores and office tasks. Because of its excitement about artificial intelligence, Microsoft Corp. was able to acquire a historic \$3 trillion market capitalization. The stock increased by around 13% to \$403.95, resulting in a \$3 trillion market capitalization. Crossing this barrier solidifies Microsoft's place among the biggest publicly traded companies. For a moment, its value exceeded that of Apple Inc. Microsoft's long-term development prospects are expected to be supported by the demand for AI services and the cloud computing infrastructure that supports them. According to data from Bloomberg Intelligence, revenue is predicted to increase by around 15% in its fiscal year 2024—faster than the growth of the tech sector as a whole.

Microsoft's Office tools, including Microsoft 365, are set to be enhanced with AI-powered tools called Microsoft 365 Copilot as well as Microsoft Binge. Microsoft 365 Copilot is an AI chatbot assistant powered by Open AI's GPT4 that integrates with emails, documents, meetings, and the Business Chat service. Microsoft launched Copilot for business users in September 2023, putting a large wager on artificial intelligence. Microsoft has now made Copilot available to almost all 365 market sector customers by releasing it.

Microsoft seems to be quite confident in the technology, as evidenced by the fact that it is implementing Copilot with a premium upgrade price in almost every 365-market sector.

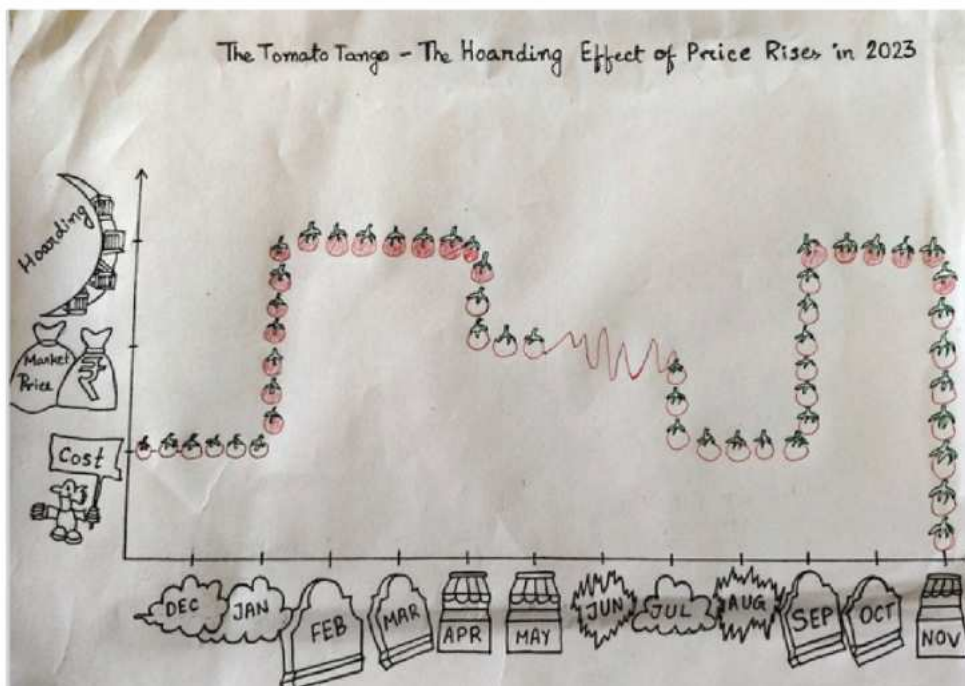
By Kumari Jagrity
II BA ECEL



The Tomato Tango

The Hoarding Effect of Price Rises in 2023

By Parnasree Saha
II BA ECEL



NAVIGATING INDIA'S ECONOMY



Introduction:

India, the world's biggest democracy and one of the fastest-developing economies, stands at a pivotal juncture in its monetary trajectory. Navigating via a myriad of challenges and possibilities, India's economic system has been the concern of scrutiny, admiration, and strategic interest globally. This article delves into the multifaceted dimensions of India's economy, exploring its strengths, weaknesses, and the potential pathways closer to sustainable increase and improvement.

1. Historical Context:

India's economic journey lines across centuries, is marked by intervals of prosperity, colonial rule, and independence-demanding situations. The liberalization reforms of the early 1990s heralded a new generation of monetary liberalization, privatization, and globalization, transforming India right into a extra market-oriented economic system.

2. Strengths of India's Economy:

A. Demographic Dividend: With a younger and burgeoning populace, India possesses a demographic dividend that provides both opportunities and demanding situations. Harnessing this demographic benefit through skill improvement, education, and employment generation is critical for sustaining economic increase.

B. Vibrant Entrepreneurial Ecosystem: India is home to a colourful startup surroundings, fueled by means of a culture of innovation, entrepreneurship, and technological prowess. Startups in sectors like e-trade, fintech, and renewable strength have garnered international interest, attracting great investments and fostering financial dynamism.

3. Challenges and Constraints:

A. Infrastructure Deficit: Despite vast development, India's infrastructure remains inadequate to aid its growing economic system. Investments in transportation, strength, and urban infrastructure are vital to enhance productivity, connectivity, and competitiveness.

B. Income Disparities and Social Inequities: Income inequalities and disparities in getting admission to fundamental services persist, posing socio-monetary demanding situations. Addressing these disparities through inclusive policies and targeted interventions is essential for fostering equitable boom and social concord.

4. Policy Imperatives for Sustainable Growth:

A. Enhancing Ease of Doing Business: Streamlining regulatory tactics, reducing bureaucratic red tapism, and fostering a conducive commercial enterprise surroundings are critical to draw investments, sell entrepreneurship, and stimulate financial activity.

B. Promoting Innovation and Research: Investing in research and improvement (R&D) infrastructure, promoting innovation ecosystems, and incentivizing generation adoption are critical for enhancing competitiveness, productivity, and resilience in a swiftly evolving global panorama.

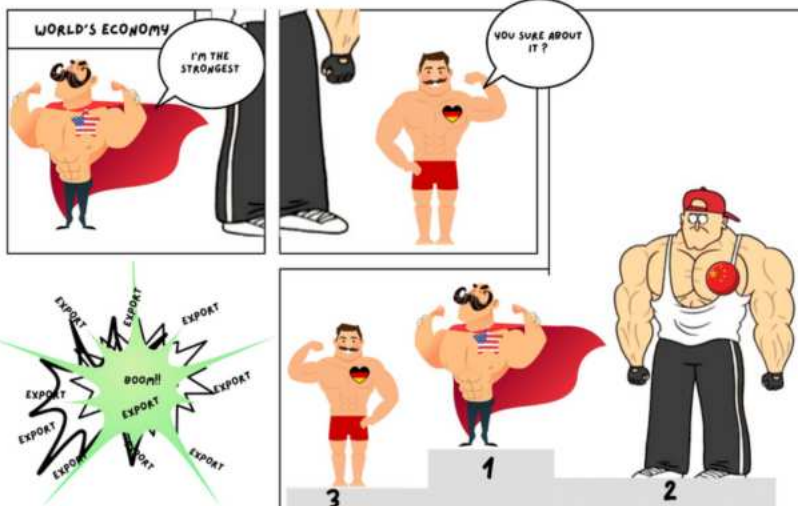
5. Conclusion:

India's economic system stands poised at a essential juncture, characterized by vast capacity, continual demanding situations, and transformative opportunities. Navigating through the complexities of a unexpectedly converting world calls for concerted efforts, visionary management, and inclusive regulations. By harnessing its demographic dividend, fostering innovation, and addressing structural bottlenecks, India can propel itself towards a trajectory of sustainable and inclusive growth, reaffirming its role as a worldwide financial powerhouse.

This article provides a holistic overview of India's economy, studying its strengths, demanding situations, and coverage imperatives for sustainable boom. As India maintains its journey towards financial prosperity, embracing innovation, inclusivity, and resilience can be paramount in shaping its destiny trajectory.

By Syeda Iqra Aiman
II BA ECEL

WORLD'S LARGEST ECONOMY CHAMPIONSHIP



By Kiran Dewasi, Chiging Nuna
II BA HSEC, II BA ECSY

Man is an animal that makes bargains; no other animal does this - no dog exchanges bones with another.

Adam Smith

The Economics of Fashion Trends and Consumer Behavior

Introduction

The ever-interesting phenomenon of fashion trends reflects complex economic principles in addition to societal preferences. Studying consumer behavior, market dynamics, and the relationship between supply and demand in the fashion industry is necessary to comprehend the economics of fashion trends.

Customer Behavior: A major factor in determining fashion trends is consumer behavior. The desire for particular styles, colors, and brands is driven by people's preferences, which are influenced by a wide range of factors like culture, social status, and the media. Economist Thorstein Veblen first introduced the idea of conspicuous consumption, which emphasizes how people use clothing to express their identities and social status. Additionally, the psychology of fashion consumption shows that people frequently use their wardrobe choices to satisfy their need for novelty and social validation. Consumers fuel the cyclical nature of fashion trends; a constant search for the newest styles to fit in with society norms and stand out from the crowd.

Market Dynamics: The fashion industry works in a dynamic environment where tastes, preferences, and technology are changing quickly. Retailers, marketers, and fashion designers must maneuver through this unstable terrain to predict and profit from new trends. By swiftly converting runway designs into reasonably priced clothing, fast fashion retailers, for example, have transformed the industry and satisfied customers' needs for instant gratification and variety. Additionally, the emergence of social media and digital platforms has democratized fashion by enabling users to directly influence trends through online communities and user-generated content. The industry's power dynamics have changed as a result of this democratization, upending established gatekeepers and promoting a more diverse and inclusive fashion scene.

Supply and Demand: The concepts of supply and demand are closely related to the economics of fashion trends. Fashion brands must adapt their inventory management and production processes to keep up with changing consumer preferences. Manufacturers and retailers face difficulties as a result of this inherent uncertainty because they have to weigh the risks of overproduction against the potential losses from understocking popular items. In the fashion industry, scarcity also frequently drives demand since limited edition releases and exclusive collaborations instill a sense of urgency in buyers. In particular, luxury brands use scarcity to uphold premium pricing and foster an air of exclusivity surrounding their goods.

In conclusion, there are many facets and dynamics to the economics of consumer behavior and fashion trends. Fashion businesses that want to succeed in a constantly evolving industry must comprehend how supply and demand, market dynamics, and consumer preferences interact. Fashion industry participants can profit from new trends, manage uncertainty, and build enduring relationships with customers by utilizing economics insights.

By Amulya Jecinta K, Annupriya Aind

II BA PYEC

Capital is that part of wealth which is devoted to obtaining further wealth

Alfred Marshall

ECONOMICS QUIZ

TRY NOW ↓

Test your Economics knowledge with these easy questions. Brainstorm your way through it!!!

A. Who is the father of economics?

1. Alfred Marshall
2. John Keynes
3. Adam Smith
4. Milton Friedman

B. Economics is the study of

1. Money
2. Stock market
3. Scarcity
4. Business

C. Who is the lender of last resort in the banking structure?

1. State bank of India
2. Kotak bank
3. Exim bank of India
4. Reserve Bank of India

D. If the government of India restricts the import of sugar, who is to benefit?

1. Consumers of products that use sugar
2. India's sugar producers
3. Producers that use sugar as raw material
4. No one

E. Which economic term is used to measure the overall performance of the economy.

1. GDP
2. GNP
3. GINI
4. HDI

F. _____ compared inflation with robbers.

1. Amartya Sen
2. Adam Smith
3. Professor Brahmmand and wakeel
4. David Ricardo

ANSWER KEY

- A. (3) Adam Smith
- B. (3) Scarcity
- C. (4) Reserve Bank of India
- D. (2) India's sugar producers
- E. (1) GDP
- F. (3) Professor Brahmmand and wakeel

By- Ishannita Mukherjee

II BA PYEC

Exploring the Intricacies of Behavioral Economics

Introduction:

Behavioral economics, at its core, is an interdisciplinary field that merges insights from psychology and economics to understand how individuals make decisions in various contexts. Unlike traditional economic models that assume people are rational actors who always make optimal choices, behavioral economics acknowledges that human behavior is often influenced by cognitive biases, emotions, and social factors.

In this study, we will embark on a journey to explore the intricacies of behavioral economics, from its theoretical foundations to its practical applications in business, public policy, and everyday life. We will delve into the psychology of decision-making, uncovering the biases and heuristics that shape our choices. We will examine the principles of Prospect Theory and loss aversion, and we will explore the power of nudges in guiding behavior toward more desirable outcomes. Through real-world examples and case studies, we will demonstrate how behavioral economics can be leveraged to drive positive change and create a more informed and compassionate society.

Part 1: Understanding Human Behavior

To understand behavioral economics, we must first understand the complexities of human behavior. Our decisions are influenced by a myriad of factors, including cognitive biases, emotions, social norms, and environmental cues. By studying these influences, behavioral economists seek to uncover the underlying mechanisms that drive our choices.

Part 2: Cognitive Biases and Heuristics

One of the central tenets of behavioral economics is the recognition of cognitive biases—systematic patterns of deviation from rationality that affect our judgments and decisions. From confirmation bias to anchoring bias, we'll explore how these biases shape our perceptions and lead to suboptimal decision-making outcomes. Additionally, we will examine heuristics—mental shortcuts that help us make decisions quickly but can also lead to errors in judgment.

Part 3: Prospect Theory and Loss Aversion

Prospect Theory, developed by Daniel Kahneman and Amos Tversky, revolutionized the field of behavioral economics by offering a new framework for understanding decision-making under uncertainty. We'll delve into the principles of Prospect Theory and explore how individuals weigh potential gains and losses when making decisions. Furthermore, the concept of loss aversion is the tendency for people to prefer avoiding losses over acquiring equivalent gains—and its implications for risk-taking behavior.

Part 4: The Power of Nudges

Nudges are subtle interventions designed to steer individuals towards making better choices without restricting their freedom. Drawing on insights from behavioral economics and psychology, nudges leverage principles such as social norms, default options, and framing to influence behavior. We'll scrutinize how nudges have been used to promote healthy behaviors, encourage sustainable practices, and improve decision-making outcomes in various domains.

Part 5: Behavioral Economics in Business

In the business world, understanding consumer behavior is essential for success. Behavioral economics offers valuable insights into consumer preferences, decision-making processes, and purchasing behavior. We will see how businesses can apply behavioral economics principles to design more effective marketing strategies, pricing models, and product offerings, ultimately driving growth and enhancing customer satisfaction.

Part 6: Behavioral Economics in Public Policy

Public policymakers are increasingly turning to behavioral economics to design interventions that address societal challenges and promote the public good. By understanding the cognitive biases that influence human behavior, policymakers can design more effective policies in areas such as healthcare, education, and environmental conservation. Here we will analyze how behavioral economics has been applied to improve vaccination rates, increase organ donation, and encourage energy conservation, among other initiatives.

Part 7: Ethical Considerations in Behavioral Economics

While behavioral economics has the potential to drive positive change, it also raises ethical considerations. As we harness the power of behavioral insights to influence behavior, we must ensure that our interventions uphold principles of autonomy, beneficence, and justice. We will go into ethical frameworks for evaluating behavioral interventions and consider the potential risks and unintended consequences associated with their implementation.

Part 8: Emerging Trends and Future Directions

As behavioral economics continues to evolve, new trends and developments are shaping the field. From advancements in behavioral science research to innovative applications in technology and artificial intelligence, the future of behavioral economics is full of exciting possibilities. We will study the emerging trends such as personalized nudges, predictive analytics, and behavioral design, and discuss their potential implications for society.

Conclusion

In conclusion, behavioral economics offers a rich and nuanced understanding of human behavior and decision-making. By acknowledging the limitations of traditional economic models and embracing insights from psychology, behavioral economics has the potential to revolutionize our approach to solving complex societal challenges. As we navigate the complexities of the modern world, the principles of behavioral economics provide us with valuable tools for driving positive change and creating a more informed and compassionate society.

By Shreya T.R

II BA HSEC

MSMEs: The Cornerstone of India's Economic Future

Introduction:

Micro, Small, and Medium Enterprises (MSMEs) constitute the backbone of India's economy, contributing significantly to employment generation, industrial output, and export earnings. In recent years, MSMEs have emerged as key drivers of economic growth and development, playing a pivotal role in shaping the future of India's economy.

Role in Employment Generation:

MSMEs play a crucial role in employment generation, especially in rural and semi-urban areas where they are often the primary source of livelihood for millions of people. These enterprises not only provide job opportunities but also foster entrepreneurship and skill development, thereby empowering individuals and communities.

Contribution to Industrial Output:

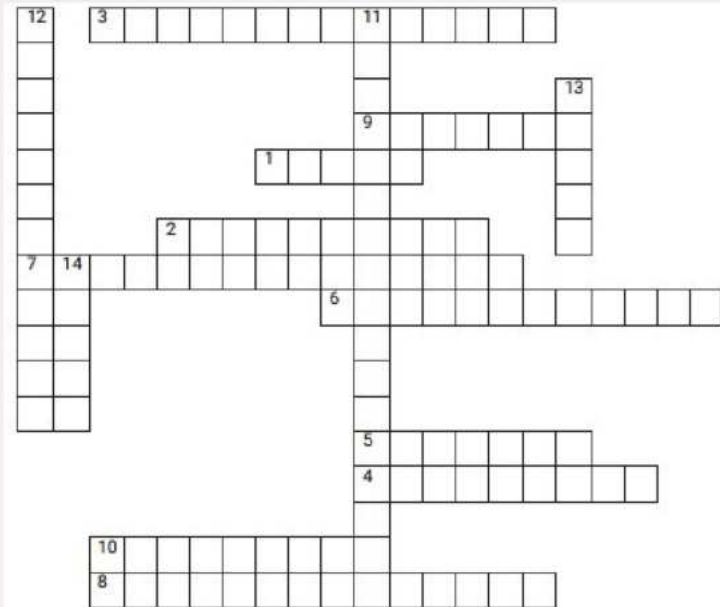
MSMEs contribute significantly to industrial output, manufacturing a diverse range of products across various sectors such as textiles, agro-processing, handicrafts, and electronics. Their agility, flexibility, and ability to innovate enable them to cater to niche markets and meet the evolving demands.

By Jigmat Yangchan, Deachan Angmo

II BA HSEC

II BA ECSY

CROSSWORD PUZZLE



ANSWERS

ANSWERS: 1. J.B.SAY, 2. AMARTYA SEN, 3. MACROECONOMICS, 4. ADAM SMITH, 5. RAILWAY, 6. FISCAL POLICY, 7. DR. MANMOHAN SINGH, 8. SHAKTIKANTA DAS, 9. MGNREGA, 10. SAGARMALA, 11. NIRMALA SITHARAMAN, 12. MORARJI DESAI, 13. NAURU, 14. RUPEE.

ACROSS:

- Who stated "supply creates its own demand"?
- Who won the Nobel Prize in economics from India?
- What is the branch of economics that studies the behavior and performance of the economy as the whole?
- The "law of self-interest" "law of competition" and the "law of supply and demand" were given by?
- Which is the biggest public sector service in India?
- What is the term used to refer to the government's use of taxation and public expenditure to influence the economy?
- Who was the Finance Minister of India during the economic reforms of 1991?
- Who is the current governor of RBI?
- Name the flagship employment generation program launched by the Indian government?
- Which program aims to promote port-led development and optimize logistics in the country?

DOWN:

- Who presented the budget for the fiscal year 2024?
- Who presented the union budget maximum number of times?
- Which country joined the International Monetary Fund on 12th April 2016?
- Which currency is not included in the calculation of the SDR of IMF?

By Jordana Jones.W
II BA ECEL

START UP

A startup is a young company established by one or more entrepreneur to create unique and irreplaceable products or services it aims at bringing innovation and building ideas quickly.

The primary goal of the startup is to

- Build a business plan.
- Figure out the right thing to build.
- Figure out your market niche.
- Raise enough money so that you have a very long runways.
- Important goal for your startup is employee retention goals.
- Assemble a team with members with various skill sets.
- Customer acquisition and retention.
- Acquire new customers and retain existing ones.

Benefits provided under startup

Simple process: Anyone interested in startup can fill up a simple form on the website and upload certain documents.

Reduction in cost: The government also provides lists of facilitators of patents and trademarks. They will enjoy 80 percent reduction in cost of filing patents.

Easy access to funds: A 10,000 crore rupees is set up by government to provide funds to the startups as venture capital.

Tax holiday for 3 years: Startups will be exempted from income tax for 3 years provided they get a certification from inter-ministerial board (IMB).

Apply for tenders: Startups can apply for government tenders.

R&D facilities: Seven new research parks will be set up to provide facilities to start ups in the R&D sector.

No time-consuming compliance: Various compliances have been simplified for startups to save time and money.

Tax saving for investors: People investing their capital gains in the venture funds setup by the government will get exemption from capital gains. This will help the startups to attract more investors.

Choose your investor: After this plan the startups will have an option to choose between the VCs, giving them the liberty to choose their investors.

Easy exit: In case of exit a startup can also close it's business within 90 days from the date of application of winding up.

Meet other entrepreneurs: The government has proposed to hold 2 startup fests annually both nationally and internationally to enable the various stakeholders of a startup to meet. This will provide huge networking opportunities.

Venture capital firms invest in startups at the last stage. Startups with a potential to grow, need a certain amount of investment. Wealthy investors like to invest their capital in such business with a long-term growth perspective. This capital is known as venture capital and the investors are called venture capitalists.

By Likhitha, Monisha
II BA ECSY
II BA HSEC

MEDIA ON ECONOMIC DEVELOPMENT

Despite a general agreement on the importance of media development in broader social, economic, and political progress, the international community—governments, development agencies, donors—largely view the development of an independent media sector as a secondary objective instead of a matter of critical importance. Consequently, international donors allocate less than 1% of international aid budgets to media development. The purpose of this review is to present evidence suggesting that quality, independent media has a positive impact on society and should be viewed as a critical development outcome in itself. The review is divided into three sections addressing three areas where media can have a positive effect on societies:-

Governance Impact: Corruption harms society, particularly in furthering poverty and income inequality. Numerous studies show a robust link between a free, strong, and independent press and reduced corruption. A free press exposes private and public sector corruption. Connectivity quickly evolved into a valuable resource as engineers found ways to code information into algorithms that helped brand a particular form of online society and make it profitable in online markets—serving a global market of social networking and user-generated content. Large and influential platforms such as Facebook, Twitter, YouTube, and LinkedIn exploded in terms of users and monetizing potential, alongside countless smaller profit and nonprofit sites. As a result of the interconnection of platforms, a new infrastructure emerged: an ecosystem of connective media with a few large and many small players.

Economic Impact: Economic actors need accurate and timely information to allocate resources efficiently. Investors and other groups increasing value and demand a governance-monitoring role from the media. A free and independent press can provide information and monitoring to the economic policy development process leading to more effective economic policies. It can also reduce political risk and increase good governance—conditions that are important for robust economic development. This serves to provide a framework upon which we can gain a broader perspective of the mass media in underdeveloped countries. Attention is then turned to an examination of the economic development process itself, along with a listing of the contributions communication and the mass media have made to social and economic development.

Social Impact: In order for development to be just and sustainable, citizens must productively participate in the decisions that shape their lives the public or audience often is provided information and an opportunity for discussion of important social issues. Mass media has affected our society both positively and negatively in the field of the family, marriage, religion, economy, education and polity. It has programmed our thoughts, what and how we dress and how we relate to one another etc. Certain images shown on television influence kids to misbehave, disobeying parents under the impression. Disobedience leads to destruction, that leads to teenage pregnancy, drug abuse etc. A free and independent media supply timely and relevant information to citizens allowing them to change their own behavior and to demand higher social standards for society.

By Najma Tabassum, Itzes Dolma
II BA PAEC, II BA ECSY

We might as well reasonably dispute whether it is the upper or the under blade of a pair of scissors that cuts a piece of paper, as whether value is governed by demand or supply.

Alfred Marshall

ECONOMICS QUIZ

↓ TRY NOW ↓

1. Who is the father of Economics?
2. What kind of view does macroeconomics offer of the economy?
3. What does GDP stands for?
4. What is a financial year in India?
5. Who published the book called "General Theory of Employment Interest and money"?
6. What is GST?
7. What was the first stock exchange in India. When was it established?
8. Who is the current finance minister of India?
9. What is India's ranking in terms of GDP among the world's economies in 2024?
10. What is the central bank of India?
11. What is the full form of i. SEBI
ii. NABARD

Answers:

1. Adam Smith
2. A bird-eye view of the economy.
3. Gross domestic product
4. A financial year in India starts on the 1st of April & ends on the 31st of March of the next year.
5. John Maynard Keynes
6. Goods and service tax
7. The Bombay stock exchange (BSE) in 1875.
8. Smt. Nirmala Sitharaman
9. India ranks as the fifth largest economy in the world in 2024.
10. Reserve bank of India
11. i. Securities and exchange board of India
ii. National Bank for Agriculture and Rural Development

By Sheepra Kumari , Divya H
II BA PAEC

Email-based marketing

Email marketing is the practice of utilizing email to communicate a commercial message, usually to a list of recipients. Email marketing can be broadly defined as any email sent to a prospective or existing customer. It entails sending emails to request business, make sales requests, make donations, or send adverts.

The goal of email marketing is:

Direct Communication: It enables companies to speak with their customers face-to-face, establishing rapport and trust.

Offers & Promotions: To increase sales and conversions, email marketing is frequently used to advertise goods, services, or exclusive deals to subscribers.

Brand Awareness: Consistently interacting with subscribers via newsletters, updates, and insightful content helps to keep your brand at the forefront of their minds.

Engagement with Customers: Email marketing allows companies to interact with their clients by supplying timely information, updates, and tailored suggestions.

Lead generation: By gathering email addresses via sign-up forms and subsequently nurturing those leads with relevant content, it can be a useful technique for creating leads.

Customer Retention: By giving current clients pertinent information, deals, and assistance, email marketing is essential for keeping them as clients.

Data Collection and Analysis: By gathering information on subscriber behavior, interests, and preferences, firms can maximize their future marketing campaigns.

All things considered, email marketing is a flexible tool that can be utilized to foster connections, increase sales, and accomplish organizational objectives at different points in the customer journey.

By Stanzin Nordon, Jigmat Chuzin
II BA ECSY

LABOUR AND EDUCATION ECONOMICS

Introduction:

In the intricate web of economic systems, the realms of labor and education are undeniably interconnected. This article delves into the symbiotic relationship between these two crucial domains, shedding light on the impact of education on labor markets and the reciprocal influence of employment trends on educational landscapes.

Some trends included:

1. Remote Work and Hybrid Models:

The COVID-19 pandemic accelerated the adoption of remote work, impacting how employers and employees approach work arrangements.

2. Skills Emphasis:

There was an increased emphasis on skills over traditional credentials, with employers valuing practical skills and adaptability.

3. Automation and Artificial Intelligence:

The integration of automation and AI continued to impact the labor market, influencing job roles and creating demand for new skill sets.

4. Gig Economy Growth:

The gig economy expanded, with more individuals seeking flexible work arrangements and employers relying on freelancers and contractors.

5. Upskilling and Reskilling:

Continuous learning and upskilling became crucial for workers to stay relevant, given the evolving nature of job requirements.

6. Diversity, Equity, and Inclusion (DEI):

Organizations increasingly prioritized diversity, equity, and inclusion initiatives, impacting hiring practices and workplace culture.

Globally, disparities in education access persist, influencing the international job market. Skilled migration is common, and regions face varying challenges like high youth unemployment. Vocational education's importance varies, and governments worldwide implement diverse policies. Technology's impact on the workforce is universal, requiring adaptable education systems. Emerging economies experience dynamic labor and education changes, while global collaboration and initiatives address shared challenges. Cultural influences shape career and education choices. Recognizing these dynamics is essential for comprehensive strategies considering the interconnected nature of global labor and education economics.

“Private Investment in Education and Linkage to Future Employment in India: Will the Pandemic Take its Toll?”

The pandemic and online learning have created barriers to education, including lack of digital access and communication difficulties. These challenges impact a large proportion of students. This article investigates whether there is a threshold level of education required for better jobs in India. It finds that higher secondary education serves as a threshold for entry into good jobs. Additionally, there are increasing returns to private investments in higher education levels, particularly in formal sector jobs.

Source: The Indian Journal of Labour Economics

“Does Education Raise Productivity and Wages Equally? The Moderating Role of Firm Characteristics”

This study estimates the impact of education on productivity, wage costs, and productivity-wage gaps using Belgian linked panel data. The findings highlight that educational credentials have a stronger impact on productivity than on wage costs. Firms' profitability increases when lower-educated workers are substituted by higher-educated ones, especially among younger workers and women.

Source: IZA Journal of economics

By Luhamdi Haflongbar, Eliza S Thaliath
II BA PYEC



India's Energy Prospects

India can harness energy from, renewable and non-renewable sources. Non-renewable sources are exhaustible sources of energy comprising of coal, oil, natural gas and fossil fuels. Renewable energy sources are also called non-conventional energy sources and is continuously replenished by natural processes. Examples of renewable energy sources are solar energy, bioenergy, wind energy, geothermal energy, and tidal energy. Today India is the 3rd largest renewable energy producer ranking 4th in Wind Power Capacity and 5th in Solar Power Capacity globally.

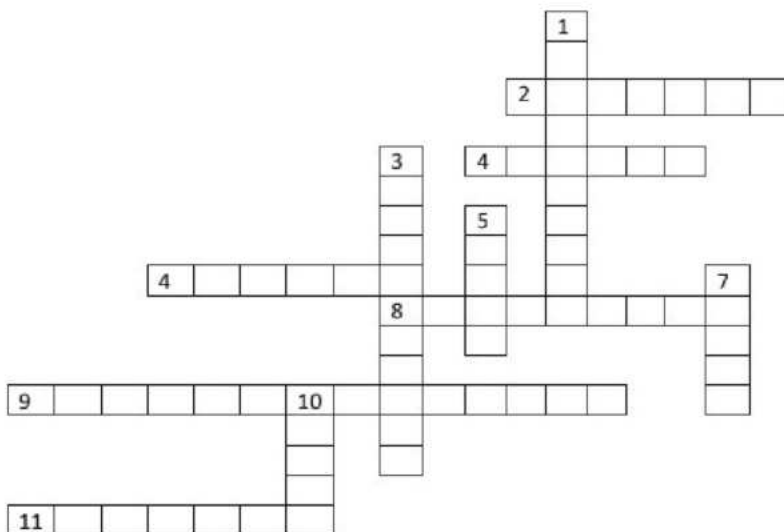
India has set a target of 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. By 2032, India expects to add 27,180 MW of thermal capacity, 18,033.5 MW of hydro capacity, and 8,000 MW of nuclear capacity. India's installed solar energy capacity has increased by 30 times in the last 9 years and stands at 75.57 GW as of Feb 2024. India also aims to produce 5 million tons of green hydrogen by 2030 and to add additional 10000mw of green energy through hydro solar and other green energy source by 2030.

With this outlook at hand, the government has introduced various initiatives and schemes including Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyaan (PM-KUSUM), New Green Hydrogen Machine, New Solar Power Scheme, and Green Energy Corridors (GEC).



By Nasari Z , Raziya Sultana
II BA PAEC, II BA ECSY

Crossword Puzzle



ACROSS

- 2.It is argued that ____ goods will be provided in free market economy.
- 4.Another term used for planned economics.
- 6.Businesses owned by the government fall under ____sector.
- 8.There is less ____ for entrepreneurs in a planned economy.
- 9.Business in a free economy is usually ____.
- 11.Economies where all the resources are owned by the government.

DOWN

- 1.Economies where all the resources are privately owned or owned by individuals and groups.
- 3.In a market economy, it is said that resources will be allocated ____.
- 5.____ determines the allocation of resources in capitalist economy.
- 7.____ goods are usually underprovided in free market economy.
- 10.An economic system where both private and public sector operate.

Answer key



By Roopa K, Chaithra R
II BA PAEC

DEPARTMENT OF ECONOMICS- ACTIVITIES(2023-2024)

A. Conference /Seminar organized:

1. Regional level Symposium on Union Budget 2024 in collaboration with St. Theresa's college Ernakulum on 26th Feb 2024.
2. National Webinar on India's Digital Public Infrastructure for Sustainable Development, Economic Transformation, and Social Inclusion in collaboration with Providence College for Women, Coonoor, Tamil Nadu, and Alphonsa College, Pala, Kerala on 5th March 2024.

B. Public lectures: Public lecture on Research writing with Dr. Thushara George, Professor of Economics at St. Teresa's College Ernakulum, Kerala on 18th December 2023.

C. Commemorative events: To commemorate the UN's International Day of the Girl Child, the Department of Economics organized two events on 11th October 2023.

- i. National E-Poster-making competition with the theme: "Empowering Girls: Shaping a Brighter Tomorrow."
- ii. Intra College Essay Writing Competition on the topics:
 - Feminism in the Digital Era
 - Is India on the right path towards women empowerment
 - Women in unconventional fields: yay or nay

D. 57th A D Shroff Memorial Elocution competition was held on 20th September 2023 on the topics:

- i. Is the Indian rupee ready to emerge as a global reserve currency, and what steps should the government take to achieve this goal?
- ii. Is the Indian economy on track to becoming a \$5 trillion economy by 2025?
- iii. Is unemployability a bigger problem than unemployment? Recent steps to Skill India.

E. Department Club activities:

- i. Investiture of 'Economica', the club of the Department of Economics was held on 21 August 2023. The Instagram page of the club was also launched.
- ii. Meet and Greet - Inter class Quiz competition was organized by Economica on 3rd October 2023.

F. Value added course: Entrepreneurship Development (EDP) value added course in collaboration with Buoyancee for a duration of 50-hours with 42 participants enrolled.

G. Newsletter: Arthashashtra prepared by the second-year students will be released on college day.



II BA ECONOMICS STUDENTS



Message from Editorial Committee

As we embark on the 15th edition of Arthashashtra, the annual newsletter of the Department of Economics, we recognize its pivotal role as a platform for the students to not only showcase their theoretical knowledge but also to exemplify effective applications of classroom learning into real-world scenarios. Arthashashtra stands as a testament to the interdisciplinary nature of economics and the diverse avenues through which our students can contribute to solve the real world economic issues of today.

The editorial committee of Arthashashtra 2024, would like to express our gratitude to our Principal Dr. Sr. Mary Louisa S , for giving us the opportunity to release the this newsletter.

We would also like to extend our gratitude to our lecturers Dr. Leena Nair (H.O.D, Department of Economics), Dr. Radha Ganapathy, and Dr. Anuja for their encouragement, support and guidance without which Arthashashtra 2024, would not be possible.

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