

# equilibria

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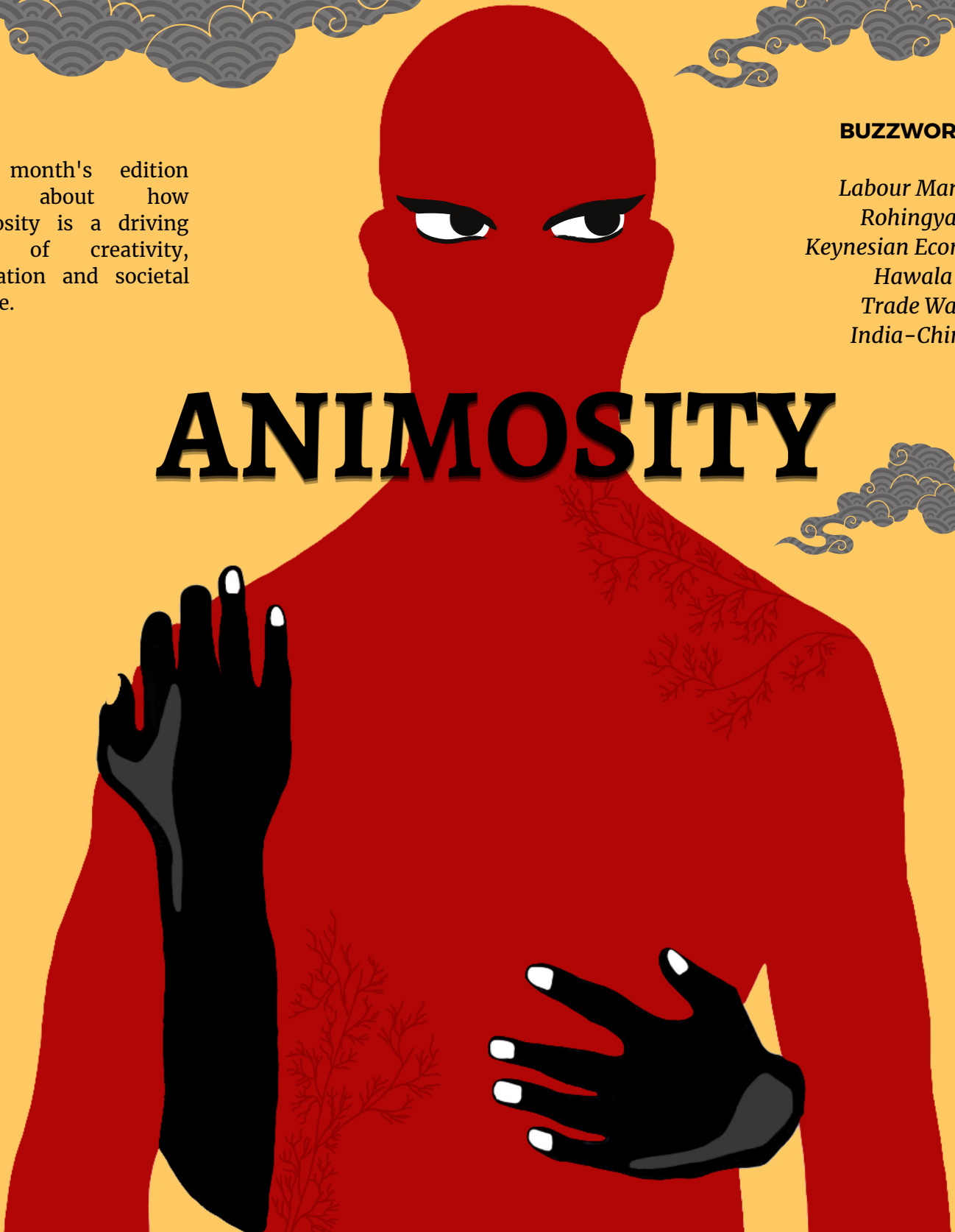


This month's edition talks about how Animosity is a driving force of creativity, innovation and societal change.

## BUZZWORDS

*Labour Market*  
*Rohingyas*  
*Keynesian Economics*  
*Hawala*  
*Trade War*  
*India-China*

# ANIMOSITY



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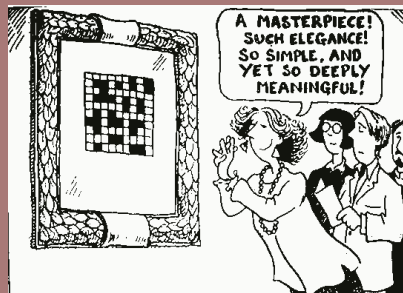
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## ANIMOSITY

A PAINTING BY ALDYN ALEXANDER



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# Myanmar

*By Tejas Akware (MSc. Financial Economics)*

The world experienced its first protest in 1215 when descendants of Norman invaders signed a peace treaty with the monarchical government known to be the Magna Carta. History remembers it clearly because the people attempted to fight for the rights of individuals against despotic authority. The treaty between the barons and the king of England ended the reign of unjust tyranny. It demanded the right for all free citizens to own and inherit property and the right to be protected from excessive taxes. It is interesting to know that at the time, people stood up against the feudal lords by projecting their right to freedom by marching in defiance. Having space for discussion and revolting against the government as a form of protest has always been part of a democratic nation. After all, the leaders of democratic nations are supposed to abide by the people, work for the people, and listen to the needs of the people, rather than implement rules and regulations that dominate their existence in every sphere.

As the world grappled against a global pandemic, on February 1st 2021, the Myanmar military known as Tamadav seized power in Myanmar by ending a decade long democratic government. It is not astonishing for the people of Burma to experience the military taking over the control of the nation in broad daylight. Myanmar's authoritarian government dates back to 1962 when a military coup took control of the government due to widespread instability of power and hostility among the country's religions.



It allowed the military to fill that power vacuum for more than 50 years by creating a Junta regime until National League Democratic (NLD) came into power in 2015 by winning a landslide victory against Union Solidarity and Development Party (USDP), the pro-military-run government. Aung San Suu Kyi, who was awarded The Nobel Peace prize in 1991 for her non-violent struggle for democracy and individual human rights, was elected as the leader of Myanmar in these elections. But the constitution drafted during the military regime stifled her from becoming the president of Myanmar. According to the constitution, the person elected for president shall not enjoy the rights and privileges of a subject of a foreign government or citizen of a foreign country( as her both sons are British citizens). The junta officials ensured penetration of armed forces in the government, drafting a constitution that reserved 25 % of the seats in the parliament for armed forces. They ventured into the economic spheres by creating organisations that would grab chunks of power in different businesses and consequently, exercise control on the economic sphere of the country.

Aung San Suu Kyi's leadership ethics were also challenged in the International Court Of Justice (ICJ) by Human Rights Watch for one of the deadliest genocides when her government was in power.

Around 800,000 Rohingyas were outlawed and dragged out of the country, as a part of the ethnic cleansing. It is devastating to see the living conditions of the Rohingyas, who are currently in Rakhanya refugee camps. Necessities like food, clothing and shelter have been denied to them by the neighbouring nations. In times like Covid 19, sanitation has been a luxury for Rohingyas. If xenophobia is the basis of this genocide, then Myanmar has failed to deliver the fundamental right of human beings or the very bedrock of purpose for democratic government.





History has proven one thing--some protests might work or some might not but they do create a significant impact on the lives of people who join forces to come together with a sense of unity, compassion and empathy for a peaceful cause. Since the armed forces took control over the nation, Tatmadaw has found ways to showcase its aggression by shutting down the internet in various parts of the country. Killing protesters has resulted in approximately 770 killings up till now. However, the people of Myanmar have responded to such heinous acts of violence by peaceful and nonviolent protest. Factory workers, civil servants, student teachers, medical personnel & people from LGBTQ communities, Buddhist monks & Catholic clergy; people from all walks of life gathered together to protest in dissent to military aggression and authoritarian rules. It is fascinating to see how the term **UNITY** has been portrayed beautifully by the people of Myanmar.

*We must learn to live together as brothers or perish together like fools*

*- Martin Luther King JR.*

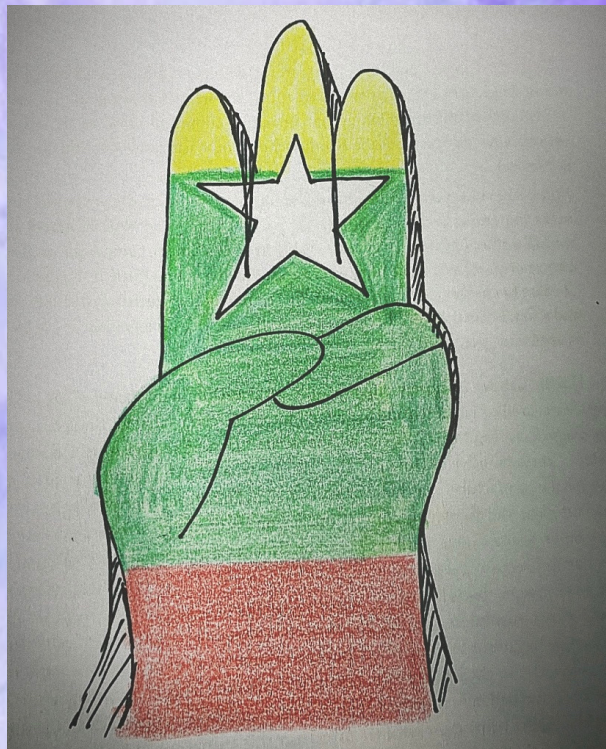


Illustration by Manvi Kukreja (MSc. Financial Economics)



# Broadway's Hamilton explains the origins of Central Banking

By Akshat Sen (MSc. Economics)

A rap battle between two Founding Fathers of USA, Thomas Jefferson and Alexander Hamilton, in the musical Hamilton, titled "Cabinet Meeting #1", is an important lesson in economic history. In real life, the battle was just as heated, and this animosity of ideas between them ended up influencing the present-day financial system and the roles of Central Bank and Government in that system.



*Thomas Jefferson (Daveed Diggs) and Alexander Hamilton (Lin-Manuel Miranda) battle it out on Broadway*

So why are they rapping with a relentless flow and dealing one burn per one bar to each other?

Hamilton, Secretary of Treasury, wants to impose tariffs on imports to increase manufacturing, assume debt for all the states and establish a National bank—the crude form of the present day Central Bank—in which the majority stock of the bank is held by the Federal Government. He also wants to stabilize the national debt that was in shambles after the Revolutionary War with Britain so that US has a good credit line.

Jefferson, Secretary of State, argues that Hamilton's financial plan is a threat to the autonomy of individual states and might hamper the prosperity of the South. He does not believe in giving the Federal government unprecedented financial power over the states. Besides this, they do not seem to relish the other's company. How to break the stalemate and produce outcomes that would influence the future of young America?

The meeting to reach a compromise is depicted in the song "The Room Where it Happens".



In the song, Hamilton's main rival, Aaron Burr yearns to know how a compromise is reached in the face of such animosity between these 'two diametrically opposed foes'. This wicked and tantalizing number provides a vague account of the meeting but the results are favourable to both sides. Due to his fierce loyalty towards his home state of Virginia, Jefferson—with fellow Virginian, James Madison—brokers a deal with Hamilton. The terms of the deal: the capital (now known as Washington D.C.) would be in Virginia, while Hamilton would receive the requisite votes to pass his financial plan in Congress.

Irrespective of how consensus was reached in the real history, it turned out to be a big win for Hamilton. New York couldn't become the legislative capital of the US, but became its financial capital. His plan enabled US to become a major financial and manufacturing power by the late 19th century. The First National Bank (established in 1791) and other provisions of Hamilton's financial plans left an indelible influence on the Federal Reserve and the financial system.



*Jefferson (L) and Hamilton (R) in real life*

Sifting through a new law or amendment is something that many still do not practice. Amid this pandemic of misinformation, keen reading is a virtue. I preach in the last paragraph of this article with an active conscience because during his verse, Jefferson drops a bar where he points out that Hamilton's financial plan is an excruciating read because of its length. Jefferson might have mocked the verbosity of Hamilton's plan, but at least he knew what it entailed. How many of us today can fend for ourselves in that regard?



# Riding High

**By Gonik Kaur (MSc. Agribusiness Economics)**

*'In the rich world, the era of sharp-edged capitalism is giving way to a golden age with productivity baises in Genders and Labour'*

The past four decades were pleasant for the owners of capital and miserable for labour. The workers had to endure competition from trade, relentless technological change, unequal wages and tepid recoveries from recessions. Investors and companies enjoyed expanding global markets, liberalized finance and low corporate taxes.

Today, as the world economy (probably) emerges from the pandemic, a reversal of the superiority of capital over labour beckons. It might seem surreal to predict a wonderful world of work only after a year after a labour market catastrophe. The Covid-19 pandemic has taken a terrible toll on the workers of the world. It has destroyed millions of jobs, causing a drop in employment that was 14 times bigger than the one after the financial crisis a decade ago. In many countries, unemployment has risen to levels last seen in the 1930s, with the pain concentrated among the low skilled. It has also accentuated in (in)equalities that had previously often only bubbled under the surface.

During the pandemic lockdowns, one part of the workforce did not get to wear pyjamas during the day or indulge in marathon sessions of *Mirzapur*. The people known as key, frontline or essential workers had to be in public spaces and often in close proximity to their colleagues. The essential workers had to continue travelling to and from their workplaces, exposing themselves to the virus and dying in great numbers even as many of their office based counterparts could shield themselves at home.

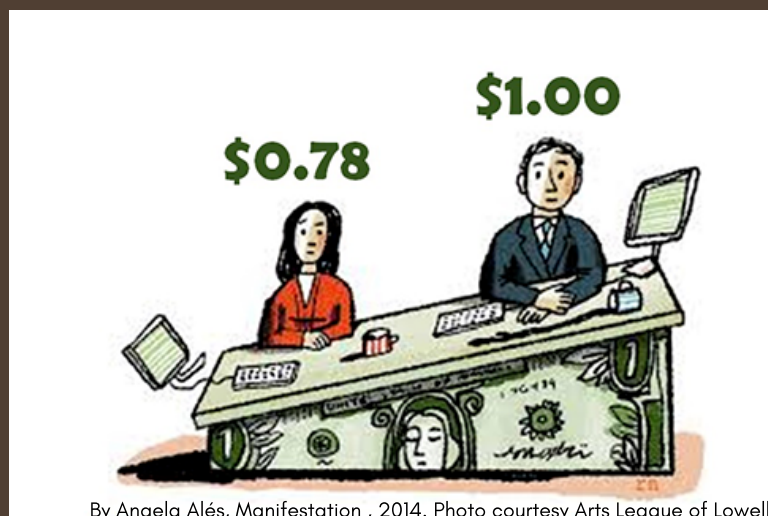
Describing a worker as "key" is an arbitrary exercise (for instance, the label covers most journalists, too). It usually includes occupations necessary to meet everyone's basic needs—food, heating and transport, and not to mention health care. Most of these jobs cannot be done from home. Essential workers are more likely to be ethnic minorities; the saddest part is that they are also relatively paid less, and the behaviour towards them is risky.

The Institute for Fiscal Studies (IFS), a think tank, suggested that an average key worker in the world earns 8% less than other employees. On top of that, there are plenty who now fear that the post-pandemic labour market will be one of persistently high inequality and unemployment, with work outsourced abroad or handed over to robots.

A study in California found that people of working age saw a 22% increase in mortality from March to October 2020. But bakers saw mortality rise by 50% and line cooks by 60%. One class of people stayed home while others went to work to places which probably killed them.

Although labour markets have coped better than expected with Covid-19, they have changed.

The jobs numbers a year ago were grim. Unemployment across the rich world rose from 5% to 9% in April 2020. In America, unemployment rose from 4% to nearly 15% in a month, such a rapid increase that some social security computers broke. In its June 2020 forecasts, the OECD foresaw worse to come. If there were a second wave of Covid-19 at the end of the year, it said, unemployment would reach 12.6% before inching downwards but would not fall below 10% until the second half of 2021.



By Angela Alés, *Manifestation*, 2014. Photo courtesy Arts League of Lowell

And let's not forget about the uncalculated maternal contribution. Researchers have long studied the gender pay gap, attributing this divergence to such factors as educational and career choices by women, psychological differences between men and women regarding risk and reward, demand for work flexibility, and, of course, discrimination, among other issues.

Supporting this claim recently, WEF reported that women's global average annual income stands at only \$11,000 in purchasing power parity (PPP), compared to nearly twice — \$21,000 — for men.

Assuming current trends hold in the future, the overall global gender wage gap won't close for **100 years**. The gender gap is even more profound when it comes to economic participation and opportunity.

If we continue along the same trajectory, it will take **257 years** to close this gap worldwide, which is just as bad at the highest levels of corporate leaders worldwide, where women account for just 24% of senior roles. Even fewer are CEOs of the world's largest corporations. In 2018, a female CEO led only 1 in 20 Fortune 500 companies. Even though women are gaining representation among executive committees in Fortune 100 companies, at the board level, they remain a minority.

In 2017, women accounted for 22% of executive committee roles in the Americas, 15% in Europe, and just 4% in Asia. The situation is particularly alarming in India. According to WEF's 2020 Global Gender Gap Index figures, compared to 82% of men, just 25% of women formally engage in India's labour market. It is one of the lowest global workforce participation rates for women, ranking India 145th out of 153 countries. It is even more worrisome, given that the women's labour force participation rate in India has fallen from 35% in 1990 to 25% now, despite significant educational gains and robust GDP growth.

India is the only major economy to witness such a negative trend in women's participation in the workforce. Moreover, among India's senior officials and managers, women account for only 14% of leadership roles — putting India at 136th in WEF's Global Gender Gap Index — and just 30% of professional and technical workers. Gol has reported that only 10% of startup founders are women, and women fill just 22% of positions in artificial intelligence (AI), despite India having the second-largest AI workforce in the world.



Illustration by Manvi Kukreja (MSc. Financial Economics)



An Indian woman is making about 20% of what an Indian man is making. That compares to an average American woman, who makes about 65% of an American man; an average Chinese woman making 60% of a Chinese man; and an average Bangladeshi woman making 40% of a Bangladeshi man. Also, according to OECD data, the average Indian woman performs six hours a day of housework. The average Indian man? One hour.

An Oxfam's Time to Care 2020 initiative reported that women and girls in India contribute 3.26 billion hours of unpaid care work every day, representing the equivalent of at least \$271 billion of unpaid income in India a year. This burden of unpaid work negatively impacts women's economic gains and traps them at the bottom of the economy. According to the IMF, gender parity would boost India's GDP by as much as 27%. The World Bank reports that India's GDP growth rate would climb above 9% if women had an equitable share of jobs and that India could boost its growth by 1.5 percentage points per year if just 50% of women could join the workforce. When more women participate in the labour force, men also benefit.

Yet, the belief that something has gone wrong with labour markets has a history of turning out wrong. Since the dawn of capitalism, people have lamented the world of work, always believing that the past was better than the present and that the workers of the day were unique in their maltreatment.

So, where does the Animosity lie here?

Qualifications, Class, Productivity or Gender?

# How the streaming wars are heating up to give us more content

By Lisa Jacob

(MSc. Agribusiness Economics)

Ever since its inception in late 2019, industry insiders were divided into two camps about Disney+. Some believed that it would emerge as a solid competitor to the hitherto crowned king of good times --but on the internet--Netflix, while others believed that Disney+ only offered kid-friendly content and would make no significant impact. Less than two years down the line, Disney+ has not just put the second camp to shame but also solidified its place in the arena of streaming services giving Netflix and others a good run for their money.

Streaming wars over the past years have rewarded those who placed content at the centre of its business strategy; be it in terms of creating original content such as Netflix's 'Stranger Things' or by ensuring the availability of cult-favourite shows--'Friends' and 'Big Bang Theory. With so many new entrants in the market, scrambling to capture market shares and contracts with big studio houses implies that the new era of streaming wars is shaping up in multidimensional ways. More so, because for the first time, key players in the industry are no longer purely tech companies but are entertainment monopolies as well.

*'Mo money mo content'- The Notorious B.I.G*

Disney and Warner Media's foray into the streaming industry is interesting because they are among the first conglomerates solely specializing in media and entertainment to do so. Unlike Netflix, Amazon and Apple, tech companies branching out into entertainment, Disney and Warner Media are entertainment companies that have moved away from traditional theatre-only releases, to online streaming. While this may not seem like a big deal, online streaming services burn holes through pockets, making them far less profitable than the money raked in from box office earnings.

It took until last year for Netflix to stop relying on borrowed money to fund its shows and movies. Yet Disney executives have not shied away from making some of the most expensive bids known to entertainment. Hamilton was acquired by Disney for a whopping \$75 million making it the largest price ever paid for a single film acquisition. All this money down the drain for a single musical seems idiotic, but that is merely a stepping stone in Disney's approach to curating and cultivating its A-list content primarily centred around heavyweight brands such as Marvel, Star Wars, Pixar and Nat Geo.



### *Avengers, assemble 2.0*

Disney has doubled down on creating exclusive content like never before. It has cemented itself as the home base for both the Star Wars and the Marvel franchises; both of which have enormous fan bases who are likely to opt-in for subscription packages to enjoy more of the MCU and Star Wars-themed content. Disney+ is experiencing considerable success with this venture too. Its recent high profile release of 2021, 'WandaVision', the first of its kind television series within the MCU, was immensely successful with as many as 6.5 million streams in America itself. Marvel immediately followed up with 'The Falcon and the Winter Soldier'; yet another highly awaited series in the MCU. Marvel Studios 'Black Widow', which was slated for a theatre only release, will now stream on Disney+ simultaneously. Disney+ is also set to be home to multiple new series revolving around central characters from the MCU including Loki, Hawkeye and the cast of Guardians of the Galaxy.

Another area that Disney seems to have made part of its modus operandi is bringing back live-action remakes, spinoffs or reboots of shows. Among these are Cruella, slated for release next month, a possible Lion King prequel, and a reboot of the Hannah Montana series among others. Although many of these plans are in their infancy, Disney's success only hints at the fact that there is no slowing down.

Running almost in tandem with Disney's strategy is Warner Media's unexpected decision to release one of 2020's biggest films, Wonder Woman 1984, in theatres as well as on its streaming service HBO Max. Warner Media's call has perhaps definitely changed the theatre landscape for good. One of the biggest entertainment companies, known for raking in money through its high profile releases, for the first time deemed streaming platforms as integral as theatrical releases. If this wasn't enough of a shocker, the company said that all its slated 2021 films would be released on HBO Max as well. These include Denis Villeneuve's Dune, Matrix 4, and the highly anticipated Space Jam sequel.



Also in development is a Game of Throne prequel with news going around about a potential Harry Potter series in mind too. Although Warner Media's DC extended universe is no match for Disney's MCU, the former does have smaller success stories like Wonder Woman that can give it momentum. Warner Media has also struck a deal with both Amazon and Roku, allowing both Fire TV and Roku device users to stream HBO Max directly. Apart from this, HBO Max is also home to adult content with television miniseries such as The Undoing and Little Fires Everywhere, starring big names such as Nicole Kidman, Hugh Grant, Reese Witherspoon and Kerry Washington.

NBC Universal's service, Peacock, marked its entry into the streaming industry mid last year. While it is still in its nascent stages, it has remarkably managed to unveil the full run of cult favourite The Office, which it managed to poach back from Netflix for a substantial amount. Netflix has not been left in the dust though. It still enjoys the largest chunk of subscribers with a global count of over 200 million and growing.



In 2020, Tiger King and The Queen's Gambit proved among Netflix's major hits. In a new deal with Sony, Netflix will not only feature Sony's animated releases, but it will include Sony's theatrical films from Columbia Pictures, Sony Pictures Classics, Screen Gems, and TriStar Pictures studios. The deal allows Netflix a first look at any of Sony's original movies that it's looking to send directly to streaming. Additionally, the streaming company will also license older movies from Sony's library to be available on Netflix.

Streaming wars are only firing up their big guns. We have already crossed the precipice of what is shaping up to be exciting five years for these streaming services. While it is undeniable that much of business strategies have had to undergo a complete turnaround, much in part to the disruptions unleashed by COVID-19, what is even more interesting is how this is going to impact both the traditional box office industry as well as the streaming industry.

# Animosity: The Blessing of Foes

By Arijit Banik

(MSc. Agribusiness Economics)

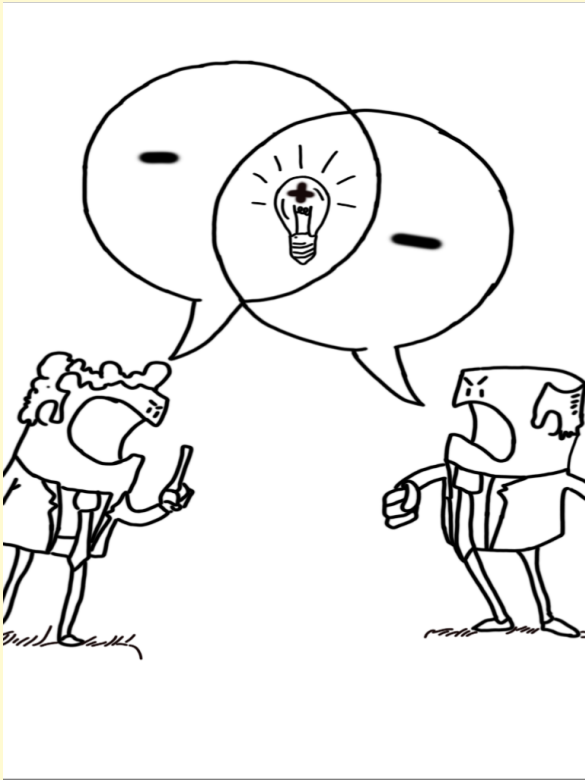
*“The snake which cannot cast its skin has to die. As well the minds which are prevented from changing their opinions; they cease to be mind.” – Nietzsche*

The general nature towards animosity has been that of resentment and gloom, where rivalry is a bane for a coherent and serene society. However, when we dismantle the elements of any rivalry, it often boils down to the rivalry of ideologies. In essence, this rivalry is not an undesirable phenomenon. The persistence of the same ideology over time provides more reasons for animosity than the mere act of standing up for it. Throughout the history of mankind, we have witnessed such crucial events that transpired due to the persistence of a single ideology and led to despair, highlighting the importance of an opposite force to counter the existing train of thought. It is evident within the structure of every Revolution which has occurred in history; solely responsible for overthrowing the status quo and introducing a semblance of equity in society. Had it not been for animosity between two opposing forces, there would be no change, and things would have remained the same. For all we know, had the nomadic wanderers not desired a sedentary lifestyle, there would be no Neolithic Revolution; had

the peasants not demanded freedom from serfdom, there would be no French Revolution; had the Bolsheviks not demanded a country free of imperialism, there would be no Russian Revolution; and had the Indians not rallied behind the teachings of the Mahatma, there would be no Indian Revolution. Animosity was the driving force behind these changes, and many other changes, which take place in the world even today.

As early as 10,000 B.C., the spirit of animosity has led to positive repercussions in the quality of human life. The Neolithic Revolution depicted the importance of contradictory opinions in society, and animosity played a crucial role to improve an unsustainable path of life. In ancient times, there were no settled communities. Humans lived as hunter-gatherers, roaming around the world, making it impossible for members of a particular clan to settle down and raise a family. Population growth was meek, and the non-sedentary lifestyle prohibited the development of tools and ideas. The eldest member of a clan was

Illustrated by Durva Shetye (MA Economics)



its leader and rival clans fought against each other to claim resources. However, such a system proved inefficient as many in the clan did not live for long. The desire to settle down and lead an agrarian life dominated the perception of the young members of the clan. A rivalry grew between the young and the old. Ultimately, these scattered clans started to settle down and develop agricultural practices, inclusive societies and engage in barter trade with one another. What ensued was not only a reduction in casualties due to clan wars, but also the development of advanced methods of agriculture, and the gradual recession of the nomadic lifestyle. The population exploded, and gradually, more nomadic tribes settled down to form a union governed by rudimentary laws and baby institutions, which shaped the modern world

The Revolution evolved around the present-day Mediterranean Sea and spread towards Israel, giving humanity one of its first civilizations—the Mesopotamian civilization along the Euphrates river. It all culminated due to the simple essence of rivalry amongst members of the same society. The child society of yesteryears shaped the structure of our world today.

The importance of animosity did not end after the Neolithic Revolution. Throughout human history, several revolutions took place across all regions of the Earth. The most influential one of the modern era is the French Revolution, which took place 11,000 years after the Neolithic Revolution in the 1700s. Eastern and Western Europe (save the United Kingdom) operated under the principles of serfdom. Serfdom is a parochial remnant of the land tenure system, in which even the labourers were tied to the land. The fate of human beings solely depended upon the produce cultivated in a single year. Serfdom was an extreme version of feudalism, and these labourers, who were often farmers, were contractually bound to a single feudal lord over several generations. It created a vicious cycle from which only a handful broke out. The situation was worse in France especially, due to the extravagant lifestyle of the French lords.



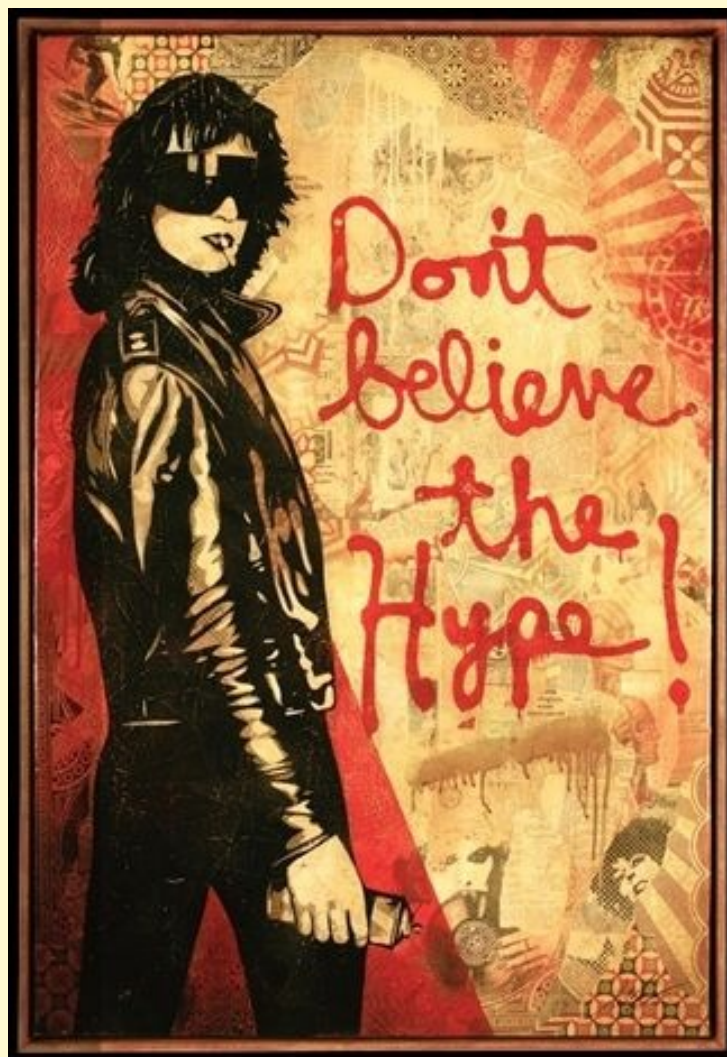
To fund the panache of the French clergy and royalty, the peasants were highly taxed, besides facing discrimination by the laws of serfdom. In its entirety, peasants could not break free from the circle of poverty and slavery, as even their surplus was taxed (if they procured any). A great animosity brewed between the peasants and the other divisions of French society; the peasants were the lowest of the lot, followed by the nobility, which comprised the lords and royalty, who were guided by the wisdom of the clergy, the highest order of French society. The three classes formed the Three Estates of French society. Akin to any medieval society, the role of the nobility and the clergy were to ensure the persistent exploitation of the peasants and fixate them within a low-income trap. Similar to the events of the Neolithic Revolution, the rivalry between ideologies of different sections of the same society led to the revolt of the peasants against the ruling class. The French Revolution, spanning from 1789 to 1799, changed the course of France, and its ramifications spilt over to entire Europe. The doctrines of liberty, fraternity, and laissez-faire transformed the structure of European societies. France dethroned the monarchy, and feudalism withered out. As a direct consequence of the power struggle in France, Eastern European countries, under similar restrictive societies, also

also attempted their isolated Revolutions and substantially reduced the influence of feudalism across Europe. In the end, society was more equitable, and justice not confined to the walls of Versailles.

The primary inference of such Revolutions is not only that they change societies but also the importance of animosity to further growth and development. Even at a micro level, the inherent personal struggle of any human being is nothing but the animosity between two opposing thoughts contained inside a single mind; cognitive dissonance, as psychologists term it. Cognitive dissonance is responsible for changes in character traits of individuals when they unlearn existing patterns and adopt changes into their lives. Similarly, when considered at a macro level, the individual dissonances give rise to something much more powerful, the collective consciousness, which transcends time and has resulted in repeated Revolutions across the globe over the history of humanity. In most cases, these events led to an improvement in the lives of people, irrespective of time. Without any revolt, life would go on as determined by the status quo, and there would be no change to celebrate.



Much like the idea of creative destruction, animosity plays an integral role in the development of societies over time. It has persisted since the beginning of human lives, and it will remain till the end, working as a force of growth and change. None of the revolutionaries was certain about the future, yet they revolted. Change, no matter how scary, should not be changed.



Artwork by Shepard Fairey

# Renegades of Economics

*By Akshat Sen*

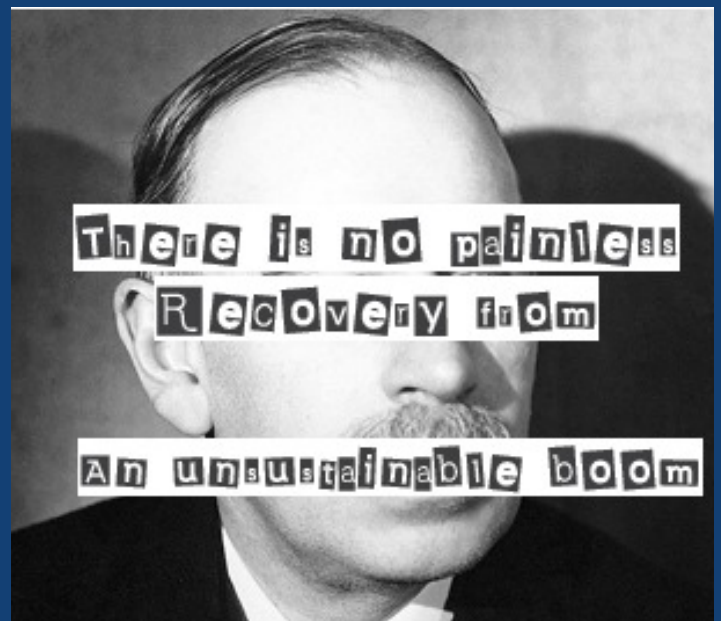
*Decades of intellectual animosity among various schools of economics has made rulers out of renegades and renegades of those who dissent*

## Renegades First Class: Origins

John Maynard Keynes was a pupil of neo-classical economists like Alfred Marshall and Pigou and even aligned with Classical Economists on various issues in his initial publications. However, with the onset of the Great Depression, the promising rising star of the Classical school turned renegade. His influential tome, *The General Theory of Employment, Interest and Money*, revolutionized Economics and exemplified the spirit of his rebellion.

Across the Atlantic, around the same time, Keynes's professional rival, Friedrich Hayek, had joined a band of renegades who called themselves the "Austrian school of Economics". These economists were thinking about economic phenomena as more individualistic and subjective than the Classical school. These economists focused on methodological individualism and subjectivism, advancing concepts like opportunity cost and marginalism. They proposed that demand can either increase or decrease due to shifts in the tastes and preferences of consumers. To the reader of this article, these concepts are not revolting in the remotest sense since they are parts of any modern-day economics primer.

Why have I used the term 'renegade' to describe these prominent economists of the 20th Century, who would today be considered mainstream? This term is applicable only in context and perspective—the economists who dominate economic thinking in a particular era refer to those



*If Hayek was a punk renegade, this how he would have tried to deface the dominant Keynesian ideology in the years following WWII*

who challenge the status quo as renegades. Such a conflict still exists; the most recent example of this has been the debates between current economists and the unorthodox economists, who advocate Modern Monetary Theory, Behavioural Economics and other heterodox theories.



investment, due to which there are additional savings in the economy and not crowding out.

Furthermore, they point out the ineffectiveness of the money supply since it is not under the direct control of the apex bank and the government. Money in the modern economy is often in the form of bank deposits, which are a side effect of bank lending.

Lastly, they advocate the principle of effective demand—economic activity occurs due to expenditure decisions. So it is integral, especially for the government, to support “private rationality” by intervening and achieving a state of social responsibility to avoid low output and involuntary unemployment.

Here, MMT goes the extra mile by saying that deficit financing is not harmful to a country that issues its currency and that practicing fiscal consolidation is futile. Debt assumed by a nation is not the same as that incurred by individuals and the private sector. Moreover, an economy does not have a budget constraint: it spends first and collects revenue later, the opposite of what you and I practice.

The reader should explore it further and make their conclusion about MMT if these views seem outrageous. I would suggest Stephanie Kelton’s bestseller, *The Deficit Myth* as a place to begin.

Meme treatment by Akshat Sen



## **The Past: From being renegades to riding the mainstream**

Since we are clear about what ‘renegade’ means, let us again proceed on our chronological trajectory. The zenith of the Keynesian Revolution approached when World War II (WWII) ravaged the western world. During this time, Keynesian policies were no longer renegade—fiscal spending and government intervention to correct market failures were considered the government’s responsibility. Even the US, usually the patron saints of the free market, sought government intervention under President Franklin D. Roosevelt. After World War II, all western economies followed suit and started experiencing unsustainable booms, and Mr Hayek stood right there with a speakerphone shouting “Achtung!”

He contested that centralized planning would not be as effective and advocated decentralized control. He proposed that unsustainable booms, like those in the post-WWII period, cannot be corrected unless the inefficiencies in the economy are corrected—these should be allowed to liquidate instead of financing such failed ventures. The 2008 crisis proved Hayek’s point.

At this point, a renegade challenged the dominant Keynesian thinking. He was Milton Friedman of the Chicago School of Economics. Friedman supported passive

government intervention—influencing money supply—and thought Keynes got the reasons for the Great Depression entirely wrong. In other words, the latter believed it was the contraction of money supply and not investment demand that caused the stock market crash. In the 1970s, when Keynesian policies began to fail, Friedman became the poster boy for the market economy system; his theories were adhered to by Wall Street and heads of states like Ronald Reagan and Margaret Thatcher. The reign of neoliberalism in economics would thus start—fiscal consolidation, tax cuts for businesses and monetary policy to control inflation and finally, limits on government intervention to avoid crowding out of the private sector.

## **The Present: What do the Renegades of today propose?**

Behavioural economists challenge the assumption of individual rationality and emphasize the relevance of human behaviour in economic decision-making. On the other hand, Post-Keynesian economics (PKE) and other emerging heterodox schools of thought like Modern Monetary Theory (MMT) also challenge certain conventional economic beliefs. Here are a few tenets.

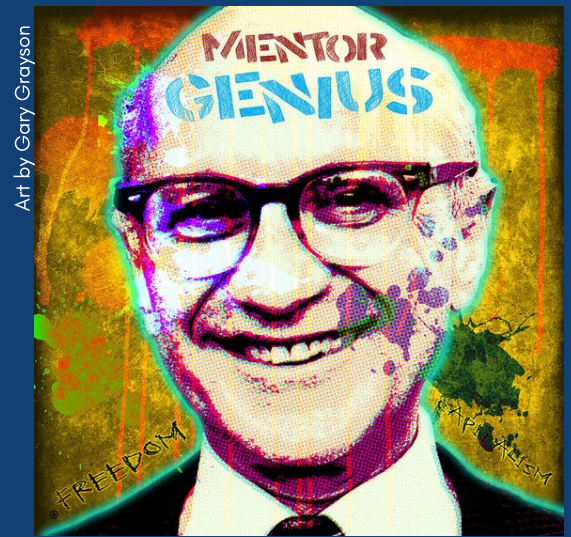
First of all, they consider the “crowding-out” of the private sector to be a myth. Fiscal deficit generates savings over private



## The Future: A win for the 'Undesirables'?

The Post-Keynesians and other similar schools like MMT do not stray from certain basic economic principles. They merely choose to look at the problems and their policy solutions from a different lens. MMT economists have at times refer to their collective theory as a "new lens to view old problems". One thing to grasp here is that heterodox economists refute the mainstream economic thought because they think that the mathematical soundness of a theory does not compensate for its empirical flaws.

The renegades of today advocate that in the current pandemic, we need deficit spending stimulus to rekindle consumer demand and encourage investment. The rampant unemployment and underutilization amid the looming recession call for such reforms, they argue. To put it simply, do not fear inflation and change in interest rates, but fear the consequent recession due to inaction by the fiscal authority.



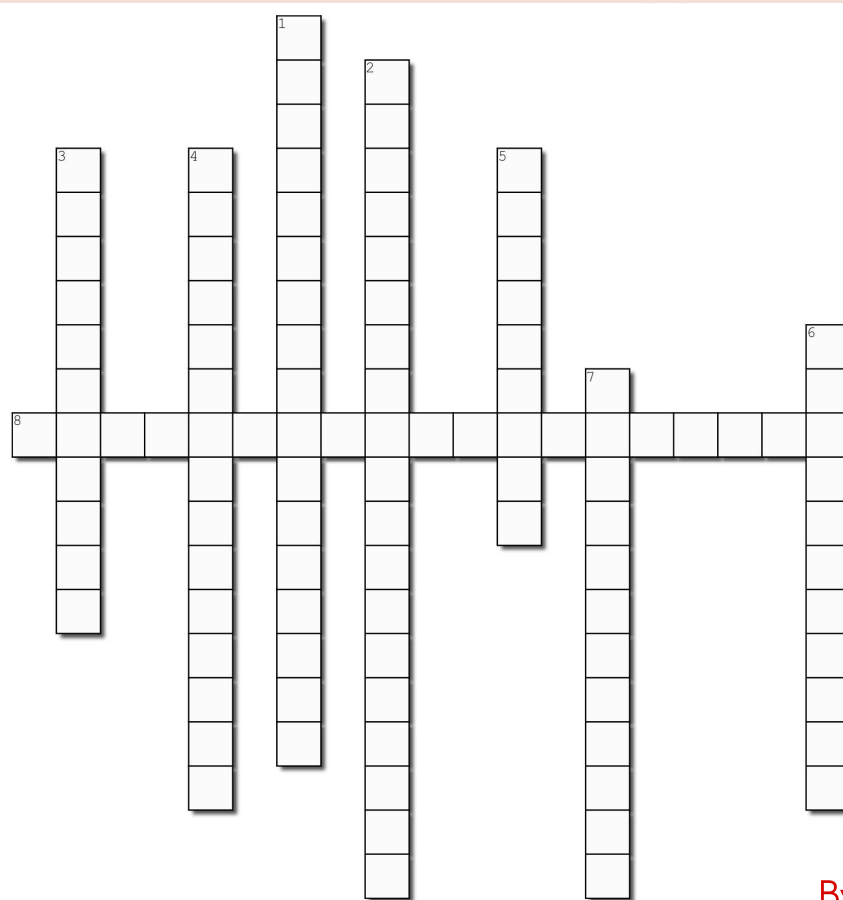
*MMT renegades are drawing such murals all over town. They must really adore Friedman*

The heterodox theorists were ignored for a long time and got their big break after they called the bluff of the housing boom of the early 2000s. It is reasonable for them to challenge the status quo since the economists revered as mainstream in the present were renegade theorists in the past. And as for the outright hatred conventional thinkers have against the renegades, the Bard of Avon has a few words to spare: "In time we hate that which we often fear".

*The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design.*

**- Friedrich von Hayek**

# Crossword of the month



By Durva Shetye  
Created using the Crossword Maker on TheTeachersCorner.net

## Across

8. a method to retain consumer sovereignty but nudging consumers to make certain choices.

## Down

1. increased likelihood of deciding to continue a course of action due to the level of previously invested resources regardless
2. a decision process strategy limited by a human ability to process information proposed by Herbert Simon.
3. study of strategy, decisions, risks and rewards and the effect of learning in the playing a game.
4. a theory that describes how people decide when presented with alternatives that involve risk, probability and uncertainty.
5. manipulation of choice options vis a vis a reference point so that their likelihood of selection is affected.
6. overvaluation of a product, belief or process in which there was participation in its development or completion.
7. a phenomenon whereby consumers change their preference between two options when presented with a third option.



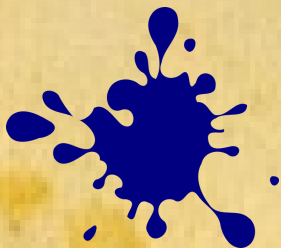
## आज एहसास-ऐ-कमतरी के शिकार है हम - अभय शिंगारे

आज एहसास-ऐ-कमतरी के शिकार है हम  
वज़नी है साँसे और हौसला भी है कम

खून से है तरबतर, मवाद से भरे है जख्म  
फिर भी चलते है और मानते है दुनिया के सारे हुक्म

दुनिया भर की मुश्किलों से लढ़, खड़े रहे सख्त  
इस दिल उलझनों का इलाज है क्या? होगी कैसे ये कम

सहारे भी छूट गए अब बचे है फ़क़त हम  
देखे किसकी ओर अब अपने ही घर में अग्यार है हम



# Life in an Opaque Box

- Akshat Sen



*I wish I was a tree; I wish a windy day  
would rustle my eager leaves.*

*I lie in an opaque Box, I shiver and sneeze;  
I want to step out but locked doors are safer,*

*Keeper of the crypt, any openings?*

*I check my Schedule, stuck on all walls,  
relentless in its glare, I deserve respect!*

*I carry out tasks most important—*

*time for tea, time to sleep*

*time to weep, Time will flee.*

*One step, a huge leap,*

*To assume a dainty deity seems*

*more rewarding, not*

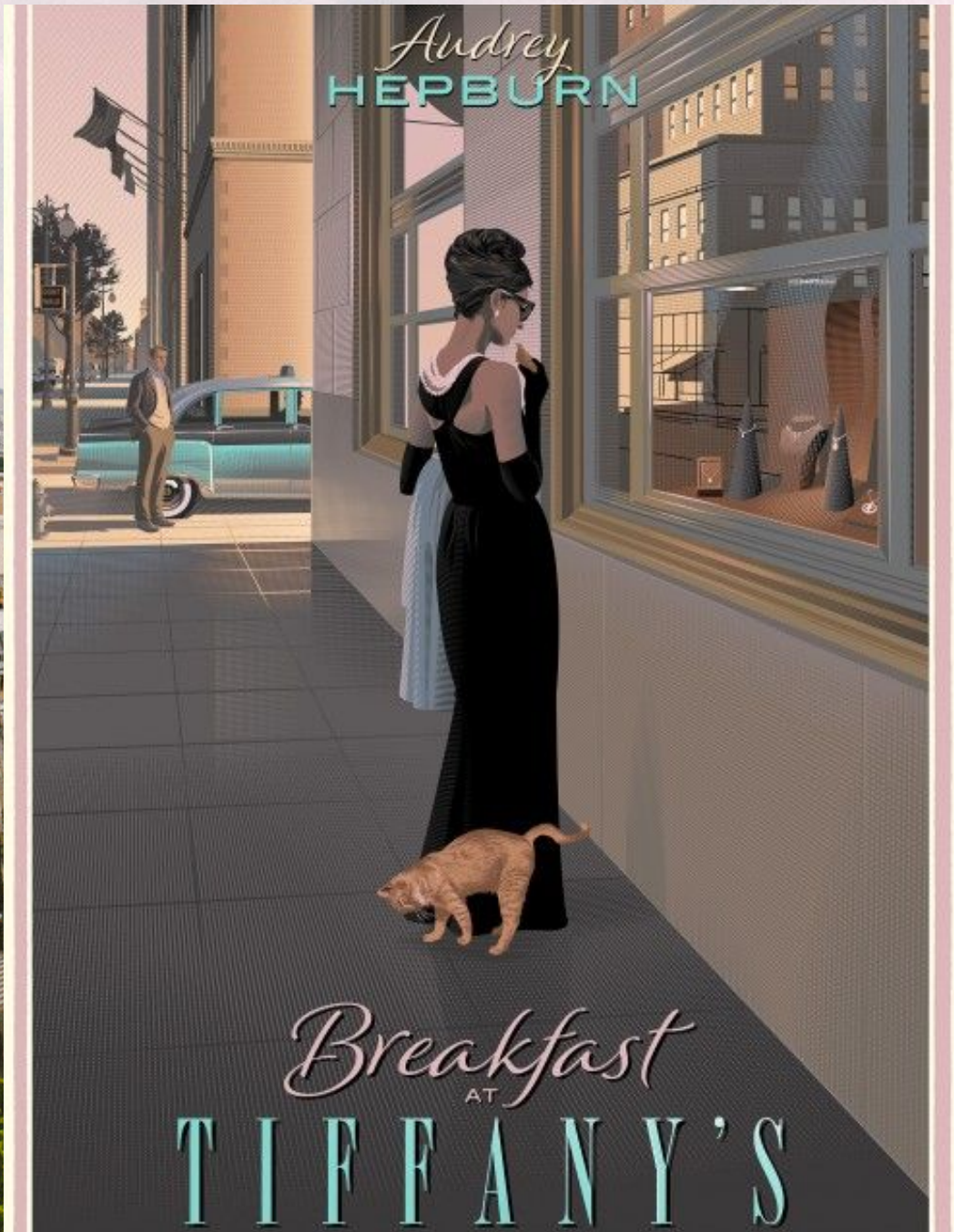
*rolling rocks and absurdity—I cannot shoulder it  
all.*

*Someday I shall step out of the Box,*

*shrug off the aches and shackles of Titan Atlas.*



# *FEATURED ARTICLES BY GUEST WRITERS*





# Is India China border Tension raising Consumer Animosity?

*by Deepanshu Gupta (MA Economics) & Lakshaay Singhal (MSc. IBEF)*

The establishment of the idea of unpleasant will is the enthusiastic foundation of every individual purchaser who addresses the establishment of the conduct in buy choice. The degree of expression of animosity is shaped through the personal development of each individual, determined by the influence of the internal and external environment of the country the individual inhabits. Specifically, Klein, Ettenson and Morris (1998) have found an independent effect of country of origin on consumer purchasing decisions, suggesting that consumers will likely avoid the products of the adversary country, not because of customer insights about the low quality of these items but the explanations are past military, political and financial impacts of the particular country.

Indians are urging a boycott of Chinese products due to China's increasing proximity with Pakistan and China's rising trade deficit with India. The recent standoff between India and the People's liberation army in the Doklam region of Bhutan has led to increased animosity among Indian Consumers to buy Chinese products.



*Illustration by Durva Shetye*

Plenty of consumers have raised their voice on Social media to boycott Chinese products in support of India. Boycotting Chinese products was a way to express our dissatisfaction with China.

## **India-China History and Border Dispute**

Social and financial relations between China and India date back to antiquated occasions. The Silk Road did not just fill in as a significant shipping lane between India and China but also helped with the expansion of Buddhism from India to East Asia.



The relations between China and India have been characterized in contemporary times by border disputes, which have resulted in three major military conflicts--the Sino-Indian War (1962), the Chola incident in 1967, and the 1987 Sino-Indian military standoff. In mid-2017, the two nations conflicted at the Doklam level along the contested Sino-Bhutanese line. There are several obstacles for India and the PRC to endure, notwithstanding developing monetary and other ties.

Following the conflicts in Sikkim, the strain between the two nations deepened with the infiltration of troops in various areas of Ladakh. There were 20 Indian fighters and an undisclosed number of PLA troops executed on the evenings of 15-16 June. As per a state media report by the CCP, China supported soldiers close to the Indian boundary with Tibet. Bilateral agreements between the two countries prevent the use of guns along the line of actual control.



India faces exchange lopsidedness vigorously for China. The two nations have neglected to determine their border debate, and Indian news sources have over and over announced Chinese military attacks into the Indian region.

### **2020 India China Skirmishes**

On 10 May 2020, Chinese and Indian troops clashed in Nathula, Sikkim, leaving 11 soldiers injured.

Following the incident, Prime Minister Modi tended to the country about the episode, stating that the penance made by our fighters won't go in vain. While the Indian unfamiliar priest told the Chinese unfamiliar pastor that Chinese activities in Galwan were *planned*. Following the Galwan Valley conflict on 15 June 2020, there were restored calls across India to blacklist Chinese merchandise, even though various Indian government authorities stated that the border dispute would have little effect on the trade.

As an outcome of the development, the Indian Government prohibited 59 Chinese apps "to counter the danger presented by these applications to the nation's power and security", including TikTok, WeChat, Helo and UC Browser. The Ministry of Electronics and Information Technology of the Government of India banned 47 more Chinese-origin apps for user privacy violations. The BCCI India suspended the Indian Premier League title sponsorship manager, Chinese cell phone maker Vivo, for one year after India's border deadlock with China.

Also, boycotting famous Chinese applications like TikTok has been recommended as a more powerful option instead of boycotting actual products.

### **Atmanirbhar Bharat, Vocal for Local:-**

During the pandemic, the Honorable Prime Minister called for Self-reliant India, prominently citing it Atma Nirbhar Bharat. The term is an umbrella idea that aims to make India "a greater and more significant piece of the worldwide economy". It aims to seek arrangements that are effective, serious, versatile and self-creating. It doesn't signify self-regulation, or *isolation from the world*, or protectionism. India's trade with China a year ago has declined since 2017, with the trade irregularity on a five-year low on the rear of a drop in India's imports from China.

Two-route exchange 2020 came to \$87.6 billion, somewhere around 5.6%, as per new figures from China's General Administration of Customs (GAC). India's imports from China represented \$66.7 billion, declining by 10.8% year-on-year and the most minimal figure since 2016.

Nonetheless, India's export to China rose to the most elevated figure on record, interestingly crossing the \$20 billion imprint and developing by 16% a year ago to \$20.86 billion. As indicated by a Local Circles study, 71% of neighbourhood shoppers did not buy products with a 'Made in China' tag.

The structural move towards privately made items has likewise been embraced by merchants, as indicated by the Confederation of All India Traders (CAIT), the nation's driving industry body.

Lastly, we can conclude that although the Border Dispute has raised the tension among both the countries, there is still a possibility that the trade didn't fall much. Indian consumer animosity and calling to boycott Chinese goods might have had some effect, but China is still India's largest commercial partner. Furthermore, the PLA and the Indian Army have started peace talks to solve the border dispute, resulting in disengagement at the Galwan valley in Ladakh.



# Are we too comfortable?

## Lack of animosity towards capitalism

By Mahi Rajawat (MSc. IBEF)

We can deny all we want but everyone enjoys indulging in capitalistic shenanigans, starting from that cute yellow dress you bought from H&M. But did you know that the factory worker who made that garment is not even getting substantial pay, and faces sexual harassment almost every day? You are, intentionally or unintentionally, on that side of the line which hogs all the surplus while the rest of the society slaves to survive. You are privileged enough to enjoy and ignore the disturbing results of capitalism around the world. Sadly, our intellectuals and leftists, the prolific proponents of capitalism, are also considerable contributors to the capitalist economy. To be honest, I do not preach it but I can not escape it either; that yellow dress was irresistible.

As Piketty's argument in his book, *Capital in the Twenty-First Century*, went--"In an economy where the rate of return on capital outshines the rate of growth, inherited or the old wealth will always grow faster than earned income or the new wealth". So, the upper or middle-upper class kids can swim around aimlessly for years starting with 'to figure out what they want in life', engaging in internships at MNCs through connections, to finally landing a job at their father's bank/ministry/TV network. If you are not born into wealth to start with, life, for even the best-educated, will be like Harriet without Emma's wealth, probably working as a waiter. The poor kids sweat into below-average salaried, undesirable job profiles. This is not out of ordinary: it is our normal working system and no wonder we do not oppose it.

You and I are going to graduate and end up working for the biggest capitalist predators. After all, capitalism is Goldman Sachs, big hedge funds and Wall Street destroying MSMEs, breaking up great big companies, and setting share prices at extreme profits. I'm pretty sure you haven't experienced this level of exploitation with your daily milk and bread seller. You will work 12 hours a day with a constant fear inside you that not overworking will get you fired. Do you want to be jobless? I think not. This work culture, full of anxiety and stress is normalized to a level where it is considered 'leading a successful life'.

Capitalism has blinded us to brag or to be delighted with work-induced illnesses, where you'll brag about sleeping for merely 4 hours the night before, and your friend, in the same spirit might add "I did not even sleep a wink!". French might seem stingy but at least they know you do not live to work, you work to live!

The above situation is called institutionalized trauma. Countries like India and America being the hotspots of such a lifestyle. According to Gallup World Emotional temperature, among the third world nations, India is one of the top countries to have the angriest and the most worried people. Unsurprisingly, they are young people and poor people. It is the same institutionalized trauma that makes people angry. Now trauma is instilled in us due to three primal fears--fear of abandonment, fear of annihilation, and fear of being overwhelmed. You feel overwhelmed by the work pressure but you cannot slack off even a little due to the fear of being abandoned by your company. In the end, your mental health is gets affected by the 'work', whose only point is to make Ambani richer while maintaining the illusion that what you're earning is what you actually deserve.

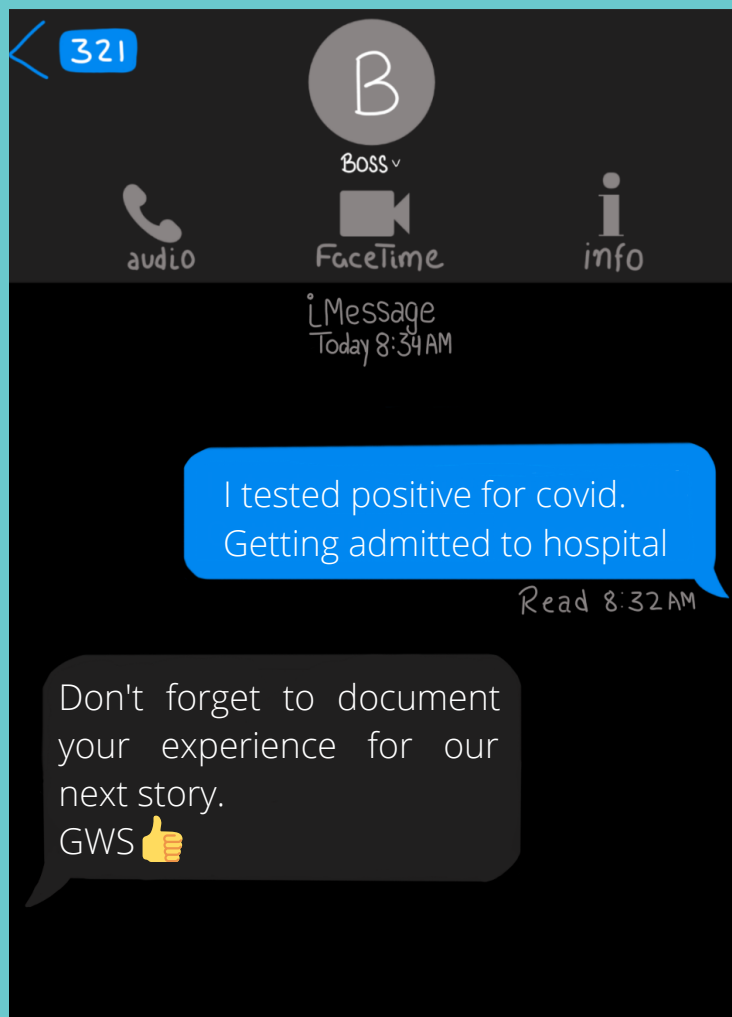


Illustration by Pragati Yadav (MSc. Economics)



Capitalism, in short, is routinely creating an insurmountable amount of inequality that is unsustainable. The growing wealth of that 1% is neither a blip nor rhetoric. This is leftover social Darwinism, survival of the fittest, and the weaklings end up becoming their slaves. That is what you and I are going to be.

Capitalism is that disease that breeds hypocrites (like us) and becomes a breeding ground for poverty and perpetuates inequality. Generally, people ask if not capitalism then socialist economic system? Socialism as a solution is equally inherently evil, it promotes *distribution*, which is stealing. It also promotes totalitarianism, and let us not forget our famous dictators in history. We need a system which brings out the "most good" in us and hence we need to keep looking.

I am not saying a utopia but at least avoid this nearly dystopian timeline you're living in!



Artwork by BenHeine

# The US- China Trade War

By *Aliasgar Tamin* (MSc. Financial Economics)

**“Nobody is more conservative when it comes to trade than I am” -Donald Trump**

2018 will be remembered as the year when the United States of America picked a fight with another contending world power for the second time. Only this time, it was regarding trade with China and not supremacy vis- à-vis the Soviet Union. Over the course of history, the USA has influenced world trade immensely. However, as a new era of free trade dawns upon the nations, the world’s premier economic leader chose to take a step back into protectionism.

A trade war is a situation where a nation imposes tariffs or quotas on imports and foreign countries reciprocate with similar forms of trade protectionism. As a result, each country tries to hurt the trade of the other. Various factors, mainly economic and political are the motivations behind it. A brief analysis of either reveals that in these kinds of wars, there are no winners.

The war started with the US raising its tariffs on steel and aluminum imports by 25% to which China responded with its own set of tariffs. Within a short span of time, tariffs had been imposed on over \$370 billion worth of Chinese products. A new trade deal is being negotiated of which Phase One has been signed last year. Biden, Trump’s successor, has now inherited this war and even though his views on globalization are far less conservative, it is unlikely that this war will end any time soon. We analyze the reasons for this further.



Illustration by Durva Shetye



When he was President, Trump rallied for the eradication of free trade policies to reverse the trade deficit the USA has with other countries. The US-China trade relationship covers a variety of goods and services, and in most of these cases, American firms used to outsource manufacturing to China and imported those goods back. This was due to the cheap labour costs and various other incentives that China offered, which led to a spike in unemployment rates in the States.

It has now been over three years, and both industries and markets have adapted to the post tariff era. Hence, a sudden abolishment of the tariffs will be damaging to the USA as it will result in yet another reshuffled return to the pre-tariff era.

Another reason for this war was to curb the systematic Intellectual Property Rights theft by China. As a leader in tech supremacy, the USA cannot stand aside and let another country steal its position. The Trump Administration had accused China of the following.



Illustration by David Simonds

Chinese Laws and regulations didn't provide enough protection to foreign entities. With foreign companies manufacturing their goods in China, the Chinese manufacturers infringed their patents and designs and further launched other products violating IP rights.

China's Made in China 2025 Policy aims to transform China from the 'Factory of the World' to 'Global Technology Leader'. The Chinese government is investing heavily in foreign technology firms, particularly those of American origins. Beijing had urged the Chinese companies to invest abroad and had restricted access to its markets. This had resulted in Chinese firms getting access to technologies from across the globe and giving them an edge in the global market.

Another area where the American Tech Supremacy is challenged is the introduction of 5G Technology. This is being touted as one of the primary hidden agendas of this particular war. Going beyond the ultra-high download speeds for movies, games and media in general, the importance of 5G lies in it being the futuristic technology that aims to bring about an infrastructural revolution. Nearly every innovation in the pipeline, be it IoT, Smart Cities or Driverless Cars, will be dependent on this technology. Thus, by using these tariffs as leverage, Washington is strong-arming china into introducing structural changes to its economy, attempting to balance a massive trade deficit and hoping to delay global dependence on Chinese infrastructure for a next-gen technology.

Under Phase One of the trade deal mentioned above, China has agreed to purchase US goods worth \$200 Billion. However, the Chinese have used the pandemic as an excuse to dodge this commitment and have missed the agreed-upon targets. Imports were below the agreed figures by over 40%. Furthermore, the USA and China are also in conflict over various issues such as China's activity in the South China Sea, China's human right violations and its treatment of Uighurs, allegations of currency manipulation, objections to China's support to the North Korean regime and many other such complex matters the resolution of which will take several years which makes it unlikely for the ongoing trade war to come to an end within Biden's presidency.

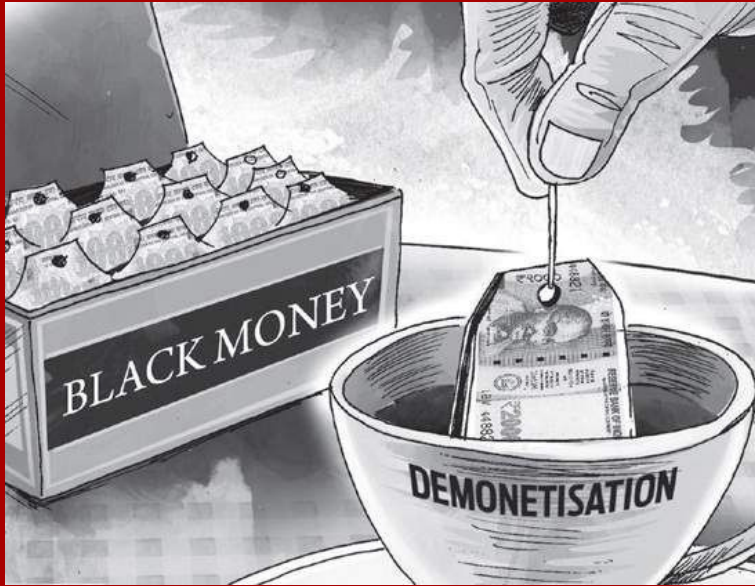


Artwork by Philip Stephens



# Government, Black Money and Hawala

By Paras Jasrasaria (BSc. Economics)



Black money refers to funds on which income tax and other taxes remain unpaid. The term also implies money concealed from tax administrators. In India, we have two main taxes-- the income tax and the GST. A 30% tax on income is charged for groups having income above Rs. 10,00,000. People who fall within high-income categories tend to consume more luxury goods and pay more GST, which on average can be considered 18%. Also, during the sale process, a 2% transaction fee is paid to the banks. Thus, right from sales to final consumption, an individual pays nearly 50% of his income to the government as taxes and other charges, which is quite a lot. But this is nothing; Indian income tax rates in 1973-74 went up to 97.75%. In the present day scenario, if a person has an annual income of ₹1 crore, about 50 lakhs of it will be charged as taxes and other charges.

Indeed taxes constitute a share of the backbone required to carry out all developmental activities in the country. But people engage in malpractices such as money laundering and hawala to save their Black money. It is not only faced in India, but it is a concerning problem facing the world.

As clothes are sent to a laundry to get cleaned, in the same way in money laundering, black money gets converted to white money. It gets accomplished by investing it in such a way that investigating agencies cannot trace the main source of wealth. In the practice of money laundering, the launderer (person who manipulates this money) deposits the illegal money through different agents and banks in the form of cash by having a formal or informal agreement. This is the first step called placement. In the second step, referred to as layering, an account is opened in banks (such as Swiss Bank) of those countries that do not reveal the details of their account holders to authorities. They help in disguising the ownership and source of money. In the final stage of integration, the money is put back into the financial world as legal money (often by buying assets such as large houses, shops, or malls but showing less value on paper).

Hawala can provide an effective means of placement. Hawala transfers leave a sparse or confusing paper trail if any.

Invoice manipulation is used. A mixture of legal goods and illegal money, which creates confusion about valid prices, and a possibly complex international shipping network create a trail much more complicated than a simple wire transfer so that everything is layering(second stage).

In the final stage of money laundering, known as integration, the launderer invests in other assets, uses the funds to enjoy his ill-gotten gains or to continue to invest in additional illegal activities. Given hawala's close ties to business activities, there is no reason why money cannot be 'reinvested' in a legitimate (or legitimate appearing) business.

One of the major reasons for the hawala market existence is tax evasion. In South Asia, the 'black' or parallel economy is 30%-50% of the 'white' or documented economy. Money remitted through official channels might invite scrutiny from tax authorities; hawala provides a scrutiny-free remittance channel.

The second reason is exchange rate speculation. In India, for example, the Foreign Exchange Regulation Act (FERA) 8(2)V states 'except with the previous general or special permission of the Reserve Bank, no person, whether an authorised dealer, or a money-changer, or otherwise, shall enter into any transaction which provides for the conversion of Indian currency into foreign currency or foreign currency into Indian currency at rates of exchange other than the rates for time being authorised by the Reserve Bank.'

Since hawala dealers do not comply with such regulations they give a much better deal than banks. A USA hawaladar could still make a profit on an exchange rate margin as small as 2%, making him much more competitive than a bank.

### **Shell Companies**

Later another activity came into notice, Shell Companies. A shell corporation is a company or corporation that exists only on paper and has no office and no employees, to reduce tax liability, to access financing, to store funds, to maintain anonymity, or in short to launder money. In the past few years, 'Panama and 'paradise', rather than signalling sunshine and rainbows, have been frequently evoked in the context of the 'shell corporations' which were incorporated in various off-shore tax-havens. 'Shell companies' as the name suggests are 'empty' or simply an 'outer cover' that have only a paper existence with no real assets, liabilities or operations and do not generate economic activities.

Shell companies are used as legal protection to launder money. Individuals create a shell(fake) company and invest in it. But there is no economic activity and in the end, they just declare losses and get away with their black money. Most of these shell companies exist in tax haven countries such as Switzerland, the Netherlands, Ireland, Singapore etc keep the owners anonymous and are easy centres for money launderers.



## Steps by the Government to prevent Money Laundering

To prevent money laundering the government came up with the Prevention of Money Laundering Act, 2002(PMLA). Financial Intelligence Unit - India (FIU-IND), under the Department of Revenue, Ministry of Finance, is the central national agency responsible for receiving, processing, analyzing and disseminating information relating to suspect financial transactions to enforcement agencies and foreign FIUs.

The provisions of the Act applies to every person who "directly or indirectly, attempts to indulge, or knowingly assists, or is a party, or is involved in any process or activity connected proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property shall be guilty of the offence of money laundering" [Sec 3].

'Section 4 provides rigorous imprisonment for a term between three to seven years, along with the fine without any upper limit for money laundering relating to all scheduled offences apart from offences pertaining to narcotics, wherein, the maximum term of imprisonment may extend to 10 years. Attachment of property under Section 5, seizure/freezing of property and records under Section 17 or Section 18.'

With the amendment in 2013, the PMLA extends to the whole of India including the state of Jammu & Kashmir. Assets worth over Rs 33,563 crore between April 2015 to October 2018 have been attached with the PMLA.



## Fight at the Global Stage

A lot of effort might be given just to catch the tax evaders, but there is more, this Black money is also used to finance terror attacks. To combat terror financing, The Financial Action Task Force (FATF) was found in 1989, as the global money laundering and terrorist financing watchdog. The inter-governmental body sets international standards that aim to prevent these illegal activities and the harm they cause to society. As a policy-making body, the FATF works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas.

The FATF reviews money laundering and terrorist financing techniques and continuously strengthens its standards to address new risks, such as the regulation of virtual assets, which have spread as cryptocurrencies gain popularity. The FATF monitors countries to ensure they implement the FATF Standards fully and effectively and holds countries to account that do not comply.

## Thoughts

Money laundering today is not just for tax evasion, but many serious crimes such as sex trafficking, human trafficking and terrorism are committed with its help.

At the core of this problem lies the part of the hard-earned income that the individual does not want to part with. If we look at the matter more closely, we can estimate some figures.

A person to save Rs 30,00,000 of income (30% of his net income) hides Rs One crores of his net income, and finally to hide one crore of net income, he needs to hide Rs 10 Crores of his turnover!! Which is huge. (assuming net income is 10%.)

Had this money been accounted for, the government would have expected revenue of 1.5 Crores!

Rs 1.2 Crores (assuming 12% GST on 10 Crores) + Rs 30 Lakhs (30% direct tax on net income on 1 Crore)

Thus, the government to collect just Rs 30 Lakhs of income tax has to just foolishly let go of another Rs 1.2 Crores of revenue!! In total, Rs 1.5 Crores.

Another way to hide their income is people opening an NPO, Non-Profit Organisations such as schools and hospitals, or charitable trusts. If someone is illegally trading in coal, he/she will put the black money in a school or a hospital and convert it into white. On the surface, it may look good that these people are opening schools and hospitals which is good for society.

But no! The schools and hospitals are run for their interest and hence, the promoters don't care about the quality of education or the health care facilities, ultimately leaving the society at a bad educational and health level.

As Tulsi Das Ji writes in Ramcharitmanas that when the sun absorbs water from the earth and no one feels it, but when the same water, in the form of clouds showers it as rain, everyone is happy and there is greenery everywhere. In the same way, the administration should collect tax in such a way that infrastructure spending for development makes up for such taxes.

In the same way, the government should think of some other way of collecting tax from the public. One such way can be a transaction tax. Since now the businessmen do not have to pay an income tax, there is no need for them to hide their income, which would lead to a greater collection of GST. Furthermore, the transaction tax will not poke the businessman like a thorn in a bouquet of roses.

Since different products have different profit margins, therefore a uniform transaction tax is not justified. Thus, in the same way, as we have different GST rates for different products, we can have different transaction rates for different products. For example, a minimum rate can be implemented on the sale of petrol and probably a higher rate on retail trade of furniture or cars.



Another step on the same path would be to encourage people to give 'Daan', or donations to the government. A positive nudge would be, rename some of the prestigious institution's such as airports, railway stations, roads in the name of the person donating the most(as said by the Chief Economic Adviser in some instances)

All the problems such as that of black money generation, money laundering, hawala, corruption etc all have their roots in income tax(direct taxes). No person wants the government to have a bite of his hard-earned income. Thus, people engage in malpractices. On the other hand, to tackle such issues the government has to elaborately maintain the income tax departments and other supporting departments. They have to come up with so many rules and regulations and have to incur staff expenses, income tax raid expenses and many more.

**बरसत हरषत लोग सब करषत लखैन कोइ  
तुलसी प्रजा सुभाग तेभूप भानुसो**



Illustrated by Kumar Vikram

# Mad(e) with China

- Anonymous

"We should boycott China bro, they are a national threat," said Mohan\*(name changed) while searching for Mi earbuds on Aliexpress from his Redmi Note 10 phone. Every nook and corner of this country has one such keyboard nationalist eager to avenge the martyrdom of our fallen soldiers on Facebook.

The spread of the 'Wuhan' Virus and the hegemonistic approach in the neighbourhood led to the alienation of the PRC from the west and the majority of such neutral states, who began doubting the ulterior political motives of the dragon state wrapped in the economic bundle. Riding this wave, we also joined the bandwagon in holding PRC accountable for the land disputes and engaging them on the economic front well apart from continuously contesting their claims in the Galwan area.



The major difference between us and the 'US' was decoupling the American economy from the PRC, and being considered to be a realistic option by President Trump's cabinet, as losses were expected to mount on the other side of the ocean.

But the folks in the south block of Raisina Hills pointed towards the economic losses that might occur to this side of the Himalayas if we even think of doing anything similar to the US.

## How dependent are we on them?

I'm penning down my thoughts just after watching a nail-biting thriller of the "VIVO" IPL-2021. A man stuck on Delhi - Meerut highway looks at the pillars of RRTS and thinks that one fine day there will be an operational mass-transit system here-- Shanghai Tunnel Engineering Company has bagged the contracts for those. One of the most valuable Indian fintech startups, whose CEO consistently lashes out against Big tech for their monopolistic practices, has Ant Financial as a leading investor (30% of capital) in his firm.



Despite being the vaccine capital of the world, our vaccines (and other pharma products) cannot roll out without importing 75-80% APIs from PRC.

*"Modern wars are fought with semi-conductors"*

~Senator Ben Sasse, Senate Intelligence Committee

Where do we stand on this? Shut down of Chinese manufacturing in the early months of 2020 led to prices of electronic goods in the domestic market skyrocket.

### **Why does dependency matter?**

In 2017, South Korea agreed to deploy US-designed THAAD air defence on its soil, irking the CCP leadership. What followed was a massive protest by Chinese citizens against the Korean firms and their products. It led to some disruptions in their supply chain and an overall loss of revenue for the firms. Similarly, in the last couple of weeks, the state propaganda machinery of CCP once again churned out another boycott slogan against western brands like H&M and Nike for agreeing to not source any of their raw material from countries/companies that practice slave labour (and a message for the western democracies who continue to press for more sanctions against Xinjiang concentration camps).

When you and your economy are dependent on a "hostile" state, either as a buyer or as a seller, in a way you hand over the nerves of your political system to a hostile nation, which can at any time, coax you into certain policy decisions and threaten economic backlash.

### **Vinnie (the poo) go back?**

As the news of 22 casualties broke into the Indian society, there was a sudden outburst of anger against anything related to China (including Mainland China). Our Government responded swiftly by banning 54 apps (later, the list got extended to over 150 apps), the ports were instructed to provide additional scrutiny to the Chinese imports, leading to further delays in port handling. The most severe one was when Indians decided to break Chinese TVs and burn them (sending an *inflaming* message to Beijing).

Nine months after Galwan, here we are: Chinese electronics continue to dominate Indian markets, and the much talked about "boycotts" have lost their steam. One of the most hotly debated topics in International Relations is 'Do Political affairs precede Economic interests or vice versa?'. In terms of relations with PRC, we can say it's the latter that always occupies the front seat when it comes to engagement. Since the engagement is based on economic interests, maybe that's where the answer to the great Himalayan question of dominance lies...

# AFFIRMATIONS

## A daily check in with your inner self

A significant and important sphere of our life which constantly goes in a direction that we do not want it to, is the way we look after our mental well-being and how it influences our overall behaviour and the way we perform our actions. E.g. if we are in a positive mood today, automatically all our actions will begin to get influenced by that and positive emotions that exist in our mind, start showing in our interactions. Also, if a negative and difficult situation comes into our life suddenly and our mind starts moving into a negative direction, then almost automatically our actions go into that direction. Looking at different types of difficulties in life, can make us lose our enthusiasm and also weaken us internally. Like in recent times due to , COVID , life has become a difficult and rough journey.

This is when spirituality with all its different benefits can help us immensely. 'Spirituality is the technique of learning how to rule over yourself not only at the level of words and actions, but also on a more subtle level of thoughts, feelings and emotions.' It teaches us the art and fills us with the power of applying a brake to our negative and unnecessary thoughts when a difficult situation is in front of us. It's not about suppressing your mind and saying that from today "I will not get angry" or "I will behave with love and humility with everyone and then going back to your negative self after some time." This is unnatural. But on the other hand, it's about gently transforming your negative emotions into positive ones by the use of spiritual power filled in the self by connecting with the supreme Spiritual Power..



How do we prevent this process from happening? What is the single best method to follow to prevent the mind from coming under the influence of difficult and demanding circumstances? Is there some method which we can use for our mind so that this complete process is stopped at the level of the mind in the first place? Say, you are not physically well today and you do not feel comfortable. That is a type of negative situation.



On another day, your boss at work has not been nice to you and you feel uncomfortable with the situation surrounding you. This is another type of negative situation. Such ups and downs are common in life and they will be there at every step, but do we let them dictate the way we behave or do we ensure that they do not interfere with our regular routine and our dealings with people?

Of course, no one wants a burden on them but at the same time situations have to be dealt with positively also. But the main thing to take care of is, that while doing that, you do not lose your inner stability and your actions remain positive and full of peace, love and happiness.

Also, it's not about just relaxing your mind by reducing the number of thoughts, but it's about creating the right positive thoughts which replace the negative thoughts which are in our mind, when we are in the middle of a difficult situation. So the strength which we create within ourselves, will give us the ability to change our way of thinking and behaving. Remember, it's our personality which needs to change and that will automatically transform our thoughts and feelings, which are influenced by personalities

Situations are to be overcome without them creating a deep influence on our consciousness. It is beneficial to tolerate situations with pleasure and not feel their pressure. Pressure of situations has a negative effect on our mind and that can in turn influence our thinking to such an extent that it's difficult to take away our mind and thoughts from the situation. Sometimes we might say that since the last four days we can't stop thinking about the particular argument with a close friend. Another one might say, 'Today I feel low since in the morning I was informed of the demise of my close relative.' Isn't it almost like a natural instinct? If a situation is there I will feel different and that difference is always negative.

So how do I train myself for a more right or more natural instinct of remaining positive?

So how do I train myself for a more right or more natural instinct of remaining positive? That will come over a period of time with experience and also practicing stability in every difficult situation we face. It's like a ship without a rudder, which can lose direction and drown in a rough sea. In the same manner, the rudder of power within ourselves will enable us to cross negative situations with ease. It's also not about saying to ourselves that we are powerful and then repeating the same mistakes of thinking negative. Unless power is filled in the soul through rigorous practice of self awareness, we will never change into positive thinking individuals even if we are very determined to become positive and remain away from the negative.

Power in the mind will also create positivity and faith, patience, determination, tolerance and stability, which will help us in any difficult situation. As a result, we will cross every negative situation with ease and lightness.

In the end it's all about how you react to a particular situation and how it harnesses your mental health

We can't let everything around us not affect us, But we can and should try our best.

You are what you think you are, and not how a situation around you makes you look like.

I understand, we are going through a lot due to these unfortunate situations, But we have to be strong.

You're amazing!

You can!

I believe in you!







# Things you should Check out

By Lisa Jacob

## Articles

### *Revolutionary Villains Are Turned Into Monsters so That We Don't Support Them by Kaila Hale Stern*

For Marvel fans keeping up with the Falcon and the Winter Soldier, this is an interesting take on how more often than not, villains whose goals resonate with the masses are unfairly given character arcs that make them the bad guys who deserve to be penalized. The article also dives into how this is a common thread across most superhero movies and why it is perhaps one that needs to be changed.

<https://www.themarysue.com/revolutionary-villains-violent-dissonant-acts/>

### *Francis Fukuyama's Proposal to Rein In Big Tech- by Capitalism't*

The Greater Fool Theory

It is possible to make money by buying securities, whether or not they are waaaaaay overvalued, by selling them for a profit at a later date.

This is because there will always, I repeat ALWAYS be someone who is willing to pay a way higher amount to buy that security even if it's just a bigger, better, appealing bubble.

<https://www.motilaloswal.com/blog-details/How-the-Greater-Fool-theory-plays-out-in-bull-markets../1576>

## Videos

### *Yoram Bauman a.k.a. The Stand-up Economist*

<https://www.youtube.com/watch?v=d0nERTFo-Sk>

Ultimate rap battle featuring Keynes vs the Austrian school mastermind, Hayek, will make for some delightful viewing.

### *How great Leaders Inspire action?*

By Simon Sinek

(A must watch)

<https://youtu.be/qp0HIF3SfI4>

## BLOG

### *The problem of CryptoArt- Joanie Lemerrier*

<https://joanielemerrier.com/the-problem-of-cryptoart/>

A French artist turned climate activist, worked hard for two years to cut down on his energy usage. Yet all of that progress was reversed in a few minutes. How? Through an NFT sale. Read this article for an understanding of how Crypto art consumes massive amounts of energy and what can be done to move towards sustainable solutions for digital art

### *Did you know 'Jim Simon'?*

He's an American Mathematician whose hedge fund has yielded a higher return than Warren Buffet from the share market, making a billion-dollar empire with just the Algos.

<https://www.forbes.com/profile/jim-simons/?sh=6f314bbc3b6a>

<https://youtu.be/gKCgFjmCrbl>



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*"That's all Folks!"*

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