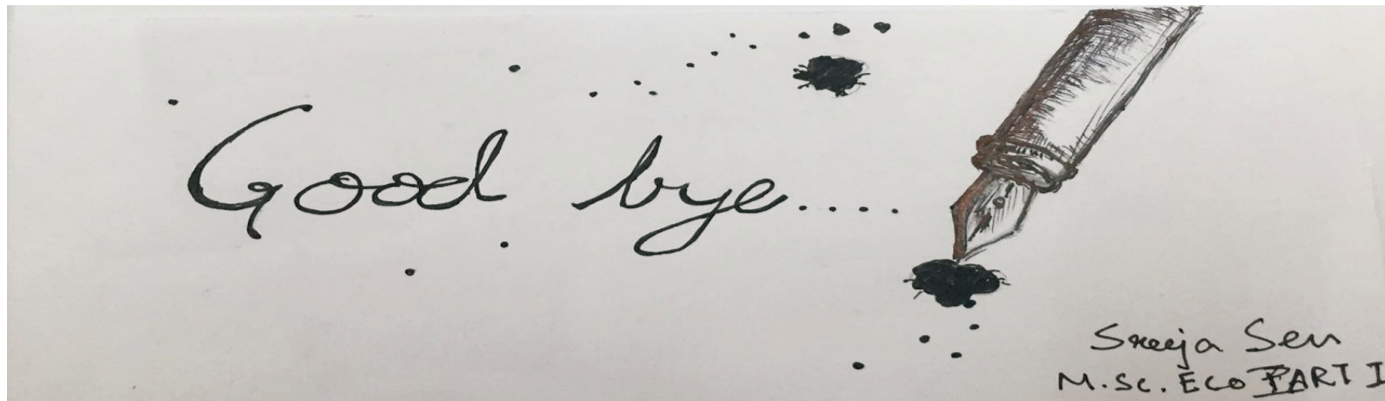




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Gokhale Institute of Politics & Economics

March 2016



EQUILIBRIA

Gokhale Institute of Politics and Economics

A Date with Democracy

An interview with Justice Zakaria Khawaja, retired Justice of the Constitutional Court of South Africa, by Anshu Shekhar and Harish Sood

Do you think is the idea society to have a...? The gap of time...? Do you think is the idea society to have a...? The gap of time...? Do you think is the idea society to have a...? The gap of time...?

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Ganapati Bappa and SEZs!

By Ganapati Bappa and SEZs!

Reliance

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Freedom

By Anshu Shekhar

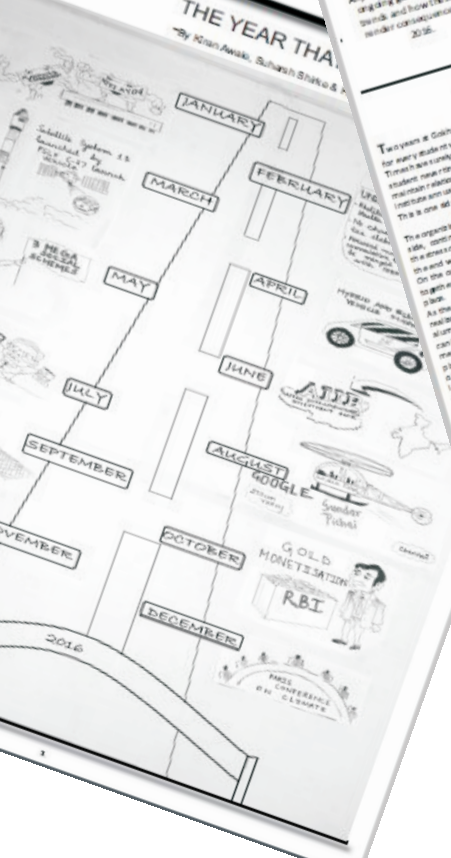
Look out for...
-A Case For Participation in Freedom
-The Closing Deals
-A Not Too Far Off

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ANALYZING THE START-UP INDIA POLICY

Does the start-up policy...
CONFORMITY



BEHIND THE SCENES - REMINISCENCE 2016



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SPORTS WEEK: AND THE WINNERS ARE

Sketch Credits: Rishi Luppai, Rohita Saha, Sahyaji Chavhan, Sushant Parpat, Sreeja Sen

FROM THE CORRIDORS OF GOKHALE TO THE CORRIDORS OF NORTH BLOCK – THE IMPORTANCE OF CHOICE..!!

From sipping a cup of tea at the 'tapri' across the road from Gokhale, enjoying a sumptuous and light on the pocket 'SPDP' at KNP, to the colonial corridors of North Block adjacent to the Rashtrapati Bhawan in Lutyen's Delhi and a cup of tea from the 'Tea Board of India', life indeed has come a long way. Looking back at those days fills me a strong sense of reminiscence and pride. With these emotions in mind, I intend to pen down what it meant to be there and how the journey has been till now.

I joined Gokhale in 2008 after having worked for a year after graduation (courtesy not having cracked any of the M.A entrance exams that year..!!). Nevertheless, as I progress in my professional life, the stronger gets my belief that coming to Gokhale was a blessing in disguise that helped me discover my passion and provided me with the motivation to pursue the same. Walking through the corridors of Ministry of Finance, as I fondly cherish the memories of the time spent at Gokhale, that I hold so dear, I must confess that I owe most of what I am today in my professional life to this wonderful institution. From its campus, nothing short of an archeological masterpiece - its foundation stone at the top of the "Tekri", down to the renowned Dhananjay Rao Gadgil Library, which, as a matter of fact, was my favourite spot in Gokhale, there was never any dearth of positive energy around which definitely added to my sense of purpose.

I still remember leaving the hostel at 9 in the morning during my second year and then returning around 9-10 in the night, spending most of the time either with the books in the library or taking a nap in the corridors just opposite to the library. Those little 15-20 min naps were some of the best experiences ever, and hence a must try. However, if this conveys to you all that I was a complete nerd, I shall strongly caution against that judgement...!! The collection of photos that my friends and I have (running into some GBs by the end of two years) stand testimony to the fact that in the course of my expedition from 'freshers' party to the 'convocation', I was not the same person who had entered Gokhale. I made friends who were like, and at times, even more dear than family. I went on road trips to places, went for a fair deal of treks around Pune and ensured that all the must visit food and 'drink' places in Pune were paid a visit (even twice at times).

However, it was in the midst of all this fun and happening college life that I also made a choice that would determine where I wanted to see myself in the coming future and as a result change the course of my life completely. I was a member of the Placement committee in the first year, all geared up for a corporate job. After applying to various places for an internship opportunity, I got selected for the UNICEF-India Internship Program, and got a chance to go and work in Assam for 3 months. This was indeed one of the more fulfilling experiences of my life, getting to work with the children of tea garden labourers. I got a chance to interact up close and personal with the various levels of government, see how public officials work in their day to day lives and how their work

and actions impacts the lives of others. It was this experience in particular, that inspired me to give serious thought to my long held desire of being in the civil service.

On returning to Gokhale, after giving thought to the pros and cons, I resigned from the placement committee and decided to take the 'risk' of giving the civil service exam without having a job in hand – a choice that was not easy at all, and was also questioned by my peers and friends. I was however determined, more than ever before, that I must believe in myself and work towards my dream. With these thoughts in mind, I began my preparations from the confines of Gokhale, headed to Delhi after college and cleared the Indian Economic Service (IES) exam in the first attempt. Why I wish to share this with you all is as follows:

Many a time in life, all of you will be faced with choices which will be at crossroads with the most conventional ones. These are precisely the times when you should not and must not budge just because the person next to you decided to do so. It is the ability to believe in yourself, come what may, when others around you hold doubt, which will ensure that you fulfill your aspirations. This does not apply only to those who aspire for a career in civil services like me, but to all of you who dream to excel in various facets of personal and professional life but may hesitate to make the choices when the time is ripe. Bear in mind that when you make conscious choices about what you want to do or where you want to be in life, the road may not be the easiest and there will be those who doubt your decisions; there will be moments of self-doubt and nervousness as well but there is one thing I can assure you of – you will emerge as an individual who writes his/her own destiny, a feeling that you will always be proud of.

Today, as I traverse the hallways of North Block and relish the cup of tea, I see the doubts of all those people wither away, their eyes filled with pride instead. Who knows where I would have been had I not made that choice then? This decision, if I can say so in retrospect, was my leap of faith in life that I strongly advocate to all of you who are, or soon will be, at the cusp of making some important decisions about your professional life. Each one of you is unique in terms of your abilities and aspirations. If an average student like me, could gather the courage to make the seemingly difficult choice of travelling the road less travelled and complete the journey from the corridors of Gokhale to the corridors of North Block – there is nothing that can come in the way of you all becoming makers of your own destiny.

-Zubair Naqvi

The author is Deputy Director in the Office of Chief Economic Advisor of India and a 2010 Batch Alumni of GIPE.

BLOOPERS AND POOPERS: FAREWELL TO EQUILIBRIA

With Barack Obama's tenure as President of the United States coming to an end, we can only but offer our empathy for being the second most burdened man on this planet. From inheriting the 2008 Global recession to ending the war in Afghanistan and Iraq to dealing with the new boys of terror, the Islamic State, it has been a remarkably tough job. What next for him now? We ask the same question to ourselves too.

Of course, if the reader is confused, we consider our roles as President and President of Equilibria as the most burdening jobs on the planet with us having to deal with a plethora of issues. The most persistent of them is the nagging question: Why should one read Equilibria. It is true that perhaps being students of Economics, the first task fulfilled is to get a subscription of all publications economic. This would include pink dailies such as the Economic Times, The Financial Express, the Mint, or the Business Standard or the plush monthly magazines such as Outlook Business and Forbes. Understand it or not, reading or should I say carrying one of these publications is a must. It is part of the entire gimmick of a young Economist. We considered this issue to be like that of selling a Nokia 1100 among a population of I Phone users. We didn't have fancy writers contributing neither did we own the resources of branding ourselves. We are in the end a simple college 'club'.

But despite the lack of credibility that Equilibria had in the beginning of this academic year, we tried our best making it into an enterprise capable of churning out content that could interest our readers. We thank our readers for giving us the time and patience to allow us to it. Although almost two years back, the eight page newsletter was read as much, but it has now become a legitimate publication for GIPE. We are receiving more contributions from outsiders, students have approached us with their feedback and comments and demands of articles on a specific issue and in fact one specific teacher requested to change the quality of the paper (which dumbfounded us because we essentially didn't give much of a thought about what paper we printed on until then). Therefore it is probably safe to say now that less (we haven't eradicated this habit completely) people use Equilibria for purposes other than reading.

Perhaps the highest satisfaction that we have received from heading Equilibria is the cooperation and effort from the Equilibria editorial team. Take out the occasional bouts of laziness and dullness, the team has overall worked with special effort in order to produce a quality product. A special mention to one member who has many a time cancelled her outings and parties for the monthly and often weekly meetings. We would like to therefore appreciate the contribution of each and every member of Equilibria.

What made Equilibria hectic and fulfilling for both of us was the fact that as an enterprise, we didn't just publish a newsletter but also managed to produce a

spectacular magazine and an Economics oriented festival. Veritas and Manan are no less important for us than the newsletter is. Despite the debacle of Manan in the previous year and Veritas only being an extension of the newsletter, we became bugs stuck in the Registrar's bottom for an entire year; the first half was used to bother him entirely about funding for Manan and convincing him that students will actually attend the festival and the second half being used to persuade him the potential for this year's edition for Veritas. Though the entire process made us seem like persistent buggers but at the same time, it also brought us in close association with a great majority of the faculty and administration of the Institute. Many times, our jobs were less editorial and more businesslike. At other times, we felt as if we were fascist in our approach to dealing with other members of the team; even as our term comes to an end, the team is hesitant in taking a decision regarding the printing situation of the newsletter without our verdicts (Like a bauss!), however we are happy to see that in the times that we both have been busy with our own personal work, the juniors have stepped up and taken the role of leading the team turn by turn.

It was our dearest wish to avoid writing this piece in a clichéd manner. We instead picked a rawer and yet humble way of describing our experiences in Equilibria. Though we have already mentioned the contribution of the team once, we would like to do it once again and appreciate the hard work put forth by them (slow clap). We would only advise our successor one thing after taking over next year: Do not bother contacting us for any advice. We would like to cherish this retirement. We do not want to act like an outsourced ex president. It is your turn now, though we will wholly support the future initiatives taken by Equilibria. So please kindly do unceremoniously kick us out from your mailing lists.

We would also like to thank the Director, the Registrar, the teachers and the administration for cooperating with us at all time and also would like to plead for forgiveness for being downright pain in your butts. Though we both begin our respective careers in about two months, we are relieved that it's finally ending. We would love to one day return (say in about fifty years) and find a copy of the newsletter still placed at the tables of the mess, if isn't demolished by then for violation of health codes (fingers crossed!) and watch students (who will possibly be the age of our grandchildren, that is, if robots don't take over by then) pick up a copy to pour over its content.

Sameedh Sharma & Udita Makhija

-Presidents, Equilibria

2015-2016

INTERVIEW: DR. RAJAS PARCHURE

For the last issue of *Equilibria*, we decided to look inwards and know a thing or two about our Director. Known for his cool demeanor and approachable persona, here we are in conversation with the him, about his experience of the professional and academic field and an informal encounter of his personal tastes.

What are the most intriguing things you find in economics?

My main interest lies in international economics and how prices are determined. Global trade is more than the two-nation two currency economy studied normally. With the addition of one more currency and country the dynamics change and the comparative advantage does not work as is taught conventionally. While going through a book in the Gadgil Library I came to know about Dr. Frank D. Graham who found the solution to the multi-nation trade equilibrium but without any method to enlighten his readers. In order to know the method, I, visited Princeton University and went through almost all his notes, only to remain as lost as he was before.

That's some work for a discovery, speaking of which what has been your greatest discovery in this field?

Having come up with the method of solving multi-country trade equilibrium and monetary equilibrium. Through my book "The theory of International Values" I have added certain new concepts and provided a different outlook to international trade by incorporating the concepts developed by Graham, Kuznets, etc.

Well, we are sure some of our readers will definitely get hold of that book. Sir, tell us something about your journey in the field of research?

After completing M.Phil. from GIPE, I got married which made it imperative for me to start earning. For 10-15 years I was working at various positions in different companies when I finally decided to pursue my research interest in fear of the diminishing analytical ability, which sets in with age. I joined the institute as Reserve Bank of India Professor of Finance and started pursuing my PhD, during which I also made a visit to Princeton.

How does your field of interest diverge away from the conventional economics?

As much as the marginal theories give the intuitive explanation of various decisions by the economic agents but it fails at many avenues, which is evident from the empirical studies, because of little account it takes of various factors that go in decision making. Sraffa, Graham, Pasinetti and Leontieff were a great influence on me and I continue to study on those lines. As a director, to skill the students as per the international requirements, I have designed the course structures as such. Introducing Linear Economics for M.Sc. Economics is one move that serves the purpose.

What do you think are the most important changes that should be made in economics as a subject?

According to me, the repetitive teaching of economics and spending such a long time on the basic concepts of marginal theories and only tweaking the maths behind them, does not impart any considerable skill to the students. Rather they should spend their undergraduate years learning maths, statistics and computers to make them acquaint to the empirical methods of study.

As a student, we faced thick books. It used to be complicated. I would however like more focus on the empirics, various data sources and how data is collected. The syllabus thus designed has to be up to date with the standards other Premier Economic Institutions are following, both at the national as well as international level. Reading the budget, for example, should be made part of the syllabus. In fact, not only India's budget, but budget of some four to five countries.

Where do you see Gokhale ten years down the line?

I see it as the premium Economics University of the Country. It should be held as the number one economics institute of the country. Anyone who wants to do economics should want to come to Gokhale.

Do you see a shift in the interest of students from a more research oriented view in Economics to a more corporate centric view?

Yes and it should be there. Why should economists not have corporate jobs? The basic ideas of Economics are efficiency, allocation of resources, and utilization of resources. Why should they not find the application in the corporate field and only confine to the class rooms? After BA I got a call from Tata motors, which was called TelCo at that time. They used to get the list of students from college and hire as such. In my interview, I was handed an annual report and asked to tell them the observations. I opened it and I did not know anything. I was completely blank. So I just blurted out some random observations. But the interviewer wanted to know how the company is doing and how it would do the next three years. He told me, "What is your view. You are an economist." He stressed on the word Economist. I could say nothing. Then he said to the co-members, "you know these economists, they will produce nothing useful, except other economists." I did not know how to react to this. Nevertheless, I got selected but I did not join because later I got a scholarship to do M.A. here.

So I have made a point to make financial statement analysis and business accounting compulsory. You have to know how to read a business statement at the basic level when you talk of big things in the first place. These are the lessons of life. You won't find this course in Delhi School of Economics or even IGIDR for that matter. You will find it in our syllabus. We as economists pretend to talk about the happenings of real life, but we have to know that language. I have done a lot of applied work. Portfolios, financial planning, design of insurance policies, etc, and fundamentals of economics do work in these fields. For example, once the World Bank came with this project where which farm was riskier than others or which crop was more risky had to be calculated to allot premiums and loans. It was done on an All India level and at every block. The project was given to the actuarial staff. But only using the multi-variate technique from Econometrics, I could

produce an almost 90% correct result. It is not like our (economists') techniques are of no use. Many times when other techniques fail, our techniques are successful. So why should the students not use them in application.

Gokhale institute is on a lot of projects, if the students are interested they should come and ask for the details. Gokhale Institute has been known for its different methodologies, like measuring culture, measuring linguistics, etc. So the research orientation lies at the core of this institute.

What are the problems you face as the Director of this Institute?

Gokhale Institute has a lot of strengths and weaknesses. The weaknesses are of a recent origin. In 1993, we became a deemed university, but even after that nobody realized that we are a university. We were actually a department of Pune University. The focus prior to 1993 used to be research. We also had a lot of funding from various agencies, like, Planning Commission, RBI, Ministry of Health and Family Welfare, Ford Foundation, etc. There were a number of people associated with us. NABARD started from Gokhale Institute itself. So GIPE has always had the tradition for nation building and that is the whole idea. The standard of Gokhale Institute was very high and as such Pune University could not comply with the standard we had. Thus Gokhale Institute was made to function separately. In 1993, RBI came with the suggestion that institutes like GIPE and IGIDR are competent enough to reward their own degrees. Post 1993, at the same time, the affinity increased towards the UGC and decreased towards the state government. This led to a withdrawal of a lot of funds by the state government. At the same time we were expanding. It however, did sever the image of Gokhale Institute a little. However, UGC exemplifies our institute for the way we are expanding in economics.

A university needs to behave like one. That is what we are striving for. We are trying to introduce some new courses like International Business Economics from the next semester. Once that stabilizes, we will try to introduce a program on Insurance, Pension and Social Security because that is going to be a big segment of the Indian Economy. When you go to work in market research it is not the sole knowledge that helps, it is also the presence of special techniques which steers your forward. There is a scientific segmentation of markets and as such the methods vary to study them. So, we want to start a course where various such techniques can be developed.

How is introducing these courses feasible, given there is no availability of teachers?

We need to consolidate one course and then go for another. We are not starting all at once. We need three to four years for consolidation, to ensure things are in place and then to move ahead. We don't want to compromise with the quality. We will expand, in the coming years and justify our position as a university of economics. We also want to start a wide range of Public Policy Economics. We are in talking terms with Jagdish Gokhale, Director of Public Policy Initiatives at Wharton University regarding this.

Sure sir. We too vision Gokhale as a lookout with people wanting to do Economics.

Now coming to some of your preferences, as the students would love to know what their director likes! Who is your favourite economist?

Adam Smith of course. Then, Saraffa, Leontief and Keynes.

Which is your favourite book?

The Wealth of nations.

Do you follow cinema and which is your favourite movie?

Nowadays, I hardly follow anything. Being in the vicinity of the film institute, many directors would come and interact on the screenings. Like Shyam Benegal frequented the institute many times. Remembering Shyam Benegal, his *Do Beegha Zameen* remains one of my favourite movies.

On Alumni meet we discovered your singing talent. Who are your favourite singers?

I come from a musical family. But I did not continue with music, I kind of lost it. Even though my parents and sisters kept the legacy and they still practice sometimes. For me, economics finished all the music. (Laughs)

So my favourite singers remain K.L Sehgal and Begum Akhtar. Rafi is also one of them. I am usually fond of Ghazals.

Since you have been following Ghazals so fondly, who are your favourite poets?

Ofcourse, Faiz Ahmad Faiz, and Ghalib. There are also some other Ghazalkars too.

So any verse that you recollect?

Yes it is of Ghalib.

Hain aur bhi duniya mei sukhanwar both achay, kehtay hai ki Ghalib ka andaazay bayaan aur.

Who are your favourite actors?

I followed almost every movie of Dilip Kumar. Sadhna is also commendable.

What is your favourite food?

I prefer rural food. I have got a rural taste, given I grew up in rural areas of Satara District. I like simple rural food, like bhakri, or mutton which is cooked spicy and quite hot.

What is your favourite holiday destination?

I don't take too many breaks. But anywhere in the Himalayas, like, Bhutan, Sikkim, Manali, Pahalgam are nice. I have done almost all the Himalayas, from Kashmir to Meghalaya.

Alright sir. Thank you so much for your time and patience. We are sure the students would love to read and will come to you with more questions!

Sure! You are welcome!

-Interviewed By
Hafsa Sayeed and Dhruv Goel
M.Sc. Economics
2015-2017

CONCORDIAN ECONOMICS

“Nowadays people know the price of everything and the value of nothing” that is what Oscar Wilde taught me and that is what I have been told since childhood! My parents would tell me that I always used my things carelessly because I got them even before wanting them!! But their times were different, they had to save and sacrifice a lot before they could even think of buying something.

Well, even if we stop making moral judgments about our usage of material goods and that of our previous generation, I think, as an economist, it still becomes my duty to attach a value to every good I use. And by value I do not mean just some monetary value!

Utilitarians have tried to measure goods in terms of utils, sometimes attaching cardinal numbers to these utils and sometimes ranking goods according to consumer preferences. Keynes, in *The General Theory of Employment, Interest and Money*, relates the marginal efficiency of capital (mec) to the rate of interest. But such a relation stands ambiguous if we do not know how to go about measuring the stock of wealth upon which he bases his mec theory. And then again, we see Marx talking about how money is not only changed into a commodity but that commodity can be resold to gain a higher outlay. Thus, “money begets money”.

Concordian Economics gives direction to Keynes' comments such as “precision will be a mock precision” and tries to find an objective, firm, standard and uniform system of measurement. Such an attempt unifies the physical and social sciences, the essence being that if a physicist can measure the mass of a complex and orderly system such as a cosmos, then they must surely be able to measure the value of day-to-day commodities in “Value-units” and “Energy-units”. This stream of economics divides the economic system into four modules and thus uses four units of measurement, namely

- (1) the system of real wealth, or production process, or pure aggregate supply;
- (2) the system of monetary wealth, or consumption process, or pure aggregate demand; and the system of distribution of ownership of values of
- (3) monetary wealth, as well as values of
- (4) real wealth, or distribution process.

A general equilibrium analysis would lead to the use of real wealth and monetary wealth alternatively, thus, the number of operational variables becoming limited to just three.

Carmine Gorga, an Italian political scientist, with assistance from Professor Franco Modigliani, has been involved in interdisciplinary research for quite some time and it

Concordian Economics gives direction to Keynes' comments such as “precision will be a mock precision”...the essence being that if a physicist can measure the mass of a complex and orderly system such as a cosmos, then they must surely be able to measure the value of day-to-day commodities in “Value-units” and “Energy-units”.

was he who came up with such a field called “Concordian Economics”.

This new field of research yields an advanced understanding of the complexities of the economic process, including bubbles, for three fundamental reasons. First, Concordian economics integrates into its analysis hoarding, defined as all wealth that has zero use rate. Second, Concordian economics uses the mathematics of modern science and engineering: non-linear mathematics and fractal geometry. Third, Concordian economics looks into the “black box” and studies the economic process, not as a congeries of separate events, but as a systems dynamic unit (Beyond Keynes).

While Keynes finds hoarding a major issue, (Gorga) “does not emphasize it... Gorga's reinterpretation of the Y model allows him to reach Keynes's conclusion... [and to] integrate it into a complex systems analysis...” He pivots the Keynesian model about saving (hoarding) and through a complex logico-mathematical operation in Concordian economics the meaning of consumption is expanded from expenditure on consumer goods to include all expenditures; the meaning of saving is restricted to hoarding; and the relationship between hoarding and investment is complementary. (Beyond Keynes)

Concordian Economics and eventually Concordian Econometrics aims to give economic theory, economic policy and economic practice a comprehensive analysis. Thus, the economic discussion can not only be relatively concise but as precise as possible—at least as precise as Keynes demanded. And, indeed, then the conversation will be as comprehensive as it need be and will include an integration of micro and macroeconomic issues. (Beyond Keynes)

Finally, down the horizon, do we see a ray of hope of integrating the thoughts of a free market of Hayek and a government controlled one of Keynes? The great debate between the Classical and Keynesian school becomes more manageable if one takes into full account variations in relative prices that prevail in differentiated markets for money and consumer goods, capital goods, (and goods to be hoarded)—each with its own different characteristics at different stages of the business cycle.

-Sreeja Sen
M.Sc. Economics
2015-2017

ECONOMICS FOR BREAKFAST

Buffet! How enticing, alluring and mouth watering the word sounds....

Hoping to make the best out of the deal we made to treat ourselves with a breakfast buffet! With great aspirations and high spirits we dragged ourselves out of bed early in the morning to reach in time and make the most for our buck! Half-sleepy-half-excited we had an extremely smooth ride to our destination on the deserted morning road. By the time we reached there, we were all charged up and ready to soak in all they had to offer.

We took a table beautifully placed in the surreal setting and were quickly given the

menu. It baffled us....there were so many choices leading to a momentary 'analysis-paralysis' but we quickly realized we could have it all! But the major question still prevailed...what to order first? Well, the choice was simple....whatever sounded the most alluring was ordered- Revitalizer, Energizer and Antioxidant Supreme topped the list! In addition, we ordered a few sandwiches, sausages, Benedicts, burgers, French toast.... They patiently took our order and in the course of a little chit chat our first serving had arrived. It was relished to the fullest and we were ready with our orders for the second one. The second serving was eaten with as much delight as the first and we thought we were on a roll....meant for buffets! But, alas economics had started to come into play

by the third serving and the concept of 'diminishing marginal utility' started to play. The Investopedia definition is as follows: 'The law of diminishing marginal utility is a law of economics stating that as a person increases consumption of a product, while keeping consumption of other products constant, there is a decline in the marginal utility that person derives from consuming each additional unit of that product.'

But, we were determined to beat the law that day and stuff ourselves in the way that

the little left over sugar of the packet is transferred to the already almost full jar by shaking it, so that just enough space is created to put that little left over sugar in! So, we decided it was time for a little stroll and we were ready again! But, this time around the food didn't seem so tempting and with each morsel we took in, the harder and harder it became for the next one. We thought maybe the time had come when we needed to kneel before the law and think about the arduous task our digestive system now had to accomplish!

But, being the bravehearts that we are, a waffle was ordered to complete our king size

breakfast and as we called for the check, we expected nothing short of a standing ovation from them. As we left, just one thought crossed my mind, 'At a buffet you are paying for variety, for choice, and to be astoundingly, achingly full!'

Restaurants are smart; the pricing of buffets is another strategic ball game altogether, keeping them loaded with profits. But this entire episode taught another important thing about the human psychology; when you go for a buffet you can come out as only one of the following three things- either amazed and proud of one self's hidden binging capability, disappointed as you might have planned on a freak show but your tummy tightens too soon or once in a while, on the rarest of rare occasions, self contended and happily satiated! It's an experience each must have, if not for

anything else, then to just see which category one falls into!

Bon appétit!!



-Yugma Malik
M.Sc. Economics
2014-2016

SHOULD EVERYONE FIND THE SAME X?

I am a product of the Maharashtra State Board of Secondary and Higher Secondary Education. I did my undergraduation from the University of Mumbai. I realize that it was not the best education in the world, but it was not bad either. Currently, I am directly competing with students from Delhi University, where the courses are said to be more rigorous than they were in my alma mater back in Mumbai. But it somehow has enabled me to be at the same place as my Delhi counterparts. Hence, the question is, should there be a uniform syllabus across different universities throughout the countries? Or is it fair that universities be given ample autonomy to set their syllabi keeping the various factors that affect them in mind?

My argument is simple. Each university does not attract the best quality of students. There is a huge variation in the academic capabilities of students before they enter university and keeping the quality of the student intake in mind, the university set syllabi accordingly where the student is not forced to jump from point A to point C where she does not comprehend what is going on in the classroom at all. There has to be some sort of continuity and smoothness in the education that a person attains overtime. A more rigorous syllabus cannot be just forced to a student who does not have enough background preparation to make sense of this higher level education he is exposed to.

The counter argument is not so bad either. Students will not push limits until they are asked to. Let us say, for example that the syllabus followed at a particular university is considered to be the best countrywide. Now should all other universities adopt it as it is? Students then might be exposed to something they never otherwise would have been and be forced to stretch their limits to extents they might not be aware of capable of. But, this could turn extremely advantageous or maybe completely disastrous. I feel there are a number of factors that make sure a universal higher education system are bound to fail.

Firstly, the Government is a welfare institute. A blanket syllabus that is a best practice in a part of a country in tertiary education will work against the welfare concept. Falling pass percentages, plagued with declining student morale does not make the Government fulfill its welfare promise. Having said that, the Government is not encouraged to spread mediocrity, but maintaining a positive sentiment is also known to

work wonders. Secondly, every student might not be willing enough to push her boundaries whenever there is an opportunity or an obligation to do so. The amount of hard work that a student puts in is an exogenous factor that cannot be determined while formulating such a blanket policy. Keeping in mind that I am not taking into consideration the student's capability or talent, just the amount of effort or hardwork she is willing to put in.

If at all such a blanket policy is to be adopted, it should start at the very primary level of education. There has to be one point of time where all state boards of education are prepared to implement the same kind of syllabus throughout the country. A severe amount of background work has to be done in order to implement such a policy, which might take a couple of years. Then, the higher education reforms should be brought in place keeping in mind the time the students who have been subjected to uniform education reach university. Education infrastructure, teacher quality, student-teacher ratio has to be brought to a threshold before such a policy is implemented.

Looking at the positives, such a policy in the long term will help eradicating an entire brigade of maids, peons, lower level factory labour class from the labour force as no one will take up such informal sector jobs. The job market will have matured, and there will be a high level of automation due to an increase in the level of quality of education. India will be able to retain its best brains.

However, starting reforms directly in tertiary education can prove to be disastrous. I see more ills than benefits in that idea. For that, firstly primary education should become a union subject and there is only one board of education that encourages best practices. Primary education should be heavily subsidised, or possibly free. This will gain long term benefits for the economy. I see this as a crucial step for India to enter the third stage of demographic transition. But the start has to be from the very base, not top-down.

-Harsh Doshi
M.Sc. Economics
2015-2017

IN CONVERSATION WITH RATHIN ROY

Rathin Roy, Director of the National Institute of Public Finance and Policy (NIPFP) had visited the Institute as a Panel Member for a discussion over the Union Budget. We got the opportunity to ask him a few questions after the panel discussion. Below are the excerpts of his interview with Harsh Doshi (H) and Shubham Gupta (S):

S: What is your take on the fiscal deficit target at 3.5% of GDP?

R: My take is not relevant now. The Government is committed to the number, and I think that's a healthy reduction. Now, the focus should be on whether the Government can attain the 3.5% target and I am reasonably confident it can if it maintains its critical determination to not let things slide.

H: The tax buoyancy is around one. A 1% increase in GDP will lead to only a 1% increase in tax revenue. If the private investment is not doing well, how does the Government decide to spend more and more if the tax revenue is dull in the light of fiscal consolidation?

R: No. Firstly, if we have 7% real growth, we have 12 percent nominal growth. This allows the Government to effectively double its spending every five years which thus allows the Government to be consistent with fiscal consolidation even with unit tax buoyancy. Secondly, every tax except excise duty has a buoyancy of greater than 1; so only excise duty is the root of the problem and GST is the solution to this problem.

S: Joseph Stiglitz has mentioned that the Government should borrow till it possibly can and not stick to fiscal consolidation path. What are your views on this?

R: A Government should follow a fiscal path that it takes on, which it can calibrate in the medium term and that is why medium term expenditure budgeting is important. And the FRBM amendment is enabling that. So yes, it should follow a fiscal path.

H: Shouldn't there be more expenditure per capita on primary education as against tertiary by the Government?

R: You will always spend more per capita on tertiary than on primary education. The question is, we spend too little on education as a whole. And what we spend, we spend badly. So before we ask for better spending, we need to improve the quality of delivery on the money we have. The only argument against this is that you can't do that unless you get more money. That's a chicken and egg problem. But I have not seen a roadmap or a solution that says, if you give me incremental X amount, this is how it will improve the quality of delivery of education. The only thing people are asking for is extra money.

H: What are the outcome variables that the Government should keep an eye on to see if the money is being delivered properly?

R: A medium-term fiscal framework at the macroeconomic level. I think many states are spending their money much better. We need to see more devolution in the future, not less. And if you look at the expenditure management reforms that the Government has proposed; they are very important as first steps towards improving the efficiency of budget expenditure. But, there are sociological barriers in improving the efficiency of budget expenditure. Let me give you an example. We have DBT, there are reports coming out of Jharkhand, let's say I get a message in my phone, that I have to get Rs. 5,000, the correspondent says I don't have internet connectivity. And that keeps on delaying. Until I don't bribe the correspondent, I don't get my money. These are sociological problems. In a country where people feel justified that we can sleep at night after stealing money from a mid-day meal beneficiary, a small child; we have to recognise that there are limits to what we can do by creating apps. As far as I can see, the only development today in apps, India will soon become one giant app. And that is good, but it is not enough.

S: The huge expenditure on railways is fuelling the debate on balanced- unbalanced growth. Your views?

R: Basically, we know that we need more infrastructure, we have an absolute shortage. And we certainly need to reform the railways, and that does involve spending more money. There is a credible case for it. Railways are underfunded. Getting more rail infrastructure will improve the quality of growth. Whether that growth is balanced or unbalanced is not relevant.

H: Dr. Raghuram Rajan has mentioned several times that there is a dearth of capable economists in the country and that we have to export good economists. How do you think we can tackle this issue?

R: Well, I would say you are more qualified to answer this question than I am. You are the guys who have to become the capable economists, not me. My days are done!

DEMAND FOR A NEW DEMOCRACY

Decentralization, with the establishment of locally elected bodies, is the next stage of democracy and according to the World Bank (1998), 12 of the 75 developing and transitional countries with population greater than 5 million had embarked on a process of political devolution.

Father of the Nation, Mahatma Gandhi, envisaged villages to be a republic, able to manage themselves and their neighborhood resources. Deeply affected by the poor conditions of the villagers in India, he dreamt of a country where people lived without any paucity of means. The villages, which were still untouched by changing regimes and which preserved the ancient culture of Vedic times, as such, had their own traditions through which they governed people according to the ideas and methods passed onto them by their elders. Some were purely superstitious while others effective.

Through Indian Penal Code and other acts, the role of administering justice of the local bodies was terminated by the British Raj. The flexibility of the customary law was now replaced by the rigid structure of the rule of law.

These local bodies were not concerned with the payment of tithes and taxes, the revenue system introduced during the time of Sher Shah Suri took care of these. Through Indian Penal Code and other acts, the role of administering justice of the local bodies was terminated by the British Raj. The flexibility of the customary law was now replaced by the rigid structure of the rule of law. After independence, while the relationship between Centre and State was well defined, the place of village bodies as administering functionaries was largely forgotten under the influence of centralist government policies. The report of the 11th Finance Commission became relevant after it analyzed the Centre-

State financial relationship in the light of the need to strengthen the village finances. With the 73rd amendment (1992) to the Constitution and Forest Rights Act (2006) (FRA), the villagers took responsibility themselves, with some freedom in spending. Now, Gandhi's republics were in the making.

The spread of globalization from the western world also contained within it the idea of democracy. Ignoring the conditions of the country, the idea itself was so important that it was enforced in many countries struggling to stand up on their feet after the brutal end of colonialism. Ironically, the colonialists were at the forefront of expounding this idea. In the course of development, the intelligentsia comes up with many thoughts but implementing the creations of one's mind over the society requires that the society itself is at the same juncture with that of a 'thinking' mind. But that seldom happens and what are left are scars from the infighting and struggle. Decentralization, with the establishment of locally elected bodies, is the next stage of democracy and according to

the World Bank (1998), 12 of the 75 developing and transitional countries with population greater than 5 million had embarked on a process of political devolution. But the issue is the same - can it be supported under the prevalent social and political conditions?

The challenges that these constitutional amendments and acts face is that of inhabitability of the established structures in place. Any change that can have a negative impact on the benefits of some people, especially those who are in charge, will need a push to be implemented. Only five states (Chhattisgarh, Maharashtra, Odisha, Rajasthan and West Bengal) have granted 3,539 Community Forest Rights (CFR) titles under FRA on 73,104 hectares while according to Ministry of Environment & Forests (MoEF), the area of 22 million hectares under joint forest management is with the local communities (as per 2015 data). The Forest Department, which has its roots in British times, didn't shed its red attire and still thinks that its objective is to extract revenue from the jungle, even after the policy has changed and emphasis is now on conservation and not profiteering.

Governance that takes into account people and their ties with the land in mind is what we need today and which should be highlighted across the field of development studies. Even Machiavelli conceded how important it was to win the hearts of people for any king to reign for extended years. Only the right to vote is not enough and the process of devolution of responsibility should be started. The advances in behavioral economics with understanding of decision making process and careful consideration of various incentives should be used while framing new laws. Citizens need to take things in their own hands but the motivation for the same has to be generated in a land where every person looks up to the government for their upliftment and where a job with the administration ensures marriage, education for kids and a dream to be fulfilled.

Governance that takes into account people and their ties with the land in mind is what we need today and which should be highlighted across the field of development studies.

-Dhruv Goel
M.Sc. Economics
2015-2017

आज़ादी.....

आज से अच्छा तो वी बचपन ही था,
जब शिक्षक से आज़ाद थे।
कोई रोक ना कोई टोक थी बोलने के,
कुछ भी पहनने की आज़ाद थे।

आज जो एक खौफ सा लगता है,
अपने दिल का करने में
इस खौफ से भरी जिदंगी से,
तब तो पूरा आज़ाद थे।

धर्म का कोई बंधन ना था,
ना था कोई डर भगवान से,
आज जो खौफ है पुजारियों से
उस खौफ से बिल्कुल आज़ाद थे।

वो देस्त जिसके डब्ले से खाते थे,
वो देस्त जिसको दिन भर चिढ़ते थे,
आज जिसको धर्म के बांटते हैं,
तब उसका पूरा नाम भी नहीं जानते थे।

ये बहारा किया किसने है?
ये दरार डाली किसने है?
पर आज जो दरार भरने की डरते हैं,
उस डर से तब सब आज़ाद थे।

मन का कहने से डर ना लगता था,
ना था डर खुलके सोचने में
आज जिस सोच में भी शिक्षक है,
उस शिक्षक से पूरा आज़ाद थे।

उस सोचने से ही उनाता था समझ
सही राहत के बीच का भेद,
आज जो भेद भी धुंधला सा लगता है,
उस उलझन से तब आज़ाद थे।

इस शिक्षक, इस खौफ, इस घुटन से,
यादें आज तो आज़ादी हमें
ना लौटा सके वो बचपन तो,
वो आज़ादी ही लौटा दो हमें।

Sudhir Swarup

-Sudhir Swarup
M.Sc. Economics
2015-2017

MY TRYST WITH TRAVEL (SHOWS)

We all have a wish list from our childhood days. This list is tweaked from time to time, adding nouveau novelties and subtracting those which we outgrow. My wish list, on the contrary has only been about one thing; Travel and Food. Since the day Dad decided to get cable TV, I was hooked to only one channel-The Discovery Channel. While the channel was of course dedicated to science and history- the shows my brother watched with utmost passion (and to my parents delight- the whizz kid in making), I would wait around for the only international travel show of the 1990s-The Globe Trekker. Ian Wright, the host of the show, became my guide to lands, waters, cultures and cuisines from around the world. To me he was an explorer, clad in khakhi trousers, his signature cap and one of those huge backpacks you usually see on the backs of foreign tourists in India. The show was not about luxurious hotels and five star experiences. It was about travel and food, in its raw form and glory. As I watched Ian travel from coast to coast, I knew what I wished to do when I grew up. I wanted to travel. From the snow-capped mountains of the Alps to the sand dunes of Arabia; the ancient city of Rome to Angkor Vat in Cambodia and the coral reefs beneath the Indian Ocean to the Grand Canyons carved out by the Mississippi. I wanted to see it all.

Travel is not just about reaching a destination on your checklist. It's about soaking in the culture of the place and more importantly its people. This is what makes the experience a memory. Imagine you're in a bistro in Lyon, sipping the best of French wine while listening to the cello and savouring the taste of Coq au Vin (chicken cooked in wine). This and the broken French you have managed to pick up through your interactions with the locals and your classmates from the French desserts cookery class that you decided to

take. All this and more makes your trip to France a 'Journey'. The little signs of where you've been and the souvenirs you bought for your friends become the memoirs of places travelled; be it the gorgeous tan you got from lazing around the beaches of Bali or jars of Dijon mustard for your friends.

Watching one travel show was not enough, the next big thing on TV for me was a channel dedicated to travel and food for the tummy (and soul) called the Travel and Living Channel or better known as TLC. This was when real fights for the remote control started with my brother. If it was Nigella Lawson's tasty treats this hour, it was Kylie Kwong's China escapades the next. TLC was IT.

You may wonder how can one be so obsessed with travel and food shows. Most kids would rather watch Cartoon Network or MTV. However, for me travel shows gave a sense of being an explorer (a childhood obsession), exploring the unexplored. If I am to grow up and do a job like the rest, I would do it only to travel the world. I would say with strong conviction.

So, I put on my father's denim cap, pick up a stick and torch to begin my trek towards the heap of sand left near my house by the municipality. Me and the other kids, on our very own expedition.

-Medha Shekar
M.Sc. Financial Economics
2014-2016

GENERATING IMPACT!!!

GENPACT is a global leader in digitally-powered business process management and services. For two decades, it has been passionately serving a few hundred strategic clients and has grown to over 70,000 people in 25 countries. It has been one of the major recruiters at our college over the years. This year Genpact officially flagged off "InGENium Scouts", its Campus Ambassador Program across three institutes in the country. It is a matter of great pride that our college is one among them. I am quite lucky to have been given an opportunity of being a campus ambassador. Since the day the results were announced, the journey has been a fruitful one. The orientation for the Campus Ambassador Program was held at the Genpact Office, Bangalore on 1st and 2nd March 2016.

On the first day, an informal dinner was held with the HR Group wherein the employees shared their personal experiences of working with the company. The ice-breaker session witnessed a fun-filled Dumb Charades session. The camaraderie which the members shared with each other as well as their seniors was amazing to see and something which can rarely be seen in today's corporate environment.

The following day, the orientation began with a formal welcome note and program agenda discussion where we came to know about how GENPACT works towards generating impact for their clients in the form of a high return on transformation

investments through growth, efficiency and business agility. The next session was the CULTURE CANVAS which threw light on how GENPACT's unique business processes and industry domain expertise help them to drive the best choices across technology, analytics and organizational design. As part of the BUSINESS INSIDER session, we got an opportunity to meet one of GENPACT's business leaders. This session gave us a deeper insight into the business of the company. The program concluded with an alumni meet and lunch which witnessed endless conversations about college fun and corporate life.

These two days at Genpact have had a huge impact on me and I feel inspired to make the maximum effort in bringing out sustainable and growth driven changes. At Genpact, employees are empowered to take decisions that generate impact. It is here that you get an opportunity to be a part of a global organization with the heart of a start-up.

-Liya Rashid
M.Sc. Economics
2015-2017

THE FIRST EMBRACE

I can always wait for you to bathe before I hug you
But the embrace just after you have returned
Means much more than the quiet warmth of your chest
The black soot on my face from your tattered shirt comforts me
Affirms your presence

Your young girl coughs legions
Many and black
Makes memories of you stream about in my head
Somehow they are black too
They seldom go beyond our first embrace

Maybe it's because you are cold after you bathe
Sometimes I imagine why you are empty and cold
I feel the pit's heat has iced your insides
At home you go about your paces
You call your young girl Baby
But her little stories don't touch you
She still loves her daddy's lap

I lay down on your chest
It's warm
Though I see winter in your eyes
I don't blame you
The dread of going back again
Clouds over my kisses

You are gone again
Your young girl coughs legions
Many and black
As I wait for the first hug

"Every day thousands of men venture into a colliery in India not knowing whether they will return"

-Jubin Daniel
-M.Sc. Financial Economics
2014-2016



ECONOMIQUE

GARY STANLEY BECKER



Being branded as the “most important social scientist in the last fifty years” is an accolade not easily quantifiable, but then again, hard to earn. This is the description quoted by the New York Times for Gary Stanley Becker.

A Jew from Pennsylvania, Gary Becker's academic life was catapulted to commendable heights right from the beginning, when he completed his B.A. from the prestigious Princeton University. A Ph. D. student at the University of Chicago, Becker's ideologies were impacted by Milton Friedman, the teacher he claimed to have been his “greatest” one. His Ph. D. thesis in 1955 was titled 'The Economics of Racial Discrimination', and thus, he started on a highly acclaimed journey of contributing to the field of social economics. In his doctoral thesis, Becker explained the behaviour of economic agents by incorporating a variable for discrimination. He did so because he believed that the cost of a transaction increased due to the presence of races or gender against which we discriminate. He showed in his study that racial discrimination is not just present but also desired by the majority group because keeping a low count of minorities in the society shifts the burden of the 'cost' to the minor group itself.

The most appreciated work of this American economist was in the field of family economics. Particularly admired is the insight he provided into the concepts of marriage and human capital. Conducting an elementary marginal cost-benefit analysis, Becker studied the effect that increased real wages have on the value of time and concluded that eventually, a rise in the opportunity cost of bringing up children at home by women is bound to occur. This, according to his research, justified lowering of fertility rates as he had observed them. Equally fascinating are his works on divorce, such as the hypothesis that unanticipated changes in income raise statistical chances of divorces, which can be found in 'A Treatise on the Family'. His radical work on the organ donation market which posited that prevalence of free market in this field is the best solution to the problem of organ scarcity was both applauded and criticised.

Gary Becker was honoured with the Nobel Memorial Prize in Economic Sciences in 1992 for his path-breaking work on non-market behaviour. Becker breathed his last at the age of 83 in Chicago in 2014. He is survived by his wife and family, and an overwhelming trail of contributions to the realm of economics.

W O R D O K U

The game is played like sudoku, but with 9 unique letters that make a word. Each letter is mentioned at least once on the grid.

	D	A				E		
				R		B	A	
E		I					K	
				A	I		E	
			E		K			
	A		R	S				
	B					K		S
	I	S		B				
		R				I	B	

And the word is...

S R

Seldom does one come across a genius who can apply basic microeconomic theories to give solutions to subtle real world problems. Think about it: When running out of time, one day of work, Becker sat and calculated the cost and benefit (by diligently assigning probabilities) to getting caught and being punished for illegal parking. He ended up giving in to the “crime” and concluded that similar rationality governs the minds of abhorred criminals, who correctly weigh benefits over the moral, social and tangible costs of conviction.

-Kshama Mishra
M.Sc. Financial Economics
2015-17

BEFUDDLED

-Sreeja Sen

