



नीति आयोग
NITI AAYOG



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CONTENTS

| | |
|-----------------------|--------------|
| ECONOMICS | 1-5 |
| EDUCATION | 6 |
| EMPLOYMENT | 7 |
| ENERGY | 8-9 |
| ENVIRONMENT | 10 |
| FINANCE | 11 |
| HEALTH | 12-15 |
| MACROECONOMICS | 16 |
| PRODUCTION | 17 |
| SANITATION | 18 |

ECONOMICS

1. Adukia, Anjali, Sam Asher, and Paul Novosad

Educational investment responses to economic opportunity: evidence from Indian road construction.

AMERICAN ECONOMIC JOURNAL: APPLIED ECONOMICS, 12(1), 2020(January): 348-376

The rural poor in developing countries, once economically isolated, are increasingly being connected to outside markets. Whether these new connections crowd out or encourage educational investment is a central question. We examine the effects on educational choices of 115,000 new roads built under India's flagship road construction program. We find that children stay in school longer and perform better on standardized exams. Heterogeneity in treatment effects supports a standard human capital investment model: enrollment increases most when nearby labor markets offer high returns to education and least when they imply high opportunity costs of schooling.

** ECONOMICS

2. Bandiera, Oriana, Niklas Buehren, Robin Burgess, M

Women's empowerment in action: evidence from a randomized control trial in Africa.

AMERICAN ECONOMIC JOURNAL: APPLIED ECONOMICS, 12(1), 2020 (January): 210-259

We evaluate a multifaceted policy intervention attempting to jump-start adolescent women's empowerment in Uganda by simultaneously providing them vocational training and information on sex, reproduction, and marriage. We find that four years post intervention; adolescent girls in treated communities are more likely to be self-employed. Teen pregnancy, early entry into marriage/cohabitation, and the share of girls reporting sex against their will fall sharply. The results highlight the potential of a multifaceted program that provides skills transfers as a viable and cost-effective policy intervention to improve the economic and social empowerment of adolescent girls over a four-year horizon.

** ECONOMICS

3. Munshi, Kaivan

Caste and the Indian Economy.

JOURNAL OF ECONOMIC LITERATURE, 57(4), 2019(December): 781-834

Caste plays a role at every stage of an Indian's economic life, in school, university, the labor market, and into old age. The influence of caste extends beyond private economic activity into the public sphere, where caste politics determine access to public resources. The aggregate evidence indicates that there has been convergence in education, occupations, income, and access to public resources across caste groups in the decades after independence. Some of this convergence is likely due to affirmative action, but caste-based networks could also have played an equalizing role by exploiting the opportunities that became available in a globalizing economy. Ethnic networks were once active in many advanced economies but ceased to be salient once markets developed. With economic development, it is possible that caste networks will cease to be salient in India. The affirmative action programs may also be rolled back, and (statistical) discrimination in urban labor markets may come to an end if and when there is convergence across caste groups. In the interim period, however, it is important to understand the positive and negative consequences of caste involvement across a variety of spheres in the Indian economy.

** ECONOMICS.

4. Sethi, Rajiv

Rationalizing choice: A review essay on peter leeson's WTF?!: An economic tour of the weird.

JOURNAL OF ECONOMIC LITERATURE, 57(4), 2019(December): 988-1000

The methodology of economics has been applied with increasing frequency to nonmarket behaviour and interactions. Peter Leeson's book WTF?!: An Economic Tour of the Weird illustrates both the promise and the perils of this practice. When applied judiciously to environments in which the strategic obfuscation of true motives is widespread, the economic approach can yield valuable insights. But when applied without proper attention to prevailing norms and values, the attempt to rationalize behavior can fall flat and invite ridicule. Economists seeking to understand cultural

practices would do well to import insights from other disciplines, and temper their eagerness to export narrow conceptions of rationality.

** ECONOMICS.

5. Tandon, Anjali

[**A study of tradable sectors: Revisiting factor proportions in the Indian economy.**](#)

ECONOMIC AND POLITICAL WEEKLY, 55(3), 2020 (18th January): 41-46

The underestimation of factor intensities when only direct factor contents are used is addressed in this paper. It expands the scope of measurement to include the indirect effects of factor use, which remain unaccounted for otherwise. It examines the structural coherence of factor proportions with output, exports, and foreign direct investment separately for each tradable sector. Using Semi-Input-Output modelling, factor proportions show a significant underestimation of capital intensity for the economy when compared with direct proportions. The analysis thus reveals that output and export distributions are largely aligned with factor endowments, while FDI distribution is skewed towards sectors with high capital proportions.

ECONOMICS

EDUCATION

6. Brinkmann, Suzana

[**The Invisible Barriers to India's Educational Reforms.**](#)

ECONOMIC AND POLITICAL WEEKLY, 55(4), 2020(25th January):50-57

Why have three decades of pedagogical reforms failed to translate the learner-centred vision of national documents into reality? This paper presents empirical research that corroborates what Indian educationists are increasingly noting, that there are entrenched cultural mind-sets restricting a shift in India's education system. The research finds three central worldview beliefs widespread among government teachers that contradict the assumptions of policy documents and in fact of the Constitution: a belief in inequality vs. equality, knowledge transmission vs. liberty of thought, and purpose as

individual advancement vs. fraternity. In turn, teachers simply reflect the worldviews they themselves experience, creating a vicious cycle.

** EDUCATION.

EMPLOYMENT

7. Acharya, Sushant, and Shu Lin Wee

Rational inattention in hiring decisions.

AMERICAN ECONOMIC JOURNAL: MACROECONOMICS, 12(1), 2020
(January): 1-40

We provide an information-based theory of matching efficiency fluctuations. Rationally inattentive firms have limited capacity to process information and cannot perfectly identify suitable applicants. During recessions, higher losses from hiring unsuitable workers cause firms to be more selective in hiring. When firms cannot obtain sufficient information about applicants, they err on the side of caution and accept fewer applicants to minimize losses from hiring unsuitable workers. Pro-cyclical acceptance rates drive a wedge between meeting and hiring rates, explaining fluctuations in matching efficiency. Quantitatively, our model replicates the joint behavior of unemployment rates and matching efficiency observed since the Great Recession.

** EMPLOYMENT.

ENERGY

8. Deryugina, Tatyana, Alexander MacKay, and Julian R

The long-run dynamics of electricity demand: evidence from municipal aggregation.

AMERICAN ECONOMIC JOURNAL: APPLIED ECONOMICS, 12(1), 2020
(January): 86-114

We study the dynamics of residential electricity demand by exploiting a natural experiment that produced large and long-lasting price changes in over 250 Illinois communities. Using a flexible difference-in-difference matching approach, we estimate

that the price elasticity of demand grows from -0.09 in the first six months to -0.27 two years later. We find similar results with a dynamic model in which usage is a function of past and future prices. Our findings highlight the importance of accounting for consumption dynamics when evaluating energy policy.

** ENERGY.

9. Gupta, Aashish, Vyas, Sangita, Payal Hathi, Khal

[Persistence of solid fuel use in rural north India.](#)

ECONOMIC AND POLITICAL WEEKLY, 55(3), 2020(18th January): 55-62

Survey evidence from rural North India showing persistent solid fuel use despite increases in liquefied petroleum gas ownership is presented. Although three-quarters of survey households in these states had LPG, almost all also had a stove that uses solid fuels. Among those owning both, almost three-quarters used solid fuels the day before the survey. Household economic status, relative costs of cooking fuels, gender inequality, and beliefs about solid fuels were important contributors to high solid fuel use. To realise the full health benefits of the LPG expansion, attention must now be turned towards encouraging exclusive LPG use. .

** ENERGY.

ENVIRONMENT

10. Lahiry, S C

[Development and environment: Maintaining the fine balance](#)

YOJANA, 64(1), 2020(January): 51-55

Climate change has already had significant effects on productivity and the quality of life. A balance has to be struck between industrial progress and environment degradation caused primarily by industrial pollution. Development and environment protection can dovetail with proper planning and management. The article studies how sustainable development does not end with sustainability of environment and resource system but it also requires sustainability of economic and social systems. .

** ENVIRONMENT.

FINANCE

11. Chakraborty, Lekha

Indian Fiscal Federalism at the Crossroads.

ECONOMIC AND POLITICAL WEEKLY, 55(5), 2020 (1st February): 14-17

The abolition of the Planning Commission, the creation of the NITI Aayog, the constitutional amendment to introduce the goods and services tax, the establishment of the goods and services tax council, and the historically high tax devolution to the states based on the Fourteenth Finance Commission have changed the union-state fiscal relations fundamentally. The changing contours of union-state fiscal relations discussed in the context of the release of a recent book Indian Fiscal Federalism by Y V Reddy and G R Reddy are presented here.

** FINANCE.

HEALTH

12. Alok Kumar and Prasad, Urvashi

Health system: towards a new India.

KURUKSHETRA, 68(3), 2020(January): 17-20

Alok Kumar is Adviser and Urvashi Prasad is Public Policy Specialist, NITI Aayog.

In tis Three Year Action Agenda, NITI Aayog called for a new wave of institution building with a strong and a proactive stewardship role by the government to overcome the persistent challenges while also leveraging the potential of a mixed health system. The government has launched several reform initiatives over the last few years which need to be rigorously implemented. Additionally, the key enablers of health system reform such as financing, organization and provision of service delivery as well as digital health need to be strengthened. .

** HEALTH.

13. Ghosh, Sourindra Mohan and Qadeer, Imrana
[Interpretations and Implications of Increasing Obesity in India: Data on Women from National Health Surveys.](#)

ECONOMIC AND POLITICAL WEEKLY, 55(1), 2020(4th January): 37-45

The National Family Health Survey-3 and 4 data show that in the past 10 years, overweight/obesity among women in terms of Body Mass Index has increased quite sharply. In the Indian context, under nutrition and obesity are not separate problems. A large proportion of overweight/obese women are undernourished, with small stature, food transition towards more fats and increasingly sedentary lifestyles making them vulnerable towards being overweight/ obese. More diversified diet reduces the risk of overweight/obesity. It is suggested that adequate and good quality diversified diets need to be ensured for comprehensive energy and nutrient adequacy. This requires an overhaul of India's food programmes.

** HEALTH.

14. Sahay, Sundeep and Mukherjee, Arunima

[Where Is all our health data going?](#)

ECONOMIC AND POLITICAL WEEKLY, 55(1), 2020(4th January): 46-53

Multiple initiatives going on in India regarding the collection of digital personal health data are analysed, and the question of how the data is being used is examined. While such data could facilitate healthcare and referral services, a strong and sensitive governance structure is needed to be in place to enable its optimal use and to ensure that the data is not used to further the agendas of surveillance and control.

** HEALTH.

15. Sudan, Preeti

[Kayakalp: Transforming public health facilities.](#)

YOJANA, 64(1), 2020(January): 11-13

Kayakalp: initiative of the Ministry of Health Welfare began in 2015 with the aim of improving infrastructure upkeep, hygiene and sanitation, and infection control practices in Central Government institution and public health facilities in all States and UTs.

** HEALTH.

MACROECONOMICS

16. Jensen, Henrik, Ivan Petrella, Søren Hove Ravn, and **Leverage and deepening business-cycle skewness.**
AMERICAN ECONOMIC JOURNAL: MACROECONOMICS, 12 (1), 2020
(January): 245-281

We document that the United States and other G7 economies have been characterized by an increasingly negative business-cycle asymmetry over the last three decades. This finding can be explained by the concurrent increase in the financial leverage of households and firms. To support this view, we devise and estimate a dynamic general equilibrium model with collateralized borrowing and occasionally binding credit constraints. Improved access to credit increases the likelihood that financial constraints become nonbinding in the face of expansionary shocks, allowing agents to freely substitute intertemporally. Contractionary shocks, however, are further amplified by drops in collateral values, since constraints remain binding. As a result, booms become progressively smoother and more prolonged than busts. Finally, in line with recent empirical evidence, financially driven expansions lead to deeper contractions, as compared with equally-sized nonfinancial expansions.

** MACROECONOMICS.

PRODUCTION

17. Ali Hortaçsu, Fernando Luco, Steven L. Puller and **Does strategic ability affect efficiency? Evidence from electricity markets.**
AMERICAN ECONOMIC REVIEW, 109(12), 2019(December): 4302-4342

Oligopoly models of price competition predict that strategic firms exercise market power and generate inefficiencies. However, heterogeneity in firms' strategic ability also generates inefficiencies. We study the Texas electricity market where firms exhibit significant heterogeneity in how they deviate from Nash equilibrium bidding. These deviations, in turn, increase the cost of production. To explain this heterogeneity, we embed a cognitive hierarchy model into a structural model of bidding and estimate firms' strategic sophistication. We find that firm size and manager education affect sophistication. Using the model, we show that mergers which increase sophistication can increase efficiency despite increasing market concentration.

** PRODUCTION.

SANITATION

18. De, Indranil

[Sanitation and User Charges in Indian Slums: Who Pays and How Does It Matter?](#)

ECONOMIC AND POLITICAL WEEKLY, 55(5), 2020(1st February): 38-45

Despite the efforts of successive governments, sanitation coverage remains low in India. While several studies have explored the impact of user financing on the improvement of sanitation facilities, this article looks at the conditions of housing, infrastructure and the surroundings of slums, under which different sanitation arrangements are made. The sanitation arrangements considered are of various types of ownership and cost-sharing arrangements. The findings provide useful insights that challenge one of the basic motivations for user financing: increased accountability in service delivery.

** SANITATION.