

CAVEAT VENDITOR

Insights for Comprehending the Unequal World



2024-2025

EDITION

DEPARTMENT OF ECONOMICS

The Economics Department, established in 1960, is one of the oldest departments of the college. The department undertakes courses in Economics for the Arts and Commerce streams. As part of NEP 2020, a wide range of quantitative and skill based papers are offered by the economics department to equip students with vocational and data analysis skills. The students are also offered papers on development economics, financial economics, international economics and environmental economics. The department credits to itself alumni in academics, corporate sector and research.

Professor's Note



“ I am delighted to remark on the wholehearted efforts of our talented students, who have bought the current issue of the newsletter, which deals with the most complex but central problem of development policy. The creative and insightful perspectives on inequality are commendable. Congratulations to the entire team for keeping up with the tradition of bringing the department newsletter.”

**-Dr. Shruti Panday
Head of Department**

“ The newsletter, ‘Caveat Venditor,’ is celebrating its seventh year! It is the first full-fledged student-run newsletter in print form from an arts departments of SIES ASCS and was started by the students of the TYBA Economics 2018-19 batch. It serves as a platform to hone the writing skills of our budding economists. It's a matter of pride that some of the former members of the student editorial team are now business journalists in leading media houses. The current edition of the newsletter is on inequality. Our students voice their opinions on global inequality and its connection with colonialism, climate change, and technological progress, among others. I hope all readers enjoy reading this edition as well, like you did during the previous years.”

**- Mr. Sampath Sambasivan
Chairman of Economics Association**



“ I would like to express my sincere appreciation for the efforts of the newsletter team. The dedication and hard work they've put in for well-researched and engaging content are truly admirable. Particularly in the context of inequality, the team has done an outstanding job in highlighting the various aspects of inequality which manifest our society. The newsletter has addressed various issues related to social and economic inequality such as problems related to education system, healthcare sector ,etc. In addition, the newsletter team's dedication to highlighting the theme of inequality through their insightful work is not only valuable but also praiseworthy. ”

**-Dr. Shaifali Kumawat
Assistant Professor**



“ Thinking about inequality given the fundamental diversity of human beings, we naturally raise a question, “Equality in what? and how do we achieve it?” The dynamic society that we are a part of, the idea of inequality and its application needs a constant revision. The theme of the 2024 newsletter is thus rightly chosen which makes us all give a thought to inequality in various areas. I would like to applaud the entire team for their continues efforts and contributions, keep it up.”

**-Ms. Vaidehi Raut
Assistant Professor**





Editor's Note

"The creation of Caveat Venditor has been a transformative journey of continuous learning, innovation, and collaboration. With invaluable contributions from our team members, guidance from professors, and thought-provoking exchanges with peers, we've not only enhanced our knowledge but also fostered a deeper understanding of economics. This experience has been incredibly fulfilling, shaping memories and skills that will last a lifetime."

Editorial Team



Shweta
Krishnan
(Co-Editor)



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Jose
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"The creation of Caveat Venditor has been a transformative journey of continuous learning, innovation, and collaboration. We've enhanced our knowledge, fostered a deeper understanding of economics, and formed lifelong memories. This experience has been incredibly fulfilling."

"A newsletter is more than just updates; it's a way to stay informed and empowered. Understanding economics helps us make smarter financial decisions. Financial awareness shouldn't feel overwhelming; it should guide us with confidence and control. By staying informed, we take a step toward a more secure future."



Hetvi Majithia
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Conan D'souza
(SYBA)



Vedant Joshi
(SYBA)

INEQUALITY

Inequality has been a persistent issue for many years. It has plagued our society for generations, disrupting society in multiple ways. Eradicating it completely sounds ideal in theory but in reality, it's far more complex.

***“WHEREVER THERE IS GREAT PROPERTY, THERE
IS GREAT INEQUALITY”
- ADAM SMITH.***

Society's idea of a utopia is one where no discrimination or inequality exists. However, true equality remains unattainable. The main reason for that lies in the fact that people have become desensitized to discrimination. Constant exposure to crime and violence in media has had a numbing effect, leading to indifference and complacency. Understanding where inequality stems from and its future implications is very important.

Education lies at the heart of economic inequality. Access to quality education is crucial, as it helps break the cycle of economic disparity. It also opens up numerous opportunities which can contribute to financial stability. According to World Bank, “An additional year of schooling increases earnings by 10 percent a year.” This highlights the role of education in reducing economic disparity. The COVID-19 pandemic has widened income inequality. It has pulled down the economic balance and stability, causing a disproportionate impact on the poor and vulnerable. Scholars are also concerned about the potential adverse effects of AI on inequality. It is anticipated that AI might cause displacement of low-skilled workers, further weakening the job market and deepening existing inequalities.

Climate change brings a new dimension to this issue. Oxfam says that the poorest half of the world's population accounts for only 10 percent of carbon emissions, yet they suffer the consequences of climate change the most.

In this edition of *Caveat Venditor*, we students of the department of economics, engage with the issue of inequality. We, budding writers, explore these issues and more! We do not have solutions to offer but we don't wish to leave it solely to the experts! We are here to engage and educate ourselves!





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*THEME BASED
ARTICLES*



RICH SCHOOLS, POOR SCHOOLS: HOW EDUCATION REFLECTS AND REINFORCES ECONOMIC INEQUALITY



EDUCATION IS THE MOST POWERFUL WEAPON YOU CAN CHOOSE TO CHANGE THE WORLD”, SAID NELSON MANDELA.

But, in India this weapon seems to be inaccessible for the masses. A study of the World Inequality Report reveals that 10% of the Indian Population takes away 57% of the national income, while the 50% of the bottom earns only 13%. The crucial factor perpetuating this divide is the lack of education.



Human Capital Theory introduced by Economist Gary Becker discusses that investing in education and skills leads to higher earnings and greater productivity. This theory assumes equal access to quality education, which India is yet to achieve. Another theory- Cultural Capital Theory by Pierre Bourdieu emphasises how affluent families invest in habits, networks in addition to quality education that pave the way for success.

Taking the example of Raghuram Rajan, an ex RBI Governor. His journey through IIM-A and MIT Sloan shows how the educational background coupled with a strong socio-economic status can have an impact. In contrast, there are many talented students from rural areas who may have scored well but “have to” settle for an underfunded state college with limited career opportunities.

Schools are more than just academic institutions, they are foundational spaces for soft skills, confidence and a lot more. Students from elite schools are immersed in environments where critical thinking, entrepreneurial thought process and public speaking are encouraged due to which these students graduate more equipped to face the competitive world. The Indian Education System is as diverse as it's culture with ICSE, CBSE, International Baccalaureate (IB) and State Board defining the boundaries.

IB or Cambridge International affiliated schools expose the students to global perspectives, technological pedagogies and extracurricular activities. On the other hand, other boards or schools instil rote learning. Government schools often have outdated syllabi, poor infrastructure and a lack of qualified teachers. This disparity sets the benchmark for higher education which is a critical phase for opportunities to widen or narrow dramatically.

Institutions such as IITs, IIMs, and corresponding global universities are gateways to a huge career. An IIM MBA graduate earns an average salary of around ₹20-30 LPA, while an MBA from tier-2 colleges conjures around ₹4-6 LPA. In comparison to the individual creativity or the talent pool, placements are generally dictated by the positioning of the institutions. Students going abroad for further education widens the gap; studying in Stanford or Harvard does not only provide top-notch education but also access to global peers and mentors. In India, curriculum in most universities remains outdated, producing graduates who are only proficient in theory. Creativity and innovation often take a back seat as the students are in a constant rat race of marks, placements and standardised success. Sundar Pichai, CEO of Google, said in his interview how his education at IIT-Kharagpur was an essential basis for his technology career and he credited his exposure in the U.S that inspired him to think big. This shows how systemic gaps in India reinforce global competitiveness.

Yet, education is not the only way to success. India is home to a lot of entrepreneurs and self-made millionaires who have taken a different route than the conventional path. Consider Dhirubhai Ambani, who built Reliance from scratch without having had formal higher studies. Similarly, freelancers and digital creators, these days, are earning significantly, even more than degree holders, by leveraging skills, technology and creativity. Success stories of these sorts are perceived exceptional rather than a norm. Because for the longest time, we have been told that the way to success is education but unfortunately not all of us have been given the key of a classroom that we would like to sit into.

The India's Education System needs to start tracing these inequalities. Organisation like Teach for India is a great initiative, but systemic reforms are also essential. The focus must shift from marks to skills, rote-learning to critical thinking and exclusion to inclusion. As a society, we must ensure that every child is able to access quality education regardless of their socio-economic background. Because when only a few privileged have the keys of opportunity, the dream of truly equitable India will remain a dream forever.



“

Kyu ki jab tak sabko mauka nahi milega, desh aage toh badhega par desh ke saare log nahi"

**-HETVI MAJITHIA
TYBA ECONOMICS**



COLONIAL ROOTS OF INEQUALITY



THE COMMERCE OF INDIA IS THE COMMERCE OF THE WORLD AND HE WHO CAN EXCLUSIVELY COMMAND IT IS THE DICTATOR OF EUROPE.”

– PETER THE GREAT

The British East India Company's entry into India in the early 17th century marked the beginning of a long period of economic and political control. What began as trade soon turned into full-fledged colonial rule, culminating in direct British governance in 1858. Colonial policies were not just about administration; they reshaped India's economy to serve British interests. Indigenous industries were crushed, agriculture was overtaxed, and India was turned into a supplier of raw materials rather than a producer of finished goods. These policies created economic disparities that still influence India's economy today.

Mahadev Govind Ranade, a pioneering Indian economist, strongly criticized British economic policies, arguing that they deepened inequality and destroyed local industries. British goods flooded Indian markets, making it impossible for local artisans and manufacturers to compete. This was part of a larger system of economic exploitation where raw materials were taken from India, processed in Britain, and then sold back to Indian consumers at high prices. Ranade's views aligned with Dadabhai Naoroji's "Drain Theory," which highlighted how wealth systematically flowed from India to Britain, leaving the Indian economy weakened and dependent.

Land revenue policies also played a crucial role in this exploitation. The zamindari and ryotwari systems prioritized British revenue collection over the well-being of Indian farmers. The Permanent Settlement of 1793 created a class of landlords who were more interested in paying taxes to the British than in improving agricultural productivity. This led to widespread poverty among peasants, who often had to borrow money at high interest rates, trapping them in cycles of debt. Ranade believed that the government should actively support industries, implement protective tariffs, and invest in infrastructure to break this cycle and build a self-sufficient economy.

While Ranade focused on the economic consequences of British rule, historian Thomas Metcalf, in *The Ideologies of the Raj*, explored the justifications the British used to maintain their control. The British presented themselves as modernizers who were bringing progress to India, but in reality, their policies ensured that India remained economically and politically dependent on Britain. They promoted the idea that India was backward and incapable of governing itself, justifying their continued rule while ignoring India's rich pre-colonial economy, which had strong trade networks and skilled artisans.

Another key aspect of colonial ideology was racial discrimination. British policies restricted economic opportunities for Indians, keeping them out of high-paying jobs and decision-making roles. Education, which could have been a tool for social mobility, was limited so that only a small elite class could rise, creating a divide within Indian society. This small, English-educated group often found itself serving British interests rather than working to change the system from within.



The economic damage caused by British policies did not disappear after independence in 1947. Many of today's economic challenges—such as rural poverty, industrial underdevelopment, and income inequality—can be traced back to colonial structures. The Green Revolution helped modernize agriculture, but unequal land distribution, a legacy of colonial land policies, created disparities in wealth. India's early post-independence economic strategy focused on protectionism to rebuild domestic industries, but the liberalization of 1991 exposed vulnerabilities that had existed since colonial times.

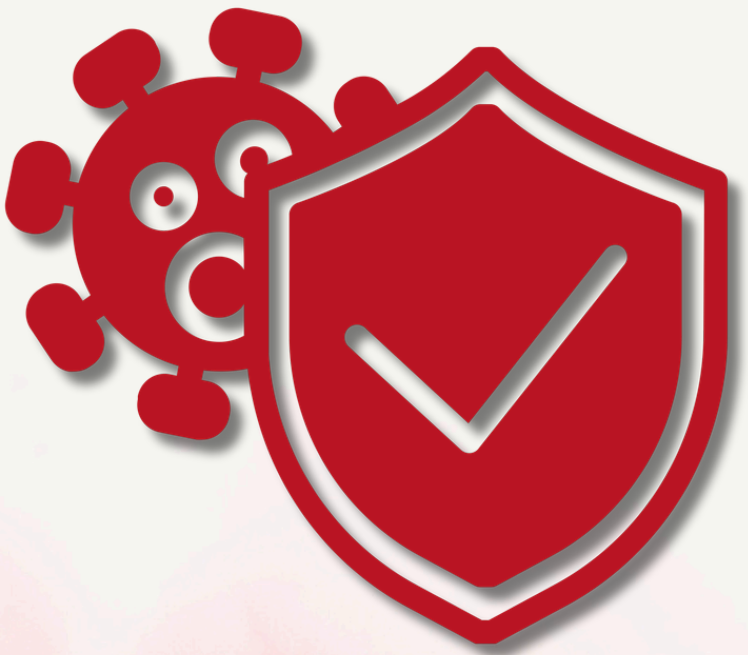
Addressing these lasting inequalities requires both structural reforms and a shift in perspective. To create a truly equitable economy, it is essential to challenge these inherited frameworks and build a system that prioritizes inclusive development. The impact of colonialism on India's economy is undeniable, but the path forward lies in recognizing these historical injustices and taking decisive steps toward equitable growth. By investing in education, industry, and fair economic policies, India can continue to dismantle the remnants of colonial exploitation. The conversation on economic justice is ongoing, and as we reflect on the past, we must actively shape a future that empowers all sections of society.

**-JOANN JOSE
SYBA ECONOMICS**

PANDEMIC'S IMPACT ON GLOBAL INEQUALITY

Inequality has always been a persistent issue, often overlooked as a natural part of society.

Throughout history, societal imbalance has been seen as a constant and unyielding phenomenon, like the wheels of a cycle that keeps spinning endlessly until interrupted by an external force. We have grown so accustomed to discrimination that we believe it to be an irresolvable reality, a belief possibly shaped by the old, rigid systems still entrenched in our minds.



To fully understand the impact COVID-19 had, we need to first learn about the glaring inequalities that already existed in our society.

One of the most prominent and pressing issues that comes to mind when we think about inequality is economic inequality. If we talk about India, in 2022-23 about 22.6% of the national income was taken up by the top 1%. Oxfam's 2019 report *Public Good or Private Wealth?* found that 26 of the richest people in the world amassed as much wealth as the poorest 50% of the global population. Isn't that shocking? To put it into perspective, that is about 3.6 billion people whose combined wealth is held by just 26 individuals.

BUT WHAT IS INEQUALITY EXACTLY?

Inequality in simple words is the lack of equality or fair treatment. It is the imbalance created by society on the basis of class, gender, caste, race, religion, etc.

The magnitude of inequality perpetuated by the pandemic has been unprecedented. COVID-19 struck the world in the year 2020 and along with the absolute devastation it caused such as the dire need for accessible healthcare and convenient educational services, it highlighted the urgency to do away with inequality.

The pandemic caused widespread job losses, particularly in the labor sector, with countries like India, Bangladesh, and Sri Lanka being hit the hardest. In India, the informal sector was severely impacted by factory shutdowns and pay cuts, forcing many workers to return to their villages due to transportation restrictions. Bangladesh's textile industry also faced major setbacks, while Sri Lanka and the Maldives, reliant on tourism, experienced a sharp decline in visitors. Economic inequality was most evident in healthcare, as the surge in illness left many unable to afford basic care.

RURAL HEALTHCARE

Rural healthcare already faced challenges like poor infrastructure and staff shortages, which worsened during the second wave of COVID-19. Hospitals became overcrowded, turning patients away, and there was a severe shortage of beds and oxygen. Additionally, low-income countries struggled to secure vaccines. According to the WHO, only 16% of people in low-income countries received a single dose, compared to 80% in high-income countries. Yemen, for instance, had just 2% of its population fully vaccinated despite enduring multiple COVID-19 waves. Globally, many healthcare systems collapsed under the strain of the pandemic.

EDUCATION AND EMPLOYMENT

The pandemic highlighted significant disparities in education and employment. The shift to online learning left many low-income families behind due to limited access to digital devices and stable internet, while wealthier families continued with fewer disruptions. The closure of schools also impacted younger children, isolating them from quality education. Women and marginalized communities were disproportionately affected by the pandemic, especially in retail, healthcare, and hospitality, where women make up the majority of workers. This led to a "she-cession," with women losing more jobs than men, deepening gender and economic inequality.



THE COVID-19 PANDEMIC HAS LAID BARE THE DEEP INEQUALITIES THAT EXIST WITHIN AND BETWEEN NATIONS, AMPLIFYING THE DIVIDE BETWEEN THE PRIVILEGED FEW AND THE VULNERABLE MANY."

All in all, the pandemic has underscored the importance for more policies catered to eradicating inequality. While inequality has always existed, the pandemic has shattered the mirror of ignorance and indifference that people held towards inequality. It has shown that a good standard of living, with access to basic necessities such as healthcare and stable employment, is not merely desirable but a vital necessity.

**-SHWETA KRISHNAN
TYBA ECONOMICS**



CLIMATE CRISIS AND ECONOMIC INEQUALITY

Climate change and economic inequality are among the most pressing challenges of our time, exacerbated by overpopulation and greed. Despite global efforts, these issues continue to intensify.

Climate change refers to long-term shifts in temperature and weather patterns, largely driven by human activity since the Industrial Revolution. The burning of fossil fuels—coal, oil, and gas—has significantly increased greenhouse gas emissions, trapped heat and raised global temperatures. Notably, emissions are closely tied to wealth: the richest 16% of the global population contribute nearly 40% of CO₂ emissions, while the poorest 60% account for less than 15%. Per capita emissions in the United States are approximately 20 metric tons of CO₂ annually—twice that of the European Union or China and nearly ten times that of India.

Economic inequality refers to the uneven distribution of income, wealth, and opportunity. The World Inequality Report 2022 highlights India as one of the most unequal nations, where the top 10% control 57% of national income, while the bottom 50% hold only 13%. Climate change further deepens this divide, disproportionately affecting the most vulnerable communities.

India's climate too has changed a lot in the past few years, with summers getting longer and winters getting shorter. India famously also has a pollution problem, where many cities in the North, and almost all of the Megacities are insanely polluted, with AQI over 120, (where 100 is considered to be 'safe').

This rise in temperature and air quality has very adverse effects on the economy and society. It can cause draughts, damaging crops and severely affecting the agricultural economy. It can cause distress migration, from one place to another. Climate change impacts lives on a huge scale, and causes the differences in quality of life to widen, giving us two polar opposite views of standard of living in our country.

As mentioned before, the farmers have bore the most direct impact of climate change. They have contributed the least to climate change, they bear the brunt of its effect. Delays in the monsoon's onset and unpredictable rainfall levels reduce crop yields and limit food supply. On the other hand, excess rainfall also causes significant crop damage. India has lost 70 million hectares of cropped area since 2015, mainly due to extreme rainfall events. Calamities like these lead to a spike in food prices, spurring food inflation. This is a nightmare for farm workers, who literally live off the land. They are forced to shift out of agriculture to off-farm work and take up jobs in public works programmes like those under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Similarly, for richer landowners, agriculture becomes unprofitable over time due to unpredictable weather conditions, leading to a decline in agricultural land value, and forcing them to diversify their investments and enterprises.



One more social class directly in the line of fire of climate change is- Daily Wage earners and workers in the informal sectors. Working in the extreme heat, they naturally fall ill. This leads to a loss of workdays. As these workers are paid daily, they are paid less, and eventually their standard of living drops- they get poorer. Due to this reason, output in manufacturing and construction declines. Having Air Conditioners in offices and factories can mitigate this heat stress, but these benefits are only limited to white-collar workers.



According to a study by Raavi Aggarwal in 2021 on 'How Climate Change Aggravates Consumption Inequality', it was seen that high temperatures, in relation to long-run averages, generate consumption losses for households dependent on agriculture or those engaged in the informal sector, particularly in rural areas. Households with members employed in the services sector exhibit an increase in energy demand and an overall increase in consumption expenditure. The effects, however, are unequal across the population. The top 1% of rural agricultural households display a 10% reduction in monthly consumption expenditure, while the top 1% of households employed in manufacturing or construction in rural areas experience a 21% drop in it. On the other hand, the top 1% of people employed in the services sector in urban areas experience a 7% increase in monthly consumption expenditure, primarily because of a rise in energy demand. Therefore, climate change-induced temperature rise leads to an increase in consumption inequality across the Indian population.

While we discuss about climate change mitigation, the question of allocating carbon budgets to individuals occupies centre stage. Recent studies show that the rise in greenhouse gas emissions in India is driven largely by the 10% of richest individuals, especially through their demand for electricity and private transport. Taxing these sectors can play a role in curbing excess energy consumption, reducing greenhouse gas emissions. Providing electricity sourced largely from renewable energy, and reducing the share of coal in the electricity generation mix, will also help us in this regard, even when the demand for energy rises in the coming decades.

To conclude, our world and our country are on the brink of a huge crisis, early signs of which can be seen by us now. This crisis makes us hungry, makes us miserable in the heat, makes the poor poorer, and drains the bank accounts of the rich (while ironically, many times the ecological balance is destroyed by businesses to boost their own profits). This increased inequality can be mitigated and even solved by collective social efforts towards the upliftment of the marginalised. The climate crisis, however, can not be solved until everyone, from people to corporations to governments, take charge to fight the destruction of climate often carried out by our own kind.



This study says that 70% of the Indian Population has experienced adverse effects of climate change over the past three decades.

Here, the Government has a role to play. They can run social protection programmes to prevent decline in consumption and social welfare. Temporary demand-driven work programmes can provide guaranteed incomes in rural areas while a targeted public distribution system can ensure the supply of foodgrains to households below the poverty line.

**-VEDANT JOSHI
SYBA ECONOMICS**

TECHNOLOGICAL DRIVERS OF ECONOMIC INEQUALITY

Economic inequality, the uneven distribution of wealth and income, has plagued societies for millennia. From ancient emperors like Augustus, who controlled a significant portion of the Roman Empire's wealth, to medieval rulers like Mansa Musa, whose gold holdings were legendary, history demonstrates a consistent pattern of wealth concentration at the top. This disparity persists today, and the rise of technology has introduced a new dimension to this age-old problem.

While technology has undoubtedly driven economic growth and improved various aspects of life, its impact on economic inequality is a growing concern. Data from the World Inequality Lab reveals that in 2021, the top 10% of the global population accounted for 52% of global income, while the bottom 50% held a mere 8%. This stark contrast echoes historical patterns of wealth concentration. The Human Development Report (2021/2022) further emphasizes the destabilizing effects of rising economic hardship and inequality, linking them to increased polarization, social unrest, and even armed conflict.



Furthermore, technological innovation in developed countries enables the creation of high-value, technology-intensive products, while their scarcity in developing countries leads to higher profits for developed nations, further widening the income gap. This combination of individual skills, sectoral dynamics, and international production shifts demonstrates that technological innovation, while essential for economic growth, simultaneously widens the gap between the haves and have-nots, requiring careful consideration and proactive policy responses for a more equitable distribution of its benefits.



ECONOMIC GROWTH, TECHNOLOGICAL INNOVATION AND INEQUALITY

Economic growth affects the relationship between technological innovation and inequality differently in developed and developing countries. In developed countries, economic growth actually worsens the inequality caused by technological innovation. This happens because the advantages of economic growth and new technology often end up in the hands of a few, leading to a greater concentration of wealth. This also creates a shortage of skilled workers, partly due to aging populations and a workforce less adaptable to new industries (Iwaisako, 2009). Furthermore, developed countries often use technological barriers, like strong patent laws, to maintain their economic edge. While these barriers protect some companies, they can also stifle competition, leading to market dominance by a few (Antonelli and Gehringer, 2017). This lack of competition can prevent newer, more innovative companies from emerging, ultimately keeping inequality high.

On the other hand, economic growth in developing countries tends to lessen the link between technological innovation and inequality. This is largely because growth drives industrialization and modernization, creating jobs and income for many people, which in turn reduces inequality.

Regional and international cooperation is crucial. Sharing expertise, funding cross-border infrastructure (like leveraging existing infrastructure for broadband expansion), and supporting global mechanisms like the UN Technology Facilitation Mechanism are essential for bridging the digital divide. Anticipating technology's impact on jobs through sectoral studies and preparing workers via education and social protection policies is also vital. Ultimately, inclusive technology and innovation policies, driven by national priorities and involving diverse stakeholders, are key to ensuring technology benefits everyone and doesn't exacerbate inequalities. This requires investment not just in technology itself, but also in the skills, infrastructure, and policies that enable broad participation in the technological revolution.



CONCLUSION

In conclusion, technology's relationship with inequality is multifaceted, offering both opportunities and risks. While technology can drive growth and improve access to services, it can also worsen existing inequalities, especially with frontier technologies like AI. The persistent digital divide, particularly limited broadband access in developing regions, is a key obstacle. Addressing this requires tailored strategies. Advanced economies should manage technological transitions' impact on jobs and wages through reskilling programs, anticipate disruptions, and address wealth concentration via stronger competition laws and worker/consumer protections. Less technologically advanced countries should prioritize building technological capabilities by adopting and adapting existing technologies, focusing on learning from trade and investment, boosting productivity, and supporting domestic firms.



BOOK REVIEW

BOOK REVIEW

NAKED ECONOMICS- UNDRESSING THE DISMAL SCIENCE

PUBLISHER: W.W. NORTON & COMPANY

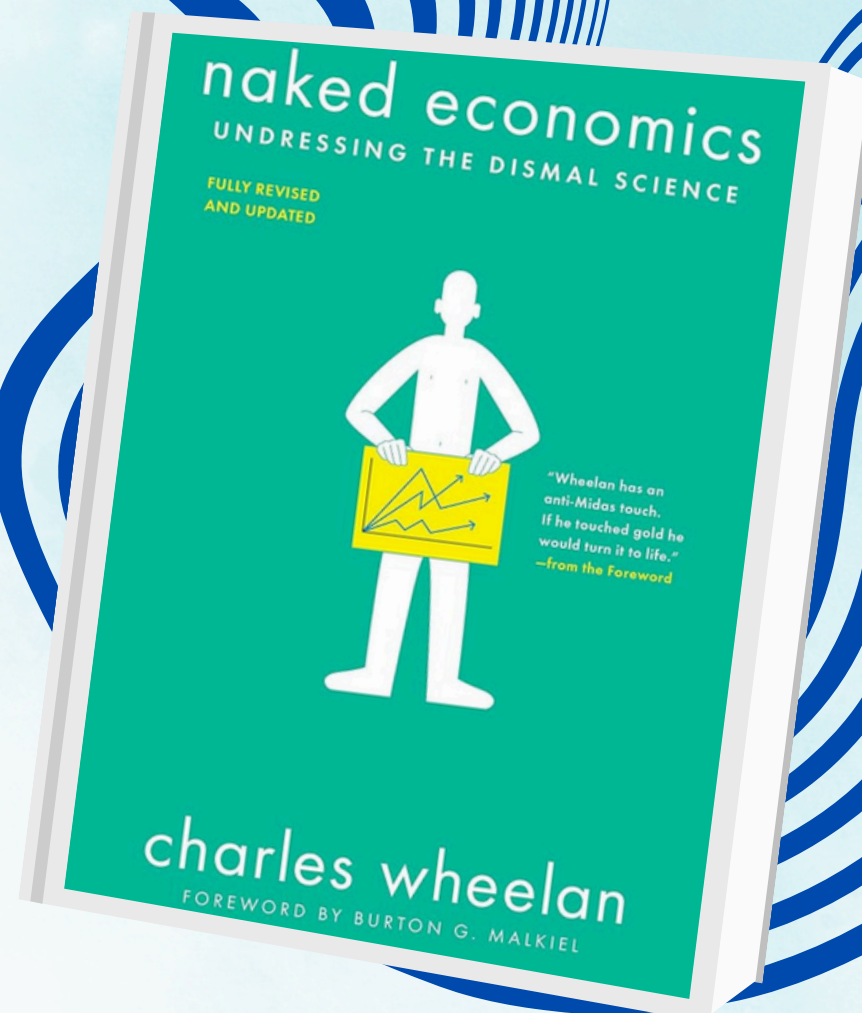
YEAR OF PUBLICATION: 2002



“Naked Economics- undressing the dismal science” by Charles Wheelan (foreword by Burton G. Malkiel) has been on my to-read list for a long time since I saw someone’s comment on YouTube saying that this book made them “fall in love” with Economics. So I thought this was the perfect time to read this book.

I think the book is very beginner friendly. Every student who has no clue where to start their economics journey should read this book. This book doesn’t complicate things and explains economics in the easiest way possible. The book uses relatable example to easily convey complex theories in a simpler manner. This book reminds me of the book “Microeconomics” by Austan Goolsbee we used as reference in college, as it has great examples too.

The book begins with an interesting case study of Coca-Cola™ and how it used the market for its advantage during the time of crisis, it further goes into details about the power of the market and the invisible hand. The author explains that markets are efficient because they allocate resources to where they are most needed, based on people’s willingness to pay. I like how the author doesn’t just sing the praises of free markets, he also talks about market failures and why they happen, setting up the reader to understand that while markets are powerful, they’re not perfect. This balanced view makes it clear that economics is about understanding trade-offs and complexities.



The second chapter is about incentives, incentives are a fundamental part of economic because they influence people's decisions. I learned that both positive and negative incentives can motivate behaviour, but they can also lead to unexpected results. For example, if a policy has the wrong incentives, it can encourage people to act in ways that are harmful or counterproductive. In the first few chapters he talks about the principles of microeconomics as we have learnt in college. This book helped me grasp the concept I've already learnt much better.



The real-world examples make you realize economics isn't just about graphs and equations, it's about everyday life. The book covers everything from the power of incentives and the importance of human capital to the role of government and globalization.

The part I enjoyed the most were all the rhetorical questions asked in between, it helps you engage with the book and also at times makes you stop and wonder. The quirks and ways of predicting the reader's mind makes even a non-economic-enthusiast want to keep reading the book. I also like how the author brings out the flaws and irony within our economic system with a sense of humour; For example, when he talks about incentives, he doesn't just throw in abstract concepts. He brings in real-world scenarios, like why some teachers might cheat on standardized tests. Such stories make the economic principles click in a way that's memorable and easy to understand.



There are no supply and demand, mathematical, or other graphs in this book, only clear, concise, and comprehensible language that anyone can understand. Which makes it different than regular textbooks we use in colleges. Economics is explained in layman's terms, making this book absolutely perfect for a beginner. I think every economics student should read this book.

In the end, "Naked Economics" leaves you with a broader understanding of how the world works and a toolkit for thinking about issues like poverty, health care, and education through an economic lens. It's a book that's not just educational but also empowering, giving you insights that you can apply in everyday conversations or decisions.

**-TWINKLE DAVID NADAR
FYBA**

WHY NATIONS FAIL

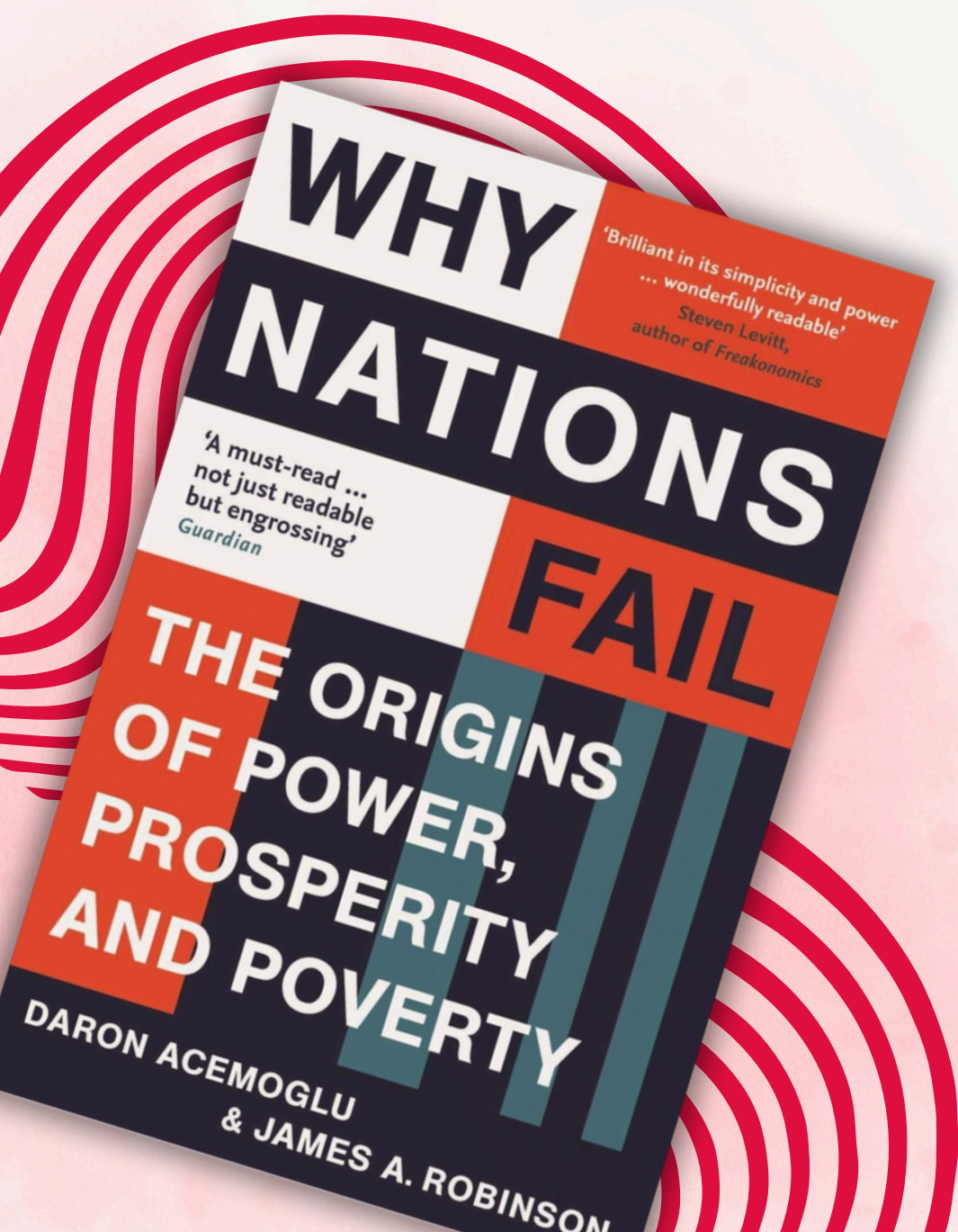
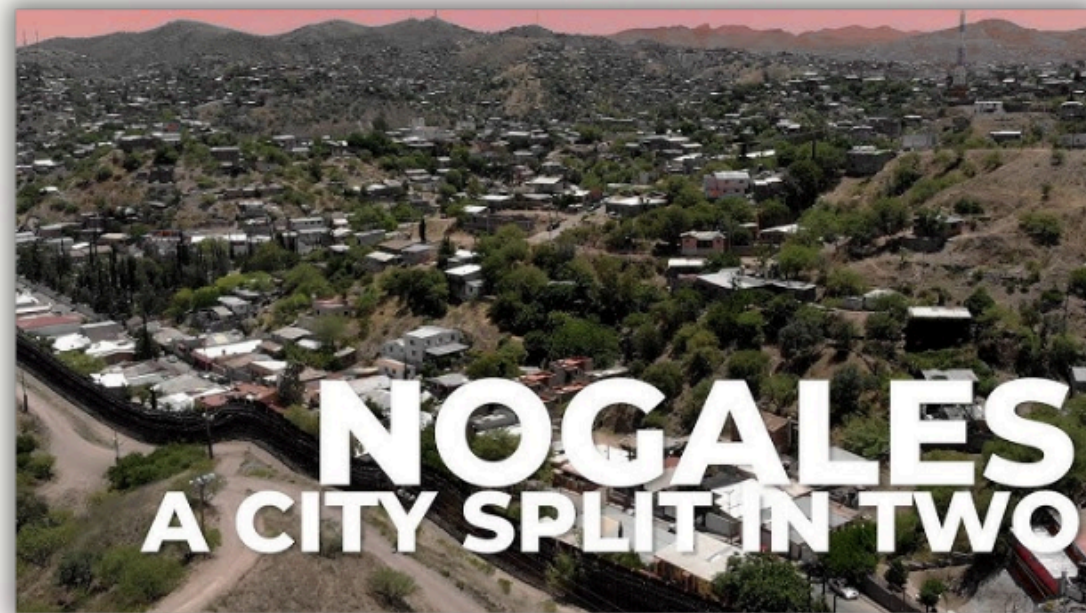
– THE ORIGINS OF POWER, PROSPERITY AND POVERTY



~ DARON ACEMOGLU, JAMES A. ROBINSON
CROWN PUBLISHERS, 2012

The central premise of the book is this: that it is political and economic institutions – and the corresponding incentives that they offer – that determines the level of prosperity of a nation. Most of the book renders facts, arguments and claims that reinforce and back up this claim. The authors argue that other theories that attempt to explain global inequality don't present a convincing case and fall short of the mark. To highlight this, they present the curious case of the town of Nogales. Its upper part has three times the income of the lower, with better access to public services, wide – ranging economic and political rights and a much higher standard of living. This is in spite of the fact that they have the same geography, climate and culture. The only difference is that the upper part of the town lies in the US, while the lower part is in Mexico, both being separated by a simple fence. Hence, they are subject to different institutions.

The geography hypothesis, which claims that the tropics are poorer because of the prevalence of diseases like malaria that impact health and labour productivity and poor soil quality that hampers agricultural output can't explain the rapid economic rise of many tropical nations today – like Singapore. The culture hypothesis that advocates that poorer countries generally tend to have cultures that are inimical to economic growth also falls apart in cases such as North and South Korea, which share the same culture but have vastly different levels of prosperity. It is actually institutional differences that bring about divergences in culture and agricultural output, as a result of the prevalence of differing incentives.



The authors explain how inclusive institutions – those that protect property rights, ensure the rule of law and promote political inclusivity – foster economic development such as in the US and UK, while extractive institutions – those where political and economic power is concentrated in the hands of a narrow elite – hinder growth, such as in Zimbabwe. Growth under an extractive system is possible, but is limited, as seen by the Soviet Union, which saw good economic expansion between 1930 -70 but then went on to collapse. This is also the reason why China, where political exclusivity has been combined with partial economic inclusivity, may face an uncertain future in the coming years.

The authors also emphasize the role of history – how major historical events and accidents can either make or break a nation. Revolutions in the UK (1688), US (1783) and France (1789) brought about a change towards more inclusive modes of governance which facilitated their path towards prosperity. Meanwhile, the revolutions that took place ubiquitously in many Latin American nations in the 19th and 20th centuries as well those in many African nations in the 20th century and the recent Arab Spring in the 21st century, merely transferred power from one ruling elite to another without changing the essential distribution of political and economic power, often exacerbating prevailing crises and creating poverty. And once some system of institutions takes root in a nation – whether it is inclusive or extractive – it tends to perpetuate for long periods of time in either virtuous or vicious cycles. This is because the leaders and politicians of a nation are constrained by the institutional framework they inherit, making change difficult. This has resulted in long - lasting patterns of global inequality.

If any fundamental change is to occur, it must first be in the political institutions of a nation, for it is the distribution of political power that creates inclusive or extractive economic institutions. Inclusive institutions enable creative destruction, where outdated technologies, practices, or industries are replaced by more efficient ones. While this disrupts the status quo, it fuels economic progress. Extractive institutions, however, resist creative destruction to protect entrenched elites, stifling growth. This was especially true in the case of the Industrial Revolution – where the countries where institutions were comparatively more inclusive pioneered innovation and the adoption and application of new technologies, greatly enriching themselves in the process, while those nations with extractive institutions failed to do so – hence not reaping the subsequent benefits.



This is why foreign aid and external interventions rarely succeed in fostering development in nations with extractive institutions. The authors argue that systemic institutional change, rather than external assistance, is necessary for long-term development. Hence, while inclusive institutions are the key to fostering economic development, the process of building them varies across nations due to their unique historical and social background. There is no one – size – fits – all solution to eradicating inequality and poverty. What is the need of the hour is to create inclusive institutions with tailor made approaches specific to a nation’s unique context.

The book was written in remarkably lucid language which helped me understand the various theories, hypothesis and facts much more clearly. I gained a deeper understanding of the roots of global inequality and what form its possible solutions – however hard they might be to implement – might take.

-SWAYAM A. KANE
SYBA , ECONOMICS

'EXPLORING THE FRONTIERS OF ECONOMICS' AN INTERVIEW WITH PROF. ALEX M. THOMAS



Professor Alex M. Thomas, of Azim Premji University, delivered a guest lecture on "Growth Theories: A Critical Perspective" at SIES on November 29, 2024. The lecture was followed by an interview with second-year BA Economics students Conan Dsouza, Vedant Joshi, and Joan Jose, members of the department's editorial team. Professor Thomas, whose economics education spans Madras, Hyderabad, and Sydney universities, has published extensively in national and international journals.

Joan: "The history of economic thought often reveals debates across and within paradigms, rather than a single consensus. Could you share your thoughts on how such debates contribute to the progress of economic thought and the development of new theories?"

Prof. Thomas: "One should look at how economics has historically changed; 'evolved' is probably a very strong word. We've had classical economists starting from Adam Smith's *Wealth of Nations*, then we had Ricardo, Malthus and Marx, then in the 1870's there is a big divide with W.S. Jevons, Alfred Marshall and Leon Walras. When we look at the economics textbooks today, one will notice that most of the ideas are taken from Marshall, Jevons and Walras and not a lot from Smith or Marx. So how is it that Economics has evolved? I think the best way to look at it is, to accept the fact that all those schools of thought have been evolving through debates. However within economics there is something called 'the Mainstream', but that mainstream has been occupied by Marginalist economics. So in short, we can't really look at the history of economics in a 'linear manner', rather we need to view various economic ideas as originating as a consequence of internal debates within a paradigm as well as debates across paradigms."

PROF. THOMAS:

Prof Thomas: “When we look at Adam Smith’s growth theory he gave importance to division of labour, which is reflective of labour productivity or technology. He also gave importance to ‘extent of the market’ which is suggestive of a demand notion. Lastly, he gave importance to savings and investment (i.e., capital accumulation). Robert Solow got the Nobel Prize for providing us with a “Theory of Growth” which says that ‘Growth of labour and technology are important’. What is it that Solow is telling us that we did not know from Adam Smith? One answer to this question would be that the ‘theoretical framework’ is different, it’s based on Marginalist theory of value, constant returns to scale, etc. So, the method, or the ‘Clothing’ of the theory is different. But the fundamental idea is the same. When we think of old or new ideas, we must also think about the paradigm, because *‘what may be counter-intuitive in one paradigm, may not be counter-intuitive in another paradigm’*.”

Vedant: “You’ve mentioned that the history of economic thought is far from linear, with ideas sometimes being forgotten or brought back. How can understanding this help students approach current economic problems in a more thoughtful and critical way?”



Joan : “We take different schools of thought and different approaches, so on what grounds do we say one is right and one is wrong?”

PROF. THOMAS:

“I believe that this an important question to ask, but I think we might need to reflect on what we mean by ‘outdated’, because ideas in a certain way might not be outdated. During the 2007-8 financial crisis there was a revival of Keynes, Kalecki and Marx. Because crisis is not part of ‘Mainstream economics’. Also, with a certain movement in feminist economics, there is a revival of women’s economic thought. Again, with what’s happening to the environment, we go back to Gandhi, Kumarappa, the so to speak, Eastern ideas; people even go back to Khaldun’s ideas. So, I believe that we cannot claim anything as outdated, because ‘we don’t know’ and that is why preserving these historical ideas is imperative. Although, a lot of times, we may not agree with these ideas. Why? Because, the logic may be inconsistent, the assumptions are unrealistic, or that the policy conclusions that a particular idea provides is different from one’s political standpoint. So disagreeing is fine, but to say that something is useless or irrelevant or in our case ‘outdated’ is a gross exaggeration.”



Vedant: “Given your experience teaching economics, how do you encourage students to appreciate the relevance of historical economic ideas in a world that often prioritizes modern theories?”

PROF. THOMAS:

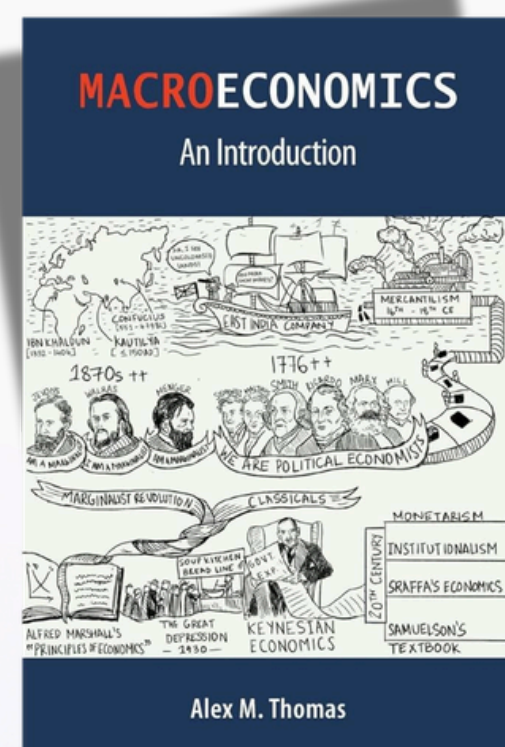
Great question! Although it's a bit difficult to answer. One method of encouraging students to appreciate the relevance of HET, is to let the students see 'what's at stake'. For instance, let's take Marx, whose theory I discuss in class; he provides us with an account of price, economic growth and crisis. And the question I ask in the exam is: “Why is Marx not taught in microeconomics?” Well, if microeconomics is about theory of price, but we are only exposed to ideas of Marshall's and Walras's theories of price and we are not exposed to any other theory, it doesn't matter if we agree on the theory or not, but exposure to different ideas has been lost. But if we commit to teach students multiple schools of thoughts, they can choose, and also synthesize. Many people have synthesized Marxian ideas with the mainstream. Also mainstream 'policy' doesn't really get out of the Marginalist school of thought and then it's the same people who then get flabbergasted over the global financial crisis of 2007-8 as they have no theory of crisis. Even when there exists theories of crisis outside mainstream economics, most of the students are not exposed to it. So, in my opinion these types of questions are valuable, because it makes them realise that there is something at stake.

Conan: “In your book *Macroeconomics: An Introduction*, you introduce an alternative approach to understanding macroeconomics. Could you explain how this approach differs from mainstream theories?”

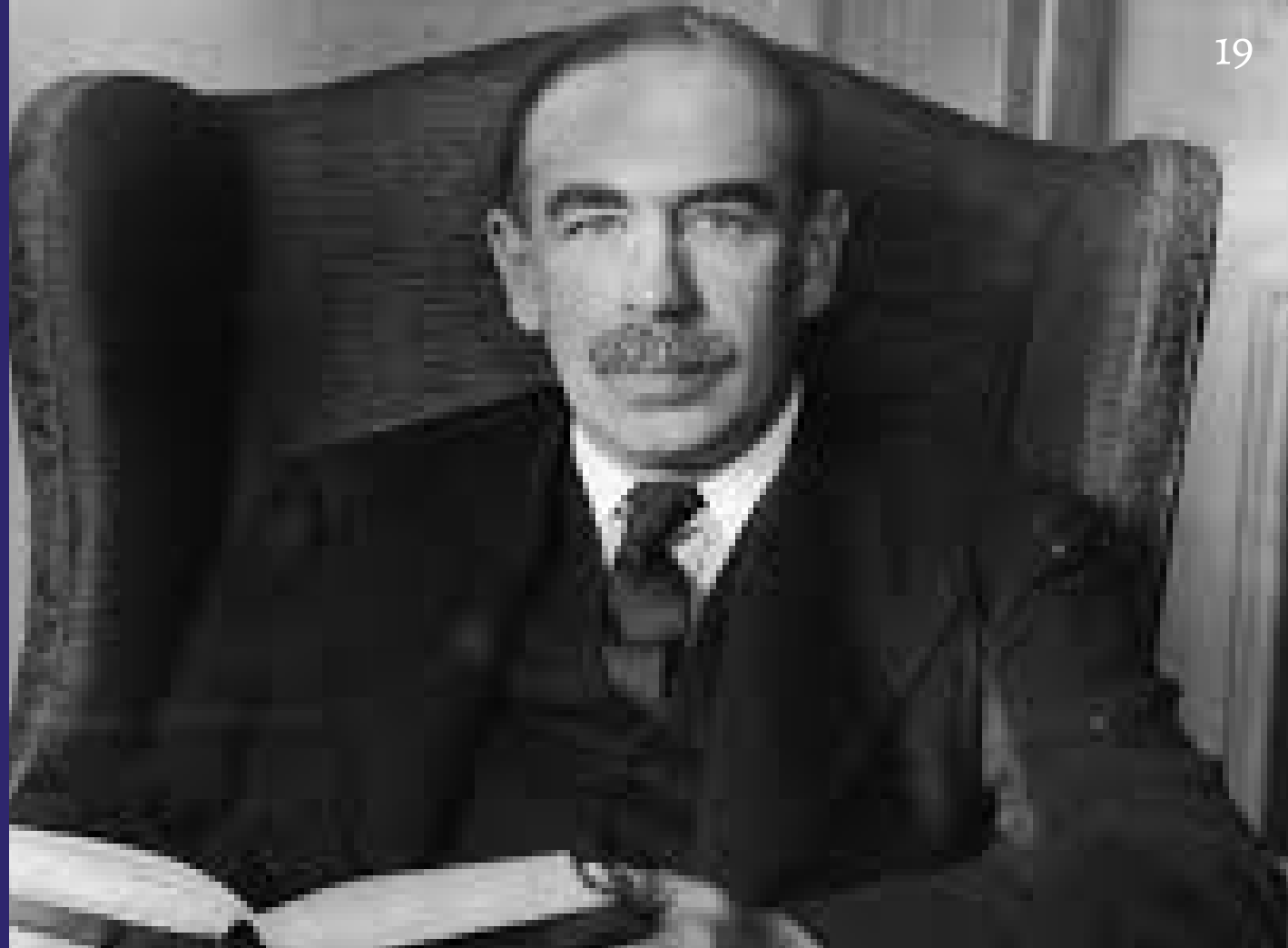
PROF. THOMAS:

I wanted students to have a historical, critical understanding which is not narrowly application based. For example, the question is not ‘What is the value of the multiplier when the value of Marginal Propensity is 0.2?’, but rather to ask more broader questions which relate to ethics, philosophy, history and economics itself. What I do with my book is to show that there is a mainstream, which I believe has certain problems and then provide an alternative view from the classical political economy paradigm. And then show how this (the alternative) is superior. And then talk about its application to the Indian context. But when applying one needs to be very careful because the Indian context is very different. But I do provide some general principles how it may be applied, rather than stating specifics.

Another way in which my book differs is, generally textbooks are written in a way which puts the author as an authority and the reader as someone who would ‘have’ to accept the information provided in the book. It is either too simplistic, or its too complex that one can’t understand certain ideas from the book. So, the way in which I have written the textbook, is to talk directly to the reader, therefore, the accessibility and the language itself is constructed that way. I think my way of writing it so that I directly speak to the reader is important. Because, it enables flexibility for the student to not only think according to the book, but also in their own ways, allowing different ideas to emerge.



"In the long run,
we are all dead."
– John Maynard
Keynes

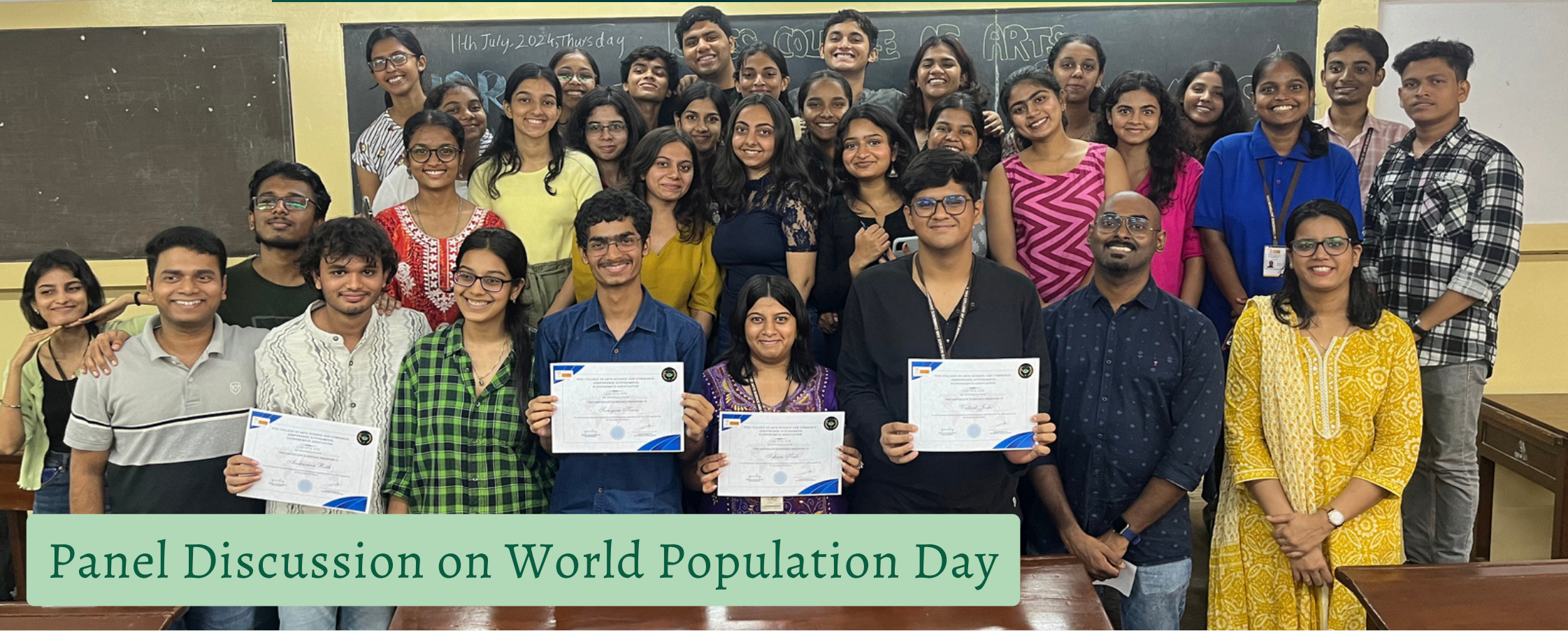


Conan: "In your view, how does studying the history of economic thought (HET) improve our understanding of current economic issues?"

PROF. THOMAS:

Let's say one wants to become a CEO or an entrepreneur for which one needs to have big ideas. So, if you take a look at any of the big entrepreneurs, there is always something called as 'vision'. Now vision cannot come from simple application alone, it comes from a lot of experience, reading, broad engagements, and not only from history of economic thought. But what I am trying to say is that it requires a certain kind of engagement that is not narrow. To create a broader idea about something, like how the CEOs do - pick out ideas that are out of the box, in order to stand out. To create, to combine different ideas or dive into such spaces, I think History of Economic Thought is important. The most popular misconception that people have about history in general is that it's all about remembering names and dates, but rather it's about critically thinking about how we can connect historical events to the present, to make sense of intellectual and historical debates, to compare two different time periods, or just create a different idea altogether. Now we take a look at curriculum, it teaches us as if the ideas are static. Rather I believe if History of Economic thought is taught in a competitive way, we can challenge this static view and bring debates and disagreements to the centre. And it is imperative to do so, because the core of economic research is debate.





Panel Discussion on World Population Day

On June 18, the Economics Association hosted its first event of the academic year—a panel discussion on ‘World Population Day’, themed “Leave No One Behind, Count Everyone.” The discussion explored key population issues such as fertility rates, dependency ratios, urbanization, and migration, drawing diverse student insights. Panelists Anshuman, Suhani, Vedant, and Swayam offered unique perspectives: Swayam highlighted the impact of overpopulation on healthcare, citing India’s COVID-19 crisis, while Anshuman examined fertility challenges in developed nations, emphasizing that resource mismanagement—not population growth—is the core issue.

Vedant discussed brain drain and migration in relation to international trade and taxation, and Suhani addressed gender disparities, focusing on the persistent pay gap and harsh working conditions for women. The debate also raised ethical concerns over forced sterilization and examined strategies to sustain population growth without lowering fertility rates. Dr. Shaifali Ma’am assessed the panelists’ insights, and Dr. Sampath Sir provided a thoughtful summary. As the inaugural event of the academic year, it set the stage for engaging and encouraging discussions—not only on economic issues but on all fronts—energizing the student community for the months ahead.

ALUMNI TALK BY MS. REVATHY RAMACHANDRAN



The Alumni Talk by Revathy Ramachandran on 26th July 2024 was an engaging and insightful session that helped students gain clarity on their academic and career paths. Organized by the Economic Association, the event emphasized the importance of internships, skill-building, and active participation in student bodies for professional growth. Revathi shared her personal experiences, offering practical advice on building a strong resume, preparing for entrance exams, choosing the right college, and securing meaningful internships. She highlighted how internships provide hands-on experience, bridge the gap between academics and industry, and enhance career prospects. The interactive session allowed students to ask questions, seek guidance, and gain valuable insights, making it a truly enriching experience.



PRARAMBH: ALUMNI TALK AND INDUCTION CEREMONY

The Department of Economics at SIES College, Sion (W), hosted "Prarambh" on 6th August, featuring an Alumni Talk and the Induction Ceremony of the Economics Association for 2024-25. The event started with a lamp-lighting ceremony, focusing on career paths in economics and formally inducting the new association members.

Alumni speakers Regha Parmeswaran (Batch 2019-2020) and Divya Muthukumar (Batch 2020-2021) delivered insightful speeches about career opportunities and higher education in economics, followed by a Q&A session with students. Both were honored by Dr. Shruti Pandey, Head of the Economics Department.

The induction ceremony introduced the heads of different portfolios, who received association T-shirts from chairman Sampath Sambasivan. The event concluded with enthusiasm and motivation for participants.



GUEST LECTURE BY PROFESSOR ALEX THOMAS

The guest lecture on "Growth Theories: A Critical Perspective" was held on November 29, 2024, at Room No. 16, SIES College, Sion (W). The session aimed to offer students and economics enthusiasts a comprehensive understanding of growth theory, with a special focus on demand-led growth. Dr. Alex M. Thomas, an esteemed Associate Professor of Economics at Azim Premji University, led the lecture. The session delved into critical perspectives on various economic growth theories and their real-world implications. Dr. Thomas provided valuable insights into the role of demand in driving economic growth, challenging traditional views. The lecture was designed not only to enhance the participants' knowledge of economic growth but also to encourage them to critically engage with these concepts. The target audience included economics students and association members, with an estimated attendance of 50-60 participants, all benefiting from the deep expertise shared during this enlightening event.



A.D. SHROFF ELOCUTION COMPETITION

The 58th A.D. Shroff Memorial Elocution Competition The Department of Economics organized the 58th A.D. Shroff Memorial Elocution Competition on November 14, 2024, at the Mini Auditorium, SIES Sion (W). The event aimed to enhance students' public speaking skills while engaging them in critical economic and societal issues. Participants delivered a five-minute speech on a given topic, demonstrating their understanding and presentation skills. The competition was judged by:

1. Dr. Shaifali Kumawat – Assistant Professor, Department of Economics
2. Ms. Vaidehi Raut – Assistant Professor, Department of Economics
3. Ms. Prachi Vaidya – Assistant Professor, Department of English

The winners were:

- 1st Place: Swayam Kane
- 2nd Place: Tanmyi Anthwal
- 3rd Place: Krishnan Anicode

Dr. Shruti Pandey (HOD, Economics Department) awarded certificates and prizes to the winners. The event saw enthusiastic participation, encouraging students to develop confidence and articulate their thoughts effectively. No external funding was involved.



MEGHNAD DESAI SEMINAR ON TECHNOLOGICAL DISRUPTION AND THE FUTURE OF WORK IN INDIA

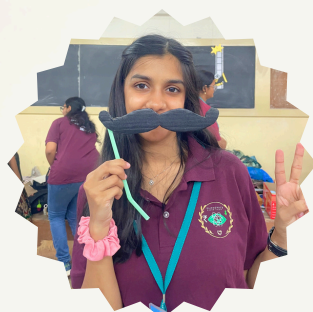
The Meghnad Desai Academy of Economics, in collaboration with SIES College of Arts, Science & Commerce (Empowered Autonomous) in Sion, hosted an in-person seminar on "Technological Disruption & the Future of Work in India." This insightful event took place on December 12, 2024, at 10:00 AM and explored the evolving landscape of employment in the face of rapid technological advancements.

The keynote speaker for the session was Dr. Shreshti Rawat, a faculty member at MDAE, who shared her expertise on how technology had been reshaping industries, skill requirements, and employment patterns in India. The seminar aimed to provide students and professionals with a deeper understanding of the challenges and opportunities that lay ahead in the workforce. This event proved to be an engaging discussion for those eager to stay ahead in an era of digital transformation. Attendees gained valuable insights on adapting to future job markets and leveraging technology for career growth.

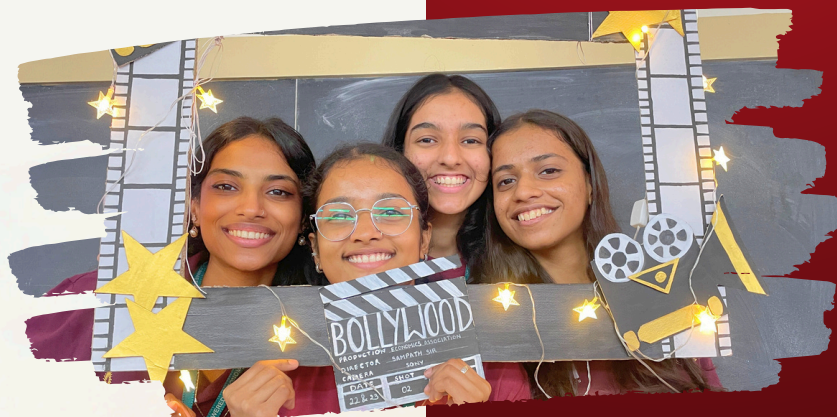
UTKARSHA EXHIBITION AND DABBAWALA CHALLENGE



Utkarsha is the Grand Departmental Fest in SIES College of Arts Science and Commerce, in which all the departments in the College take part in. The Economics Department presented Econagari, the celebration of Economics, and the city of Mumbai. This fest was held on 22nd and 23rd December, 2024. It consisted of a brilliant exhibition about the Economy of Mumbai. It showcased various industries which Mumbai houses, and how the existence of so many industries flourishing in a single city shapes the lifestyle there. Various industries like fisheries, cotton mills, the famous Dabbawalas, the film industry (Bollywood), and the numerous mills which used to exist in Mumbai once upon a time. The exhibition truly showed the attendees how Mumbai is The Financial Capital of India.



This insightful exhibition was accompanied by a realistic replica of the City of Mumbai. The replica showcased important landmarks in Mumbai, and highlighted the significant financial institutions in the city. The Bombay Stock Exchange was the main highlight on the replica. The fest also hosted a number of stalls set up by the students. The stalls included a Vadapav and Chai stall, exuding the perfect Mumbai vibe, a cupcake stall, and a stall selling the artworks made by a student of the college. These stalls were greeted with lot of appreciation, and were loved by the attendees. The Vadapav stall, particularly, was a superhit.





ECONAGRI

PURA SCENE SET HAI. ECONOMICS PERFECT HAI!

THE GAME

The fest also featured a number of games, most notably the Dabbawala Challenge, and the Jenga game.

The Dabbawala Challenge was a reverse scavenger hunt, where in the a team participants will be given a 'Dabba' or a box, and they had to deliver it to a person described by the clue in the Box. The team which delivered all the Dabbas the fastest, won the challenge. The purpose of this game was to show how important the Dabbawalas are to the delivery ecosystem of Mumbai, and to throw a light on their effectiveness and efficiency.

The Jenga game was well received as well, where the participants who won the game won coupons that they could trade in for items at the stall.

The day one of the Econagari Fest was a HUGE success, where a whopping 380+ participants attended the fest. It was an amazing success.

SESSION ON 'CRAFTING AN EXCELLENT PERSONAL STATEMENT' IN COLLABORATION WITH ECONOMICS CLUB OF MUMBAI



On January 22, 2025, at 9:00 AM, the Economics Association, in collaboration with The Economics Club Mumbai, hosted a session on "Crafting an Excellent Personal Statement" with Ms. Palak Behl, an International Officer at King's College London. Ms. Behl introduced us to King's College London before diving into the importance of an SOP, explaining its purpose, key elements, and structure. She shared two essential techniques—the CAR approach (Context, Action, Result) for impactful storytelling and the ABC rule (Accuracy, Brevity, Clarity) for precise writing.

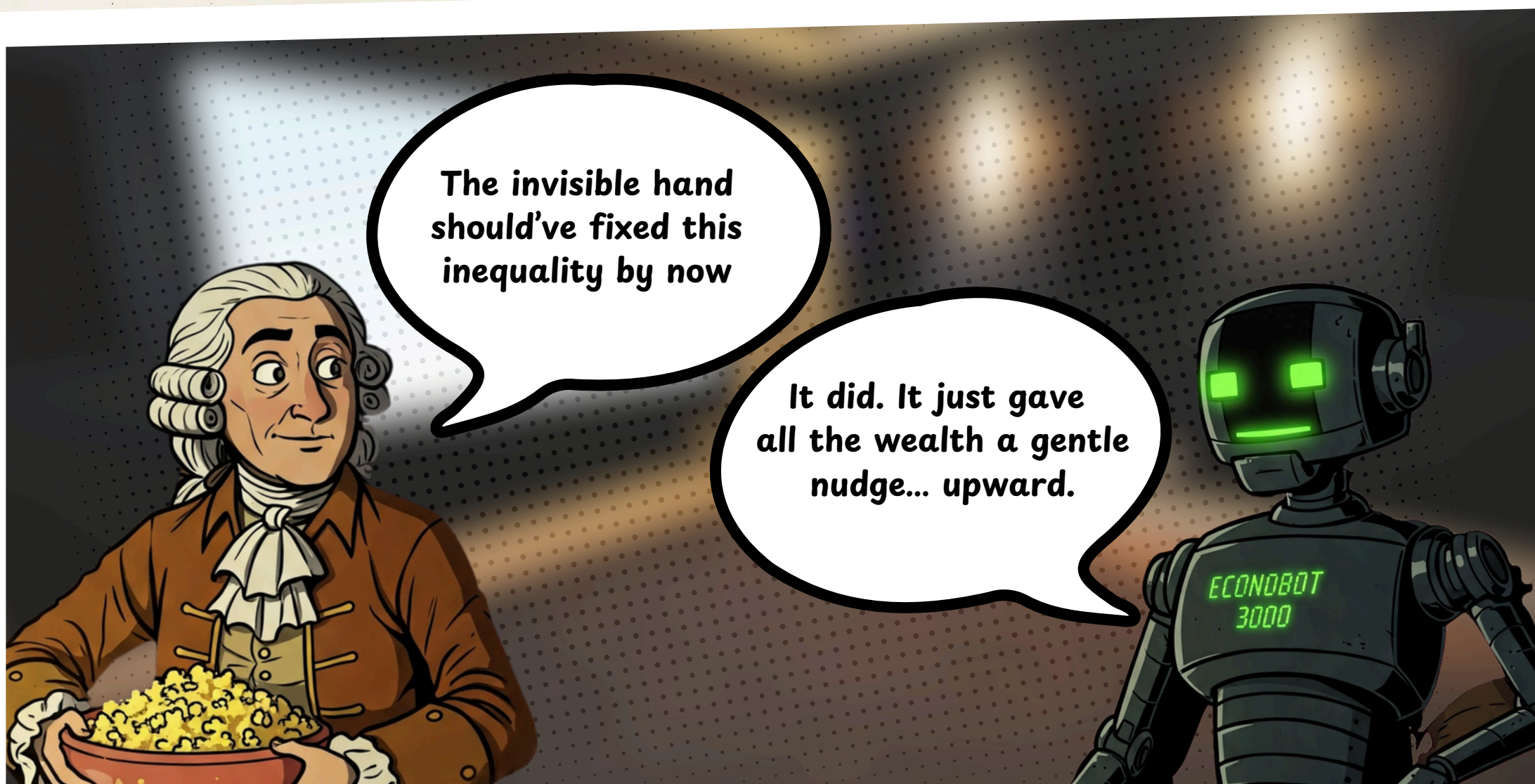
She also emphasized aligning course choices with long-term goals and the value of strong professor relationships for recommendation letters. The session concluded with a vote of thanks, leaving us with valuable insights on crafting a standout SOP.



COMIC SECTION

THE INVISIBLE HAND MEETS MODERN INEQUALITY

What happens when the father of modern economics, Adam Smith, takes a seat on the couch in today's world of extreme income inequality? Welcome to the Invisible Hand's Midlife Crisis, where the legendary philosopher teams up with the sarcastic EconoBot 3000 to re-evaluate his economic theories in the age of billionaires, unbalanced markets, and ever-widening wealth gaps.





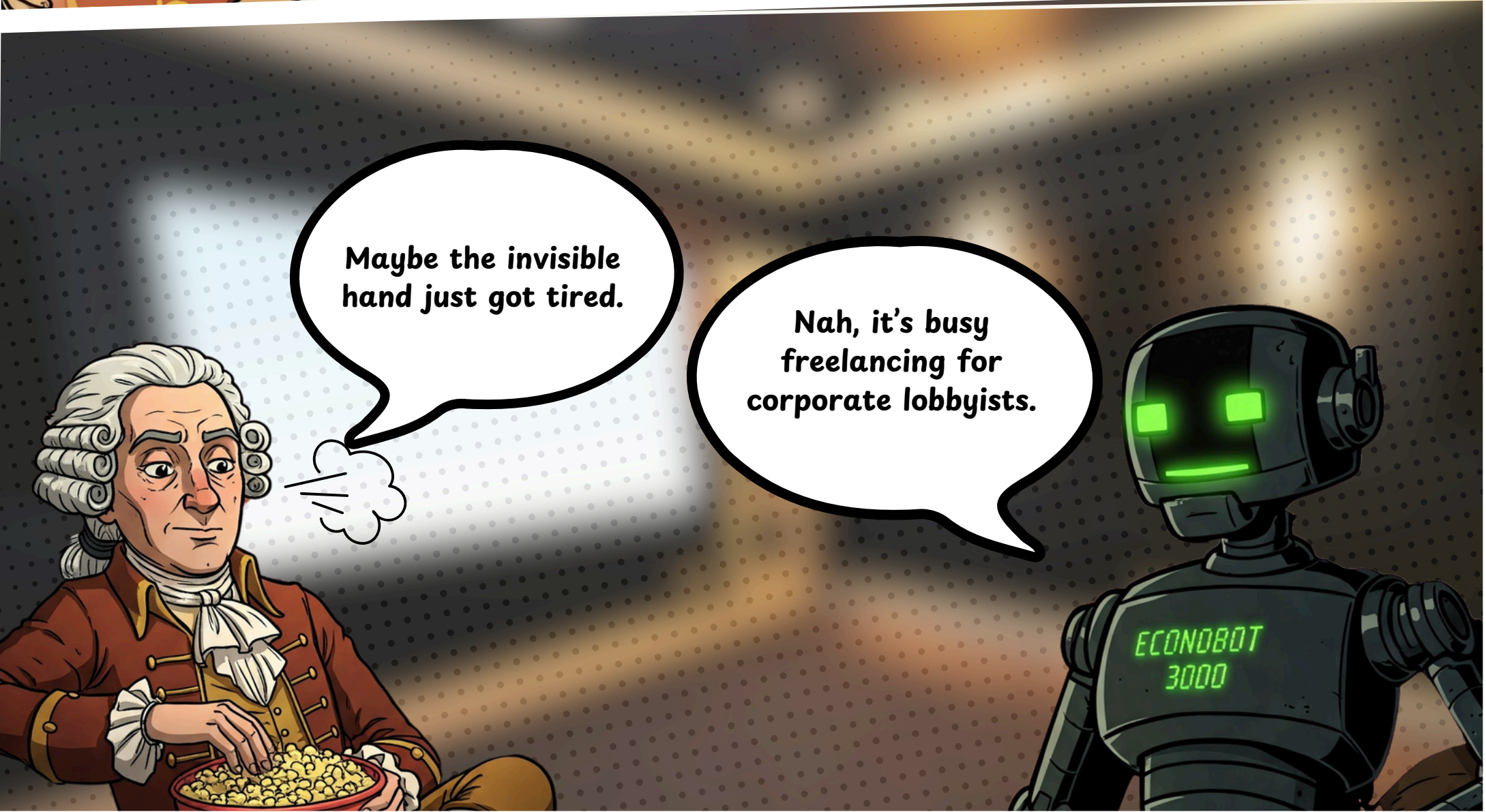
My book was called
The Wealth of Nations,
not The Wealth of a
Handful of Guys

Oops. Must've been a
typo in real-world
economics



Healthy competition
should balance the
market.

It does—like a seesaw
with one billionaire on one
side and everyone else on
the other



Maybe the invisible
hand just got tired.

Nah, it's busy
freelancing for
corporate lobbyists.

Economics Association (2024-2025)



The journey and hard work behind this newsletter has been a memorable one so far. I'm very excited to see what the newsletter team has come up with, their interest and enthusiasm has been contagious and I can't wait to read it!

**-Pauravi Joshi
(Secretary)**

The creation of this economics newsletter has been a labor of love, fueled by the team's hard work and infectious enthusiasm. I'm so excited to delve into their insights and perspectives – I know they've poured their hearts into it.

**-Anshuman Rath
(Joint-Secretary)**



"From brainstorming to the final design, this newsletter was a journey of creativity and collaboration. Grateful for the teamwork that made it possible!"

**-Janice Gonsalves
(Design Head)**



"Where imagination meets collaboration, amazing things happen... like this newsletter, a true reflection of our team's creativity, passion, and dedication!"

**-Nirva Chheda
(Design Head)**



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Special Thanks

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