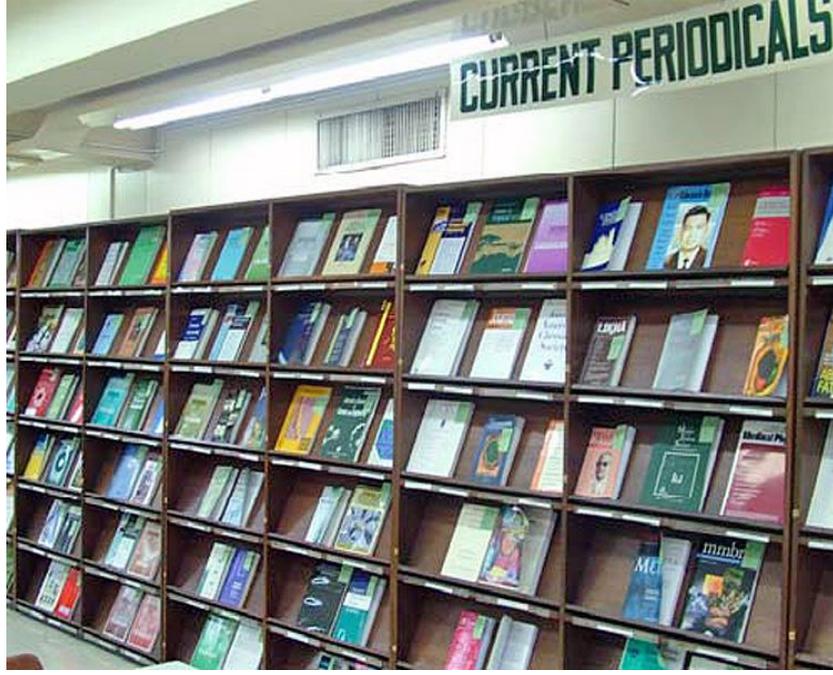




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AGRICULTURE

- 1 Roy, Shantanu De
[Economic reforms and agricultural growth in India.](#)
ECONOMIC AND POLITICAL WEEKLY, 52(9), 2017(4th March): 67-72

It was argued that economic liberalisation would ensure a favourable shift in the terms of trade for agriculture in India, enabling producers to plough back surplus from cultivation to make long-term improvements on land, and raise agricultural productivity and growth rate. Contrary to expectations, there was no noticeable improvement in the terms of trade for agriculture during the reform period. Moreover, decline in capital formation in agriculture, inadequate expenditure on irrigation and extension services in rural areas, and a dearth of cheap institutional credit, resulted in a slowdown of agricultural growth and heightened livelihood insecurity for a substantial proportion of those dependent on agriculture.

** AGRICULTURE

ECONOMICS

- 2 Favilukis, Jack, Ludvigson, Sydney C., and Ni
[The Macroeconomic effects of housing wealth, housing finance, and limited risk sharing in general equilibrium.](#)
JOURNAL OF POLITICAL ECONOMY, 125(1), 2017(February):140-223

This paper studies a quantitative general equilibrium model of housing. The model has two key elements not previously considered in existing quantitative macro studies of housing finance: aggregate business cycle risk and a realistic wealth distribution driven in the model by bequest heterogeneity in preferences. These features of the model play a crucial role in the following results. First, a relaxation of financing constraints leads to a large boom in house prices. Second, the boom in house prices is entirely the result of a decline in the housing risk premium. Third, low interest rates cannot explain high home values.

** ECONOMICS.

- 3 Grossman, Gene M., Helpman, Elhanan, and Kircher,
[Matching, sorting, and the distributional effects of international trade.](#)
JOURNAL OF POLITICAL ECONOMY, 125(1), 2017(February): 224-264

We study the distributional consequences of trade in a world with two industries and two heterogeneous factors of production. Productivity in each production unit reflects the ability of the manager and the abilities of the workers, with complementarity between the two. We begin by examining the forces that govern the sorting of worker and manager types to industries and the matching of workers and managers within industries. We then consider how changes in relative output prices generated by changes in the trading environment affect sorting, matching, and the distributions of wages and salaries.

** ECONOMICS.

- 4 Hall Robert E.
[The anatomy of stagnation in a modern economy.](#)
ECONOMICA, 84(333), 2017(January): 1-15

In 2008, the worst financial crisis since the Great Depression launched a deep contraction of the US economy. Output fell quickly to a level 10% below trend. Unemployment reached 10% of the labour force. Seven years after the crisis, unemployment was back to normal, but output was 15% below trend. Stagnation had set in. The most important source of the stagnation was a sharp decline in productivity growth. A decline in R&D and other productivity-enhancing investment was at least partially responsible. That decline began before the crisis, but the financial events of 2008 worsened the cutback. A second major source of stagnated output and income was capital depletion. Investment in business equipment fell in half immediately after the crisis. Cumulatively, the effect of below-trend investment accounted for 5 of the 15 percentage points of the shortfall in output. The third major development accounting for stagnation in output was a decline in the labour force that remained after unemployment had returned to normal. This development accounted for more than 3 percentage points of the shortfall in output. As a general matter, the direct decline in labour input and in output associated with the rise in unemployment was not important by 2015, but the follow-on stagnation operating through the effects on the two types of capital formation was substantial.

** ECONOMICS.

- 5 Li, Hongbin, Loyalka, Prashant, Rozelle, Scott and Wu, Binzhen
[Human capital and China's future growth.](#)
JOURNAL OF ECONOMIC PERSPECTIVES, 31(1), 2017(Winter):

In this paper, we consider the sources and prospects for economic growth in China with a focus on human capital. First, we provide an overview of the role that labor has played in China's economic success. We then describe China's hukou policy, which divides China's labor force into two distinct segments, one composed of rural workers and the other of urban workers. For the rural labor force, we focus on the challenges of raising human capital by both increasing basic educational attainment rates as well as the quality of education. For the urban labor force, we focus on the issues of further expanding enrollment in college education as well as improving the quality of college education. We use a regression model to show the typical relationship between human capital and output in economies around the world and demonstrate how that relationship has evolved since 1980. We show that China has made substantial strides both in the education level of its population and in the way that education is being rewarded in its labor markets. However, as we look ahead, our results imply that China may find it impossible to maintain what appears to be its desired growth rate of 7 percent in the next 20 years; a growth rate of 3 percent over the next two decades seems more plausible. Finally, we present policy recommendations, which are rooted in the belief that China continues to have substantial room to improve the human capital of its labor force.

** ECONOMICS.

- 6 Nayyar, Dhiraj
What next for globalisation?
ECONOMIC AND POLITICAL WEEKLY, 52(8), 2017(25 February): 21-23

Globalisation has lost legitimacy in its homelands. The emerging economies of Asia need to carry extra weight in favour of global prosperity and away from xenophobia and autarky. .

** ECONOMICS.

- 7 Verma, C S, Singh, Shivani, Ranjan, Alok and Su
[Healthcare consumption in Uttar Pradesh – Iniquitous growth and the social factors contributing to impoverishment.](#)
ECONOMIC AND POLITICAL WEEKLY, 52(9), 2017(4th March): 73-81

The modest economic growth in Uttar Pradesh over the last decade has not resulted in the betterment in the health and well-being of the people. This study is based on a household survey undertaken in three representative districts to understand the contribution that the provision of healthcare makes to the iniquitous nature of economic growth in the state. By assessing the incidence and intensity of catastrophic expenditures on health by analysing their consumption patterns we find that there is an impoverishing effect that out-of-pocket healthcare expenditures have on the people of the state.

** ECONOMICS.

EDUCATION

- 8 Borcan, Oana, Lindahl, Mikael and Mitrut, Andreea
[Fighting corruption in education: What works and who benefits?](#)
AMERICAN ECONOMIC JOURNAL: ECONOMIC POLICY, 9(1), 2017 (February): 180-209

We investigate the distributional consequences of a corruption-fighting initiative in Romania targeting the endemic fraud in a high-stakes high school exit exam, which introduced CCTV monitoring of the exam and credible punishment threats for teachers and students. We find that the campaign was effective in reducing corruption and, in particular, that monitoring increased the effectiveness of the punishment threats. Estimating the heterogeneous impact for students of different poverty status we show that curbing corruption led to a worrisome score gap increase between poor and nonpoor students. Consequently, the poor students have reduced chances to enter an elite university.

** EDUCATION.

HEALTH

- 9 Janakiram, Chandrashekar, Rudrappa, Rajeev B, Ta
[Equity in oral healthcare in India - A review on health system analysis.](#)
ECONOMIC AND POLITICAL WEEKLY, 52(9), 2017(4th March): 82-89

Oral health is a critical but overlooked component of overall health and well-being. Although there have been impressive advances in both dental technology and in our scientific understanding of oral diseases, significant disparities in both the prevalence of dental disease and access to dental care among population subgroups remain. This paper attempts to elaborate on the nature of oral health equity in India by exploring the process and trajectories of oral health inequity.

** HEALTH.

MICROECONOMICS

- 10 Acemoglu, Daron, Ozdaglar, Asuman and Tahbaz-Sale
[Microeconomic Origins of Macroeconomic Tail Risks.](#)
AMERICAN ECONOMIC REVIEW, 107(1), 2017(January): 54-108

Using a multisector general equilibrium model, we show that the interplay of idiosyncratic microeconomic shocks and sectoral heterogeneity results in systematic departures in the likelihood of large economic downturns relative to what is implied by the normal distribution. Such departures can emerge even though GDP fluctuations are approximately normally distributed away from the tails, highlighting the different nature of large economic downturns from regular business-cycle fluctuations. We further demonstrate the special role of input-output linkages in generating tail comovements, whereby large recessions involve not only significant GDP contractions, but also large simultaneous declines across a wide range of industries.

** MICROECONOMICS.

POLITICS

- 11 Asher, Sam and Novosad, Paul
[Politics and local economic growth: Evidence from India.](#)
AMERICAN ECONOMIC JOURNAL: APPLIED ECONOMICS, 9(1), 2017
(January): 229-273

Political favoritism affects the allocation of government resources, but is it consequential for growth? Using a close election regression discontinuity design and data from India, we measure the local economic impact of being represented by a politician in the ruling party. Favoritism leads to higher private sector employment, higher share prices of firms, and increased output as measured by night lights; the three effects are similar and economically

substantive. Finally, we present evidence that politicians influence firms primarily through control over the implementation of regulation.

** POLITICAL.

POVERTY

- 12 Rout, Sarit K, Narayana, K V and Sahu, Kirti S, Selva
[Poverty and health status of Beedi workers in Andhra Pradesh](#) .
ECONOMIC AND POLITICAL WEEKLY, 52(10), 2017(11th March): 54-59
A study of beedi-rolling households in Andhra Pradesh reveals that workers continue in this informal industry despite poor wages, exploitation by middlemen, absence of social security and adverse impact on health simply because they have no alternative. This study offers a people's perspective on the design and implementation of suitable and sustainable alternative livelihoods for thousands of workers, predominantly women, who depend on beedi rolling to augment household income.

** POVERTY.

PUBLIC FINANCE

- 13 Gadenne, Lucie
[Tax Me, but spend wisely? Sources of public finance and government accountability](#).
A MERICAN ECONOMIC JOURNAL: APPLIED ECONOMICS, 9(1), 2017
(January): 274-311

Existing evidence suggests that extra grant revenues lead to little improvements in public services in developing countries--but would governments spend tax revenues differently? This paper considers a program that invests in the tax capacity of Brazilian municipalities. Using variations in the timing of program uptake, I find that it raises local tax revenues and that the increase in taxes is used to improve both the quantity and quality of municipal education infrastructure. In contrast, increases in grants over which municipalities have the same discretion as taxes have no impact on any measure of local public infrastructure. These results suggest that the way governments are financed matters: governments spend increases in tax revenues more toward expenditures that benefit citizens than increases in grant revenues.

** PUBLIC FINANCE.

- 14 Jaimovich, Nir, and Rebelo, Sergio
Nonlinear Effects of Taxation on Growth.
JOURNAL OF POLITICAL ECONOMY, 125(1), 2017(February): 265-289

We propose a model consistent with two observations. First, the tax rates adopted by different countries are generally uncorrelated with their growth performance. Second, countries that drastically reduce private incentives to invest severely hurt their growth performance. In our model, the effects of taxation on growth are highly nonlinear. Low tax rates have a very small impact on long-run growth rates. But as tax rates rise, their negative impact on growth rises dramatically. The median voter chooses tax rates that have a small impact on growth prospects, making the relation between tax rates and economic growth difficult to measure empirically.

** PUBLIC FINANCE.

SOCIAL DEVELOPMENT

- 15 Mehta, Balwant Singh and Megha Shree
Inequality, gender, and socio-religious groups.
ECONOMIC AND POLITICAL WEEKLY, 52(8), 2017(25 February): 56-60

Being of the female gender could mean a little less inequality in the Indian labour market now than belonging to a marginalised socio-religious group, observes this paper. It shows that more women are now in high-paid jobs, while groups such as Scheduled Castes/Scheduled Tribes and Muslims are still engaged in menial low-paid jobs. Over the years, there has been a decline in gender inequality and a rise in socio-religious inequality. A decomposition analysis reveals that education and type of employment contribute most to income inequality.

** SOCIAL DEVELOPMENT.

- 16 Naughton, Barry
Is China Socialist?
JOURNAL OF ECONOMIC PERSPECTIVES, 31(1), 2017(Winter): 3-24

It has been 40 years since Deng Xiaoping broke dramatically with Maoist ideology and the Maoist variant of socialism. Since then, China has been transformed. Forty years ago, in 1978, China was unquestionably a socialist economy of the familiar and well-studied "command economy" variant, even though it was more decentralized and more loosely planned than its Soviet progenitor. Twenty years ago--that is, by the late 1990s--China had completely discarded this type of socialism and was moving decisively to a market economy. China today is quite different both from the command economy of 40 years ago, and from the "Wild West Capitalism" of 20 years ago. Throughout these enormous changes, China has always officially claimed to be socialist. Does the "socialist" label make sense when applied to China today?.

** SOCIAL DEVELOPMENT.

WOMEN EMPLOYMENT

- 17 Goldin, Claudia and Mitchell, Joshua
[The New life cycle of women's employment: Disappearing humps, sagging middles, expanding tops.](#)
JOURNAL OF ECONOMIC PERSPECTIVES, 31(1), 2017(Winter): 161-182

A new life cycle of women's employment emerged with cohorts born in the 1950s. For prior cohorts, life-cycle employment had a hump shape; it increased from the twenties to the forties, hit a peak, and then declined starting in the fifties. The new life cycle of employment is initially high and flat, there is a dip in the middle, and a phasing out that is more prolonged than for previous cohorts. The hump is gone, the middle is a bit sagging, and the top has greatly expanded. We explore the increase in cumulative work experience for women from the 1930s to the 1970s birth cohorts using data from the Survey of Income and Program Participation and the Health and Retirement Study. We investigate the changing labour force impact of a birth event across cohorts and by education, and also the impact of taking leave or quitting. We find greatly increased labour force experience across cohorts, far less time out after a birth, and greater labour force recovery for those who take paid or unpaid leave. Increased employment of women in their older ages is related to more continuous work experience across the life cycle.

** WOMEN EMPLOYMENT.