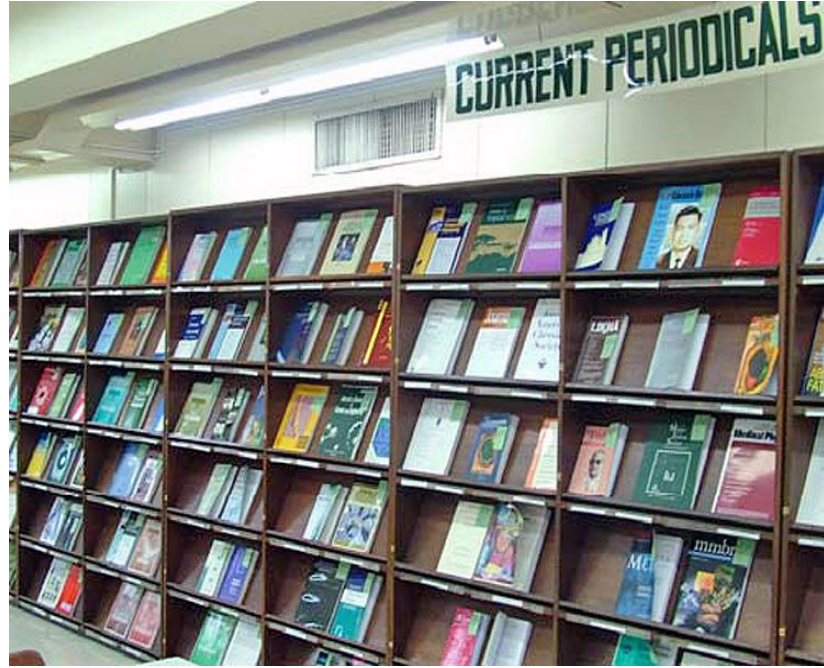




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ECONOMICS

- 1 Jadhav, Aditya Mohan and Reddy, V Nagi
[Indian business groups and their dominance in the Indian economy.](#)
ECONOMIC AND POLITICAL WEEKLY, 52(29), 2017(22nd July): 85-91

This article describe about business groups have played an important role in the development of the Indian economy by filling the institutional voids arising from weak markets and institutions. As these economic institutions developed, the need for business groups was expected to reduce. There does exist a reducing trend, but at the same time, average size and average sales of business group firms are increasing. This anomaly raises a question. Are all business groups losing their importance or is it only a few of them? Our results demonstrate that expectation of diminishing importance does not hold true for top group firms. We show that top group firms have been able to capture appropriate growth drivers resulting in economic dominance and concentration of economic power.

** ECONOMICS.

- 2 Kogan, Leonid; Papanikolaou, Dimitris; Seru, Amit
[Technological innovation, resource allocation, and growth](#)
QUARTERLY JOURNAL OF ECONOMICS, 132(2), 2017 (May): 665-710

This article describe about We propose a new measure of the economic importance of each innovation. Our measure uses newly collected data on patents issued to U.S. firms in the 1926 to 2010 period, combined with the stock market response to news about patents. Our patent-level estimates of private economic value are positively related to the scientific value of these patents, as measured by the number of citations the patent receives in the future. Our new measure is associated with substantial growth, reallocation, and creative destruction, consistent with the predictions of Schumpeterian growth models. Aggregating our measure suggests that technological innovation accounts for significant medium-run fluctuations in aggregate economic growth and TFP. Our measure contains additional information relative to citation-weighted patent counts; the relation between our measure and firm growth is considerably stronger. Importantly, the degree of creative destruction that is associated with our measure is higher than previous estimates, confirming that it is a useful proxy for the private valuation of patents. JEL Codes: G14, E32, O3, O4.

** ECONOMICS.

- 3 Bhandari, Anmol; Evans, David; Golosov, Mikhail an
[Fiscal policy and debt management with incomplete markets.](#)
QUARTERLY JOURNAL OF ECONOMICS, 132(2), 2017(May): 617-663

This article describe about A Ramsey planner chooses a distorting tax on labor and manages a portfolio of securities in an economy with incomplete markets. We develop a method that uses second order approximations of Ramsey policies to obtain formulas for conditional and unconditional moments of government debt and taxes that include means and variances of the invariant distribution as well as speeds of mean reversion. The asymptotic mean of the planner's portfolio minimizes a measure of fiscal risk. We obtain analytic expressions that approximate moments of the invariant distribution and apply them to data on a primary government deficit, aggregate consumption, and returns on traded securities. For U.S. data, we find that the optimal target debt level is negative but close to zero, the invariant dis dispersed, and mean reversion is slow. JEL Codes: E62, H63, G18.

** ECONOMICS.

- 4 Erten, Bilge, and Ocampo, José Antonio
Macroeconomic effects of capital account regulations.
IMF ECONOMIC REVIEW, 65(2), 2017 (June): 193-240

We analyze the effects of capital account regulations (CARs) across a large sample of emerging economies on a range of macroeconomic outcomes. We use composite indices of these regulations to capture their intensity in coverage and employ an instrumental variables strategy to overcome the endogeneity of regulations to outcomes. We estimate the effects of CARs on real exchange rate appreciation, foreign exchange pressure, crisis resilience, and post-crisis overheating using annual data from 1995 to 2011 for 51 emerging economies. We find that all CARs, except the financial sector-specific restrictions, reduce foreign exchange pressure and real exchange rate appreciation, contributing to greater macroeconomic stability. Our results further indicate that increasing the restrictiveness of CARs in the run-up to the crisis moderates the growth decline, thus enhancing crisis resilience, and that countries that used CARs experienced less overheating from capital inflow surges during post-crisis recovery. The latter two results imply that CARs are useful countercyclical policy instruments. Our estimates provide evidence in favor of models in which imperfect capital mobility can generate sustained effects on real exchange rates.

** ECONOMICS.

- 5 Chade, Hector, Eeckhout, Jan and Smith, Lones
Sorting through search and matching models in economics.
JOURNAL OF ECONOMIC LITERATURE, 55(2), 2017(June): 493-544

In this article we find that “Toward understanding assortative matching, this is a self contained introduction to research on search and matching. We first explore the nontransferable and perfectly transferable utility matching paradigms, and then a unifying imperfectly transferable utility matching model. Motivated by some unrealistic predictions of frictionless matching, we flesh out the foundational economics of search theory. We

then revisit the original matching paradigms with search frictions. We finally allow informational frictions that often arise, such as in college-student sorting”.

** ECONOMICS.

- 6 Lagos, Ricardo, Rocheteau , Guillaume and Wright,
Liquidity: A new monetarist perspective.
JOURNAL OF ECONOMIC LITERATURE, 55(2), 2017(June): 371-440

In this article we find that “essay surveys the new monetarist approach to liquidity. Work in this literature strives for empirical and policy relevance, plus rigorous foundations. Questions include: What is liquidity? Is money essential in achieving desirable outcomes? Which objects can or should serve in this capacity? When can asset prices differ from fundamentals? What are the functions of commitment and collateral in credit markets? How does money interact with credit and intermediation? What can and should monetary policy do? The research summarized emphasizes the micro structure of frictional transactions, and studies how institutions like monetary exchange, credit arrangements, or intermediation facilitate the exchange process”.

** ECONOMICS.

- 7 Bandiera, Oriana; Burgess, Robin; Das, Narayan; Gu
Labor markets and poverty in village economies.
QUARTERLY JOURNAL OF ECONOMICS, 132(2), 2017 (May): 811-868

In this article we find that “We study how women's choices over labor activities in village economies correlate with poverty and whether enabling the poorest women to take on the activities of their richer counterparts can set them on a sustainable trajectory out of poverty. To do this we conduct a large-scale randomized control trial, covering over 21,000 households in 1,309 villages surveyed four times over a seven-year period, to evaluate a nationwide program in Bangladesh that transfers livestock assets and skills to the poorest women. At baseline, the poorest women mostly engage in low return and seasonal casual wage labor while wealthier women solely engage in livestock rearing. The program enables poor women to start engaging in livestock rearing, increasing their aggregate labor supply and earnings. This leads to asset accumulation (livestock, land, and business assets) and poverty reduction, both sustained after four and seven years. These gains do not crowd out the livestock businesses of noneligible households while the wages these receive for casual jobs increase as the poor reduce their labor supply. Our results show that (i) the poor are able to take on the work activities of the nonpoor but face barriers to doing so, and, (ii) one-off interventions that remove these barriers lead to sustainable poverty reduction. JEL Codes: J22, O12”.

** ECONOMICS.

FINANCE

- 8 Araujo, Juliana D., David, Antonio C. and Hombeeck
Non-FDI capital inflows in low-income countries: Catching the wave?
IMF ECONOMIC REVIEW, 65(2), 2017 (June): 426-465

In this article we find that “Low-income countries (LICs) are typically characterized by intermittent and very modest access to private external funding sources. Motivated by recent developments in private flows to these economies, this paper makes two contributions: first, it constructs a new comprehensive dataset on gross private capital flows with special focus on non-FDI flows to LICs. Concentrating on LICs and more specifically on gross non-FDI private flows is intentionally aimed at closing a gap in existing datasets where country coverage of developing economies is limited mainly to emerging markets (EMs). Second, using the new data, it identifies several shifting patterns of gross non-FDI private inflows to LICs. A surprising fact emerges: since the mid-2000s periods of surges in gross non-FDI private inflows to LICs are broadly comparable to those of EMs. Moreover, while gross non-FDI inflows to LICs are on average much lower than those to EMs, we show that gross non-FDI inflows to the top quartile of LICs are comparable to those of the median EM and converging to the top quartile of Ems”.

** FINANCE.

- 9 Muir, Tyler
Financial crises and risk premia.
QUARTERLY JOURNAL OF ECONOMICS, 132(2), 2017 (May): 765-806

This article describe about analyze the behaviour of risk premia in financial crises, wars, and recessions in an international panel spanning over 140 years and 14 countries. I document that expected returns, or risk premia, increase substantially in financial crises, but not in the other episodes. Assetprices decline in all episodes, but the decline in financial crises is substantially larger than the decline in fundamentals so that expected returns going forward are large. However, drops in consumption and consumption volatility are fairly similar across financial crises and recessions and are largest during wars, so asset pricing models based on aggregate consumption have trouble matching these facts. Comparing crises to "deep" recessions strengthens these findings further. By disentangling financial crises from other bad macroeconomic times, the results suggest that financial crises are particularly important to understanding why risk premia vary. I discuss implications for theory more broadly and discuss both rational and behavioral models that are consistent with the facts. Theories where asset prices are related to the health of the financial sector appear particularly promising. JEL Codes: G01, G12, E44.

** FINANCE.

HEALTH

- 10 Adbi, Arzi, Faizi, Nafis and Chatterjee, Chiranta
[Analyzing the lazy mother argument inspired by the Maggi controversy : Evidence from Junk food intake in India](#)
ECONOMIC AND POLITICAL WEEKLY, 52(28), 2017(15th July): 49-55

In this article we find that it is "lazy," "new-generation" working mothers who feed their children two-minute noodles and other junk food, as was suggested during the Maggi noodles controversy? Or is the junk food intake of adolescents related to the educational status of both parents in a transitioning economy, where education can directly or indirectly influence imitation of so-called Western-style fast food consumption patterns? This analysis of survey data from a non-metropolitan Indian setting shows that junk food intake of adolescents is actually lower for working mothers than for homemakers, decreases with an increase in the mother's education, but increases with increase in Thefather's education and with the household's socio-economic status.

** HEALTH.

LABOUR

- 11 Aphun, Kamei and Sharma, Jay Prakash
[Primitive accumulations at the margins - Commodification of land and labour in Chhattisgarh.](#)
ECONOMIC AND POLITICAL WEEKLY, 52(28), 2017(15th July): 64-74

In this article we find that the processes of primitive accumulation have always been conjoined with capitalist relations of production and accumulation even in their advanced stages. These are quite critical in understanding the theoretical underpinnings of the process through which mining activities tend to completely transform the landscape of Chhattisgarh. By using Karl Polanyi's thesis of double movement and the theory of primitive accumulation by Karl Marx, this study delves into contemporary processes of grabbing land and forced displacements in Chhattisgarh. Commodification of land has affected not only the livelihoods of local communities in Chhattisgarh, but has also disrupted sociocultural harmony. Our study elaborates on the cultural vacuum-to use Polanyi's term - that is created once an individual is displaced from her/his social settings and traditional institutions.

** LABOUR.

NATURAL RESOURCES

- 12 Sen, Amrita and Pattanaik, Sarmistha

Community-based natural resource management in the Sundarbans: Implications of customary rights, law and practices

ECONOMIC AND POLITICAL WEEKLY, 52(29), 2017(22nd July): 93-103

In this article we find that “There has been widespread assertion of the fact that traditional state laws on protected area conservation can pose a threat to the customary collective rights of local communities inhabiting these areas, inducing livelihood vulnerabilities. Within contemporary academic discourse, thus, there remains a major question concerning the issue of institutionalising the non-marketable customary collective rights of local communities to address the asymmetrical power relationships in natural resource distribution conflicts. Against this backdrop, a study conducted in the Sundarban forest region of West Bengal explores the community-based natural resource management paradigm and how customary rights of the local communities have fared under the joint forest management programme. It examines the applicability, as well as the successes and limitations of the programme as an alternative to state-led top-down models of conservation, and the impact of political and economic control over people and resources.

** NATURAL RESOURCES.

13 Lerner, Adam B

Manufactured silence - Political economy and management of the 1984 Bhopal Disaster.

ECONOMIC AND POLITICAL WEEKLY, 52(30), 2017(29th July): 57-63

In this article we find that “Scholarship on the 1984 Bhopal gas tragedy tends to treat the Indian judiciary as the site where political, social and legal forces converged to betray survivors seeking redress. But before this judicial failure, Prime Minister Rajiv Gandhi had already politicised the disaster to protect his economic modernisation programme. Recognising the threat the Bhopal tragedy posed to the ideology behind this agenda, Rajiv Gandhi and his advisers pursued multiple strategies to suppress the gas leak’s resonance in larger political debates. This laid the groundwork for the courts’ later miscarriage of justice and helped shape the disaster’s subsequent place in Indian economic history”.

** NATURAL RESOURCES.

RURAL DEVELOPMENT

14 Roy, Madhura

Smart villages: A way forward.

KURUKSHETRA, 65(10), 2017(August): 31-34

Madhura Roy is Senior Research Officer in NITI Aayog.

The Ministry of Rural development is adopting a scientific process of cluster selection which involves an objective analysis at the District, Sub District and Village level, of the demography, economy, tourism and pilgrimage significance and transportation corridor impact. While the Ministry, following this analysis, would provide a suggestive list of sub

districts to the State, the State Governments would then select the clusters following a set of indicated principles included in the Framework for Implementation.

** RURAL DEVELOPMENT.

15 Sanghi, Sunita and Khurana, Sakshi

Rural transformation and digital technology.

KURUKSHETRA, 65(10), 2017(August): 19-24

Sunita Sanghi is Adviser, NITI Aayog and Dr. Sakshi Khurana is YP (RC) in NITI Aayog.

A large proportion of demographic advantage that India enjoys resides in the rural areas. Large numbers of youth from rural areas migrate to urban areas and end up doing low paid jobs due to low levels of education or illiteracy. Steps have been taken to improve the employability as also employment opportunities for these youth, but lack of awareness as also skills, restricts their movement. Technology can play a critical role in this regard.

** RURAL DEVELOPMENT.