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CONTENTS

AGRICULTURE	1-2
DEMOCRACY	3
HEALTH	4-6
MACROECONOMICS	7-8
MONETARY POLICY	9
MONETRY POLICY	10
POLLUTION	11-13
TEXTILE	14
URBANISATION	15-16

AGRICULTURE

1. Mishra, J P

Agro-industries to increase farmer's income.

KURUKSHETRA, 2019 (December): 5-8

The author is former Adviser, NITI Aayog.

The agro-industries are getting even more important in view of very impressive growth in high value commodities alongside rising income in recent years. It has larger scope for acceleration in future given the thrust on doubling farmer's income. With the corporate sector keen on investing in agribusiness to harness the emerging opportunities in domestic and global markets, time is opportune for reforms that would provide healthy business environment for this sector.

** AGRICULTURE.

2. Sunny Kumar and Sidana, Baljinder Kaur

Impact of climate change on the productivity of rice and wheat crops in Punjab.

ECONOMIC AND POLITICAL WEEKLY, 54(46), 2019(23rd November): 38-44

The seasonal trends in climate variables and their impact on rice and wheat yields in Punjab are assessed using daily data of temperature and rainfall by district from 1986 to 2015. A significant rise in mean temperature is observed in both the rice- and wheat-growing periods. Rainfall during the rice-growing period has decreased 7% annually over the past 30 years. Significant climate change will lower the rice yield by 8.10% by 2080 and wheat by 6.51%. To mitigate the effects of climate change, it is necessary to adopt climate-resilient crop choices and irrigation practices and technologies.

** AGRICULTURE.

DEMOCRACY

3. Bazzi, Samuel, Arya Gaduh, Alexander D. Rothenberg

Unity in diversity? How intergroup contact can foster nation building.

AMERICAN ECONOMIC REVIEW, 109(11), 2019(November): 3978-4025

We use a population resettlement program in Indonesia to identify long-run effects of intergroup contact on national integration. In the 1980s, the government relocated two million ethnically diverse migrants into hundreds of new communities. We find greater integration in fractionalized communities with many small groups, as measured by national language use at home, intermarriage, and children's name choices. However, in polarized communities with a few large groups, ethnic attachment increases and integration declines. Residential segregation dampens these effects. Social capital, public goods, and ethnic conflict follow similar patterns. Overall, our findings highlight the importance of localized contact in shaping identity.

** DEMOCRACY.

HEALTH

4. Agarwal, Nikhil, i Ashlagi, Ita, Eduardo Azevedo,

Market failure in kidney exchange.

AMERICAN ECONOMIC REVIEW, 109(11), 2019(November): 4026-4070

We show that kidney exchange markets suffer from market failures whose remedy could increase transplants by 30 to 63 percent. First, we document that the market is fragmented and inefficient; most transplants are arranged by hospitals instead of national platforms. Second, we propose a model to show two sources of inefficiency: hospitals only partly internalize their patients' benefits from exchange, and current platforms sub optimally reward hospitals for submitting patients and donors. Third, we calibrate a production function and show that individual hospitals operate below efficient scale. Eliminating this inefficiency requires either a mandate or a combination of new mechanisms and reimbursement reforms.

** HEALTH.

5. Khan, Shah Alam

[Ayushman Bharat - Hurdles to Implementation One Year On.](#)

ECONOMIC AND POLITICAL WEEKLY, 54(47), 2019(30th November): 13-14

Taking into consideration the model of the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana, some valid questions regarding the operationality and feasibility of the scheme are examined. The shortcomings of the scheme are brought forth and a solution is offered so that the scheme does not stand in contradiction to various health schemes of the past.

** HEALTH.

6. Yadav, Pratima Kulkarni, Veena S Kulkarni, Vani S

[Non-communicable diseases, affluence, and gender.](#)

ECONOMIC AND POLITICAL WEEKLY, 54(46), 2019(23rd November): 45-54

Whether the burden of non-communicable diseases has shifted to older men and women, and whether it varies by marital status and affluence of the household has been examined. The analysis is based on the 60th and 71st rounds of the National Sample Survey for 2004 and 2014. Even though comparisons of prevalence and shares between men and women are relied on in the analysis, some glaring disparities emerge. The growing menace of NCDs in the context of a rapidly increasing older population calls for bold policy initiatives, which are currently either underfunded or limited in coverage and uncoordinated. A drastic overhaul of the health system and behavioural changes are thus emphasised.

** HEALTH.

MACROECONOMICS

7. George A. Akerlof

[**What they were thinking then: The consequences for Macroeconomics during the past 60 years.**](#)

JOURNAL OF ECONOMIC PERSPECTIVES, 33(4), 2019(Fall): 171-186

This article explores the development of Keynesian macroeconomics in its early years, and especially in the Big Bang period immediately after the publication of The General Theory. In this period, as standard macroeconomics evolved into the "Keynesian-neoclassical synthesis," its promoters discarded many of the insights of The General Theory. The paradigm that was adopted had some advantages. But its simplifications have had serious consequences-including immense regulatory inertia in response to massive changes in the financial system and unnecessarily narrow application of accelerationist considerations (regarding inflation expectations).

** MACROECONOMICS.

8. Mary Amiti, Stephen J. Redding and Weinstein, Davi

The impact of the 2018 tariffs on prices and welfare.

JOURNAL OF ECONOMIC PERSPECTIVES, 33(4), 2019(Fall): 187-210

We examine conventional approaches to evaluating the economic impact of protectionist trade policies. We illustrate these conventional approaches by applying them to the tariffs introduced by the Trump administration during 2018. In the wake of this increase in trade protection, the United States experienced substantial increases in the prices of intermediates and final goods, dramatic changes to its supply-chain network, reductions in availability of imported varieties, and the complete pass-through of the tariffs into domestic prices of imported goods. Therefore, the full incidence of the tariffs has fallen on domestic consumers and importers so far, and our estimates imply a reduction in aggregate US real income of \$1.4 billion per month by the end of 2018. We see similar patterns for foreign countries that have retaliated with their own tariffs against the United States, which suggests that the trade war has also reduced the real income of these other countries.

** MACROECONOMICS.

MONETARY POLICY

9. Farhi, Emmanuel and Werning, Iván

Monetary policy, bounded rationality, and incomplete markets.

AMERICAN ECONOMIC REVIEW, 109(11), 2019(November): 3887-3928

This paper extends the benchmark New-Keynesian model by introducing two frictions: (i) agent heterogeneity with incomplete markets, uninsurable idiosyncratic risk, and occasionally-binding borrowing constraints; and (ii) bounded rationality in the form of level-k thinking. Compared to the benchmark model, we show that the interaction of these two frictions leads to a powerful mitigation of the effects of monetary policy, which is more pronounced at long horizons, and offers a potential rationalization of the "forward guidance puzzle." Each of these frictions, in isolation, would lead to no or much smaller departures from the benchmark model.

** MONETARY POLICY.

10. Bird, Daniel and Frug, Alexander

Dynamic Non-monetary Incentives.

AMERICAN ECONOMIC JOURNAL: MICROECONOMICS, 11(4), 2019
(November): 111-150

We study a principal-agent interaction where investments and rewards arrive stochastically over time and are privately observed by the agent. Investments (costly for the agent, beneficial for the principal) can be concealed by the agent. Rewards (beneficial for the agent, costly for the principal) can be forbidden by the principal. We ask how rewards should be used and which investments incentivized. We identify the unique optimal mechanism and analyze the dynamic investment and compensation policies. When all rewards are identical, the unique optimal way to provide incentives is by a "carte blanche" to pursue all rewards arriving in a predetermined time frame.

** MONETARY POLICY.

POLLUTION

11. Currie, Janet and Walker, Reed

What do economists have to say about the clean air act 50 years after the establishment of the environmental protection agency?

JOURNAL OF ECONOMIC PERSPECTIVES, 33(4), 2019(Fall): 3-26

Air quality in the United States has improved dramatically over the past 50 years in large part due to the introduction of the Clean Air Act and the creation of the Environmental Protection Agency to enforce it. This article is a reflection on the 50-year anniversary of the formation of the Environmental Protection Agency, describing what economic research says about the ways in which the Clean Air Act has shaped our society-in terms of costs, benefits, and important distributional concerns. We conclude with a discussion of how recent changes to both policy and technology present new opportunities for researchers in this area.

** POLLUTION.

12. Keiser, David A. and Shapiro, Joseph S.

US water pollution regulation over the past half century: burning waters to crystal springs?

JOURNAL OF ECONOMIC PERSPECTIVES, 33(4), 2019(Fall): 51-75

In the half century since the founding of the US Environmental Protection Agency, public and private US sources have spent nearly \$5 trillion (\$2017) to provide clean rivers, lakes, and drinking water (annual spending of 0.8 percent of US GDP in most years). Yet over half of rivers and substantial shares of drinking water systems violate standards, and polls for decades have listed water pollution as Americans' number one environmental concern. We assess the history, effectiveness, and efficiency of the Clean Water Act and Safe Drinking Water Act and obtain four main conclusions. First, water pollution has fallen since these laws were passed, in part due to their interventions. Second, investments made under these laws could be more cost effective. Third, most recent studies estimate benefits of cleaning up pollution in rivers and lakes that are less than the costs, though these studies may undercount several potentially important types of benefits. Analysis finds more positive net benefits of drinking water quality investments. Fourth, economic research and teaching on water pollution are relatively uncommon, as measured by samples of publications, conference presentations, and textbooks.

** POLLUTION.

13. Schmalensee, Richard and Stavins, Robert N.

Policy evolution under the clean air act.

JOURNAL OF ECONOMIC PERSPECTIVES, 33(4), 2019(Fall): 27-50

The US Clean Air Act, passed in 1970 with strong bipartisan support, was the first environmental law to give the federal government a serious regulatory role, established the architecture of the US air pollution control system, and became a model for subsequent environmental laws in the United States and globally. We outline the act's key provisions, as well as the main changes Congress has made to it over time. We assess the evolution of air pollution control policy under the Clean Air Act, with particular attention to the types of policy instruments used. We provide a generic assessment of the major types of policy instruments, and we trace and assess the historical evolution of the Environmental Protection Agency's policy instrument use, with particular focus on the increased use of market-based policy instruments, beginning in the 1970s and culminating in the 1990s. Over the past 50 years, air pollution regulation has gradually become more complex, and over the past 20 years, policy debates have become increasingly partisan and polarized, to the point that it has become impossible to amend the act or pass other legislation to address the new threat of climate change.

** POLLUTION.

TEXTILE

14. Sudhir Kumar and Anand, Harish

Textile and clothing industry: challenges and opportunities.

KURUKSHETRA, 2019(December): 9-13

Sudhir Kumar is Adviser, NITI Aayog.

The textile and clothing industry has potential to grow significantly and to contribute to the government's ambitious target of achieving USD 5 trillion economies by 2024-25. Though the domestic demand is further likely to accelerate, the stagnancy in exports is a concern. The performance on export front, having about a quarter share in present overall demand, will significantly influence the development path of the industry. The present article explores the growth potential, challenges and opportunities in T & C

sector at present stage of macro-economic and dynamic international trade environment.

** TEXTILE.

URBANISATION

15. Mishra, Durga Shanker

Building urban infrastructure through AMRUT.

YOJANA, 2019(December): 7-12

Atal Mission for Rejuvenation and Urban Transformation (AMRUT) has been initiated by the Government of India to address the challenges of water supply and sewerage/septage in cities across the country, providing non-motorised transport and public amenities, bringing reform through 54 milestones and to harness the associated opportunities of economic growth. The article takes the readers on the journey of urban transformation through this initiative. .

** URBANISATION.

16. Mitra, Arup

Urbanisation and informal sector.

YOJANA, 2019(December): 23-26

The article discusses how urban issues like migration affect the informal sector and the overall standards of living in urban as well as in rural India. It dwells upon hoe migration, urban informal sector, employment, and the incidence of socially backward population in the urban and rural areas are all connected with each other. .

** URBANISATION.