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INDIA'S STOCK MARKET BUBBLE

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A longish bull-run has taken the most cited index of Indian stock market activity, the Sensex, to a record level above 77,000. In the course of this frenzy in the market even small-cap companies delivered a return of more than 20 per cent. What is particularly surprising was activity in the normally dull new issues market. As many as 238 firms issued new capital and raised Rs. 63,730 crore between April and November 2023. The prices of these shares too soared. This cross-cutting boom reflects the fact that the rush of investor capital into the market is of a magnitude where the demand for stocks cannot be accommodated by the traded, free-floating equity of just better-known companies.

Though India's GDP growth has bounced back from the trough of 2020-21 and stayed at comfortable levels, that alone cannot explain this stock price spike. In fact, the evidence suggests that the boom has gone too far. Price-earnings ratios of leading companies have touched levels that cannot be justified by projections of likely trends in revenues and profits. Shares, analysts suggest, are significantly overvalued.

The search for explanations for this frenzy are on. The first look has been at the role of foreign institutional investors (FIIs). They have shown much interest in the Indian market. Total net investment by foreign institutional investors in the equity market stood at Rs. 1.97 trillion over April to December 2023, as compared with a negative (net outflow) of Rs. 114.2 billion in the corresponding period of the previous year. That partly drives the boom. This spike in FII investment has been attributed to India's choice as an alternative to the Chinese market, from which capital has retreated. Besides the growth slowdown in China, increased official scrutiny of foreign investors and asset managers is seen as having triggered that withdrawal. This occurs when fears of further rate hikes in the US have retreated, and expectations of rate cuts are rife. Investors are looking to new global markets.

It helps that the government at the Centre is seen as "market friendly". A government looking to exploit praise from international agencies in an election year, has stretched itself to keep markets buoyant.

What seems different about the recent boom is that domestic players, tired perhaps of waiting out the Covid months, are seeking to ride on it. They are being goaded on and facilitated by the large number of intermediaries and investment managers who have launched small- and mid-cap funds. The net inflow of mutual fund capital into overpriced equity markets was, at Rs. 1.2 trillion during April-December 2023, almost exactly equal to the 1.19 trillion channelled during the corresponding months of the previous year. In the past, when profit hungry investors chased a stock boom, the consequences have not been palatable. When the bubble bursts, poorly informed investors who risked their savings and refused to pull out in time would be badly hurt.

CENTRAL BANK DIGITAL CURRENCY IN INDIA

Annada A.
4th Semester

Digital currency is any currency that is available exclusively in digital form. There are mainly two types of digital currencies; Central Bank Digital Currency (CBDC) and Cryptocurrencies. A CBDC is a centralised digital currency that is issued and overseen by a country's central bank while cryptocurrencies have no legislated or intrinsic value and are a type of digital currency that allows people to make payments directly to each other through an online system. There are generally three types of CBDCs: retail, wholesale, and hybrid. Retail CBDCs are intended for general public allowing users to make everyday payments and transactions and are available via digital wallets, smartphone apps, or other payment systems.Wholesale CBDCs are introduced for financial institutions, such as banks, and are not meant for direct access by the general public. They can be used to support high-volume, high-value transactions like interbank transfers and securities settlements.Hybrid CBDCs, are combination of both retail and wholesale CBDCs;they can be used by both the general public and financial institutions.

The Bahamas, Jamaica, and Nigeria have already introduced CBCDs and more than 100 countries are in the exploration stage. Central bankers in Brazil, China, the Euro area, India and the United Kingdom are at the forefront.

The Plus Points

With the advent of smartphones and rise of digital payment systems, India introduced its own CBDC, known as e-rupee and is in the form of a digital token which represents legal tender in India. The Reserve Bank of India launched its pilot in 2022 and thus marked a new milestone for digital payments. Presently, the CBDC pilot launched by the RBI in the retail segment which has its components based entirely on blockchain technology.

Digital Rupee could offer several potential advantages over physical currencies in India, especially in terms of increasing efficiency, promoting financial inclusion, and improving security and transparency in the payment system. e-Rupee is probably simpler, faster, and less expensive and will offer every transaction advantage available with other types of digital currency. It is essentially identical to banknotes. The digital Rupee has the potential to bring significant benefits to the Indian economy and society by reducing the reliance on cash, and modernizing the financial system.

The many challenges

There are many challenges associated with digital currency in India.In terms of digital literacy, India ranked 73rd in a list of 120 countries in 2021. The main reason is that there are many rural areas in India where highspeed internet facilities are still not available.India must solve this issue in order to succeed in its objective to promote digital money.One major challenge is scalability, as networks can struggle to process large volumes of transactions simultaneously. This issue can be addressed through technological advancements and network upgrades. India is a nation with a high incidence of cyber attacks and a high level of cyber security risk.The design must include powerful security features, such as multifactor authentication, encryption, and real-time monitoring and alerting. The e-Rupee will face competition from other digital payment options, such as bank-based digital payment systems and existing cryptocurrencies in terms of usability, support system, inventive mechanism and low transaction fees. The architecture should handle different languages, offer cheap transaction fees in order to overcome these issues.

In conclusion, the CBDC in India will be instrumental in bolstering India's economy and improving financial inclusion. Its other benefits for users and the government includes faster payments, decreased money management cost, etc., and it will also help the nation achieve a cashless economy.

INDIA-MIDDLE EAST-EUROPE CORRIDOR (IMEEC)

Aiswarya Mohandas
Semester 2

India-Middle East- Europe corridor was described by the US president as a 'big deal' . It was signed as a part of G20 summit. [G20 is a group of twenty world largest economies found in 1999,which was developed by most important industrialized and developing economies to discuss international economic and financial stability. The members included are Argentina, Brazil, Canada, China, France, Germany, India, Indonesia , Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, The United Kingdom, The US, The African Union and the European union.] The IMEEC was signed in New Delhi which was developed as a counter to China's BRI. This was a new initiative taken to develop a rail and shipping corridor connecting India to Europe. The project was proposed as a part of PGII (partnership for global infrastructure and investment). [PGII is focused on health and health security, digital connectivity, gender equality and equity ,climate and energy security).

The IMEEC has two corridors that is the eastern corridor which connects India to Arabian Gulf and a northern corridor which connects Arabian Gulf to Europe. It is exploring to connect different other routes connecting several ports along the way including Haifa in Israel ,Piraeus in Greece ,and 3 ports on west coast of India: Mundra (Gujarat), Kandla(Gujarat), and Jawaharlal Nehru port trust (Navi Mumbai) and five ports in the middle-east . Its purpose is to create well founded and cost effective trade between India and participant countries.Its members also want to lay a cable for energy and digital conservation , cost reduction , job creation and for reducing green house gas emissions.

Now looking at the implication, we can see both geopolitical and economic implications. The geopolitical implications are: the IMEEC is developed as a counter to China belt and road initiative (BRI) which can counterbalance to China's growing economic and political influences. Secondly, it helps to strengthen the interconnection across different continents through trade .Thirdly, it is an infrastructure initiative project in developing countries. Fourthly, it is announcing European union plans for 'Trans African Corridor ', a transportation network linking Anglo, Zambia and the Democratic Republic of Congo. And as mentioned earlier IMEEC also helps in economic development as it creates job opportunities as trade and infrastructure develops and it stimulates industrial and trade opportunities. IMEEC also gives importance to food and energy security. In short , IMEEC is creating job opportunity, income generating, increase production, create trade opportunity, helps in introduction of new technology , growth of the economy, increasing trade relation and industrial growth.

But for achieving this many challenges are also faced :in the middle east we can see missing of rail links and we need investment to complete this rail network. Secondly,as we know there are many countries with different interest and legal measures, administration becomes difficult. Third is the problem of cost,for implementing this we need cost and financing and another problem is that India is not in a position to achieve global food security and there are other problems too. As a way forward it should improve the balance of geopolitical interest of the participating countries and to make a sustainable development without harming the nature.

"Happiness equals consumption divided by desire".

PUBLIC DEBT IN KERALA – CAUTIOUS APPROACH REQUIRED

Therese Thomas
Semester 2

Before analysing the state of debt in Kerala, it is important to understand what is called public debt. In general, public debt is a measure of amount owed by the government to finance public deficits caused by higher program spending than budgeted income (cepal.org,2023). Public debt arises due to borrowing by the government. Governments often borrow from banks, businesses, and individuals. The government borrows from outside the country or from within the country (EgyanKosh,2023). The limit of public debt that each state can afford is determined by calculating its ratio to gross domestic productivity (GSDP).

State Debt - Kerala

Kerala is one of the states that has commendable social and human development indicators. Despite this, Kerala has one of the highest debts to GDP ratios among Indian states (around 36.6%). The primary reason for this is the heavy expenditures on social welfare programs and infrastructure investments. Due to this high debt level, interest payments have increased, resulting in a reduction in budget allocations for critical services (Forbes India.com,2023). The fiscal position of the state is determined by three parameters- revenue deficit, fiscal deficit, and the ratio of outstanding debt to GSDP. State finances audit report 2022 indicates that the state's revenue deficit has increased consistently from 2016-17 to 2018-19 and decreased in 2019-20, although, it increased by 11,334.25 crore (78.19per cent) from 14,495.25 crore in 2019-20 to 25,829.50 crore in 2020-21. Debt of the state ranged between 29.89 percent and 39.87 percent of GSDP from 2016-17 to 2020-21. According to the Kerala Fiscal Responsibility Act (KFR Act) 2003, this was above the prescribed threshold of 29.67 percent of gross domestic product (GDP).

Trends in Deficit Parameters in Kerala during 2016-17 and 2020-21

Source: report no 1 of 2022- state finances audit report, government of Kerala

The revenue deficit of the state increased consistently from 2016-17 to 2018-19 and decreased in 2019-20. However, it increased by 11,334.25 crores in 2020-21. Even though the revenue receipts of the state increased by 8.19 percent(Government of Kerala,2022), the revenue deficit has increased two times more than the increase in revenue receipts. This is due to the increase in revenue expenditure by 17.88 percent. In 2021the fiscal deficit which represents the total borrowings of the government increased by 17,132.22 crore. The state had a fiscal deficit of 40,969.69 crore in 2021. Primary deficit increased from 4,622.77 crore in 2019-20 to 19,994.33 crore in 2020-21.

The ratio of fiscal deficit to GSDP increased from 4.17 percent in 2016-17 to 5.40 percent in 2020-21. Based on the state finance audit report published in 2022, the state's total debt, including off-budget borrowings (outstanding liabilities of the KIIFB and KSSPL), amounts to 3,24,855.06 crore. Continuing to borrow will result in a further increase in the state's debt if the interest rates continue to rise. This will lead to the reduction of capital formation and growth and also a burden on future generations. As stated in the Kerala fiscal responsibility act, the audit report recommended that the state government control revenue and fiscal deficits (state finance audit report, Govt of Kerala,2022). Kerala's total liabilities are projected to be Rs. 390859 crores in the budget for 2022-23, according to RBI reports. According to the Gulati Institute of Finance and Taxation(2023), a state government institution, Kerala has failed to manage its mounting public debt over the years, and this situation could have grave economic consequences. In 2022, GSDP ration in Kerala reached an alarming 39.1 percent.

Conclusion

Kerala is now in a financial problem. To solve the financial problem, effective debt management is needed. This involves controlling borrowing, optimising debt structure and ensure that funds are used efficiently.To address the debt issue, Kerala has implemented fiscal consolidation, revenue enhancement through taxes and non-tax revenue sources, and austerity measures.(Forbes India,2023).

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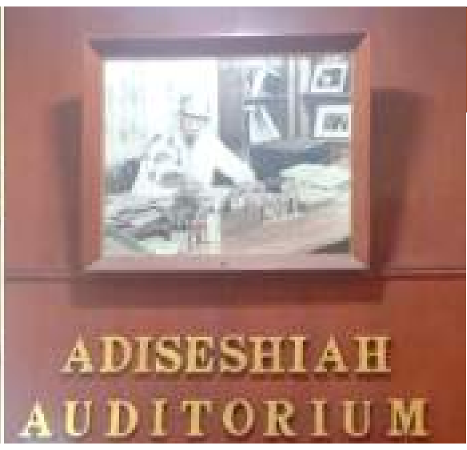
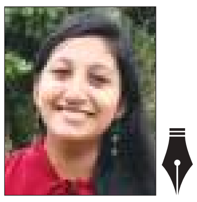


A PERSONAL ODYSSEY

How MIDS Workshop Contributed to My Understanding of Different Dimensions of History of Economic Thought



Teena Mariya Saju
Semester 2

In early November this year, I had the enriching opportunity to participate in the History of Economic Thoughts workshop hosted by the Madras Institute of Development Studies as part of their golden Jubilee celebration. Over three days, I delved into a wealth of knowledge, complemented by two evenings spent exploring the city and forming unexpected bonds with fellow attendees. This experience was a perfect blend of academic growth and the joy of discovering new connections.

The lectures took place in the Adiseshiah auditorium named after the founding father of the institute and an eminent figure in the history of development economics or development studies especially in India.

Academic Exploring

Thinking of the classes, I found the first two days interesting especially due to their organized structure. Each day included three morning classes, two-afternoon classes, and a panel discussion. On the first day, the panel explored students' perspectives on learning the History of Economics, while on the second day delved into teachers' freedom in syllabus and teaching methods.

As experiences were shared, most people highlighted the shortcomings in studying the History of Economic Thoughts and their struggles in grasping its full potential. However, my experience differed. Throughout my degree, teachers approached the History of Economic Thoughts with passion and dedication. This commitment persisted into my postgraduate studies, where teachers continued to share information directly from the original texts.

When I shared my experience it was unique , it stood out from others. This is because my teachers had instilled a sense of enthusiasm for the subject during my degree, and this dedication carried through to the postgraduate level. Notably, our teachers actively sought to convey insights directly from the original texts. The significance of my experience was underscored when one of the organizers expressed interest in obtaining the contact details of my faculty who taught History of Economic Thoughts. This interaction added a valuable dimension to my overall learning experience.

Classes on the third day were extraordinarily thought-provoking. The class on behavioral economics by Prof. L. Venkatachalam influenced me a lot because I was preparing a project on the same topic for another occasion. He also had a session on the history of environmental economics the previous day. There were six sessions in the day and they wrapped up the workshop around 5.30 pm

Over the course of three days, we delved into a diverse range of economic topics, including Austrian Economics, Ecological Economic Thought, the comparison between New Keynesian and Post Keynesian Economics, Keynes's methodology, Indian economic thought,, Marxian Economics, Women's Economic Thought, Methodological Individualism in Marx, Ambedkar's economic perspective, the history of India's national accounts, the evolution of Demand-led Growth Theory, the history of finance and money in economic thought, debates on Capital Theory, exploration of Quesnay's contributions to agricultural economics, and a comprehensive study of Behavioral Economics ar insights from students in Roundtable 1 and discussions on pedagogy in Roundtable 2.

The Majestic Library Experience

The institute stands as a premier research and reference library in India, boasting an extensive collection of over 56,500 volumes. Specializing in social sciences, it diligently acquires approximately 1,500 new volumes annually. The repository encompasses diverse subjects such as anthropology, development studies, economics, government publications, sociology, demography, statistics, history, and political science. The library is further enriched by subscriptions to 190 Indian and foreign journals, solidifying its role as a vital resource hub for workshop participants engaged in comprehensive social science research.

During the workshop at MIDS, the library became my haven for knowledge exploration. Despite time constraints, I managed four visits, each revealing a treasure trove of economic thought literature. A message from the coordinator welcomed us to immerse ourselves in the library's vast collection, setting the tone for an enriching experience. Mis. Tamilselvi, the library in-charge, welcomed me warmly and guided me through its labyrinthine rooms. Her friendly assistance transformed the library into a welcoming world of discovery. Although reading an entire book was not feasible, I managed to identify some relevant titles that matched my interests. The book Foundations of Behavioral Economic Analysis by Sanjit Dhami which deals with theory, evidence, and applications is one among them. The extensive array of books and the library's infrastructure made it an irresistible destination. Amid this academic haven, the workshops gained an extra layer of depth, and my understanding of economic thought flourished amid the pages of diverse, insightful texts.

Exploring the City

During our enriching two-day workshop, evenings were dedicated to exploring different spots of the city. The first evening unfolded with a captivating visit to Edward Elliot's Beach alongside four companions. The spiritual aura of Annai Velankanni Shrine and the vibrant atmosphere of Besant Nagar added depth to our exploration. On the subsequent day, our group expanded, and we delved into the bustling T-Nagar, renowned as a shopping haven. Immersed in the lively surroundings, we dedicated our evening to traversing diverse shops, acquiring treasures that encapsulated the essence of the locale. This journey not only fostered camaraderie but also provided a dynamic cultural encounter, blending relaxation by the beach with the excitement of urban exploration. The diverse locales visited during the workshop not only broadened our perspectives but also left an indelible mark on our collective workshop experience.

In conclusion, the MIDS workshop not only deepened the understanding of the history of economic thought but also highlighted the pivotal role of passionate educators and resource-rich environments. The blend of academic rigour, library exploration, and cultural engagement created a holistic learning experience, leaving an indelible mark on my intellectual and cultural horizons.

(The explorers)

Third World Countries in Debt Trap

Malcolm Adiseshiah Chair Lecture by

Prof. C. P. Chandrasekhar

Senior Research Fellow, Political Economy Research Institute, University of Massachusetts
Malcolm Adiseshiah Chair Professor @ K N Raj School of Economics

Malcolm S. Adiseshiah, Chair Professor at the K. N. Raj School of Economics, Prof. C. P. Chandrasekhar noted that the public debt of third-world countries is increasingly massive as a result of Covid-19 and the ongoing Russia-Ukraine war. He gave a lecture to inaugurate the second lecture series in 2023. From 2000 to 2019, there were 19 debt-related crises in 13 countries at the international level, while 14 crises occurred in the last three years alone. Russia's aggression in Ukraine contributed to the crisis, most of which were in low-income countries. The rise in prices following the war in Ukraine was largely due to speculation rather than a reduction in product availability. He also asserted that the crisis occurred in countries like Sri Lanka because these countries were more dependent on imports. The lack of diversification of financial capital markets in these countries fueled the crisis. When such countries are unable to borrow internationally, they become more dependent on pension insurance funds in the domestic market, which has led to a reduction in domestic demand.

The opening lecture of the second lecture series was presided over by the Director, K. N. Raj School of Economics, Professor Johnny Johnson, followed by Dr. V Mathew Kurian, Dr. S Muraleedharan, Dr. Leena, students Rajimol Regi and Teena MariyaSaju participated in the discussion. Athira S Nair expressed gratitude.

Invited lecture on 'Young Generation and Wage-led Revival of Indian Economy

Prof. Jayan Jose Thomas

IIT Delhi

Prof. Jayan Jose Thomas is a renowned professor of the Indian Institute of Technology, Delhi and also a former member of Kerala State Planning Board. His insights and thoughts are great contribution to today's generation. He addressed the issue of young generation and wage led revival of the economy. According to Prof.Thomas the young population in the country is a way for economic growth as well as achallenging opportunity for the employment generation.

India alone will have an increase of about 16.5 percent in the working-age population. But it will not be able to claim the benefits for a long time because after 2025 the older population will grow bigger in size than the young cohorts in India. He quoted the words of Marglin and Bhaduri(1955) that wages have a dual nature. According to him wage-led economic growth or policies may expand the size of the market as well as act as an important tool to recover from depression. He also added that even though the aging population is increasing in many parts of the globe the number of youth in India and other South Asian countries offers a new

hope to vitalize the economy.

For the translation of this powerful youth, there should be strong policies that help to raise wages and income. There is a need for greater resolution at multiple levels to implement such path-breaking measures. ▪

'Environmental Sustainability and Equity'

Insights from Dr. Bejoy K Thomas

Associate Professor & Associate Dean, IISER Pune

The KN Raj School of Economics conducted a guest talk on the topic 'Environment and Development' on October 26, 2023, at 10:00 AM by Dr. Bejoy K Thomas, Associate Professor and Associate Dean from IISER Pune. In his seminar, he focused on the areas of equity and sustainability in development practice and policy. He began the seminar with an introduction regarding recent policy pronouncements, economic surveys, and budgetary provisions on the environment. This includes the commitment to achieving net-zero emissions by 2070, promoting green growth, clean energy, and establishing a global hub for millets. Dr. Thomas argued that to achieve these goals, there is a need to address some challenges.

He highlighted the major challenges, particularly equity and climate justice in terms of carbon emissions. Meeting the global carbon budget for a given temperature limit is a global resource common to the entire world, and it is also exhaustible and limited as a common resource for humanity. This global carbon budget should be equitably and fairly shared by all nations. However, the disproportionate share of this budget by developed countries poses a threat to humanity through the climate crisis.

Additionally, he suggested that while sustainability is important, authorities should also focus on other concerns, including equity and justice. For this, he recommended a diversified vision rather than having a carbon-centric vision that focuses solely on carbon emissions.

Dr. Thomas raised a normative question regarding agriculture, specifically the question about water availability. He pointed out that the major reason for the reduction in water is caused by the excessive use of water by farmers for irrigation purposes and presented local

evidence from a village called Peri in urban Bangalore. To improve water availability, he advocated for the replacement of crops, such as the introduction of millets and the adoption of better technologies.

He concluded the session by interacting with the students. One major question raised in the session was whether farmers are the sole reason for the reduction in water. The second question was related to the replacement of crops by the introduction of millets and how they change consumption behavior and adapt to the environment. In response to these questions, Dr. Thomas pointed out that no research has been carried out regarding these questions, but he expressed his intent to research these challenges in the future. ▪

Exploring Climate Change Through a Philosophical Lens

Insights from Dr. Alexander Eapen

Associate Professor, Australian National University

In the thought-provoking guest lecture, Dr. Alexander Eapen, Associate Professor of Strategy at the Australian National University, shed light on the intricate connection between philosophy of science and climate change. Focusing on intergenerational justice.Prof. Eapen's discourse provided a comprehensive perspective on this global challenge.He commenced by delving into our current understanding of climatic conditions, drawing from the IPCC Assessment Report 6 by the United Nations Environment Programmes. Emphasizing human-induced greenhouse gas emissions as a pivotal factor, he navigated through the complexities of climate change science.

The lecture then shifted to address the counter-narrative presented by climate denialist scholars, challenging the demonization of CO2 and questioning global warming estimates. He skillfully weaved through these dimensions, asserting that the intersection of philosophy of science and climate change hinges on the questions of truth and the concept of justice. As the discourse progressed, Eapen explored mainstream narratives on climate change, positioning them between pre-modernism and postmodernism. Modernism, characterized by enlightenment and naturalism, became the framework for understanding climate change through reason and objectivism. This unique perspective, Eapen argued, offers a profound insight into the climate change discourse.

In essence, Eapen's lecture provided a nuanced exploration of the philosophy of science in the context of climate change. By examining established knowledge through the lens of intergenerational justice, questioning prevailing narratives, and placing climate change discourse within a philosophical framework, the lecture opened a window to alternative perspectives on this critical global issue. ▪

"HyvääJoulua" Christmas Celebration

Christmas - a time of hope, goodwill, and the joy of giving. It is a season that transcends cultural boundaries, bringing people of all backgrounds together in a celebration of unity. It serves as a reminder of the importance of compassion and understanding within ourselves.

"HyvääJoulua": On December 21, 2023, the students of KN Raj School of Economics celebrated the Christmas festivities. The program began with the felicitation of the Director, Prof. Johny Johnson. Following him, all the faculty members conveyed significant messages about Christmas. All of them were exhilarated when Santa Claus arrived. Together with the faculty, Santa Claus and students shared the sweets of Christmas. The students presented an array of interesting programs, including brilliantly performed melodious Christmas carols. Santa Claus mingled with the audience and amused everyone with his charm.

The sounds of carols and the joy in the

atmosphere filled up the surroundings and classrooms, making the environment more effervescent. K. N. Raj School of Economics bids adieu to the remarkable year that brought lots of wonderful memories and welcomes another year with outstretched arms. All of them greeted each other and carried home the message of sharing and caring, as well as the pleasure and pride of spreading peace, true to the spirit of celebration.

WOMEN IN THE SPHERE OF LABOUR MARKET

Adhitya M.K.
Semester 2

The Labour force participation rate is the proportion of the population ages 15 and older that is economically active: all people who supply labour for the production of goods and services during a specified period . Not everyone who works is included, however. Unpaid workers, family workers, and students are often omitted, and some countries do not count members of the armed forces. Labour force size tends to vary during the year as seasonal workers enter and leave.

At the global level , there is a great disparity between the labour force participation of women and men. The labour force participation of women is over 50% and that of men is 80%. The women are less likely to work in the formal employment and have fever opportunities for business expansion or career progression. The labour force participation of the women is decreasing. According to the household survey report, it shows that even though the women works in the labour market, they only get less when compared to its counterpart and this is an evidence of prevailing gender gap. Across all regions, the trend of female labour force participation is flat. In many regions especially South Asia , Middle East and North Africa the gender gap is striking. The male participation in the labour market is three times higher in comparison to the opposite sex.

In the case of high income countries there is a considerable increase in the labour force participation of women.This in turn reduce the gender gap , but when it comes to the lower middle – income countries the women in the labour market is low and this tends to increase the gender gap between men and women.

Among the 176 countries the average labour force participation of women is 50.8% in 2022. The country having the highest women participation is Madagascar with 83.3 % and Yemen stands at the last position with 6.2 percentage of women participation in the labour market.

FACE OF INDIA

It is estimated that among the 176 countries India has highest population and out of this population 48% are women ,but in the labour force participation of women India stands at the 165 th position. All the neighbouring countries of India are far above in the ranking measured by World Bank.

The labour force survey shows that the enrolment rate of the girls are increasing but on the other hand the labour force participation is declining and it declined from 30 % to 24% over the past two decades . India's LFPR of women is low among the BRICS countries, even the neighbouring country China which has the highest women population also has the highest rate of LFPR.

There are many reasons that contributes to low level of labour force participation of women in India. This includes family responsibilities, patriarchal social norms, illiteracy, structural unemployment, unpaid care work, social and cultural stigma, gender wage gap etc. According to the world inequality report, men in India get 82% of labour income while women receive only 18%. According to the world bank the pandemic was also key factor in the reduction of the women in the labour force.

Even though the government has many programmes such as Beti Bachao Beti Padhao Scheme, One Stop Centre Scheme, SWADHAR Greh, Nari ShaktiPuraskar, Mahila police Volunteers, Mahila Shakti Kendras (MSK), NIRBHAYA fund, MNREGP etc…..to empower women or increase the participation in the labour market, the statistics states that the current policies and the initiatives taken by the government is not sufficient and lacks the efficiency in the application level,there is need for alternative methods rather than sticking on the previous ones. In addition, some of the policies such as MNREGPA are running out of funds.

Some alternatives to raise the women participation

Some of the methods that can be applied to increase the participation of women in the labour market includes raising the level of awareness, not for the women alone but for the whole family, especially their husbands, about the benefits that the whole family gets from participating in the labour force such as the financial benefits, subsidies etc. Introduction of small scale business in the rural sphere, in the case of small business even an illiterate woman can participate and this doesn't require any high level of education or experience. By operating small machines they will automatically learn how to operate the more increased grade version of that machine, this in turn equip them to overcome the structural unemployment. In addition, the subsidies and loans with no interest or low interest will help them to start something new. Above all there should have been cooperation between the centre and state to increase the labour force participation of women.

Impact in the society when there is a higher LFPR of women

If the government and the whole economy increase the labour force participation of women it will become a revolution. This will lead to higher GDP and overall economic growth and prosperity, if the women have access to income it will lift the household out of poverty, women participation also will lead to human capital formation through the influence of women in health and education of their children.

Some studies shows that if labour force participation of women increase,it will lead to a decline in the fertility rate and also contribute to a sustainable population growth.

Overall, the decline in labour force participation of women is a great concern because it is directly connected with the economic growth of the country. If the methods and policies are efficiently applied there will be a revolution, a great leap in the economic growth.

INDIA-ISRAEL TRADE IN THE POST COVID ERA

Aleena P K
Semester 2

India's trade ties with Israel have only strengthened only the years after 2019. The Total Value of trade rose to$10.5 billion on a rolling four-quarter basis in June 2023 from $ 5.5 billion in the same month in 2019,shows the records of the Center for Monitory Indian Economy(CMIE) . India is Israel's second largest trading partner in Asia and the seventh-largest globally.

Despite Corona Virus Outbreak, India-Israel Friendship Continues to Shine

At a time when SAS-cov2 virus has taken the entire world under it's blanket, halting trillion dollars of trades and confining billions to their houses, coronavirus has definitely brought world to a standstill. However, the pandemic could not slow down the pace of the rising bilateral cooperation between India and Israel. In fact, the natives not only collaborated to beat the pandemic but also brought each other closer in the time of need. Their friendship is certainly a yardstick for many others.

Israel trade with India doubled after Covid19 Pandemic

The 93% Increase has also seen in the trade balances difference between imports and exports, become more favorable for India. India's export to Israel was around $1.9 billion more than imports in June 2019.Exports were $5.7 billion higher than imports by June 2023. India's rolling four quarter exports to Israel rose to $8.1 billion in June 2023 from$ 3.7 billion in June 2013. Much of the rise has happened in the period after the covid 19 pandemic. The value of manufactured goods exported to Israel is up 30.5 % to$2.6 billion as of June 2023,on a rolling four quarter basis. According to GTRI(Global Trade Research Initiative) estimates, the India-Israel bilateral services trade is estimated around to be $1.3 billion.

India Israel Economical and Commercial Relations

During the visit of Prime Minister of India Narendra Modi to Israel in July 2017,both sides signed and exchanged seven MOUs on cooperation in the areas of innovation, technology, water, agriculture, and space &science.A US $40 million INDIA-ISRAEL

Industrial R&D and Technology Innovation Fund for Joint Projects was also set-up. During the time of2018, the two countries signed nine agreements in various sectors, including cyber security, oil and gas, solar energy, space science, air transport, medicines etc.

Major Export from India

Major export to Israel include pearls and precious stones, automotive diesel, chemical and mineral products, machinery and electrical equipment, agricultural products.

Major export from Israel

Include pearls and precious stones, chemical and mineral fertilizer products, machinery and electrical equipment, petroleum oils, defense, machinery, and transport equipment.

Conclusion

In conclusion, the post-COVID era has witnessed a notable surge in India-Israel trade relations and Israel trade with India doubled after Covid19 pandemic, marked by collaborative efforts in various sectors. Both nations have demonstrated resilience and adaptability, fostering economic partnerships that hold promise for mutual growth. As they navigate global challenges together, the strengthened ties between India and Israel stand as a testament to the potential for innovation and cooperation in a rapidly evolving world.

Men, like animals, naturally multiply in proportion to the means of their subsistence.

FOOD INFLATION IN INDIA

Anupama A
Semester 2

Inflation is crucial to determine one's purchasing power. Inflation is a measure that causes the prices of both goods and services to rise over time and buyers will feel the pinch as it affects their personal finance, particularly spending and buying habits.

How to Calculate Infaltion Rate in India?

There are two indices that are used to measure inflation India – the Consumer Price Index (CPI) and the Wholesale Price Index (WPI).

Consumer Price Index (CPI) refers to analyse the retail inflation of goods and services in the economy across 260 commodities. The CPI based retail inflation considers the change in the prices at which the consumers buy goods. The data is collected separately by the Ministry of Labour.

Wholesale Price Index (WPI) refers to analyse the inflation of only goods across 697 commodities. WPI based wholesale inflation considers change in prices at which consumers buy goods at a wholesale price or in bulk from factory.

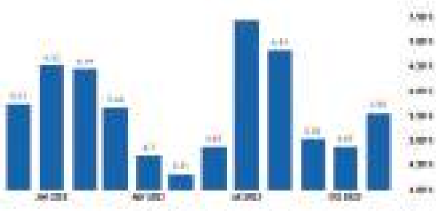
Averege Inflation Rate in India (Last 7 years)

A list of the country's inflation as measured in both CPI and WPI indices to help understand the change in prices over time. November inflation quickens to 5.55% as food prices climb

Annual retail price inflation in India went up to 5.55% in November 2023, the first increase in four months, from 4.87% in October and compared to market expectations of 5.7%. Food inflation went up to 8.7%, the highest in three months, from 6.61% in October. Monsoon in India hit five-year low in 2023 due to El Nino, affecting agricultural production. Prices rose the most for spices (21.6%), pulses (20.2%), vegetables (17.7%), namely onions and tomatoes, fruit (11%) and cereals (10.3%) while cost for oils and fats went down 15%.

However, experts say the supply-side interventions like selling wheat in the open markets by the Food Corporation of India (FCI) to bulk buyers, selling of onion, pulses and flour at subsidised prices at the retail points would curb the rise in prices going forward.Because of liberalised import regime, inflation in edible oils last month declined by 15% on year and prices of cooking oils have declined sharply since the beginning of year as global edible oil prices have soften.

Tomatoes saw prices rise by a staggering 180% from a year ago. This was around 201% in July on a year-on-year basis- so on month-on-month basis tomato prices have fallen around 21.7% which is a positive sign. Onion, Atta, and Dals basically staple items, all saw sequential increase between July and August.



Year	Indices	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	CPI	6.52%	6.44%	5.66%	4.70%	4.25%	4.81%	7..44%	6.83%	5.02%			
	WPI	4.73%	3.85%	1.34%	(-) 0. 92%	(-)3. 48%	(-)4. 12%	(-)1. 36%	(-)0. 52%				
2022	CPI	6.01%	6.07%	6.95%	7.79%	7.04%	7.01%	6.71%	7%	7.41%	6.77%	5.88%	5.72%
	WPI	12.96%	13.11%	14.55%	15.08%	15.88%	15.18%	13.93%	12.41%	10.70%	8.39%	5.85%	4.95%
2021	CPI	4.06%	5.03%	5.52%	4.29%	6.30%	6.26%	5.59%	5.30%	4.35%	4.48%	4.91%	5.59%
	WPI	2.03%	4.83%	7.39%	10.49%	12.94%	12.07%	11.16%	11.39%	10.66%	12.54%	14.23%	14.27%
2020	CPI	7.59%	6.58%	5.84%	*	*	6.26%	6.73%	6.69%	7.27%	7.61%	6.93%	4.59%
	WPI	3.01%	2.26%	1.00%	-1.57%	-3.37%	1.81%	-0.58%	0.16%	1.32%	1.31%	1.55%	1.95%

(* The Government of India did not release the CPI inflation rate for April and May 2020 due to nationwide lockdown induced by the Covid-19 pandemic)

Year	Indices	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	CPI	7.59%	2.57%	2.86%	2.92%	3%	3.18%	3.15%	3.28%	3.99%	4.62%	5.54%	7.35%
	WPI	2.76%	2.93%	3.18%	3.07%	2.45%	2.02%	1.08%	1.08%	0.33%	0.16%	0.58%	2.59%
2018	CPI	5.07%	4.44%	4.28%	4.58%	4.87%	5%	4.17%	3.69%	3.77%	3.31%	2.33%	2.19%
	WPI	2.84%	2.48%	2.47%	3.18%	4.43%	5.77%	5.09%	4.53%	5.13%	5.28%	4.64%	3.80%
2017	CPI	7.65%	8.83%	9.47%	10.26%	10.36%	9.93%	9.86%	10.03%	9.73%	9.75%	9.90%	10.56%
	WPI	6.55%	7.36%	6.89%	7.23%	7.55%	7.25%	6.87%	7.55%	7.81%	7.45%	7.24%	7.18%

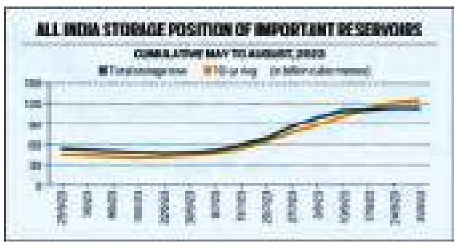
Item in %	M-O-M	Y-O-Y
Potatoes	2.3	-14.3
Onion	12.3	23.2
Tomatoes	-21.7	180.3
Atta	1	9.3
Rice	1.8	12.5
Dals	1.5	13
Chicken	-3.1	5.1
Refined oil	-0.8	-24.5

Item in %	M-O-M	Y-O-Y
Electricity	0.1	13.5
Diesel for vehicle	0	0.4
Petrol for vehicle	0	0.2
Air fare	-2.8	-9.0
LPG	-0.2	4.2

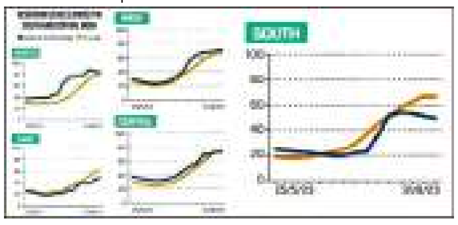
The CPI is still above RBI's target of 2-6% for India. But for now a reduction in inflation and slowing down of food inflation appears to be a positive development. Last month RBI maintained its repo rate at 6.5% and didn't pay too much heed to the 15 month high inflation number of July accounting it to a mismatch of demand and supply which spurred the vegetable prices and hence the food inflation.

Why is Food Inflation so high ?

- **Monsoon Rainfall:** Monsoon in 2023 is expected to be below normal, with officials recording 90 to 95% of Long Period Average (LPA).IMD had earlier forecast a normal monsoon at 96% LPA with an error margin of +/-4.
- **Reservoir Level:** 150 large and significant reservoirs in India had about 113 billon cubic metes(BCM) of water as of August 31, a 10% shortfall compared to a 10- year average. The reservoirs in southern states were hit the hardest, with the 42 large reservoirs holding just about 53 BCM of water, which is 49% of their combined capacity. These reservoirs should be at 67% of their combined capacity at this time of the year- last year it was at 85%.



- **Geographical Disparity:** Central India had a rainfall deficit of 47% and South India had a 60% shortfall in August.
- **Temperature:** Both the average maximum and mean temperature in August were the highest ever recorded since 1901. Above normal maximum temperature is expected over most parts of India.



Inflation in India caused by a combination of internal and external factors, including rising production costs and consumer demand. While the government has implemented several measures to control inflation, these efforts have proven to be successful to a certain extent. But there's a lot to be done as implementing structural reforms, agricultural diversification, promoting climate resilient agriculture and reducing dependence on fossil fuels.

▪

GUIDING ECONOMIC DESTINY:

The Visionary Role of Matthews Kondwani Ng'onayasauka at Malawi's Central Bank

Matthews Kondwani Ng'onayasauka
KNRSE ALUMNUS

In the realm of Malawi's economic landscape, a dynamic force has recently joined the central bank—a talented economist named Matthews Kondwani Ng'onayasauka. With a strong commitment to excellence and a passion for economic analysis, Matthews is taking on the multifaceted challenges of the external sector, steering his developing country through the complexities of international trade, capital flows, and financial dynamics.

At the core of the central bank, Matthews leads in Exchange Rate Analysis, meticulously monitoring and analysing the intricate dance of currencies. He evaluates the impact of fluctuating exchange rates on the economy, demonstrating a keen understanding of inflation and trade balances. Matthews goes further, crafting policies to ensure exchange rate stability, safeguarding his country's economic interests in the global marketplace.

In the domain of International Trade Analysis, Matthews provides insightful analysis, unravelling trends that shape Malawi's global engagement. Fearlessly assessing the impact of trade policies, he offers strategic recommendations aimed at enhancing the trade balance and propelling the nation towards sustainable economic prosperity.

As a meticulous navigator of the Balance of Payments, Matthews delves into international transactions with precision. His watchful eye identifies potential imbalances, and with a strategic mindset, he formulates policies to address these challenges head-on. In the ever-evolving global financial landscape, Matthews ensures a smooth sail for his nation through economic currents.

In Reserve Management, Matthews stands as a guardian of financial stability. Armed with analytical prowess, he manages foreign exchange reserves with finesse, developing strategies to optimize holdings for liquidity and stability. His role goes beyond numbers—it is a commitment to ensuring economic resilience in the face of global uncertainties for Malawi.

Matthews takes the lead in monitoring Capital Flows, understanding their profound impact on the domestic economy. Whether it's foreign direct investment, portfolio investment, or other financial flows, he assesses their influence, contributing to informed decision-making for the benefit of the nation.

In the realm of External Debt Management, Matthews evaluates the sustainability of external debt levels, developing plans to manage and service external debt. He offers invaluable advice on borrowing and repayment policies, acting as a guardian of economic integrity.

In the dynamic arena of International Financial Markets, Matthews remains vigilant, staying abreast of global financial trends. His analyses provide insights into potential impacts on the domestic economy, ensuring that Malawi is prepared to navigate the twists and turns of the international financial landscape.

As a trusted advisor, Matthews offers data-driven analyses and recommendations to policymakers. His contributions to the formulation of monetary and fiscal policies are invaluable, ensuring that economic strategies are well-informed and attuned to external factors.

Collaboration with International Organizations is a hallmark of Matthews' role, strengthening ties with entities such as the International Monetary Fund (IMF) and World Bank. His collaboration ensures that Malawi's policies are aligned with global standards and best practices.

In the arena of Communication and Reporting, Matthews is a masterful storyteller, translating complex economic analyses into a narrative that resonates with policymakers, stakeholders, and the public. Through regular reports, he provides a transparent view of the state of Malawi's external sector, fostering trust and understanding.

In the hands of Matthews Kondwani Ng'onayasauka, the duties of economists at the central bank transcend tasks—they represent a commitment to shaping the nation's economic destiny. His work is a testament to the power of economic analysis in maintaining stability and fostering sustainable growth in Malawi. The future looks promising, guided by the brilliance and dedication of Matthews Kondwani Ng'onayasauka.

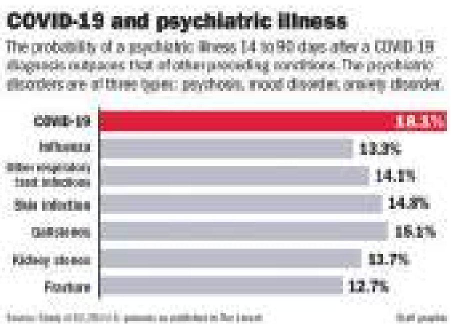
▪

COVID-19 AND IT'S IMPACT ON HUMAN PSYCHE

Asha P.R.
Semester 2

The COVID-19 pandemic has significantly impacted mental health, inducing widespread fear, anxiety, and uncertainty due to health concerns, economic challenges, social isolation, and disruptions to daily life.

The WHO's June 16, 2022 report underscored the global repercussions on health, economies, and societies, with numerous lives lost and livelihoods disrupted. Mental health has been widely affected, with increased anxiety, serious mental health issues, and reports of psychological distress, depression, anxiety, and suicidal thoughts, especially among healthcare workers. Specific groups, like young people facing prolonged school closures, are at heightened risk of isolation and behavioral problems. Family stress and abuse risks increased for some children and adolescents, exacerbating mental health concerns, while women experienced elevated stress, with a concerning 45% reporting violence during the pandemic's first year.



Impact of COVID-19 on Poor Mental Health in Children and Young People 'tip of the Iceberg' - UNICEF

Analysis reveals an annual economic loss of nearly $390 billion due to mental disorders among young people. UNICEF's State of the World's Children 2021 report underscores the pre-existing burden on children's mental health, worsened by insufficient investment. Globally, over 1 in 7 adolescents grapple with diagnosed mental disorders, with suicide among the top five causes of death for this age group. Despite this, only about 2% of government health budgets are allocated to mental health globally, creating substantial gaps between needs and funding. UNICEF Executive Director Henrietta Fore highlights the prolonged impact of pandemic-related restrictions on children, affecting key aspects of their childhood.

UNICEF report spotlights on the mental health impact of COVID-19 in children and young people in India

In a 2021 UNICEF survey across 21 countries, only 41% of young people in India find seeking support for mental health beneficial, in contrast to the 83% average across surveyed nations. India stands out as the only country where a minority (41%) of young people perceive seeking support for mental health issues positively, compared to majorities ranging from 56% to 95% in all other countries. The findings, previewed in The State of the World's Children 2021, also reveal that approximately 14% of 15 to 24-year-olds in India, or 1 in 7, frequently experience feelings of depression or disinterest in activities.

Children's Mental Health during COVID-19

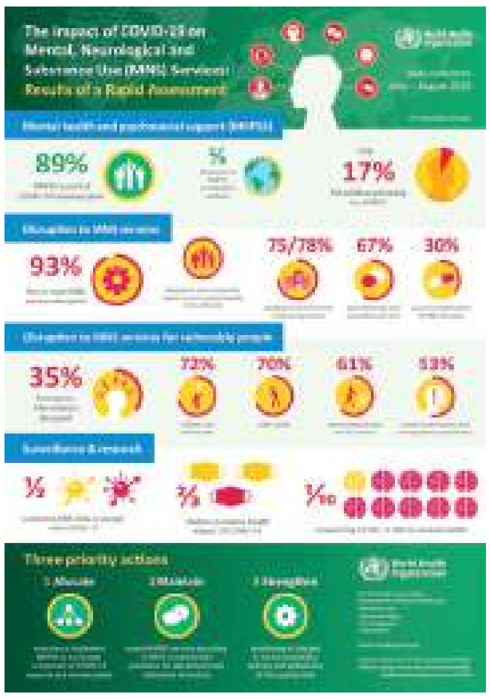
Entering its third year, the COVID-19 Pandemic continues to heavily impact children and young people's mental health. Lockdown measures have restricted their access to social services, exacerbating fears, anger, and concerns about the future due to disruptions in routines, education, recreation, and family well-being. UNESCO data reveals that 286 million children up to grade 6 were out of school in India between 2020-2021, and UNICEF's 2021 rapid assessment indicated that only 60% could access digital classrooms, posing challenges for continued education.

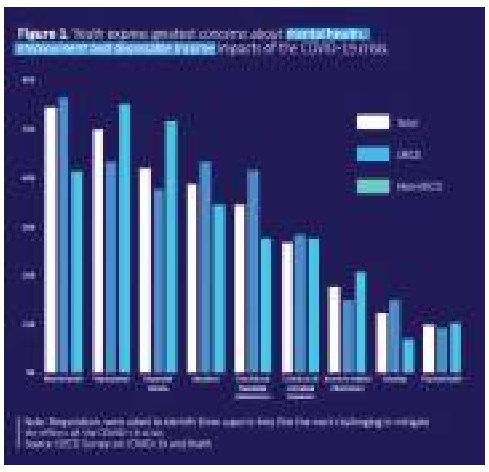
Effects of Online Education on Mental and Physical Health

The shift to online education has significantly impacted the mental and physical health of students and teachers, leading to a decline in interest, increased stress, anxiety, and the phenomenon of "Zoom fatigue" over the past year and a half. The lack of face-to-face interactions has affected students' engagement, resulting in a loss of interest in studies and contributing to mental health challenges. Concentration levels have dropped, posing difficulties in keeping up with teachings and intensifying pressure, ultimately causing stress and anxiety. Prolonged screen time has also contributed to Zoom fatigue, overwhelming the mind and hindering the absorption and processing of information.

Mental Health and Economy in India

Poor mental health amongst employees costs Indian employers around US$14 billion yearly, says Deloitte's Mental Health Survey.





Deloitte Touche Tohmatsu India LLP's survey, conducted between November 2021 and April 2022 with 3,995 employees, revealed that 47% identified workplace-related stress as their main mental health concern, followed by financial and COVID-19 challenges. The annual cost of poor mental health for Indian employers is estimated at US$14 billion, encompassing absenteeism, presenteeism, and attrition. Despite 80% of the workforce reporting mental health issues, societal stigma prevents 39% from seeking help. In response, 33% continued working despite poor mental health, 29% took time off, and 20% resigned. Deloitte Global CEO Punit Renjen emphasized the need for leaders to destigmatize mental health, while Charu Sehgal, Partner at DTTILLP, highlighted challenges exacerbated by COVID-19, such as performance-oriented cultures and social media-driven peer comparison, making it difficult for employers to address these issues effectively.

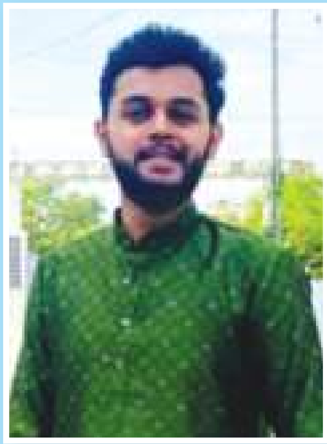
Solutions for the problems

To address COVID-19 challenges, collaborative strategies at individual, community, and societal levels are essential. Solutions encompass advocating for increased mental health funding, destigmatizing mental health, implementing workplace programs, supporting community groups, and promoting education. For economic challenges, strategies include advocating for stimulus packages, investing in workforce development, supporting small businesses, addressing inequality, fostering international collaboration, investing in technology, promoting flexible work arrangements, and advocating for sustainable development. Multifaceted efforts necessitate collaboration between governments, businesses, communities, and individuals for lasting pandemic impact solutions.

A Remarkable Achievement from K N Raj School of Economics

Congrats !!

Nikhil Kalathil



We, at KNRSE, are delighted to extend our warmest congratulations to Nikhil Kalathil (Batch 2021-23) on successfully qualifying for the UGC-NET in Economics! This is an exceptional achievement that speaks volumes about his dedication, hard work, and intellectual acumen. It is a significant milestone in his academic journey, and we are confident that this success is just the beginning of many more achievements to come. Nikhil's success serves as an inspiration to his peers and future students of K N Raj School of Economics.

ECONSPIRE '24

ALL-KERALA INTER COLLEGIATE GENERAL QUIZ COMPETITION

Induchoodan J. P. & Nidhuna
Semester 4

The All-Kerala Inter-collegiate Quiz Competition showcased the intellect and knowledge of students from across the state. The event was hosted by K N Raj School of Economics, housed in Mahatma Gandhi University, Kottayam. It was conducted for the second time and organized by the 1st and 2nd-year PG students. The event brought together participants from various colleges, creating an atmosphere of healthy competition and camaraderie. The winners of the event will receive a prize money of Rs 18,000, with Rs 3,000 for the 3rd position, Rs 5,000 for the 2nd position, and Rs 10,000 for the 1st position.

The Quiz master of this event was Mr. Alex Aloysious, a prominent figure among the young quiz masters in Kerala. He skillfully navigated through the questions, ensuring a fair and engaging experience for the participants and the audience.

The planning for the event started a month ago. There were 31 of us who were divided into various committees such as registration, organizing, publicity and designing, finance, and refreshment. The event was a collective effort of all the students of KNRSE with guidance received from our director Prof. Dr. Johney Johnson and other faculty members. Compared to last year, where we got 40 online registrations, this year it has risen to 46, implying the success and popularity of organizing such an event.

The registration procedure started at 9 in the morning and closed by 10 am. There were 49 teams in total, each comprising 2 members. The competition comprised a preliminary round and final round. The prelims consisting of a set of 20 questions, lasted for an hour and involved participants on a wide array of subjects.

The results of the preliminary round were declared by 1 pm, out of 49 teams, 5 directly qualified for the final round, and the 6th team was decided by a tiebreaker. The qualifying teams for the final were from Mar Ivanious College Trivandrum, Farook College Calicut, Rajagiri College of Management and Applied Science, MG University Department, University College Trivandrum.

The final round started at 1:30 pm, comprised of 3 rounds. The questions curated to challenge and stimulate critical thinking drew out impressive responses from the participants after a neck-to-neck battle between the top contenders. The first, second, and third positions were bagged by:

1.Harikrishna S S, Sabarinath V S - University College, Trivandrum

2. Panchami B, Binsha Abubakar - MG University Department

3. Adithyan D M, Adwaith S - Mar Ivanious College, Trivandrum respectively.

The event was a huge success, just like last year, and made possible through the sponsorship of individuals and different institutions. The sponsors for our Econspire '24 are Jubeerich Consultancy Pvt Ltd Study Abroad, Al Muqthadir Jewellery Group, State Bank of India, MG University, Luminar Technolab, G-tech Computer Education, Eve's World designer boutique. We would like to give special mention to our Faculty Dr. Jose J. Naduthotty for sponsoring the prize money for the 1st position.

Next year we anticipate a greater number of participants with increased prize money, which will be possible by similar support and encouragement that we received from you all.

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