

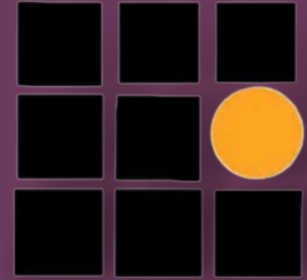


ISSUE 2023

*Creation of the  
Good Society  
Work of the Past*

*ॐ  
Work of the Future*

**THE**



**CONTRARIAN**



*discussions on*

**Development, Innovation & the Labour Market**

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THE CONTRARIAN

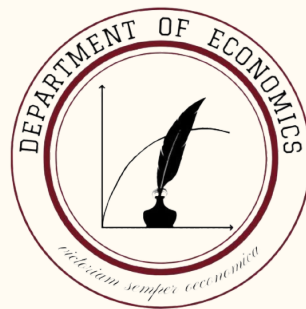
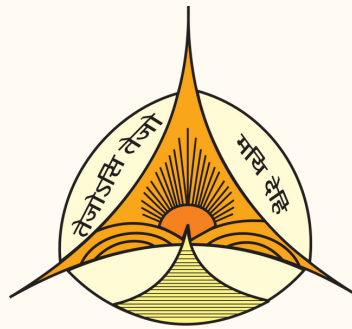
ISSUE 2023

*Creation of the Good Society:*

Work of the Past



Work of the Future



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*"The first essential for economists is to – combat, not foster, the ideology which pretends that values which can be measured in terms of money are the only ones that ought to count."*

Joan Robinson

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# MESSAGE FROM THE TEACHER-IN- CHARGE

Ms. Smita Gupta  
Associate Professor  
Department of Economics

**T**he Contrarian, the Annual Magazine published by the Department of Economics, Jesus & Mary College (JMC),

is a free space for the students to ideate, discuss, form and express opinions. The vision aligns with the motto of the college to promote critical thinking and holistic development amongst the students. The Contrarian is a great platform for the members and the readers to engage in pluralistic thinking. I take pride in the massive reach of the magazine across departments of the college, various colleges in Delhi University and beyond. The team actively engages with experts in constructive discussion on a gamut of pertinent socio-economic issues. I am happy to share that the Contrarian team has hosted multiple interesting sessions, delving deeper into gender issues this year.

Following the long established tradition of working around a specific theme, this issue focuses on the *worlds of work*. The theme for this year is “**Creation of the Good Society, Work of the Past & Work of the Future**”, taking forward discussions on Development, Innovation and the Labour Market.



India's unemployment crisis can be traced to a mix of social and economic factors. The recent statistics shed light on the gravity of unemployment problem in India. High unemployment rate among the youth, educated, women and disadvantaged castes and religious minorities poses questions on the development strategy of the nation. The structural transformation has helped the economy grow, the employment outcomes, however, remain dismal. Research on the subject highlights how technology and the advent of artificial intelligence is putting workers out of work. This makes it all the more important to ask what does the future hold for us and to answer this it is imperative to learn from the lessons of the past and understand the present better.

It gives me immense pleasure to bring to you **Issue 2023** of 'The Contrarian'. The magazine is a collection of insightful articles from students and faculty on the chosen theme.

I wish you all an enriching read.

# NOTE FROM THE FACULTY ADVISORS

Dr. Jasmin & Ms. Anu Singh Deswal  
Assistant Professors  
Department of Economics

The theme for the 2023 edition of 'The Contrarian' Magazine is based around conversations in the field of *Development, Innovation and the Labour Market*. On one hand, innovation is helping Indian Economy to grow faster, on the other, the kind of development and innovation taking place is raising certain concerns when looking from the perspective of the labour market. Issue 2023 throws light on these concerns. India being on the edge of becoming the world's most populous country, needs to carefully analyse different aspects of its labour market, so that timely strategies can be formulated to ensure that its human resources are one of the biggest assets for the country.

The Pandemic unveiled various issues of Indian labour market, and hence this theme is apt for this year's edition as it is imperative to find early solution(s) to these concerns. This edition of The Contrarian has contributions from students of different Departments and Universities across India.



# MESSAGE FROM THE EDITORS

**D**ear Readers,  
The world is at a crucial juncture in the present times, where inequality is peaking and certain areas of development have become some of the most critical discourses. In this context, our magazine aims to explore the themes of work, gender and economic growth through the lens of heterodox economics. We believe that traditional economic theories have failed to address the structural imbalances that exist in our society today, and it is time to look beyond the mainstream narrative to find alternative solutions. Advanced capitalism has led to a crisis of values and priorities,

where the gap between the rich and the poor continues to widen, and the exploitation of the marginalized communities has become rampant. The concept of space and boundaries is crucial in understanding the systemic inequalities that exist in our society. The power dynamics of class and gender that shape our social, economic, and political spaces are influenced by historical undertones that continue to shape our present. We need to interrogate the cross-cutting heterodox realms and challenge the boundaries that restrict access to resources and opportunities for marginalized communities and women and work towards creating inclusive spaces that prioritize the well-being of all individuals. Through research articles, personal reflections, photography, and art, our magazine aims to challenge the normalized arenas of oppression under capitalism. We offer you an intersection between creativity, political sensitivity, and a socio-economic understanding of the issues at hand.

It has been a privilege to read the submissions from our diverse authors, who have brought their unique perspectives and insights to the theme. We hope that the magazine's content will resonate with you and inspire you to think critically about the issues at hand.

In solidarity



*Sania Faved*

Editor in chief  
2022-23

# MESSAGE FROM THE EDITORS

**D**ear Readers,  
We proudly present the  
annual Economics  
Magazine, 'The Contrarian'

with the year's theme, '*Creation of the Good Society: Work of the Past & Work of the Future*'. This year's magazine revolves around the realities of work and its changing transformation in the contemporary world. Today when we are initiating conversations about switching to a four-day workweek to reduce the workload and maintain a work-life balance, there's still a lot of work that's not even acknowledged. 'Work' is done by various

stakeholders of the society but barely a part of it is included in national accounts. The definition of work has changed over the years but still work done for economic activity is only counted whereas the rest of all other activities remain invisible. Our magazine aims to draw the attention of the readers to see work from a different lens- economic, social and political. It highlights opportunities and adversaries of globalization varying from structural changes of work over the years, increased instability in the market, and joblessness to a shift towards the platform economy. After three years of working with The Contrarian, I'm glad I decided to do so because I've learned so much from seniors and fellow team members. The publication of this year's magazine won't be possible without the help of Sania Javed, Editor-in-chief, our hardworking team of The Contrarian and especially conveners, Dr. Jasmin and Ms. Anu Singh Deswal. We planned for this publication to highlight the ramifications of work inefficiency in the economy. In this issue, you will be able to witness interesting write-ups, photo essays and comics showing the multidimensionality of the work. We hope you enjoy reading the content as much as we enjoyed curating it together. Please keep your eyes on The Contrarian magazine in the coming years for exploring more discourse on heterodox and unconventional themes.



*Janya Nayyar*  
Deputy Editor  
2022-23



*from the*

# EDITORIAL DESK



# The Resource Curse Hypothesis & Inclusive Development

## *Experience of Indian States*

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D R . J A S M I N

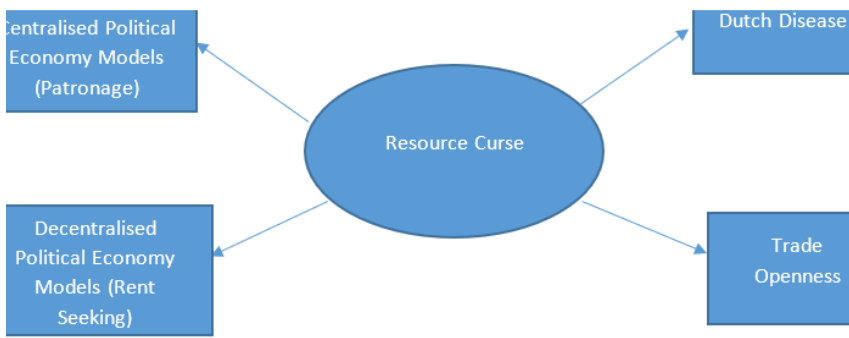
**T**he abundance of natural resources is believed to have a strong positive impact on the economic growth and development of a country. Natural resource endowments may facilitate investment, rapid industrialization and creation of employment opportunities through the accumulated resource rents. Literature on this subject, however, brings to the fore an important finding: resource abundance may not necessarily guarantee growth. While there are resource-abundant high-income countries: Australia, Norway, Canada for instance, there are other well-endowed nations like Congo, Nigeria, and Venezuela that could not do much in terms of growth, welfare and inclusive development. Therefore, both rich and poor countries fall in the category of resource-abundant nations. Whether the resource rents will transpire into economic growth and foster development depends to a great extent on how the rents are used. This in turn is determined by the quality of institutions and the policy environment of the nation. If the rents derived out of resource endowments are used efficiently for productive and sustainable investment, the economy reaps benefits, on the other hand, a misallocation of rents due to misguided policy, weak institutions,

corruption and rent-seeking attitude hinders economic performance and hampers the prospects of development.

Development and its inclusivity depends a great deal on institutions and policies of the state. Investments in human capital through health and education sector, maintaining environmental standards, ensuring that growth benefits all are crucial steps towards welfare. Corrupt governments and rent-seeking behaviour on the part of individuals disrupts the development process. In the following section we discuss political theories exploring the resource curse.

Dismal economic performance and poor development outcomes of the well-endowed countries has received considerable traction from academicians and research scholars. Kolstad and Wiig (2009) present four key mechanisms perpetuating resource curse as shown in figure 1, below. Going by the Dutch disease explanation, discovery or extraction of natural resource will result in the country exporting these goods, which in turn will help the current account, boost the GDP and generate employment opportunities. As a consequence the real wages rise, at the same time a rise in the demand for the country's currency due to rising exports brings about a real exchange rate appreciation. This in turn renders the non-resource export sector, uncompetitive.

Figure 1 Resource Curse Mechanisms



Source: Kolstad and Wiig (2009)

It is also argued that the negative impact of the resource curse weighs more on the economies that are less open to trade. The resource abundant countries are able to get competitive prices for their resources in the global markets. Also they get access to advanced technology to extract resources with greater efficiency. Research on the extent to which trade openness evades the resource curse is still in a nascent stage and developing.

In the centralised political economy models, the resource revenues can have two potential effects: 1. Staying in power is an alluring option, since it gives the ruling government control over the resource revenues, 2. The government in power may face challenge from contesting parties to gain control over these resources and rents. The desire to stay in power may result in the government indulging in activities to garner political support and to improve the likelihood of re-election through patronage i.e. offering public sector jobs to political support. Challenge from the opposition also makes the government spend resources in unproductive ways, for instance, controlling parties/individuals who are challenging the government.

However, any government can ensure a longer tenure for itself by utilising resources productively and responsibly as well, by investing in sectors that will add value to the economy. The resource curse, therefore is not inevitable. Decentralised political economy models focus on the rent-seeking behaviour

of individuals outside of the group of ruling elite. The individuals could focus on productive pursuits or they could expend efforts and time on rent-extraction and sustaining it. Rent-seeking behaviour creates inefficiency and wasteful expenditure.

Mlambo & Borz (2022) extend theoretical political explanations for the resource curse mechanism. The study puts forward four explanations: Rentier Effect, Staple Trap Model, Institutional Theory and Dependency Theory.

The states with abundant natural resource are heavily reliant on the resource revenue rather than tax collection. The demands of the public fall on deaf ears, while the governments are busy extracting resource rents. The rentier effect gives way to a powerful elite, corruption and mismanagement of resources. As per the staple trap model, the abundant resource becomes a staple good for the economy, limiting the potential for diversification into other goods and sectors. This could hamper the prospects of long run economic performance of the economy. The dependency theory explores the power balance between the core and the periphery. History

of colonialism tells us how the industrialized nations colonized the territories, causing a resource drain and using those resources to fuel their own growth. The colonies are today's poor or developing nations which have been positioned to depend on raw materials. The profits generated in the natural resource sector in these economies is pocketed by the foreign investors from developed nations. The institutional theory suggests that corrupt government and weak institutions are often the factors at work behind the resource curse, particularly in the developing nations.

As per the world development indicators the total natural resource rent to GDP ratio for India stands at 1.94 as of 2020. India is not a resource-rich country, nor are the rents from natural resources very high, however, there are certain regions in the country that are resource rich.

“Please understand, Your Excellency that India is two countries: an India of Light, and an India of Darkness. The ocean brings light to my country. Every place on the map of India near the ocean is well-off. But the river brings darkness to India.” – “The White Tiger” by Aravind Adiga

There is little doubt, that states in India are heterogeneous in terms of their resource endowments. India has also witnessed a reallocation of resource wealth when Chattisgarh was split from Madhya Pradesh and Jharkhand were separated from Bihar in 2000. Use of natural resources and their management comes under the purview of the state governments. This is true for all locally available natural resources like forest cover, fisheries, water, grazing and fertile cropped land with minerals being the exception.

The central government in India manages the extraction of minerals as per the Mines and Minerals (Development and Regulation) Act 1957. However, since the states are the legal owners of the minerals, they receive royalties from the central government. The central government regulates environmental standards and resolves disputes on royalties. The other local natural resources are exploited by the government and local bodies at the state level. The extraction and investment of resource rents in India is determined the state policy, the development trajectory, consequently differs across states.

As per the Ministry of Mines annual report (2020-21), nearly 83% of the value of mineral production (excluding fuel and atomic minerals) came from 10 states, namely Rajasthan, Odisha, Andhra Pradesh, Telangana, Chattisgarh, Karnataka, Madhya Pradesh, Gujarat, Uttar Pradesh and Maharashtra. The principal producers of minerals in the Indian economy are Odisha, Chattisgarh and Jharkhand. Chattisgarh is the sole producer of tin concentrates and moulding sand. Jharkhand is the sole producer of flint stones and a leading producer of coal, bauxite, gold, iron ore, limestone. Odisha, on the other hand is a leading producer of chromite, garnet and the single state with reserves of Ruby. During April – December 2020, total royalty of Rs. 7,930.61 crores was provided to states; Jharkhand received Rs. 2,102.01 crore, followed by Chattisgarh with a payment of Rs. 1,575.73 crore, Odisha received Rs. 1,165.48 crore. (Economic times) These three states have a rich forest cover and have an edge relative to other states when it comes to the water resource. Share of forest

area in the total geographical area for Chattisgarh is 41.21%, Jharkhand is 30% and Odisha is 74% as per the Forest Survey of India, 2021. Low availability of land for cropping makes the natives heavily dependent on the other local natural resources.

On the front of economic performance the per capita net state domestic product at current prices stands at Rs. 1,04,943 for Chattisgarh, Rs. 75,587 for Jharkhand and Rs. 1,09,730 for Odisha lower than the pan-India average of Rs. 1,28,829.

The CAGR of Net State Domestic Product at 2011-12 prices for the period 2011-12 to 2019-20 reveals while Odisha is 9th among the top 10 performing states/UTs with a cagr of 6.5%, the rates for Jharkhand and Chattisgarh are 5.15% and 5% respectively. Economic performance of these resource rich states has been far from stellar.

We also analyse the performance of these states in terms of development. The subnational human development index computed by global data lab as of 2019 was 0.61 for Chattisgarh, 0.59 for Jharkhand and 0.60 for Orissa. On the other hand there are states/UTs like Kerala (0.78), Chandigarh (0.77), Goa (0.76) leading in terms of development indicators. The poverty rate as of 2011-12 based on mixed recall period consumption for Chattisgarh stood at 40%, 37% for Jharkhand and 32.6% for Odisha. Unemployment rate in urban areas as per the usual status for Chattisgarh was 55 per thousand in 2018-19, the corresponding statistics for Jharkhand and Odisha being 87 per thousand and 127 per thousand. The All India rate was 77 per thousand. The incidence of unemployment was relatively lower in the rural areas with only Odisha's poverty rate

crossing the all India rate.

The evidence from these three resource rich Indian states supports the argument that high resource rents may not necessarily translate into high economic growth and inclusive development.

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# The Economics of Intersecting Identities

*An interlay between caste, minority status and gender in the modern Indian liberal market*

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SANIA JAVED

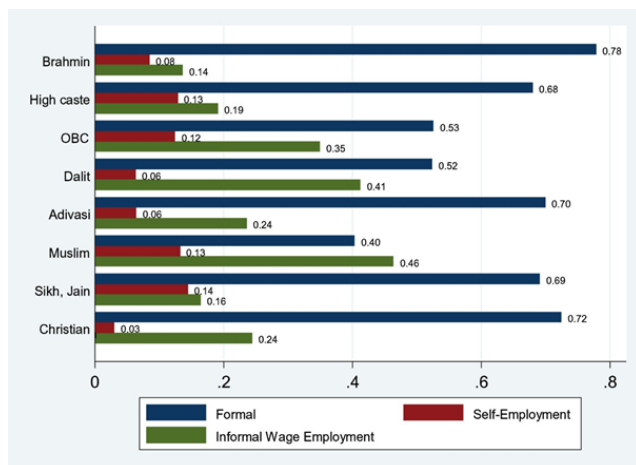
**T**his article aims to take the existing intersectional lens of progressive discourse and deploy it to the analysis of the existing barriers stemming from one's idea of belongingness associated with cultural, religious and occupational identity. It wishes for the readers to be open to having a wider range of understanding that the discrimination is multi-layered and multi-fold owing to the fact that no individual bears only the label of their community as a homogeneous element, but acts as a unique and dissimilar being with individual and specific layers of oppression stemming from, but not limited to, one single perception of their identity. The article takes into account three layers to identify the nature of oppression prevalent in the Indian society; caste, status as a religious minority and the burden of being a woman, and places them in the modern day liberal secular democracy, to study the mentioned manifestations of identity-based discrimination within the labour market and the economic engine.

## **Situating Caste and Religion in the Labour Market**

A persistent issue and area of study for social scientists has always been the role of caste in Indian society, state, and economy. During the 1970s, the labour market phenomenon of caste attracted what little bit

of mainstream theoretical attention it has ever received (Scoville, 2003). For economists, the likelihood of caste-based discrimination on the job market raises interesting issues. Does discrimination exist? Does it manifest as "wage discrimination" or "job discrimination," i.e., unequal compensation for employees with the same economic traits even when they work in the same position, or unequal pay for employees with the same economic traits but are employed in positions with different pay scales? What could the cause of this discrimination be? What are the implications for policy? What role does the caste structure play in contemporary India given the state of globally integrating market economy? Banerjee & Knight, in their pioneering quantitative study in 1985 raised valid questions and examined the age-old problem of caste in the light of discrimination theory and government policy. They used a survey of workers in Delhi, the gross wage difference between 'scheduled' (untouchable) and 'non-scheduled' caste is decomposed into its 'explained' and 'discrimination' components and, from a model of occupational choice, into wage- and job-discrimination. They found that discrimination exists, and operates at least in part through the traditional mechanism, with respect to assignment of jobs, with the scheduled castes entering poorly-paid 'dead-end' jobs.

It is assisted by further existence of social capital (or thereby the lack of it) which also cause past discrimination to carry over to the present.



Source: (Shonchoy & Junankar, 2014)

As we note the caste and religion breakdown for the formal and informal sectors (self-employed and informal wage labour), we see that Brahmins and people belong to Upper caste are more likely to be in the formal sector, compared to the lower social castes and Muslims. We see that Brahmins and people belong to high caste are more likely to be salaried workers or professionals, whilst Dalits and Muslims are more likely to be non-agricultural labourers or artisans. This is not just an anthropological conclusion based on historical deprivation and tradition, but also, the perpetuation and manifestation of identities into the market spaces, owing to the hierarchical system of access and discrimination which is blatantly skewed towards the Upper caste/class male members of the family unit. The conceptualization of caste as a contemporary phenomenon in the modern day market economy is often underplayed or understood just as a traditional ‘Hindu’ body of ideas or just a matter of political competitiveness. This seems like a rather oversimplified version of reality.

While anthropologically speaking, caste has had its root in ritualistic and traditional practices, however, erasure of caste-based discrimination within the market processes of the economy is not a far-fetched claim. The implicit hierarchy that comes associated with the liberal discourses of caste is often erased in the realms of ‘development policy’ and the modern-day market. This dimension of caste has received little to no attention as a body of research (Mosse, 2020). However, another study (Scoville, *Discarding Facts: the Economics of Caste.*, 2003) provided a more adequate model with an explanation to why Caste resists the implied free market phenomenon and the underlying assumptions of the Coase theorem.

It would dictate that market-impeding institutions (as the caste system) should be eroded away by market forces. However, the caste system in India has persisted for a very long period and continues to be powerful today (Scoville, 1996).

Further, it is vital to situate the economic studies on caste and religion (or gender) at an intersection of policy and political processes. The studies are often blinded and fail to understand the accurate implication of belonging to a deprived community (Hasan, 2009).





### Through the means of Feminist Economics

“Simultaneity of oppressions means that gender, race, class, caste, sexuality, and citizenship status and other social categories are overlapping, mutually constitutive group identities. This speaks to the impossibility of analyzing their independent effects on individuals and groups. From an economic standpoint, simultaneity creates the need to examine the ways in which different systems of oppression interact and affect different groups in complementary or even contradictory ways. Moreover, women’s lived experiences with multiple forms of oppression create valid, generalizable knowledge.”[1]

As Feminist economists have called for attention to “multiple identities” and “multiple discriminations,” an examination of colour and caste in conjunction with class and gender (Folbre, 2021), it is vital to deploy a similar methodology to further the intersectional approach to the ‘tripled effect’ burden of being a lower-caste, Muslim (or Christian) woman. The feminists are appropriate in arguing that markets are not neutral arenas but in fact, are “gendered” institutions and such is the case of the institutional of caste and organized religion.

The construction of The Gender-Caste Development Index by Ashwini Deshpande to assess discrimination or the impact of identity on economic outcomes to look at wage/income and/or employment outcomes is one of the pioneering of Feminist literature dealing with Caste. The following graph shows the list of states taken for the analysis. It is important to push for Deshpande’s (2002) argument that the trade-off is vanishing; in contemporary

India, low-caste women suffer the double burden of material deprivation and immurement and thus are the worst off in both respects. While the index has its own shortcomings, and there is always a need to expand scope, it was also noted that Data must be accessible for a longer time period than what the two NFHS rounds give in order to determine the precise relationships between processes released by liberalisation and intercaste disparities. However, one of the most notable aspects of the 1990s was the privatisation of jobs and education. As a result, affirmative action programmes for OBCs and SCs, limited to government employment and educational institutions, have weakened. Additionally, there is evidence of the growing casualization of employment, which disproportionately affects women. It is not tough to imagine that low-caste women would be the first to experience the negative effects of these developments given the established caste systems.

### Conclusion

In this sense, social exclusion might be regarded as a process that disadvantages particular caste or religious groups.

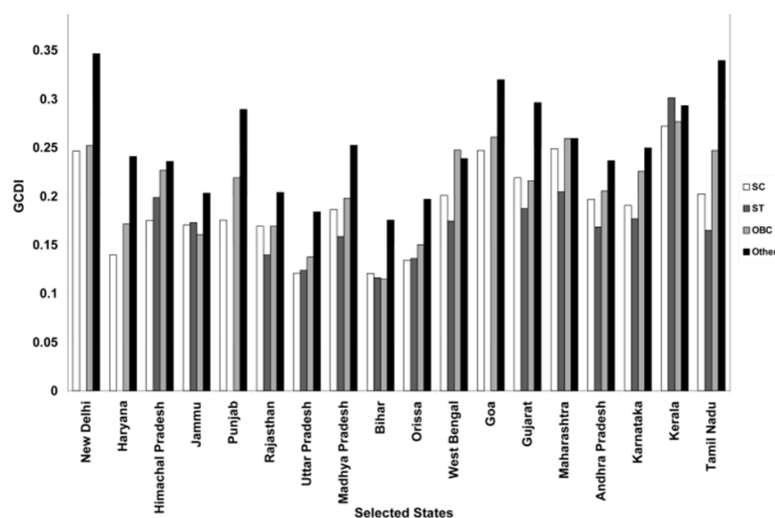


Figure 1. Gender-Caste Development Index, India, 1998-99

[1] (Banks, N. 2021, p. 120)

This is caused, in part, by the inability to access jobs and education, as well as the exclusion from wider social networks. Its roots can also be found in the overlapping socio-cultural and economic deprived levels. Such a socio-cultural identity of being a low-caste person working in a "menial" job dramatically reinforces poverty in terms of material depravity. As evidenced by the study of Nikhar Gaikwad and Pavithra Suryanarayan (2022) Indian society showed that individuals belonging to disadvantaged communities are significantly more likely to support trade liberalization than members of dominant ethnic groups to cater to their self-interest in a culturally segmented-society and with a dream of emancipation. Clearly, in line with the pervasive nature of caste in the local and global market presented in another study, "Dalits are not discriminated by caste as a set of relations separate from economy, but by the very economic and market processes through which they often seek liberation" (Mosse, 2020).

Redressing these intersecting inequalities requires social and economic policies that are broadly pro-labour while also targeting specific religious and gendered disparities. It is to be noted that the non-economic literature on caste is so vast, it often invoked the question on the need for an economic inspection and investigation, however, having said that, it is essential to the multi-faceted links between the economy and myriad of material aspects stemming from the question of livelihood and justice.

This could potentially trigger policy debates leading to action enfolding the scope of multiple identities within the contemporary discourses of policy-formulation unaffected by erasure of gender, caste and religion.

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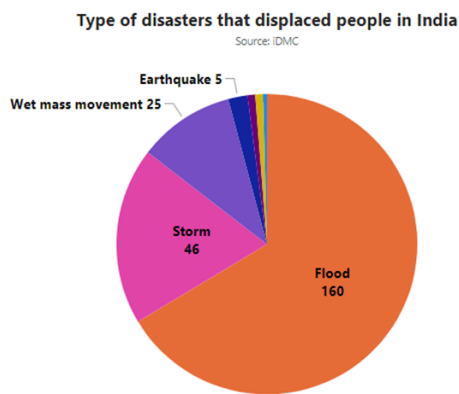
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# Dilemmas of Development

## *Homeless at Home*

S A N Y A N A Y Y A R

India has seen widespread displacement since Independence, whether it be due to violent clashes between communities or development-induced projects. According to the United Nations High Commissioner for Refugees (UNHCR), Internally displaced people are those who have been displaced from their homeland but have not crossed a border to find safety. Unlike refugees, they are on the run at home. The reason for displacement can vary from natural disasters and climate change to violence and development activities. In 2021, around 4.9 mn Indians have been displaced due to natural disasters and 13,000 due to conflicts. Floods and cyclones were the major reasons for the displacement of people.



Natural disasters ■ Flood ■ Storm ■ Wet mass movement ■ Earthquake ■ Mass Movement ■ Wildfire ■ Drought

Figure 1. Types of disasters that displaced people in 2021

Apart from natural calamities, there have been numerous instances of violent clashes between different communities that have resulted in widespread displacement – the exodus of Kashmiri Pandits in 1989, the violence in the Northeast, the exodus of the Bru tribes from Mizoram in 1997, the Gujarat riots of 2002,

the anti-Sikh riots of 1984, Muzaffarnagar riots of 2013, and the recent clashes in Northeast Delhi. There were around 13,000 displacements due to inter-communal or political violence alone in 2021. Out of which, 11,000 were displaced in West Bengal as a result of post-election violence.

Generally, only the cases of involuntary displacement are shown by the media, leaving behind a whole section of society even more vulnerable. In its reaction to relocation in Kashmir and Gujarat, the Indian government has been accused of failing to comply with UN Guiding Principles on Internal Displacement and international human rights norms. Out of 40.5mn new displacements in 2020, 30.7mn are caused due to disasters whereas 9.8mn are the result of conflicts and violence. In 2010, disaster-induced internal displacements were at their peak, displacing nearly as high as 42mn people compared to 24mn people in 2021.

The two types of displacement have been identified- Voluntary displacement and Involuntary displacement. Displacement has been related with two factors: the pull factor and the push factor. The pull factor is associated with individuals returning to their hometowns, whereas the push factor is associated with involuntary migration. Displacement itself is a complex issue through which livelihood of people is disrupted, linkages between various stakeholders get severed, and social and cultural belongingness gets lost.

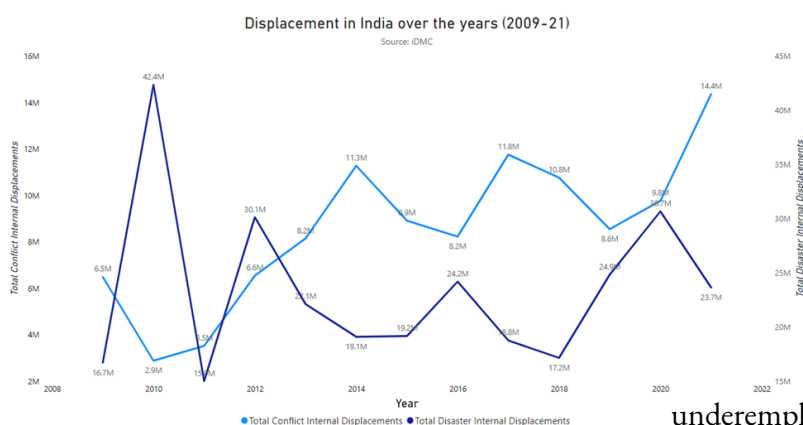


Figure 2. Types of disasters that displaced people in 2021  
Dalits constitute 20% of displaced persons.”

Large-scale displacement has been and continues to occur, impacting millions of people, notably the poor, the oppressed, and tribals. In this long list of pending cases, the weaker section of society gets adversely affected. The tribals who comprise 8.08% of India’s population are estimated to be more than 40% of the displaced population. Dalits constitute 20% of displaced persons.”

[Walter Fernandes, Displacement - What is all the fuss about? Humanscape, November 1999] The justice for the internally displaced is long-awaited. Globalisation has its fair share of pros and cons. Government proposes projects in the favour of the greater good of the public. It claims to provide better education facilities, better health conditions and provision of basic facilities. But on the other side, it has become another threat to indigenous communities as livelihood is being snatched in the name of economic progress. In India, 50 million people have been displaced in the last 50 years in the name of ‘national’ interest’. [Parshuram Ray, Development Induced Displacement in India, SARWATCH Vol. 2 No. 1 July 2000). An official number of the displaced population is often an underestimate to get clearance on development projects.

The commodification of land has fueled infrastructure projects without considering the plight of the public. Internal displacement has become a companion of development, especially in developing countries. It leads to a negative ripple effect bringing other shocks in the economy like underemployment, joblessness, poor social indicators such as malnutrition, stunting, etc. and no job security.

Apart from economic devastation, it causes environmental degradation and disruption of social life which is beyond compensation. The anxiety and stress for women associated with displacement worsen with the loss of food, fuel and shelter. The education of the children suffers making it less accessible. There should be a humane resettlement policy to ensure basic fundamental rights. According to iDMC, the global cost of one year of displacement was \$20.5 billion in 2020.

Rehabilitation- the process of reconstruction of the livelihood of the displaced persons has never remained a priority of the government. In 1993 the World Bank cancelled plans to lend more due to the Indian government’s failure to meet even such basic conditions as identification of the displaced and preparation of resettlement plans. This uncertainty has led to widespread protests across the country. Protests symbolise disapproval/ discontent of the public on some issues. It is generally expected to have government decisions in favour of the public. But often public interests take a back seat in making crucial decisions. The government claims these development projects favour the public but the true picture is contrastingly different.

The development projects in India are often the result of political wishes. India is ranked third in terms of building dams across the world. However, the government doesn't have the necessary estimated number of the population displaced by large dams, either since independence or in toto. Protests also rose because of an increasing number of climate-related disasters. In 2020 alone, around 9.2 mn displacements are recorded due to changing climate. (iDMC Report, 2021). Till today, India does not have a proper legal framework to deal with internally displaced people, especially those who are displaced due to violent clashes or conflicts. It needs to be understood that compensation, in cash, is not enough to compensate for someone's livelihood. Also, privileged people are in a better position to absorb these shocks unlike tribal people, for whom life completely takes a turn. It's like a catastrophe they cannot deal with. In India, displaced persons typically fall between the cracks of current health and social protection promises. Especially women become an easy victims of sexual abuse and poor health. The provision of social protection should be made to ensure a healthy population. Families adversely affected by involuntary employment should be provided with compensatory packages over and above cash. Displacement should be kept at low levels by allocating the minimum land necessary for future projects. The estimated number of displaced people in every project. It should try to keep a track of ongoing local projects to ensure inclusive development for all. Due to the lack of one uniform policy, the state and centre have their own small rehabilitation policies causing huge differences in treatment of the displaced population. Therefore, one IDP policy should be brought to a consensus with

be brought to a consensus with governments at both levels to address the interlinked issues of displacement. Often, the IDPs live under stressful living conditions where in their own country, they are being referred to as 'Migrants'. Resolving these challenges would be a significant step towards restoring some of the fundamental rights of the internally displaced. The policy and programmes should be sustainable such that internal displacement remains limited in the long run and social protection of people is taken care of.

### **Conclusion**

The future scenario of India looks dim unless a proper rehabilitation and resettlement policy is ensuring basic rights for the public. Political instability and frequent climate disasters already hamper the progress of India. The policies should complement the development and not create new hindrances. The government won't be able to reap the benefits of development if the displacement policy won't address the grievances of IDPs. India avoids international scrutiny, denying international humanitarian access to internally displaced people. The displacement should not triumph over development at any cost. To ensure this goal, people's participation should be encouraged to make local social networks and revive support systems at the local level. No calamity or external factors should make Indian citizens a migrant in their own country. Government should introduce strict policy regimes in areas of proper land distribution, climate change and Internally displaced people. The issue of internal displacement of people requires a multi-dimensional approach to combating dropping income levels, high-risk exposure to lower strata of society, erratic climate and frequent disasters.

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# India's Growing Population

## *A Demographic Dividend or Debt?*

ABHILASHA SAXENA

AKSHITA TRIPATHI

GAURI GUPTA

India becomes the most populous country in the world'. Such striking headlines are expected to become the reality in the not-so-distant future. With India's rising population numbers and the recently made astonishing proclamation, by China, of a fall in its population in absolute terms, it is quite imaginable that India can undoubtedly surpass China by the end of 2023. With this backdrop in mind, the actual question that puts us in quandary is whether such rising and rapidly changing demographics are increasing the burden of debt on the country or strengthening it to achieve greater progress and technological growth in the future. As we might put it, the actual issue is not the excess of the population but the features and actions of the population.

It might be true that India has a much larger young, working-age population as compared to its older population (above 60 years of age). But is it able to make full utilisation of this youth? At this juncture, it is important to realise the difference between demographic dividend and demographic debt. As in the words of Nelson Mandela, 'An educated, enlightened and informed population is one of the surest ways of promoting the health of a Democracy'. On the other hand, an uneducated, and unhealthy population might turn out to be the heaviest burden on a country.

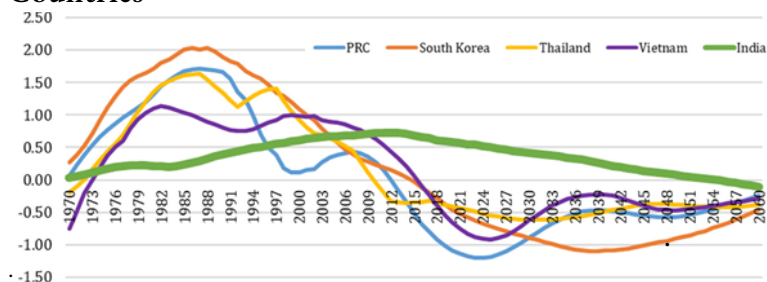
### **The Remedy**

It is universally known that when the government invests in the children of its country, it is practically investing in the country's future. To realise the benefits of the demographic dividend, the government must invest more in children and adolescents, particularly in nutrition, learning during childhood, and high-quality primary education.

India should draw inspiration and seek guidance from the successful implementation of forward-looking policies and programs adopted by countries like Singapore, Taiwan, and South Korea to empower the youth in terms of their education, skills, and health choices. These policies have successfully aided these countries to achieve remarkable economic growth by effectively reaping the benefits of demographic dividends. (Reaping India's Demographic Dividend, 2022)



## Demographic Dividend: India vs Other Countries



Source: Prof. Sang-Hyop Lee, East West Centre, Hawaii, Honolulu, USA

To benefit from India's demographic dividend, both flexible labour market policies and required macroeconomic and financial reforms are needed to facilitate savings and for promoting efficient allocation of capital resources.

While ample government schemes are aiming to boost skills and entrepreneurship among the youth, these will only be effective when they are executed well. It is important to raise educational standards by wisely funding primary, secondary, and higher education. India, where over 41% of the population is under 20 years old, can only benefit from the demographic dividend if its educational system is improved. India, where over 41% of the population is under 20 years old, can only benefit from the demographic dividend if its educational system is improved. The number of productive days for the young labour force would increase with improved healthcare infrastructure, enhancing the economy's productivity. Ayushman Bharat and the National Health Protection Scheme (NHPS) must be successful. With the successful

execution of the Integrated Child Development (ICDS) program, nutrition levels in women and children also require specific attention.

On using NTA methodologies by Lee and Chen (2011-12) and M.R. Narayana (2021), it was established

that a child in India consumes only around 60% of the consumption by an adult aged between 20 and 64, whereas a child in China consumes about 85% of an adult's consumption who is in their prime-age. According to the National Family Health Survey, more than half of women in the age group 15-49 years suffer from anaemia in India. Studies find that better health facilities improve economic production. By spending only 1% of the GDP on public health, India is not only hindering its economic progress but also keeping the health of its people at stake. It is, therefore, imperative to introduce radical reforms when it comes to better health facilities and reproductive services to enable multidimensional economic growth.

Committing to increasing skilled labour is yet another way since even a lot of the educated youth aren't adequately skilled; they have the qualifications and the education, but not the skill. This, especially, applies to engineering students in India. The craze of engineering in India has produced millions of engineers, but the truth is that most of them can't perform in the domains they have studied in, and thus eventually have to shift to IT/Tech to do clerical-level coding jobs.



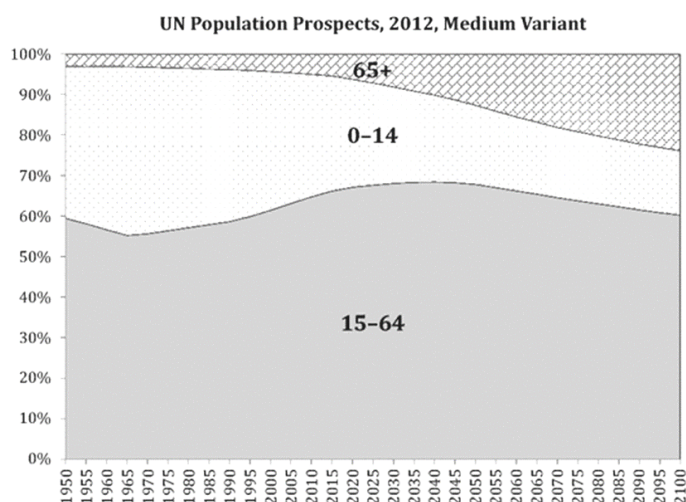
This can be corrected by making the most of the gig economy, inculcating the culture of experiential learning, laying emphasis on learning programs, focusing on the untapped potential of the gaming industry, etc.

The National Skill Development Corporation (NSDC) was founded by the government with the overarching goal of upskilling/skilling 500 million Indians by 2022. To accommodate the influx of new young workers into the workforce, the country needs to produce 10 million new jobs per year. To employ the enormous labour force, it would be helpful to promote business interests and entrepreneurship. The World Bank's Ease of Doing Business Index has given India a better ranking, which is promising. If effectively carried out, programs like Start-up India and Make in India will soon produce the intended outcome.

Furthermore, the provision of quality education across all genders is yet another aspect that requires immediate government attention. Education bridges gender differentials, thereby, enabling equality and creating an environment conducive to economic growth. According to time use data, women spend a large percentage of their time on unpaid tasks including processing food, collecting firewood, and performing cost-cutting tasks like sewing garments and they significantly boost the country's economy.

However, many of these tasks demand lengthy workdays for meagre pay, and many of them demand heavy labour. In light of this, it might be possible to ensure that women spend their time on tasks that will yield greater rewards, even as we acknowledge the number of hours they spend caring for their families and contributing to the national economy. An increased focus on female education will facilitate their participation in the workforce, thereby, helping the economy to grow faster while also enabling women to become financially independent.

Eventually, no economy can sustain growth in the absence of innovation. It is important to note that there is a correlation between innovation and productivity. Better innovation implies better productivity. Currently, India's R&D budget is less than 1% - one of the lowest in the world. Thus, a focus on research and development is the need of the hour for India, given the absence of enough research institutions and insufficient R&D budget.



## The Bottom Line

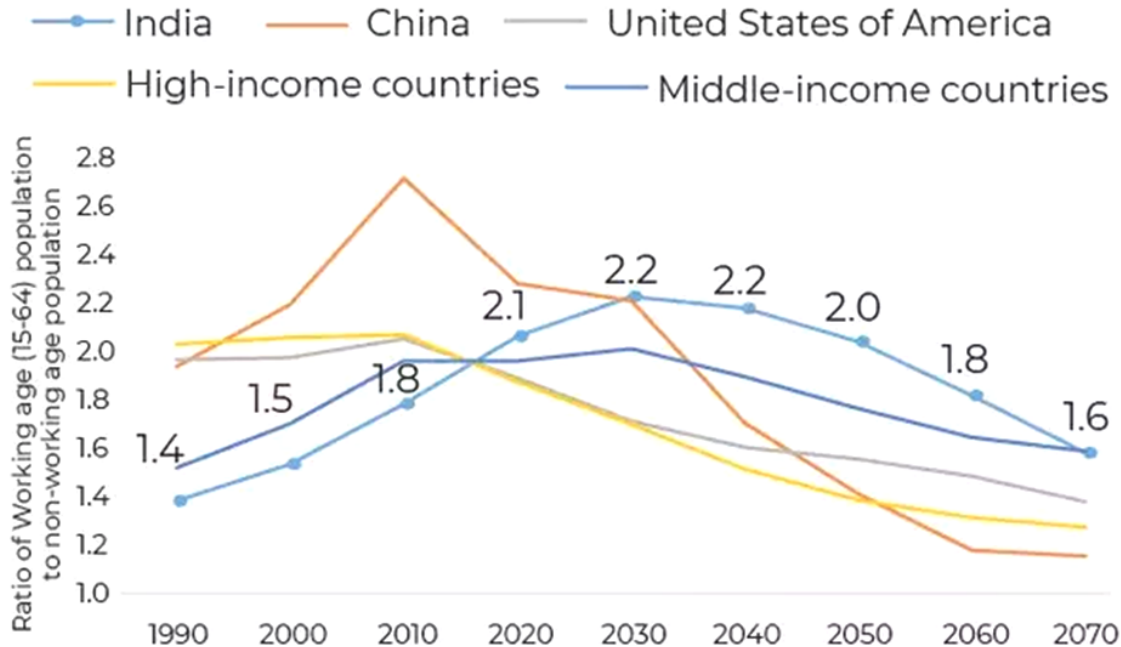
When put in a nutshell, a demographic dividend is merely an opportunity that can only be realised in an economy that has the right conditions to reap its benefits. The said right conditions are the existence of a healthy, educated, skilled population that focuses on equitable and sustainable growth. In the absence of such conditions, a demographic dividend is merely a liability.

Having already lost several years of the demographic dividend opportunity, a further loss could mean losing this opportunity forever. If we want to see ourselves as one of the biggest developed economies in the world soon, then it's time for us to act now!

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## As the world ages, proportion of working age population for India to fade at a smaller rate



Source: UN World Population Prospects, 2022

# The Great Indian Brain Drain

## *Unemployment and Migration*

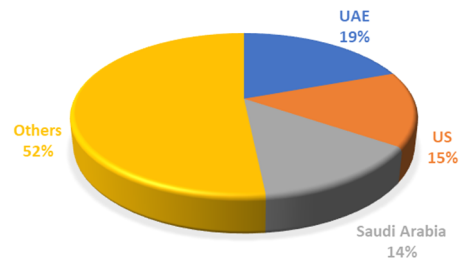
SHILPA ANN THOMAS

**T**he Great Indian Brain drain  
Sundar Pichai, Shantanu Narayan,  
Leena Nair, Satya Nadella, and

Indra Nooyi are just a few of the well-known people who are leading overseas multinational corporations around the world. Additionally, in early December 2021, Gita Gopinath, the IMF's chief economist, was appointed the organization's first deputy managing director (FDMD). Indians are filled with pride when they hear of such tales of worldwide excellence. These events also left India divided, with people wondering if the export of Indian talent is preventing the country's economy from expanding. In other words, is there still a problem known as the Great Indian "brain drain"?

The Royal Society first used the term "brain drain" in 1963 to describe the departure of British scientists to the US, which put the British economy in grave danger. Later, in the post-colonial era, the phrase gained significance in the context of India. At that time, the fledgling Indian economy desperately needed innovators and a skilled workforce to build a solid foundation. Instead, there was a rise of Indians leaving their country for countries with greater possibilities and means of living. When the economic reforms of 1991 attracted a number of multinational corporations, foreign investment, as well as a portion of the Indian diaspora, there was a glimmer of hope (Verma, 2022).

### % of Indians Living Abroad



Source: Graph based on the International Migration 2020 Highlights Report by the Population Division of the United Nations Department of Economic and Social Affairs

However, following that brief reverse migration of human capital, the Indian economy is today dealing with another brain drain. Millions of young, intelligent Indians from a variety of fields have left our country throughout the years in pursuit of better prospects.

According to the "International Migration 2020 Highlights," a report published by the Population Division of the United Nations Department of Economic and Social Affairs (UN DESA), in January 2021, India experienced the largest increase in people migrating abroad between 2000 and 2020, with close to 10 million (one crore) individuals. The research further stated that as of 2020, there were roughly 1.8 crore Indians living abroad. It was noted that with almost 35 lakh individuals residing in the UAE, 27 lakh in the US, and 25 lakh in Saudi Arabia, India has the largest transnational population. However, the main problem isn't so much that Indians are leaving as it is that they aren't coming back.

### Brain Drain as a Problem for the Economy

First and foremost, it should be emphasised that brain drain stands in contrast to the major international economic and political goal of closing the gap between developed and developing nations. It stems from the unequal economic, technological, and scientific development of developed and developing countries, resulting in inconsistency in the training of professional manpower and capacity to meet the various demands of this group, and it expresses both the complexity and interdependence of various societies (Iravani, 2011).

It is a hallmark of brain drain that while affluent countries profit from the process, less economically developed nations lose more as a result of it. It happens as a result of the complex interaction of economic "push" and "pull" factors, both direct and indirect. It is fueled by the lack of an educational system and a manpower policy in the majority of

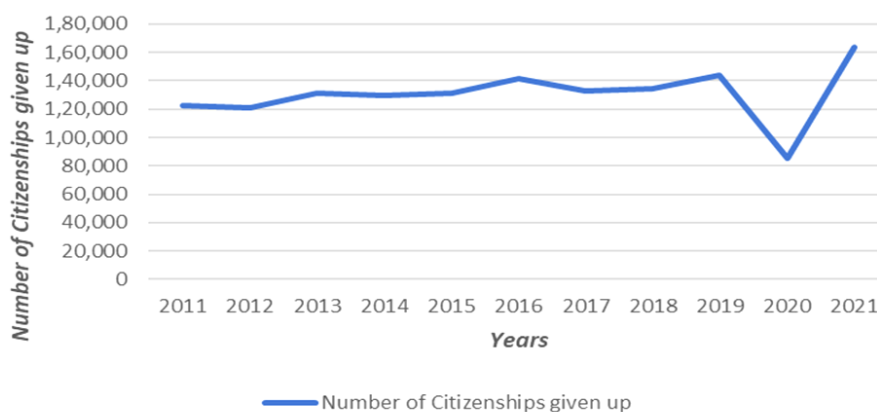
poor nations, which typically prevent the truly effective utilisation of those who are qualified and talented. As opposed to this, the more developed nation has a greater living.

According to information provided by the Ministry of Home Affairs during a Lok Sabha session in mid-December of 2021, over 16 lakh Indians have renounced

### Renouncing citizenship in India

Number of Citizenships given up	Year
1,22,819	2011
1,20,923	2012
1,31,405	2013
1,29,328	2014
1,31,489	2015
1,41,603	2016
1,33,049	2017
1,34,561	2018
1,44,017	2019

### Number of Renounced Citizenships



Source: Report by the Ministry of Home Affairs during a Lok Sabha session

their citizenship since 2011. In accordance with the information provided by the Indian Government, 10,646 applicants from 87 different nations during the course of the previous five years were only awarded citizenship in 4,177 cases, or less than half. So, with a negative score, net migration tips the scales against India.

### **Overseas education and the need for education sector reforms in India**

The most brilliant Indian minds, who made up more than half of the top scorers in the standard 10th and 12th board exams between 1996 and 2015, moved abroad and are still employed there, according to a study by the news station Indian Express. India allocated Rs. 6.43 lakh crore in public funding for education in its Budget 2019–20, of which a portion was used to subsidise the education of skilled Indians who have emigrated. By doing so, investments made in the Indian educational system indirectly benefit other countries. Additionally, a survey by the Associated Chambers of Commerce and Industry of India (ASSOCHAM) found that students who decide to pursue further education abroad also cause a \$17 billion annual loss in revenue for India. However, that is only a small portion of the problem.

### **The outflow of HNWI's and highly qualified professionals**

Recently, a significant number of High Net Worth Individuals (HNWIs) have also begun relocating abroad. 23,000 Indian millionaires have left India since 2014, according to a Morgan Stanley bank analysis from 2018.

A Global Wealth Migration Review report published in September 2020 found that approximately 7,000 millionaires, or 2% of all HNWI's in India, departed the country in 2019 alone, costing the nation billions in lost tax revenue. Additionally, the "brain drain" phenomenon, which is intensifying, has led to a loss of experts and talented workers. A study that was published in the peer-reviewed orthopaedic journal *Clinical Orthopaedics and Related Research* revealed that roughly 30% of doctors in England's National Health Services are of Indian background. While there is only one doctor for every 2,400 Indians in India, the study also found that there is one Indian doctor in the US for every 1,325 Americans.

This widespread movement of Indians from diverse social and economic groups has a number of causes. Better pay, high-quality education, social security, and tax issues are the most prevalent of these. Other reasons cited by some researchers from developing nations for not returning after training include a lack of research funding, subpar facilities, constrained career opportunities, inadequate intellectual stimulation, violence threats, and a dearth of quality educational opportunities for children back home. The lure of opportunities discovered overseas has outweighed the limitations at home—both real and perceived—and the incentives for migrants to return to developing nations. While several of these nations have made substantial expenditures in infrastructure and education, they lack the inventive, technological, and scientific capacity to either keep or recoup the human capital they have produced (Dodani & LaPorte, 2005).

The effects of brain drain are well known to be significant, particularly for a developing economy like India. It has a negative impact on the quantity and quality of human capital formation, which is essential for contemporary economic growth. More Indian students, professionals, medical personnel, and researchers are working overseas than ever before. On the other hand, the amount of money they send as remittances to India is decreasing. In order to quickly reverse the trend, it is necessary to revisit the issue and explore new, innovative solutions.

It would seem improbable that sovereign states would cede control of their immigration laws to an outside organisation that can be envisioned, like the World Migration Organization. After all, the current setup benefits Western countries. But perhaps institutionalising the problem might aid in quantifying the discussion and offering a more precise assessment of the effects of brain drain. The demand for such a body will only rise when more educated young people in developed countries leave for jobs in other wealthier countries (Iravani, 2011).

But it's nevertheless true that this phenomenon is detrimental to the Indian economy. Even while the movement of human capital out of India cannot be stopped entirely, there could be targeted efforts to bring the Indian diaspora home. The government has to develop strategies to incentivize high-net-worth individuals who fund initiatives in sectors like agriculture, defence technology, healthcare, and education. Businessmen need to be protected against tax terrorism, and the government should support and appropriately fund innovative enterprises.

Offering competitive pay, laying the groundwork for legal and social change, and enhancing the standard of resources like housing and health care may be able to at least partially stem the tide of the vast exodus. If the Indian government can successfully navigate this massive problem in a timely manner, the economy of the nation could profit greatly.

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# Are we creating a jobless future with AI?

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S H R E Y A B A R U

**S**tephen Hawking once claimed that ‘the development of full Artificial Intelligence could spell the end of the human race. It would take off on its own, and re-design itself at an ever-increasing rate. Humans who are limited by slow biological evolution couldn’t compete and would be superseded. The statement instils a sense of insecurity, but the fact remains that Artificial Intelligence is the future. Today’s world stands on the edge of a technological revolution that will fundamentally revamp the present way of life and work. From the autopilot cars of Tesla to virtual assistants like Alexa, AI is all around us. In the simplest words, it is the technology that enables computers to perform a variety of advanced functions, including the ability to see, understand and translate spoken and written language, analyze data, make recommendations, etc.

AI, machine learning, and robotics hold the potential to drive explosive economic growth and profoundly transform a diverse array of sectors while providing humanity with countless improvements in medicine, healthcare, aviation, energy, etc (Thierer, 2022). Undoubtedly, if Robotics and automation are widely deployed across the economy, there will be job creation (as a result of demand in sectors that arise or flourish due to its deployment), as well as job destruction (replacement of humans by technology).

It is the latter perspective that has become a major concern for the present world. The principal idea is that if AI replaces humans in certain jobs, it will also create new ones. The issue can be approached from both perspectives. In 2013, Oxford University did a study on the future of work and concluded that almost one in every two jobs has a high risk of being automated by machines. Machine learning is the most powerful branch of Artificial Intelligence that allows devices and machines to learn from data and mimics some things humans can do. A study conducted by the University of Chicago found that adding just one machine per 1000 workers to the economy causes the employment rate to decrease by at least 0.18%.

To address the question of a jobless future, it is important to look beyond the conventional public conception of AI. Today, AI is applied in a variety of highly educated, well-paid, and predominantly urban industries, which is steadily changing the nature of jobs. Since machines can outperform humans in many tasks, they might likely replace humans. For example, In America, legal research is being automated which earlier comprised a legal research team. Thus, as automation substitutes for labor across the entire economy, the net displacement of workers by machines might exacerbate the gap between return to capital and returns to labor (Don’t Fear AI. the Tech Will

Lead to Long-term Job Growth., 2020). The immediate possible impact would be on people performing routine tasks or frequent, high-volume tasks like drivers, retail workers, accountants, workers in health care, and others, leading to unemployment and inequality in certain sectors. To understand the impact of automation, one can look at the job of translators, which is considered highly vulnerable to replacement by Artificial Intelligence as the latter outperforms humans in this field. This will also harm the wages of these translators. Since the demand for human translators will decrease, subsequently their wages will also drop.

Studies have shown that AI job automation has been responsible for income inequality in the US over the past 40 years. Many manufacturing and retail jobs are being wiped out, while the new well-paying tech jobs are clustered in a few cities. According to a McKinsey report, one-third of the US workforce could be out of a job by 2030 because of automation. According to Microsoft data, the percentage of Americans using digital voice assistants as 72% as of 2017.

Apart from the private sector, US Federal Government has also begun to implement AI in a range of settings, for example, the Internal Revenue Service to address concerns about the long waiting times faced by callers, has implemented an AI-based voice bot system that currently allows taxpayers to set up payments and get notice questions answered. Transportation, Medical sciences, and telecommunication are a few areas with the largest AI-related patents in the USA.

Sci-fi movies may have accentuated the dark depiction of AI but the negatives associated with it also play a role in shaping a perception created by the general public. As malicious actors can also use AI for malicious purposes, it poses a security risk and raises ethical concerns. It has undoubtedly accounted for increased cyber threats. For example, AI can easily detect the patterns in computer systems that reveal weaknesses in software, consequently, allowing hackers to exploit those weaknesses. Security experts have noted that AI-generated phishing emails have higher rates of being opened tricking possible victims to click on them and thus generate attacks- than manually crafted phishing emails.

Recently in the news, ChatGPT (Chat Generative Pre-Trained Transformer) is another example that uses Artificial Intelligence. It is a kind of smart chatbot that can produce responses like a conversation, which is one of its significant features. The jobs of copywriters and journalists might be at risk as ChatGPT can write paragraphs quickly and without grammatical errors.

Although the debate on the future of jobs in the age of AI is still ongoing, recent studies have shown that automation has so far created more new jobs than it has destroyed. Despite the theoretical possibility that all tasks can be automated, in real life, tasks are automated when their allocation to machines generates more profit. Automation, by bringing down the cost of labor in the tasks that are easy to perform, restrains its speed of diffusion and in this way generates a self-correcting force toward stability. (Acemoglu and Restrepo, 2018).



It is difficult to say that AI will completely replace humans at work because AI would require more adaptability to substitute humans. New technologies might change the nature of jobs and, in certain cases, may result in joblessness but also create new opportunities. According to UN Development Policy and Analysis Division report, “Throughout history, technological innovations have enhanced the productivity of workers and created new products and markets, thereby generating new jobs”. Technology as per this report does not cause so many losses of jobs, instead, its significant impact is seen in demand for certain specific skills. Inequalities among LDCs and developed countries in terms of new technology create disparity.

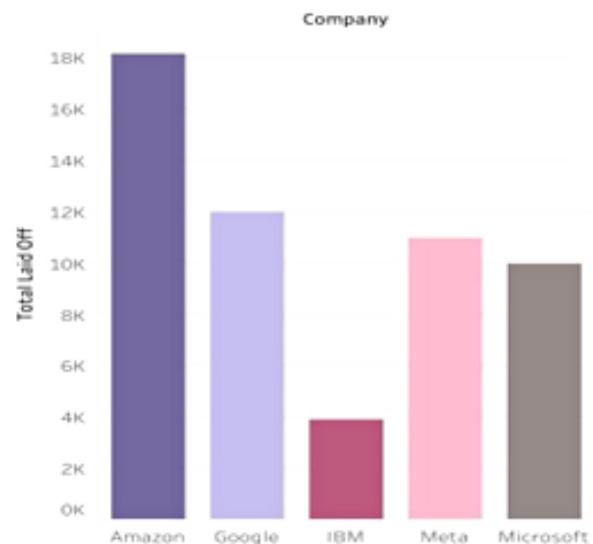
The Automobile industry is one such example where AI’s role in job creation can be understood. It automated horses and carriage carrier jobs, providing new frontiers and today, it is a 3 trillion-dollar industry that employs 9 million people worldwide. Thus, having a favourable implication on productivity as well. Experts suggest that in the short term, it might seem a threat, but as OECD forecasts, it can also lead to scientific breakthroughs that could even create new, unforeseen industries in the long run.

At present, many economists have predicted a worldwide recession in 2023. Bank of America strategists predicted that the USA would enter a recession within a few weeks. It is believed that this recession might result in the dependence of organizations on technology, subsequently expanding the AI landscape. Amidst all this comes the fear of mass layoffs.

The COVID pandemic saw the peak of this, the trend still continues. Experts at 365 Data Science analyzed this situation and interestingly found that the roles and job functions most affected were within HR, accounting for 28% of all layoffs (Marr, 2023). It was also highlighted that Automation has been replacing many functions in HR. Hence, for many, AI is the technology that fills the void in these companies.

Automation has already taken over for verifying identities, checking references, etc. Software engineers at big tech companies like Google and Twitter are also at high risk of replacement. Alphabet, Google’s parent company, in a mass layoff, sacked 12,000 employees, adversely impacting the workers. Meta, Microsoft and Amazon are among other big companies recently announcing mass layoffs.

Laid Off by High Tech Firms



Investment in AI will, thus, see a rise, having an immediate influence on revenue generation. Since AI can navigate nearly any market environment by increasing productivity, accuracy, and growth at a lower cost, hence, investing in new technology during a downturn may seem challenging, still, the medium to long-term benefits far outweigh one-time costs.

Investment in AI will, thus, see a rise, having an immediate influence on revenue generation. Since AI can navigate nearly any market environment by increasing productivity, accuracy, and growth at a lower cost, hence, investing in new technology during a downturn may seem challenging, still, the medium to long-term benefits far outweigh one-time costs.

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# Unpaid Care Work

*Exploring the gender gap in labour markets around the world*

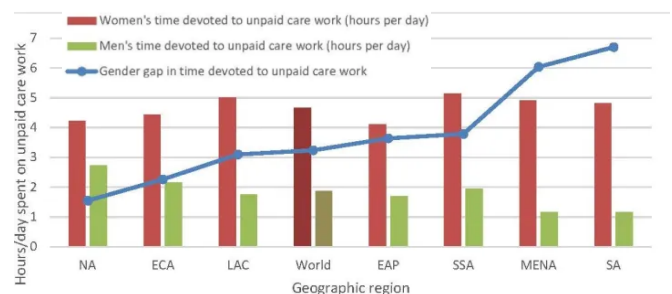
HIMA MARY JACOB

TESSA BERNARD

Care work is the cornerstone of all other work. The care economy is a system that encompasses the work and relationship that is involved in the protection and maintenance of the health, emotional and psychological aspects of care. It is a vital yet trivialised component of economies all over the world. Both paid and unpaid work can be categorised as care work (United Nations Statistics Division, n.d.). Unpaid care work such as family care responsibilities, the care of dependents through education, nursing, child and eldercare usually happens at home and is typically undertaken by women. Predominantly, women take up an unequal portion of this responsibility. The paid care economy comprises work in the formal healthcare sector encompassing both the formal and informal care markets. Measuring the productivity and usefulness of care work is quite difficult as it focuses mostly on building social and human capital and does not lead to the production of any physical goods in the market. The social stereotype that regards unpaid care work as a female prerogative is one of the causes of women spending a disproportionately large time on unpaid care work - a phenomenon that can be seen across regions, socio-economic classes and cultures (OECD, n.d.). They spend a substantial part of the day meeting the expectations of their domestic and reproductive roles (Data - OECD, n.d.). Furthermore, these are accompanied by their paid activities which creates a 'double burden' of work for women.

This unequal division of unpaid care responsibilities between men and women hinders their economic empowerment. It is estimated globally that 606 million women or 41% of those currently inactive are outside the labour market because of their unpaid care responsibilities (International Labor Organization, 2018). Yet its accurate estimation is still a difficult and unaccountable process. Women's disproportionate share has a detrimental impact on their ability to participate in the paid economy. Women spend on average between three to six hours on unpaid care activities while men spend between half an hour to two hours (Ferrant, Pesando and Nowacka, 2011). Upon further analysis, it can be seen that women spend two to ten times more time on unpaid work than men (Winterfeldt, 2022).

Women's disproportionate share has a detrimental impact on their ability to participate in the paid economy.



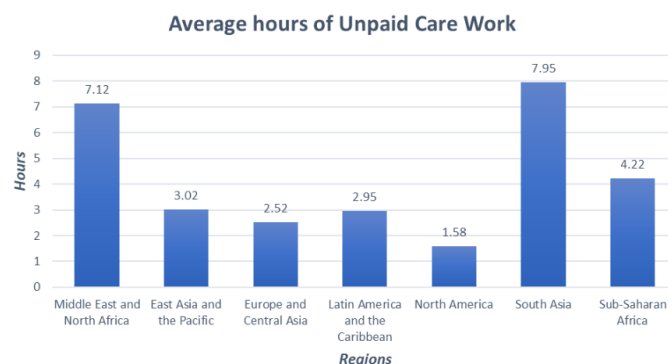
Note: NA stands for North America, ECA for Europe and Central Asia, LAC for Latin America and the Caribbean, EAP for East Asia and the Pacific, SSA for Sub-Saharan Africa, MENA for Middle East and North Africa, SA South Asia. Source: OECD, Gender Institutions and Development Database (GID-DB), 2019, [oecd.stat.org](http://oecd.stat.org).

The inequality in caring responsibilities between women and men within the household translates into unequal opportunities with respect to time. Time is divided between paid and unpaid work due to its sparse nature. The time a woman spends on unpaid care work is the time she could have potentially invested in her educational or vocational skills or spent in her paid responsibility. Paid work is the opportunity cost of taking up unpaid work. Women’s ability to take part in the labour market and the quality of employment available to them reflects its inherent consequence - the gender gap in the labour force (OECD, n.d.).

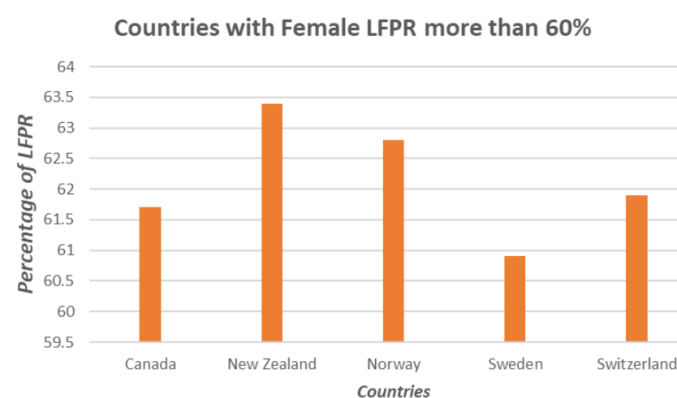
There is also a reluctance to acknowledge the role of social norms in women’s ability to enter and remain in the labour market. The unwavering gender gap in the labour force over the years sheds light on this. There is an assumption that the rise of female education and employability and the fall in fertility rates would naturally lead to increased levels of female labour force participation (OECD, n.d.).

These two issues reveal the disguised nature of gender inequality in unpaid care work as a cause of gender gap in the economy. The issue of the gender gap can be analysed from two fronts.

Female labour force participation is the first area to explore while analysing gender inequality in an economy. The time that is devoted to unpaid care responsibilities is negatively correlated with female labour force participation. 50% of women in the working-age population (15-59 years) are active (i.e., employed or looking for a job) in countries where women spend an average of five hours on unpaid care activities. Meanwhile, 60% of women are part of the labour force in countries where they spend three hours on unpaid care work. A fall in women’s unpaid work by two hours leads to a 10% increase in women’s labour force participation rate (Ferrant, Pesando and Nowacka, 2011).



Source: OECD, Gender Institutions and Development Database (GID-DB), 2014, [oecd.stat.org](http://oecd.stat.org).



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Gender inequality in unpaid care work is intrinsically related to the gender gap in labour force participation. The gender gap in the labour force deepens as the gravity of the divide in care responsibilities increases. In countries where women occupy 35% of the active working population, they spend eight times more time on unpaid care activities than men. This can be seen in countries such as Bangladesh (34.87%), Venezuela (34.85%), Senegal (33.57%), and a few other countries where the labour force participation falls around 35%. Therefore, as gender inequality in unpaid care work rises the gender gap broadens in the economy (Ferrant, Pesando and Nowacka, 2011).

This unequal divide of care also renders an answer to the conundrum that the gender gap has not been reduced in employment in certain countries despite narrowing that gap in education. These countries have yet to be able to maximise the returns on this investment in spite of the fall in inequality in education. They continue to have persistent gender gaps in employment outcomes. However, countries with sound family policies that promote work-life balance for both parents see a higher economic activity rate.

Quality of employment is the next front under scrutiny. The disproportionate amount of time devoted by women to unpaid care work increases the probability of them engaging in vulnerable employment (Ferrant, Pesando and Nowacka, 2011). If women undertake more unpaid work, they are less likely to be earning. On the other hand, if they are working, they probably will undertake vulnerable and part-time work. Vulnerability characterises informal employment. Informal workers are not protected by health and safety legislation. They are exposed to various forms of exploitation by employers as they often work without written contracts. Women dominate the informal economy. Within informal employment, their wages are lower than men's. The types of informal work women do as market or street vendors, homeworkers, etc. that expose them to risks to their safety and health. Hence, the gender pay gap broadens as the unpaid work that women do becomes higher.

The gender disparity in hourly wages is larger in countries where women shoulder unequal care responsibility. Women earn only 65% of what their male counterparts earn for the same employment in countries where they spend twice as much time as men in caring activities. And this falls to 40% when women devote five times as much time as men to those activities (Ferrant, Pesando and Nowacka, 2011).

In the struggle to create a balance between unpaid care responsibilities and paid employment, women are faced with the issue of 'occupational downgrading'. It is a situation where women choose occupations below their skills level and accept poorer conditions (Hegewisch and Gornick, 2011).

The divide in the labour force can also be explained by socio-demographic and economic factors. Even then, half to two-thirds of the difference remains inexplicable and is considered discrimination (Berniell and Sánchez-Páramo, 2011). Women contribute more than 60% of the time devoted to housework and care, irrespective of their employment status, income or education levels (Rizavi and Sofer, 2010). Social institutions such as gender roles and beliefs shape women's and men's opportunities and behaviours. They are also influenced by the communities and countries in which they live. Social institutions, such as formal and informal laws, social norms and practices, shape or restrict the decisions, choices and behaviours of groups, communities and individuals (Jütting et al., 2008). In almost every society, working for pay is considered a masculine task while unpaid care work is seen as women's domain.

### **India's Position- Evidence from Time-Use Survey 2019**

India's first Time-Use Survey (TUS) was conducted by the National Statistical Organisation (NSO) between January and December 2019 and was published by the Ministry of Statistics and Programme Implementation (MoSPI). It covered nearly 83,000 rural and 56,000 urban households, under which 2.2 lakh females, 2.3 lakh males, and 130 transgender persons aged six and

above were surveyed across 36 states and union territories (Nikore, 2022).

- **Women, on average, spend 46 percent of their waking hours on unpaid care work—8 times the number of hours spent by men.**

Women of the working age group (15–59) in both rural and urban areas spend majority of their waking hours doing unpaid work, whereas men spend the majority of their day in paid employment. Women in urban areas spend 9.6 times as much time on unpaid care work in comparison to women in rural areas, who spend 8.2 times their time on unpaid work. India is one of the worst-performing nations in terms of the amount of time women spend on care activities, trailing behind only China (72 per cent) and South Africa (71 per cent) (Nikore, 2022).

Unpaid care work takes up about 47% of women's (15–59 years old) waking hours in urban areas and 43% of women's waking hours in rural areas; this compares to 5% for men. In stark contrast, men in rural and urban areas spend 46% of their waking hours on employment and related activities, compared to women who spend only 10%.

- **Females across all educational qualifications allocate a greater portion of time towards unpaid care work than males do.**

The ratio of time spent on care work is lowest among males and females who are non-literate. Average time spent on unpaid care work is slightly higher for women with higher education levels than for women without education. It is also noteworthy that men with secondary education or higher spend less time providing unpaid care than men without education. Approximately 33 percent of non-literate males in rural areas reported participating in unpaid care work, against 24.7

percent of urban males who have passed at least secondary grade (Nikore, 2022).

- **Married females shoulder a larger share of unpaid domestic work, compared to their unmarried counterparts.**

In terms of unpaid work, married women spend 8.6 times as much time as married men do. In comparison to never-married men, never-married women at the time of the survey provide 4.2 times as much unpaid care. Females who are married devote 52% of their waking hours to unpaid care work, compared to only 16% of females who have never been married. Males who are married spend 6% of their waking hours providing unpaid care, while never-married men devote 3% of their time to this activity (Nikore, 2022).

- **Cooking, cleaning, and childcare occupy almost 85 percent of time spent on unpaid work.**

In comparison to men, women spend 29.1 times more time managing and preparing food, 11.9 times more time cleaning and maintaining their homes, and 3 times more time caring for children. While 56 percent of the average day's unpaid work is spent on food preparation, 17 percent is spent on cleaning, and 11 percent is spent on childcare. Additionally, women spend 2.2 times as much time caring for dependent adults and 12.7 times as much time on care and maintenance of clothes and footwear (Nikore, 2022).

### **Access to Water and Fuel- Unpaid Care Economy Links and Government Policy**

Women spent a large amount of their time in activities like fetching water and fuel. It has been noted that the time spent on activities like fetching of water and fuel has significant gender differentials, and therefore

infrastructure investment with gender-sensitive water and energy policies can really benefit women (Chakraborty, 2014).

Time-use data also suggests that gender differentials exist in the travel time required for fetching water, fuel, etc. Appropriate measures to ensure easy access to water and fuel sources can greatly help women to participate in income-earning economic activities and free up their time spent on non-market work. Hence, investment in water infrastructure will enable women to reallocate their labour time and participate more actively in economic activities.

The Government of India has implemented the 'Ujjwala' scheme to provide clean fuel to women in low-income households as part of its investment in energy infrastructure. This initiative has helped in understanding the hardships faced by women in the households as well as acknowledging the morbidity and mortality of women and children due to indoor air pollution by using inferior fuel in their poorly ventilated dwellings (Chakraborty, 2021). During the pandemic, the Government also provided targeted cash transfers of Rs.500 to women in the care sector. Due to the "learning loss" that occurred during the pandemic as a result of the digital divide, support is essential to ensure access to digital infrastructure and e-learning systems, particularly for girls.

### **COVID-19 and the Care Economy**

These labour force inequalities were further exposed and deepened by the pandemic. The data from rapid gender assessment surveys investigating the socioeconomic consequences of COVID-19 on women's and men's lives, reveals that the impact of the pandemic goes far beyond health consequences (Seck, et al, 2021). It has been estimated that the demand for domestic and

care work has increased substantially during the pandemic owing to the work from home culture with young children at home as well as the heightened care needs of elderly and ill family members.

The study also noted that with the market economy being closed, women who are bearing the burden of unpaid care and domestic work triggered by the lockdowns, and they are losing their livelihoods faster than men (Seck, et al, 2021).

### **Impact of COVID-19 on Workers**

The COVID-19 pandemic has caused emotional stress, disappointment, mental trauma and debility amongst care workers. Women were affected disproportionately as a result of the pandemic

- **Childcare Workers**

Research in 16 countries shows that women spent an average of 26 hours per week looking after children, compared to 20 hours a week for men, before the pandemic. This has risen by 5.2 hours for women and just 3.5 hours for men during the pandemic (Ratho, 2021).

- **Domestic Care Workers**

During the pandemic, large number of domestic workers lost their jobs and those who were still employed faced several difficulties such as heavier workloads, increased risk of infection and travel restrictions imposed by lockdowns. Despite the difficulties, domestic work continues to be an important source of income for women, accounting for 14 percent of female employment in Latin America and 11 percent in Asia.

- **Informal Healthcare and Essential Workers**

India has about four million community health workers (CHWs)—1.03 million Accredited Social Health Activist (ASHA) workers (who are all female) and 2.7 million anganwadi (rural

childcare centre) workers and helpers. During the pandemic, ASHA and anganwadi workers had to visit houses, identify potential cases, record travel details, track migrants returning home, and help in the vaccination drive. Their work increased exponentially but they were severely underpaid.

Evidence suggests that ASHA workers in Punjab do not receive a salary as they are not considered employees of the state and obtain incentives from the union health department only if they attain specific quotas for testing or vaccination. In Kerala, there has been delay in payments made to ASHA workers, and since they were required to report to primary healthcare centres, the cost of travel, as well as increased exposure to the virus, were additional concerns.

### **The Future of Care Economy and the Role of Women**

It has been estimated that by 2030, women could gain 20 per cent more jobs in the care sector than at present levels, and on average, 58 per cent of gross job gains by women could come from healthcare and social assistance (Ratho, 2021). However, this will be possible only if women can make a departure from unpaid or underpaid work as well as informal labour. In developing countries like India, care workers are severely underpaid although their services are of utmost importance to the economy. There is hardly any distinction between care work and domestic work. According to the July-September 2020 periodic labour force bulletin, total unpaid helpers in household enterprises account for 5.4 per cent of workers aged 15 and above (up from 5.0 per cent in January-March 2019). Out of these, women constitute 10.7 per cent (up from 9.2 per cent in January-March 2019), while men account for 4.0 per cent (a minor increase from 3.9 per cent in January-March 2019). Several studies that have been conducted show

that women's unpaid contributions to healthcare equals 2.35 percent of global GDP, or about US \$1.488 trillion. If the net of 'care' is expanded beyond just health, this number rises to a massive 9 percent of global GDP (or US \$11 trillion).

To conclude, the act of care is essential for well-being and sustainable economic growth. Yet it is highly gendered, overlooked and underestimated. It is deplorable that society still views care work as a women's responsibility. This outlook has a devastating and lingering effect on the economy. Gender inequality in unpaid care work percolates down to the labour market. This might seem far fetched from a non-economic pair of eyes. This article has attempted to bring to light the disguised reality of gender bias and the nefarious power it holds.

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# The Rise of the Gig Economy

## *The Outlook Post-Pandemic and Looming Recession*

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SONA SERENE

**W**ork is not just an interesting concept or debating point, but also something that most of us have to do. The conditions under which we find and undertake work can therefore tell us much about the society around us – including issues of power, technology and who benefits in the economy. The accelerated adoption of the latest digital technology has brought about a paradigm shift in business processes and service provisions, heralding a new world of work ecosystems thriving on flexibility and autonomy.

While ‘gigs’ have always existed across many sectors of the economy, the gig economy enabled by digital platforms is growing rapidly, and increasingly replacing non-platform gig work. What the term ‘gig economy’ captures is an economic transformation in which work in many sectors is becoming temporary and unstable. It involves workers spending less time at one job, risk of time spent without income, workers undertaking more jobs (possibly at the same time), and unpaid time spent searching for tasks or gigs.

The tasks that underpin the gig economy are typically short, temporary, precarious and unpredictable, and gaining access to more of them depends on good performance and reputation. International Labour Organization’s 2021 World Employment and Social Outlook Report finds that the number of digital labour platforms has increased fivefold over the last decade. Not only does it provide companies access to a larger market, it also offers promising incomes to people with a plethora of skill sets.

The gig economy has shown resilience even throughout the pandemic, with freelancers and platform workers playing a crucial role.

India is well-positioned to lead this economic revolution thanks to its two advantages— a favourable population structure and the quick spread of digital technologies. Due to the rising popularity of smartphones, the affordable cost of internet access, and other programmes implemented as part of the Digital India campaign, digital platforms have flourished in India. The gig and platform economy, which has disrupted a variety of industries from the professional beauty and home services to ride-hailing transportation services, is at the heart of this revolution.

### **The Pandemic, Remote Work Culture and Rise of On-demand Jobs**

One thing everyone is fairly confident of is that role in the future will be different. There is an emerging trend of a modern workplace that will comprise a blended workforce post-COVID era with rising confidence in remote working and expansion of on-demand jobs. As a result of the pandemic’s impact, companies may benefit from collaborations with independent contributors. This provides firms with an opportunity to hire specialists for tasks without spending too much on salaries and incentives, thus giving rise to a unique workplace milieu: gig economy.

During these unprecedented times, while many industries slowed, perhaps surprisingly, the gig economy grew exponentially, due to a massive need for services and a growing pool of newly available workers who needed to generate income. This sharp increase in demand has led to a change in the way many people view the gig economy. Gig work opportunities have always been seen as "side hustles" rather than viable career options like traditional nine-to-five jobs. The situation has changed. Instead, whether you're on the receiving or providing end of services, the gig economy has become a significant part of people's everyday lives. Moreover, it has opened the door for people to make money while pursuing their passions by giving them access to an audience willing to pay for their specialized skills.

money or even provide for their families.

The pandemic isn't just reinventing the gig economy— it's reinventing life as a whole. At the centre of it all is an old adage that, quite possibly rings truer today than ever: Let's work to live, and not live to work.

### What the Recession Means for the Gig Economy

A combination of geopolitical unrest, a global energy crisis and a loss of macroeconomic stability has made a global recession inevitable. Many multinational companies, particularly tech giants and consumer firms, are trying to combat a potential economic crisis by downsizing their workforce as a means of cutting costs as recession tensions in the United States rise as the aftermath of Covid-19 triggered

sabbatical and then the Russia-Ukraine war. Over the past few months, many major corporations, including Facebook, Amazon and Goldman Sachs have laid off hundreds of employees causing panic in the market. Amazon announced that it will be laying

off over 18,000 as part of its recent downsizing exercise for cost reduction. A potential economic recession is a major warning signal. Most of the world is experiencing surging inflation, and central banks are frantically trying to control it by raising interest rates to make borrowing and consumption more expensive. This will eventually have an impact on job growth

Estimated Number of Gig Workers <u>In Lakhs</u>			
Year	No. of gig workers (UPS)	No. of gig workers (USS)	No. of gig workers (UPSS)
2011-12	24.5	0.7	25.2
2017-18	52.1	0.5	52.6
2018-19	53.4	0.5	53.9
2019-20	67.0	1.1	68.0

Source: NITI Aayog. (2022). India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work. June, 2022 chapter 2 Table 5

It's clear that for many, the most valuable commodity is time; getting more of it is likely a challenge for everyone. From working parents to busy students and everyone in between, consumers are looking to outsource simple but inconvenient or tedious tasks, which frees up time and mental energy to focus on the things they value most. This, in turn, creates valuable work opportunities for those who want to utilize their skills to earn a meaningful income— to pay off student loans, make some extra spending

and the economy. Given the pandemic and ongoing Russia-Ukraine war, the International Monetary Fund (IMF) described the predictions for global GDP growth in 2022 and 2023 as bleak. Russia's war in Ukraine and the increase in central bank rates to combat inflation continue to have a negative impact on economic growth. (IMF, January 2023 Global Economic Outlook Update)

Leaving aside data from the 2008 financial crisis, the above IMF projections are the weakest since 2001. According to economists, unlike previous recessions when levels of contract work and self-employment surged, the anticipated economic slump in 2023 may not lead to higher levels of gig labour. There are basically two causes for that rise. One is that widespread job loss is a feature of recessions, which results in an

Even though the economy is slowing, the labour market remains tight, a rare confluence of factors. Employers in many industries are struggling to find qualified candidates. This implies that workers still have more opportunities for full-time employment. Thus, the huge recession that is expected to hit in 2023 will vary from earlier ones in a number of important ways.

### Challenges faced by Gig and Platform Workers

A prominent issue with working on digital platforms is employment status, as most workers are not classified as employees with income security and social protection. As a result of such classification, many lack labour and income security and work-based identity. Platform workers are termed as "independent

contractors" and hence, cannot access many of the workplace protections and entitlements.

The organisation of work through digital platforms where workers seldom meet to get together makes it difficult for them to form associations for collective bargaining.

Weak collectivization constrains the ability of workers to negotiate with the platforms to settle disputes and redress grievances. There are some steps being taken to bring these workers under the ambit of social security schemes. The Ministry of Labour and Employment, Government of India, August 2021, launched the e-SHRAM

Gig Workers as a Share Of Total Workforce 2011-12 to 2019-20			
Year	Share of gig workers (UPS)	Share of gig workers (USS)	Share of gig workers (UPSS)
2011-12	0.57	0.18	0.54
2017-18	1.18	0.40	1.16
2018-19	1.18	0.28	1.15
2019-20	1.37	0.49	1.33

Source: NITI Aayog. (2022). India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work. June, 2022 chapter 2 Table 5

increase in the number of unemployed persons looking for work wherever they can find it. Second, instead of offering full-time, permanent roles during a recession, firms are more likely to hire contract or part-time workers in an effort to reduce expenses. It has been noted that the two factors are absent this time around.

as a unified window, wherein all future social security benefits of unorganized workers will be delivered through this portal.

The unique aspect of online platforms is that they are asset-light and operate off the dividends of a network effect, implying that the services get better with an increasing number of people signing up to provide and receive them. This means that there is ample room for workers to join in the network, making platforms an engine of job creation in the wider economy. The policy should therefore encourage labour market arrangements that facilitate innovation and provide protection for workers, are efficient, and promote sustainable, decent lives for citizens.

### Conclusion

If the gig economy is coming to define ever more of the economy, it is not good enough to focus just on those who thrive in it. Such feel-good stories, so often shared in the media by the PR arms of platforms, policymakers who don't have the sense to know better, and academics who have been bought off with privileged access to proprietary platform data, distract from the real winners in changes to labour markets that shift risk in one direction and reward in the other. Remote work offers greater flexibility but also threatens to exacerbate inequalities of various kinds. Workers with access to technology and higher skills, who tend to work in larger businesses, will have options to participate in remote work while those who do will not be able to do so. This is widening the chasm between the haves and have-nots.

The gig economy is built by design to convenience consumers, to return a profit to platforms and, ultimately, to disempower workers. We, therefore, need a concerted effort

to understand the cracks that many fall through. We need to focus on those that are excluded, those that are disadvantaged, and the ultimate winners and losers in what has become a profound reorganization of how many people work.

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# Digging holes:

## *Analyzing MGNREGS woes through the lens of Gender, Labour and Employment*

KHUSHI SHARMA

SIDHIKSHA MATHUR

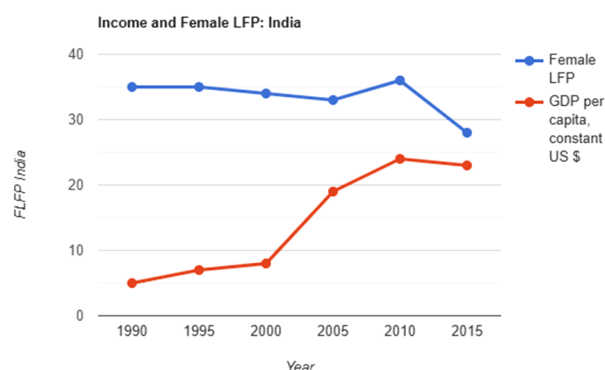
**F**rom the beginning of the 20th century, unemployment was articulated as an alarming issue in

the world. In particular, youth unemployment has gained its concern in the wake of the 21st century. Sustained high economic growth since the early 1990s has brought significant change to the lives of Indian women, and yet female labor force participation has stagnated at under 30%, and recent labor surveys even suggest some decline since 2005. Examining the determinants of female labor force participation in India, against the backdrop of India having one of the lowest participation rates for women among peer countries, becomes the need of the hour. The main finding that can be elucidated upon further in the article is a number of policy initiatives that can help boost female economic participation in the states of India, including increased labor market flexibility, investment in infrastructure, and enhanced social spending.

Female labor supply is often modeled using the framework of the time allocation model which posits that women make their labor supply decisions not only considering leisure and labor tradeoffs, but also home-based production of goods and services (including caring for children). Most studies also include wages as a key driver of female labor supply. However, as Jaumotte (2003) points out, working for a wage is chosen by women only if earnings at least make up for the lost home production (and the associated costs),

implying a higher elasticity of female labor supply to wages.

Many studies have emphasized the importance of education in models of female labor supply. Eckstein and Lifshitz (2011) estimate a dynamic stochastic female labor supply model and find that changes in education and wages play a large role in explaining female employment. Several characteristic features of the Indian Labour market display striking features: very low rates of female labor force participation; considerable variance in rates of female labor force participation across Indian states; and a large share of both women and men working in the informal sector. India has one of the lowest female labor force participation (FLFP) rates— typically measured as the share of women that are employed or seeking work as a share of the working-age female population — among emerging markets and developing countries.



Source: World Bank Official Website

At around 33 percent at the national level in 2012, India's FLFP rate is well below the global average of around 50 percent and East Asia average of around 63 percent.

## **MGNREGA and female labour force participation**

It is imperative to note whether India's largest public employment program, resulting from the enactment of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005, has resulted in higher female labor force participation. Launched as one of the world's largest employment programs, MGNREGA offers 100 days of guaranteed wage employment in every financial year for all registered unskilled manual workers (both women and men).

The MGNREGA includes pro-women provisions as it seeks to ensure that at least 33 percent of participating workers are women, and stipulates equal wages for men and women. In addition, there are also provisions for facilities such as childcare at worksites, so as to reduce the barriers to women's participation (Government of India, 2014). As well, there are other aspects of the MGNREGA that may make such work attractive for women, for example, the stipulation that work is to take place within 5 kilometers of an applicant's residence.

MGNREGS provides up to 100 days of paid unskilled work per rural household annually. In contrast to the national labor market, which is comprised of only 22% women overall, 52% of MGNREGS workers were female in 2016. MGNREGS uses a gender quota, requiring that at least one-third of person days are worked by females - but the 33% requirement is clearly exceeded, and therefore cannot fully explain such high levels of female participation. Other potential reasons MGNREGS attracts women include its wage parity policy, which may be particularly appealing for unskilled rural women accustomed to large gender wage gaps, and because it provides work for women near their households.

## **Feedback And Criticisms Of The Scheme**

The scheme has not addressed socio-cultural barriers to women's participation such as restrictive norms about women's mobility, and employment outside the home. The allocation of time between domestic and productive activities, and its impact on participation rates, is also a neglected issue.

It was suggested in a research study by ILO that including a gender awareness component at village level could be effective in overcoming some of the cultural constraints on women engaging in the scheme. Another problem is the acceptance of single women working under NREGA. The Act stipulates that work should be allotted per household (Schedule II, 1), not per individual. As the traditional Indian household is maleheaded, it is sometimes interpreted that only male-headed households were being allotted work (Raja, 2007). This favours the traditional role-model of a family, potentially excluding unmarried, divorced or widowed women. According to research by Sainath (2007) experience from several states has revealed discrimination against single women in access to NREGA work.

## **U-shaped relationship between women's education rate and LFPR**

With increasing education, labor force participation rates for women first start to decline and then pick up among highly-educated women (particularly university graduates), who experience the pull factor of higher-paying white-collar jobs. The gender gap in education in India still remains but has been narrowing over time. As the gender gap in education closes further, particularly at higher education levels, female labor force participation rates can be expected to rise. In

addition to raising labor input, the resulting human capital accumulation should boost potential output.

### **India as an outlier on the U-shaped curve**

The theory posits that women's entry into the labor force as agricultural laborers, followed by a decrease in LFPR due to a transition to industry as a result of higher income per household, is subsequently followed by a re-entry into the labor force, as fertility rates fall and education increases. Explanations for this decline have been argued as an income effect associated with educated women marrying into wealthier families, increased attendance in education and higher household income levels and low demand for women's labor force participation.

The lingering notion that women's decline in LFPR in India is a result of a lack of job opportunities open to women does two things. Firstly, it denies the notion that India's growth has been largely attributed to the service sector, not the industrial sector (Dreze and Sen 2013). As predicted by the U-shaped hypothesis, if jobs for women are anticipated to increase when an economy transitions to a service sector economy (Verick 2014), why has this not been the case for women in India? Secondly, this notion exacerbates the understanding of the gendered nature of the division of labor, assuming that women cannot engage in the industrial economy, despite the fact that China's manufacturing sector employs a significant number of women.

### **Categorizing Employment as formal or informal**

Labor force participation rates can also be influenced by wage differentials facing women. As expected, wages in the informal sector are lower than in formal sector jobs. The NSS survey data contains information on

wage and salary earnings, from which a daily wage can be calculated for about 15,000 female workers and 54,000 male workers. In the sample, the daily wage for women in formal jobs is over four times as high as for women in informal jobs (see following text table).

Notably there is a gender wage gap in both the formal and informal sectors, with male workers earning a higher wage on average in both sectors.

Wage gaps and unexplained wage gaps are higher in fields with greater female representation.

Overall, women tend to be less represented in the service sector, and manufacturing is an important employer of women. In other work, we have shown how the gender gap in labor force participation in the services sector is 19% in favor of men, but 1% in favor of women.

Wage gaps alone, however, may simply reflect differences in the labor force composition across genders based on easily observable characteristics, such as education. The right hand side graph plots the unexplained wage gap that remain within each NIC category after netting out observable differences in marital status, age, social group (SC, ST, OBC, Other), education (secondary and tertiary education), and state fixed effects across workers by gender on the natural log of wages by gender. Importantly, the unexplained component of the wage gap also tends to be larger for sectors in which females represent a larger proportion of all employed in that sector. Stated differently, the sectors in which females tend to fare relatively better in terms of wage gaps are often those in which they are least represented. Sectors with the lowest unexplained wage gap tend to be in the service sector, although a good number of service sector jobs also perform relatively poorly on this measure.



## **The link between Gender (In)Equality and Economic growth**

Despite an appearance of neutrality, patterns of economic growth are highly gendered and different patterns can result in very different outcomes on gender. Dominant patterns of growth can entrench inequality and are also highly reliant on women's unpaid labour in the care economy. The relationship between gender equality and economic growth is complex. Certain aspects of gender equality such as female education and women's share of employment can have a positive impact on economic growth, although this impact is dependent on the policy mix supporting growth, the structure of the economy and the sectoral composition of women's employment and labour market segregation, among other factors.

## **The need for developing inclusive growth strategies**

Formulating and implementing gender sensitive pro-poor growth strategies is possible through creation of employment in sectors where most impoverished people work, investing in segments of the economy where women are concentrated, and ensuring better access for poor households to basic services such as health, education, safe water and sanitation. In addition, job creation policies need to create a socio-economic environment that can enable the working poor to enhance their productivity (or remuneration) and move to more value added and productive sectors and occupations. Ensuring access to productive resources such as credit, land, technology is also essential for poor women and the marginalized.

Job creation, therefore, needs to be at the heart of economic policy-making, generating a virtuous circle that is as good for the economy as it is for people, and one that drives sustainable development.

The transformation of the Indian labour force is incomplete, as is research on this important topic. The effect of low sex ratios on LFPR needs to be investigated in detail, as is the effect of migration. Female migration for work has increased substantially in recent decades. A striking trend is unmarried young women migrating for work in contrast to mainly marriage related migration. Much of the former involves rural to urban migration with opportunities opening up for women in metros and in large cities. There is evidence that particular ethnic and socio-cultural groups tend to concentrate in various sectors of the labour market. Studies in the area of gender and migration also point out that marriage migration often leads to entry into the labour force and the two processes are not mutually exclusive.

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*winning*

**GUEST  
ENTRIES**



## First Position



## Second Position



## Third Position



### I ANISTO ISSAC SHAJU

Hailing from a small town in Kerala, Anisto has always been a fan of comics and cartoons. Being a fan of the Marvel and DC superhero universes, he started off by drawing men with beefy arms & puffed-up chest, with superhuman abilities. Serious attempts at cartooning started with him trying to redraw a cartoon, the classic, R.K Laxman's Common man from an NCERT textbook and since then, cartooning has always been a safe cradle for him to crawl into when the reality becomes too "real". Anisto is an undergraduate student pursuing Bachelors in History, Economics and Political Science from St. Joseph's University, Bengaluru. He also admits to being a part-time philatelist, a movie-buff and a basketball enthusiast.

### II ANANYA BATHLA & YASHASVINI GUPTA

Ananya Bathla is a third-year Economics student at Ashoka University. She currently heads the Ashoka University Economics Society's Outreach team and is spearheading their first economics fest 'EQUILIBRIUM.' Yashasvini Gupta is a third year Economics and History student at Ashoka University. Her research interests include gender and development economics.

### III MITULA SAI SUBRAMANIAN

Mitula is a third-year B.A Economics (Hons) student at Krea University. She is passionate about Development, Sustainability, and Business Economics. Her enthusiasm for these areas is evident in her work, and she strives to make a positive impact in the world.

# Between Shadows & Cages

*A deep dive into the prison industrial complex*

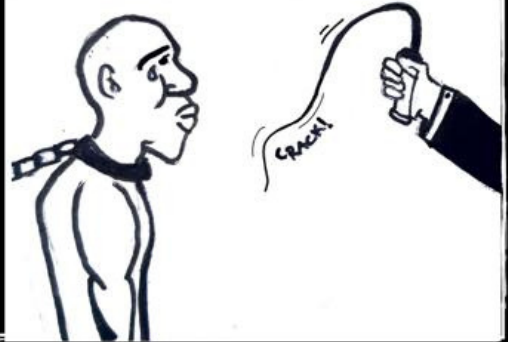

ANISTO ISSAC SHAJU

*Between shadows and Cages*



A DEEP DIVE INTO THE PRISON INDUSTRIAL COMPLEX

The history of slavery transcends the barriers of culture and geography, as it existed in various forms since the time of ancient civilizations. However, the starting point of slavery in America is said to be in 1619, when the privateer "The White Lion" brought 20 enslaved Africans ashore the British colony of Jamestown, Virginia. Historians have estimated that 6 to 7 million slaves were imported to the West during the 18th century alone, depriving the African continent of some of its healthiest men and women.

Under the laws of Chickasaw County, she is my property. And I can do anything with my property I so desire.

Laws known as the slave codes were used to set a social hierarchy. The slave was a probate property of the master and he/she was forbidden from learning to read and write or to have their own families. These slaves could even be sold as "commodities" in a slave market.

"I am naturally anti-slavery. If slavery is not wrong, nothing is wrong," - this was Abraham Lincoln's stance on slavery. Abraham Lincoln, a lawyer from Kentucky came to the forefront of anti-slavery efforts in 1854 against the Kansas-Nebraska Act. He received national attention for his famous debates against Stephen A. Douglas in 1858. In 1861, Lincoln was elected as the President of United States of America, following which he issued the Emancipation proclamation, which liberated and protected the slaves from further exploitation. The 13th Amendment of 1865 ended all forms of slavery and forced servitude.



In 1865, 27 out of 36 states ratified the 13th Amendment, which paved way for Jim Crow laws to be adopted.

**SOCIETY**



Jim Crow laws were a collection of state and local statutes that legalized racial segregation.

IN 1964, President Lyndon B. Johnson signed the Civil Rights Act, which legally ended the segregation that had been institutionalized by Jim Crow laws.



Increase in incarceration rates

War on Drugs

Crime Bill



In the late 1990s, Angela Davis coins the term "PRISON-INDUSTRIAL COMPLEX", a word to define the overlapping interests of Government and private prison/ surveillance industry, who use mass incarceration rates to fulfil social, economical and political interests.

She stated "prison privatization is the most obvious instance of capital's current movement toward the prison industry."

Reagan's War on Drugs in 1971 and the Anti Drug Abuse Act of 1986, only proved to be a catalyst to the rising incarceration rates within the black and latino community. Not long after, Bill Clinton's Crime Bill of 1994 spread the epidemic of mass incarceration across the country, with a disproportionate rate of arrests against the black and latino communities. Perhaps, the only common ground ever shared between the Republicans and the Democrats, was the the introduction of legislation that increased prison populations across the nation



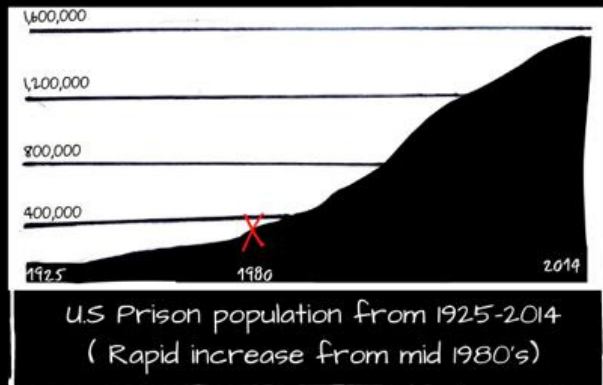
In short, it is the symbiotic relationship between the police system and a network of private service providers whose vested economic and political interests are satisfied through mass incarceration. At its core, PIC is just an opportunistic, sugar-coated form of "slavery", back with more charm and sophistication, as prisons offer a convenient and official way to maintain segregation, use free labor to drive industry and largely eliminate Black citizens from the American labor market.

### Elements of P.I.C

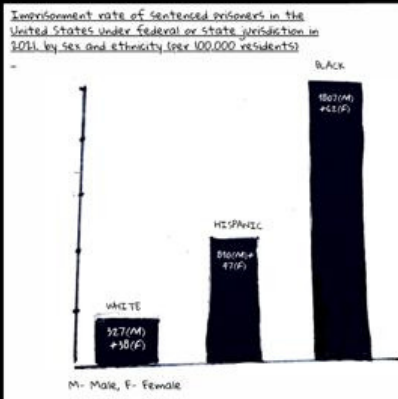
- Private prisons run by corporations whose primary objective is profit maximization rather than rehabilitation
- Use of cheap prison labour
- Existence of racist trends with high incarceration rates



The racial and ethnic makeup of U.S. prisons continues to look substantially different from the demographics of the country as a whole. In 2018, black Americans represented 33% of the sentenced prison population, nearly triple their 12% share of the U.S. adult population. Whites accounted for 30% of prisoners, about half their 63% share of the adult population. Hispanics accounted for 23% of inmates, compared with 16% of the adult population.



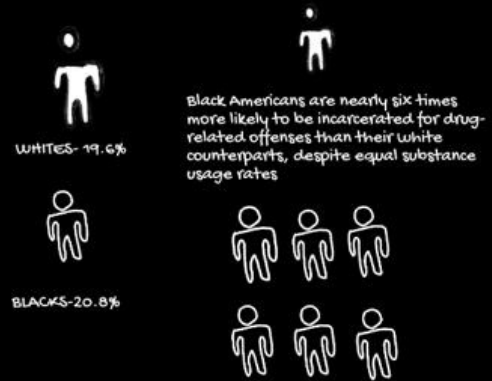
Source: Bureau of Justice Statistics



Racism in the US prison system is evident from the incarceration rates by race and ethnicity.

Source: <https://www.statista.com/statistics/35387/imprisonment-rate-of-sentenced-prisoners-in-the-us-by-sex-and-ethnicity/>

Illicit Drug Use in the Past Year among People Aged 12 or Older, by Race/Ethnicity: 2015-2019, Annual Averages  
Source: SAMHSA, Center for Behavioral Health Statistics and Quality, National Survey on Drug Use and Health, 2015-2019



Source: <https://www.americanprogress.org/article/ending-war-drugs-number-12018/>

## IMPACT ON POLICING SYSTEM AND SOCIETY:

Shatters the economic and social stability of vulnerable communities

• Increase in unjust cases of racial profiling

• School to Prison Pipeline



According to the ACLU, it is "a disturbing national trend wherein children are funneled out of public schools and into the juvenile and criminal justice systems. Zero-tolerance policies criminalize minor infractions of school rules, while cops in schools lead to students being criminalized for behavior that should be handled inside the school. Students of color are especially vulnerable to push-out trends and the discriminatory application of discipline."

# The Safe Motherhood Scheme and Contraceptive use in India:

*Differential effects in West Bengal and Bihar*

ANANYA BATHLA

YASHASVINI GUPTA

## Introduction

This paper aims to study the effect of Janani Suraksha Yojana or JSY (Maternal Protection Scheme) on

family planning use in India. Janani Suraksha Yojana or JSY (Maternal Protection Scheme) was started as part of the National Rural Health Mission (NRHM) in India on 12 April 2005. The Government of India initiated this cash incentive scheme to promote institutional deliveries with the aim to reduce the maternal mortality ratio (MMR). JSY is currently the world's largest cash transfer programme, with more than 54 million beneficiaries since its initiation (Ng et al.)

There are two mechanisms at work while exploring the role of JSY on contraceptive use intent. One potential pathway is that JSY, through increasing access to maternal services, may have provided an opportunity to educate and motivate women to initiate contraception use just after delivery. This would lead to the intent to avail of family planning methods in the future to be higher amongst Janani Suraksha Yojana users than non-JSY users.

However, a second mechanism at work is the unintended role of cash incentive programmes such as JSY on fertility. Cash incentive programmes may lead to an increase in fertility since the monetary incentive could be encouraging couples to have more children or to have their next child faster. Research has also suggested that ASHA workers may be encouraging couples to have more children and to opt for institutional deliveries for their own gains.

While distributing contraceptives and counselling women on spacing and spacing methods are also a responsibility of ASHAs, due to a lesser relative monetary benefit, this is often attributed a secondary role. This would suggest that, contrary to the first pathway, contraceptive use might decrease among JSY users.

Given that two contradictory mechanisms are at work, the theoretical relationship between JSY and contraceptive use is not known a priori. Our paper aims to provide empirical validity to these theoretical frameworks. Additionally, given the significant role ASHA workers play in the implementation of JSY, we will consider the role of ASHA workers on contraceptive use, and whether contraceptive uptake increased or decreased following an interaction with ASHA workers in the last three months.

## Literature Review

Postpartum Family Planning (PPFP) is imperative to prevent closely spaced mistimed pregnancies after child birth. A study by Mekonnen et al. (2021) highlights how knowledge surrounding postpartum contraceptives is very low in Ethiopia, underscoring the need for institutional delivery and family planning counselling in the postpartum period.

Two studies, Bansal et al. (2022) and Sinha (1997) have examined the role of maternal health services on contraceptive use in India.

Sinha (1997) finds a positive association between the utilisation of antenatal care services and the ever-use of family planning methods in Orissa. Bansal et al. (2022), however, find that while the number of women using maternal healthcare services in India has increased, there has been no proportional increase in the use of contraception after childbirth.

Numerous studies have examined whether JSY has been successful in achieving its stated objectives of increasing institutional birth rates and decreasing mother and infant mortality. According to Lim et al. (2010), JSY had a marginal effect on institutional births and prenatal care use, despite the fact that it did not adequately cover the lowest members of society and the programme suffered from significant geographical variance. Das et al. (2011), however, warn against prematurely declaring JSY a success, drawing attention to contradictions in the Lim et al. (2010) study, including ambiguity and measurement errors. In another study by Powell-Jackson et al. in 2015, they found no evidence of JSY's impact on neonatal mortality. The Powell-Jackson study also considered the unintended effects of JSY, finding that JSY was associated with an increase in breastfeeding and a rise in pregnancies. Literature on the impact of cash-incentive programmes on demographic outcomes in India is limited. To our knowledge, the only studies to investigate this phenomenon are Powell-Jackson (2015) and Nandi et al. (2015) which considered the unintended effects of JSY on fertility, finding that JSY may have resulted in a 2.5–3.5 percentage point rise in the probability of childbirth in 10 states.

Furthermore, the contribution of ASHA workers in the success of JSY and contraceptive usage has not received enough attention.

An important contributor to the implementation of the National Rural Health Mission (of which JSY is a sub-programme) were ASHA workers, local women trained to function in their own village as health activists and front-line basic health care providers. These on-ground functionaries received incentive-based payments which were heavily geared towards encouraging female sterilisation procedures over spacing methods. Analysing the role of ASHA workers in contraceptive intake is therefore critical for policy formulation. Our paper attempts to address these deficiencies in existing literature regarding the effect of cash-incentive programmes on demographic outcomes, such as changes in intention to use contraceptives, as well as discuss the policy implications of these results.

### Data

This study uses data from the National Family Health Survey III and IV. NFHS-III was conducted in 2005-2006, and taken to represent the pre-JSY period, while the NFHS-IV, conducted in 2015-2016, and taken as the post-JSY period. Since the 2005 NFHS was primarily conducted before July 2005 and the JSY program was not implemented until the end of 2005, we considered survey data from 2005 to be in the pre-JSY period. We will also be using administrative data on the number of ASHA workers present in each district in Bihar and West Bengal from the year 2015, found on the official website for the National Rural Health Mission.



## Data organisation

Women were assigned to the control group if they belonged to a High Performing State, were above the poverty line, and did not belong to a Scheduled Caste or Tribe, since these women would not be eligible to receive JSY assistance. Women were assigned to the treatment group if they belonged to a Low Performing State, were below the poverty line, and belonged to a Scheduled Caste or Tribe. Women who were infecund and not sexually active were excluded from the dataset.

## Estimating equation

We aim to use two difference-in-difference regression models to test our hypotheses. We use the following estimating equation:

$$FP_{idt} = \beta_0 + \beta_1 Treat * Post_{dt} + \delta_t + \gamma_s + \epsilon_{idt}$$

- $FP_{idt}$  is our outcome variable indicating whether the woman intends to use any form of family planning in the future.
- $Treat * Post_{dt}$  is an interaction term, capturing the treatment effect of JSY in 2015
- $\delta_t$  refers to state-level fixed effects
- $\gamma_s$  refers to year-level fixed effects

The programme was implemented at a district level, and the differences in the number of ASHA workers in each district would have a marked impact on contraceptive use. In our second regression model, we conduct a comparison of the effect of JSY on contraceptive use between a Low Performing State (Bihar) and a High Performing State (West Bengal). For this, we use administrative data on the number of ASHA workers present in each district in the two states of Bihar and West Bengal from the year 2015, found on the official website for the National Rural Health Mission.

We thereby use the following equation in our second regression model:

$$FP_{idt} = \beta_0 + \beta_3 Treat * Post_{dt} + \beta_3 Bihar + TotalASHA\beta_4 + X_{idt}\beta_5 + \gamma_t + \gamma_s + \epsilon_{idt}$$

- $FP_{idt}$  is our outcome variable indicating whether the woman intends to use any form of family planning in the future.
- $Treat_{dt} * Post_{idt}$  is an interaction term, capturing the treatment effect of JSY in 2015 (the post-intervention period of JSY)
- Bihar is a dummy variable taking the value 1 if the women belongs to Bihar and 0 if the women belongs to West Bengal
- The variable TotalASHA indicates the total number of ASHA workers present in the women's district
- $\gamma_s$  refers to year level fixed effects
- $X_{idt}$  is a vector of individual demographic characteristics including education of the mother, education of the husband, age, household wealth, healthcare autonomy, and dummies for (categories) of urban residence, religion, and ethnicity.

## Results

Our results effectively showcase the two potential pathways of impact on family planning we hypothesised. First, we find there is an increase in the Intent to Family Plan for JSY users in 2015 by 5.17 percentage points. The effect remains positive at 4.25 percentage points when we add demographic controls.

We can attribute this to greater exposure to family planning when JSY users went to healthcare centres and other health institutions to deliver.

With a unit increase in age, we see a rise in family planning by 0.64 percentage points. This can be due to the availability of higher resources to opt into family planning services as one ages and also a preference to not have children later in life. The positive impact is also showcased through the rise in education as intent to family plan goes up by 3.06 percentage points for each extra year of education. We can attribute this to higher awareness and more positive attitudes towards family planning in the educated. The largest rise in intent to family-plan is exhibited for married women. This can be related to the societal norms surrounding premarital sex in India.



Conversely, two indicators indicate a reduction in intent to the family plan. This holds for the post period (2015) and the drop in likelihood of intent to family plan in employed women (-4.3 percentage points). This would be due to a multitude of factors, with an important factor being poverty as found in Gakidou & Vayena (2007). Another explanation could be with regards to employed women specifically, their intent to family plan could go down because they would now have more financial resources to support a child. All these results are statistically significant.

In order to account for the impact of ASHA workers specifically and to understand the relative effect on High Performing States versus Low Performing States, we contrast intent to family plan in West Bengal and Bihar. We find an increase in intent to family plan by 3.6 percentage points for JSY users in 2015. Trends for the post period and employed women also hold here, and similar to the results from our national data we see a decrease in the intent to family plan for both.

Lastly, we see that ASHA workers have a negative impact on the intent to family plan. This is in line with the findings of Nandi (2016), In our findings, intent to family plan reduces by a magnitude of 0.00764 percentage points (without controls) and 0.00699 percentage points (with controls) as number of ASHA workers in the district rose. This is reflective of the alternative pathway of the effect of JSY on fertility discussed in studies like Nandy et al. (2016). Since ASHA workers are given a greater incentive for attending institutional deliveries as compared to imparting family planning under the JSY programme, they are likely to give less importance to the latter.

## Conclusion

In scope and expected results, Janani Suraksha Yojana has been one of the most ambitious maternal and child health schemes in both the country and the world. However, in order to realise its full potential, there is a need to consider its effect on a full range of demographic outcomes. The potential referred to here also includes unintended fringe benefits of the scheme in improving maternal and child health outcomes such as the increase in use of family planning and contraceptive use.

Our paper attempted to capture these fringe effects, showing that the programme had a positive effect on contraceptive usage, but that contraceptive usage intent went down in Bihar and West Bengal when there was an increase in the total number of ASHA workers in the district.

Our findings have important policy implications; showing that by strengthening maternal healthcare services, the possibility of an increase in the practice of family planning would increase. The possibly damaging unintended consequences discussed in this paper, such as the negative impact of ASHA workers on contraceptive usage due to their preference for attending institutional deliveries as compared to imparting family planning under the JSY programme, should be considered while formulating policies.

A major limitation of our analysis was our reliance on an intent-to-treat approach, measuring the district-level coverage for the intended recipients rather than considering which individuals actually received JSY. This was done to mitigate biases arising from measurement errors in JSY coverage or utilisation data. However, it is possible that this may lead to an under-estimate of the effect size of the programme, particularly in areas where implementation was slower, where there was less information provided about the JSY programme, as well as alternative factors that may have led to low programme coverage.

Our analysis also relies on intent to family plan rather than actual data on family planning so similar concerns about the reliability of the data might arise.

The role of family planning and contraceptive use, which act as an important indicator of development in a nation, cannot be understated with regards to health outcomes for both the mother and the children.

Our paper established that schemes like the Janani Suraksha Yojana play an imperative role in facilitating these goals and can be leveraged to a greater extent to realise these additional effects given the national reach and scope of the programme.

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# Rethinking Economics for a Sustainable Future

*From Smith to Daly*

MITULA SAI SUBRAMANIAN

With the impending climate crisis worsening year after year, it has become imperative for countries worldwide to take strict climate action if they genuinely want to live on the planet in the coming years. Climate change leads to cascading effects that penetrate all spheres of society, from the environment to the economy, essentially leading to a “poly-crisis.” A poly-crisis, according to the Global Risks Report 2023 of the World Economic Forum, is “a cluster of related global risks with compounding effects, such that the overall impact exceeds the sum of each part.” Maintaining the current climate system, which is not at its best, will give way to a massive polycrisis if no significant changes are undertaken. And for changes to happen, economics must change. Currently, under the impression that quantitative growth is the precursor of well-being, world economies are pushing planetary boundaries with no regard for the consequences. The belief that the ultimate means to achieving welfare is through utility maximisation and other economic jargon tends to quantify and, in a way, restrict an average individual into one that only thinks rationally (and that being rational is better). However, despite years of GDP and utility being at the forefront of every country, it has become clear that trickle-down economics does not work. Instead, inequalities are widespread, and the environment is in shambles. There is nothing remotely sustainable about this system. Therefore, there is a need for a transformational

change that treats the cause and not the symptoms. In other words, one must reimagine economics into a discipline that accounts for reality. This is where the realm of ecological economics comes into the picture. To really recognise the genesis of ecological economics, it is vital to comprehend the development of mainstream economics. Adam Smith and his book *Inquiry into the Nature and Causes of the Wealth of Nations* (1776) are typically credited with being the first to shed light on and lay the groundwork for economics as a discipline. In his book *Wealth of Nature* (1994), Robert Nadeau demonstrates how Smith’s theories were influenced by French philosophical notions of economics. French thinkers based economics on the law of physics and the concept of atomised humans in order to build a natural law analogous to the physical law. Smith grounds his reasoning on Newtonian laws of pendulum oscillations to introduce the ‘invisible hand,’ which is an independent force that strives for “equalisation,” or, in economic terms, equilibrium, to ensure market stability. His theories and those of Ricardo and Malthus formed the cornerstone of classical economics. They believed that markets would always clear out and be in equilibrium because prices would adjust through the invisible hands of supply and demand without any visible government interference.

Classical economics emphasised production as the determining factor for the price. However, as time passed, the price basis switched to welfare and utility. In short, utility is derived from welfare, and welfare is expressed in market transactions by what individuals want. Anything that is not marketable is rendered useless. It also assumes that humans have unlimited wants. As a result, neoclassical economics, a departure from classical economics, asserts that the consumer is king and that unlimited economic growth is essential to satisfying their desires. The discovery of utility and the law of diminishing marginal utility occurred during Neoclassicism. As a result, the transition from classical to neoclassical economics, or current mainstream economics, is often referred to as a “marginal revolution.” With the introduction of the Great Depression in the twentieth century, it was further refined with the incorporation of Keynesian macroeconomics.



According to neoclassical economics, market mechanisms are analogous to physical laws. Similarly, utility maximisation is “similar to potential energy minimisation” (Weintraub).

Thus, economics is the efficient use of finite resources to meet insatiable human desires. The three significant assumptions of neoclassical economics provide the foundations for various alternative economic theories. The three assumptions are as follows: (a) people are rational, (b) desires are utility for individuals and profits for firms, and (c) people have complete information (Weintraub). According to this theory, a market is in equilibrium when individuals and firms optimise in their rational pursuit of utility maximisation to the point that any other allocation of commodities and services will leave the other market participants worse off. A perfect market is also distinguished by market equilibrium and perfect competition. Unfortunately, all markets are imperfect in the real world since the characteristics of a perfect market are utopian. Other powers frequently dictate markets outside the invisible hand, and unacknowledged societal costs usually hamper equilibrium. The preceding are examples of “market failures.” However, such occurrences are common in the actual world, to the point that market failures are the norm. Hence, the critical question is, shouldn’t the theory be revised if failures are the norm? Economic theories have evolved and should have prevented the 2008 financial catastrophe from wreaking devastation. However, as George Akerlof points out in *Why Economists Failed to Predict the Financial Crisis* (2018), economics as a science concentrates on statistics (00:01:16). Statistics examines populations and normal distributions; outliers are overlooked since they reflect a tiny population.

Despite its theoretical richness, conventional economics is inapplicable to the vast majority of the real world.

Negative externalities, such as pollution from manufacturing plants, are not incorporated in the pricing equilibrium, hurting individuals indiscriminately. Furthermore, neoclassical economics ignores social costs, welfare, and societal development as essential variables in economic progress. The Kuznets Curve, for example, is based on little data (the economist Simon Kuznets warns that his study was “5% empirical, 95% speculative” (Raworth, 2017)) to propose a theory that as GDP rises, so does inequality, which finally levels off and diminishes. The Environmental Kuznets Curve dealing with pollution has been applied to environmental economics (a neoclassical subbranch dealing with the environment). These theories have been used numerous times to promote utility maximisation and other neoclassical notions to resolve the environmental crisis while maintaining economic growth.

Externalities, market failures, and associated societal and environmental deterioration are common, despite a solid paradigm under mainstream economics because every solution seeks to meet utility. Revising the framework will not be enough; a new framework reflecting the real world is required. As economist Anwar Sheikh (2020) explains in a video titled *What Happens When Economics Doesn't Reflect Reality?* “...you can't make the world real by complaining that the fantasy isn't precisely applied.” (00:00:14). That is exactly what ecological economics accomplishes. Economics is a component of the more extensive ecological and social system. Efficiency is essential, but it is not the end goal. The era of resource constraints

has passed; we now live in an era of sink limits, which put the planet's assimilation capacities to the test. As conceptualised by Herman Daly, ecological economics orchestrates a paradigm shift away from quantitative growth and utility maximisation, recognising that economic expansion has limits. Daly and Farley (2010) assert, “Limits to growth do not necessarily imply limits to development.” Ecological economics emphasises qualitative development and satisfying wants and requirements, powered by sustainability and justice, without exceeding sink boundaries.

If mainstream economics introduces supply-side initiatives to reduce pollution, such as electric automobiles, ecological economics questions the need for cars. It is the first economic framework to question demand. It does not rely on the suffocating mathematical modelling that frequently renders neoclassical economics esoteric and intimidating because policy actions require instructions rather than numbers. Ecological economics highly emphasises intergenerational, intragenerational, and scaled distribution (because biophysical limits bind the economy). To deal with the climate crisis, achieving sustainability is imperative. And for sustainability to be achieved, biodiversity and natural capital must be protected, and inequalities must be resolved. Staying within the planetary boundaries is the only way to achieve both. That can be made possible only through ecological economics.

The most remarkable difference between mainstream and ecological economics is how they define sustainability. Environmental economics, the branch of economics that manages natural resources for economic

growth advocates for 'weak' sustainability. The most significant assumption of environmental economics is the ability of substitutability between natural and human capital. According to this notion, manmade capital can replace all natural capital except for some unique resources (Solow 1992). In another paper published in 1974, Solow demonstrated that infinite economic growth is possible, provided that the elasticity of this substitution exceeds a minimum. Both types of capital were measured in monetary terms to reflect the anthropocentric view of natural resources. Environmental economics advocates that substitutability is possible (when the elasticity of substitution between natural and manmade capital is more than one), and subsequently, infinite growth is achievable. Solow argues that all resources are independent and interchangeable. And thus, investments in manmade capital can substitute for the deterioration caused to natural capital. Thus, present deterioration in (for example) biodiversity will be offset by the net future state of the planetary systems (owing to substitution). It promotes infinite growth in that one can keep exploiting current natural resources because of high substitutability and discount rates (present value of costs and benefits that occur in the future). This notion is called the optimistic view or "weak sustainability."

From an environmental economics perspective, infinite growth is possible because capital is interchangeable (the assumption that it is a linear equation of total capital = human-made capital + natural capital) and because substitutability between the capitals is high. In contrast to environmental economics, ecological economics studies the economy as a subset of the more extensive ecological system; economic growth is not the end, and

biophysical limits act as constraints to economic growth. Thus, under ecological economics, growth is finite, and the substitutability of natural and manmade resources is low. In a paper titled "Natural Capital and Sustainable Development," Constanza and Dally (1992) demonstrate how natural and manmade capitals are complements of each other rather than substitutes because if they were substitutes, there would have been no incentive in the economic sense to develop manmade capital. Moreover, natural capital is a multifunctional and public good. For example, the Amazon rainforest provides many ecosystem services that cannot be replicated by manmade capital, that too as a public good because manmade capital considers anthropocentric instrumental benefits over intrinsic value. Thus, complete substitution is impossible. This notion is called the entropy pessimist view or "strong sustainability."

The acceptance of strong sustainability is inevitable if one wants to truly resolve the climate crisis. Because mainstream economics is so focused on growth and GDP, it fails to consider the biophysical limits of the planet—especially when the latter is difficult to measure. Economics deems them as non-market goods with low value because they cannot be quantified. But a sustainable future would require a shift from quantitative growth to qualitative development. Non-market commodities and their values become essential to operating in an economy that achieves equilibrium without necessarily achieving growth. Rationality would be supplemented by other human qualities such as welfare, environmental respect, cultural awareness and other attributes of identity economics.



A complete overhaul of the status quo is required to save the world from catastrophic, irreversible change, and the first step would be to reimagine economics; because economics is omnipresent in all spheres of the Earth's systems and changing the same has the power to transform the world.

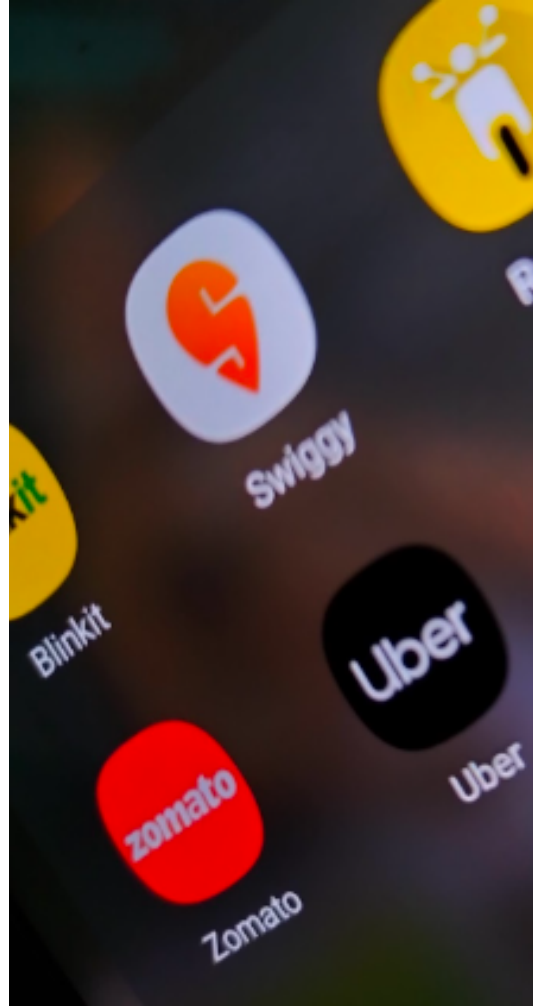
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# PHOTO ESSAYS

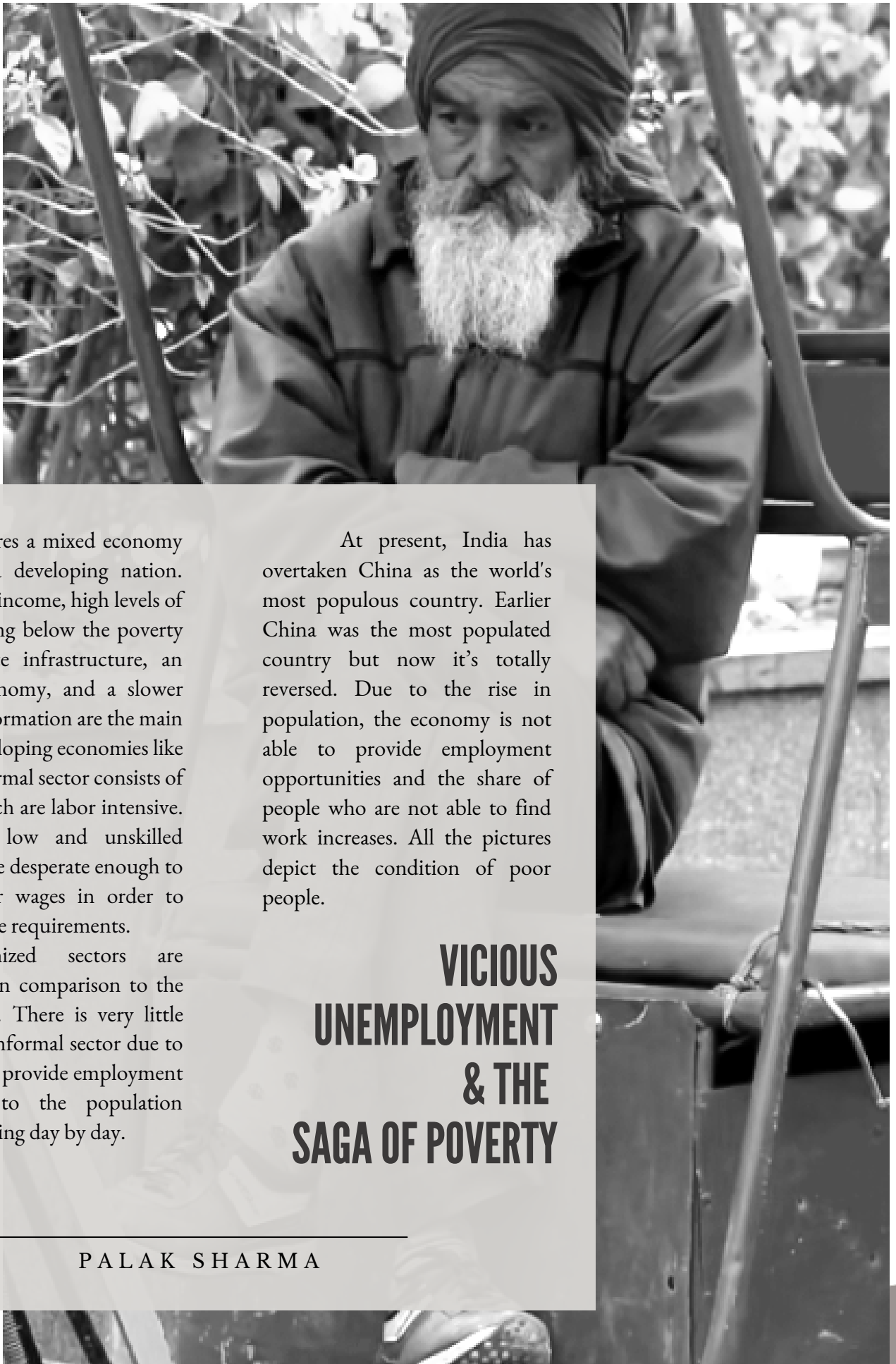


## Drivers of the Gig Economy

Freelancing has always been a trend for anyone who doesn't like to be tied in a contract but for most of the driving gig workers it is a necessity. Most of the workforce who are part of this gig economy are the sole breadwinner of their families. They are neither doing it to upskill themselves nor due to the binding contracts but due to the mere unavailability of secure work otherwise. The nationwide lockdown in 2020 due to the outbreak of the covid-19 pandemic, the online delivery applications boomed in the country. But with the boom came competition. This gave more job opportunities to the

AMIYA ANTONY

people who lost their jobs due to the pandemic. This came with an even bigger problem: decreased payouts and increased competition due to the surge in the number of people joining this platform. According to the details shared by the Indian Federation of App-Based Transport Workers (IFAT), the food and grocery delivery platforms only earn about INR Rs. 14- Rs. 20 per delivery! Such apps work towards catering the needs of the consumers easily and quickly. The companies have also increased their delivery area radius from 2.4 miles to 12.4 miles, which leads the drivers to take longer journeys, and thus fewer trips in a working day. Even though the payments to cab drivers have stayed the same in the past years, the increased commission rate has reduced their net earnings. The increasing petrol and diesel prices further adds to the dilemma of these workers. The prices of CNG have also increased by 86% from December 2020 to December 2022. There is a lot of mental pressure on the workers to always get good ratings. Some reports even stating that workers commit suicide due the fear of getting a bad rating. These employers don't consider the drivers as their employees and hence don't provide them with employment benefits. It is high time the employers only consider the stakeholders, whose main motive is to earn profit rather than caring for the ones who make them profit. The drivers' gig economy is only said to be growing in the near future but at what cost is something we need to think about.



India features a mixed economy because it is a developing nation. Low per capita income, high levels of population living below the poverty line, inadequate infrastructure, an agro-based economy, and a slower rate of capital formation are the main features of developing economies like India. The informal sector consists of enterprises which are labor intensive. They include low and unskilled laborers who are desperate enough to work for lesser wages in order to meet subsistence requirements.

Unorganized sectors are disadvantaged in comparison to the organized ones. There is very little growth in the informal sector due to which it fails to provide employment opportunities to the population which is increasing day by day.

At present, India has overtaken China as the world's most populous country. Earlier China was the most populated country but now it's totally reversed. Due to the rise in population, the economy is not able to provide employment opportunities and the share of people who are not able to find work increases. All the pictures depict the condition of poor people.

## VICIOUS UNEMPLOYMENT & THE SAGA OF POVERTY

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PALAK SHARMA

# Unemployment, Migration & Pursuit of Sustainable Livelihoods

*"It is just painful to think about the plight of these workers who wake up every morning, not knowing if they'll be able to find any job at all, to feed their families and bring a smile to their children's innocent faces, very young to even understand the harsh realities of life."*

To a commoner, Unemployment, Migration & displacement are mere terms one knows the textbook definitions of. However, what one fails to understand is that our country's economy is miserably

wreathed by the aforementioned terms. It is a known fact that India has always been on the higher end of the list of the world's most populous nations, but what's worth our attention is that India has surpassed China in terms of population, which perspicuously highlights an issue that needs to be tackled with utmost seriousness. With a dearth of job opportunities, especially for the youth and the less privileged, an ever-increasing population will only add

to the roadblocks that they're destined to face. Increased competition for jobs leads to acceptance of lower wages, which in turn makes meeting even the most basic of needs, extremely challenging. Those who move from rural to urban areas in hope of finding better jobs, healthcare and education, manage to find only menial jobs due to lack of required skills and awareness, to be precise. They're stuck in this vicious cycle of not being able to provide for themselves besides the



unimaginable hardships that they already face, from earning disparities, the crippling gap between the poor and the rich, housing and sanitation, to seeing their families split. Who, in their right mind, would wish to bring this upon themselves? What the poor have been facing for so long, is not just their problem, but that of the entire nation. We must work towards greater inclusivity and representation, provision of access to education, and improvement in food security and sanitation, then only, shall we be able to break free from these shackles of poverty and unemployment that have been holding us back.





## GRIN IN PAIN

When a young Sadhana got married in Bihar, she had hopes and dreams along with nervousness about stepping into this new life. Not knowing what lies ahead, she was ever hopeful and full of optimism. With the family continuously demanding a son, she gave birth to four beautiful daughters. Half of whatever money comes into the house is wasted by her husband on addictive substances. Having migrated to Delhi, she works odd jobs in various households. From sweeping and dusting to washing utensils and even cooking, she works hard to make ends meet. But she doesn't get the respect she deserves. Most house helpers are women, and even after working so hard all their lives, they are either unpaid or underpaid as their work is not even considered actual work by many. Another strong woman was observed in the quiet complex of a usually busy Delhi with a bag nearly as big as her and as heavy as it could be, yet still not being able to outweigh the weight of the world on her shoulders. Often shooed away, shouted at, and addressed rudely; she never gets acknowledged for doing her job so well - cleaning up the litter thrown around carelessly by the very people that shoo her away, never thinking twice while picking up our waste. According to the International Labour

Organisation, globally, women perform 76.2% of total hours of unpaid care work, more than three times as much as men. Often seen working as helpers in small shops or stalls run by their families, these young women receive little to no payment for their hard work. There is a lack of proper nutrition, education and training. Their parents have no stable jobs and are underpaid. For the kids living in poverty and having to fight for survival, the emotion of love and empathy often gets subdued. They become so engrossed in their own chores and wishes that they never bother paying attention to their elders. Sometimes presence is all a person needs and the old lady, as seen in the photograph looks on solemnly.

The gig economy refers to a labor market characterized by the prevalence of short-term contracts or freelance work, as opposed to permanent jobs. It has been on the rise in recent years, driven by advances in technology and the increasing demand for flexible working arrangements. In the gig economy, workers typically offer their services through online platforms such as Uber, Lyft, or TaskRabbit. These platforms match workers with customers who need a specific task or service performed. In recent years, the gig economy has also seen a significant rise in India. The country has a large pool of young and educated workers, and the growth of the internet and smartphone usage has made it easier for people to participate in the gig economy.

In India, the gig economy is largely dominated by the e-commerce and delivery sector, with companies like Flipkart, Amazon, and Swiggy leading the way. The rise of these companies has created numerous gig work opportunities for individuals looking to earn extra income, especially in smaller cities and towns where formal employment opportunities may be limited.

However, the gig economy in India faces some challenges as well. Gig

workers in India often lack the same protections and benefits as traditional employees, such as minimum wage laws, social security benefits, and job security. Additionally, many gig workers are not classified as employees, which means they do not have access to the same legal protections and benefits as traditional employees.

Overall, the rise of the gig economy in India has the potential to provide millions of people with new job opportunities and flexible work arrangements. However, it will be important for policymakers to address the challenges posed by this new form of work and to ensure that gig workers have access to the protections and benefits they need to thrive.

*"Now we have a gig economy where many people are holding down several jobs at once. The whole concept of a 40-hour week makes people under 30 laugh."*

## DECODING THE GIG ECONOMY & ITS FUTURE IN INDIA

APOORVA GOEL



Team 2022-23

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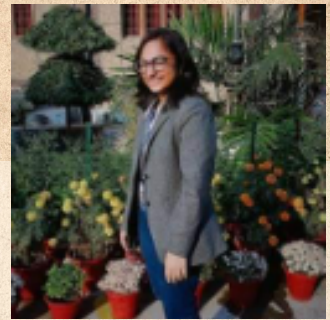
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