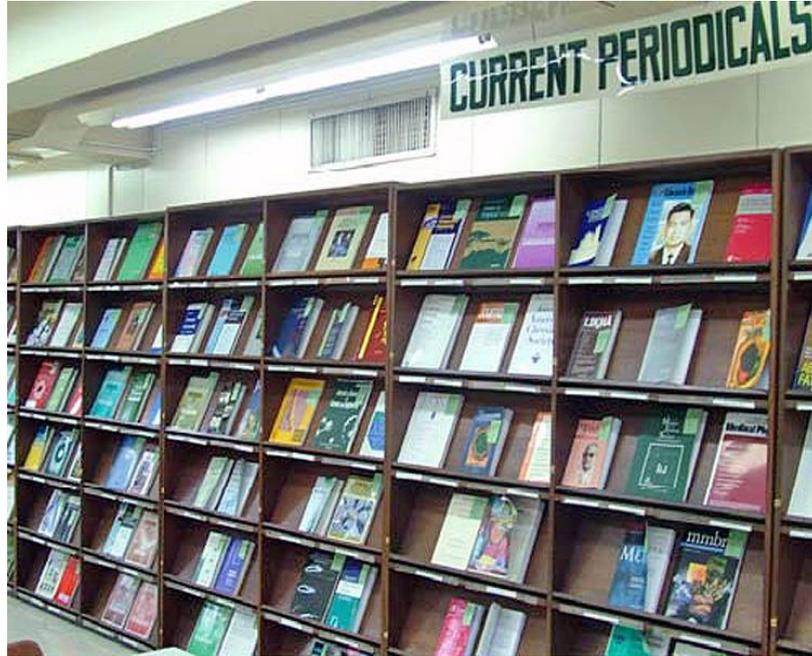




नीति आयोग
NITI AAYOG



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AGRICULTURE

1. Bellemare, Marc F. and Novak, Lindsey

Contract farming and food security.

AMERICAN JOURNAL OF AGRICULTURAL ECONOMICS, 99(2), 2017 (March):
357-378

Contract farming has often been associated with an increase in the income of participating households. It is unclear, however, whether contract farming increases other aspects of household welfare. We use data from six regions of Madagascar and a selection-on-observables design in which we control for a household's marginal utility of participating in contract farming, which we elicited via a contingent valuation experiment, to show that participating in contract farming reduces the duration of a household's hungry season by about eight days on average. Moreover, participation in contract farming makes participating households about 18% more likely to see their hungry season end at any time.

Further, we find that these effects are more pronounced for households with more children, and for households with more girls. This is an important result as children—especially girls—often bear the burden of food insecurity.

** AGRICULTURE.

2. Henderson, Heath and Isaac, Alan G.

Modern value chains and the organization of agrarian production.

AMERICAN JOURNAL OF AGRICULTURAL ECONOMICS, 99(2), 2017 (March):
379-400

Empirical studies of agrarian production in developing countries often find that small farms possess a productivity advantage over larger farms. Eswaran and Kotwal (1986) famously derive this inverse farm-size/productivity relationship from the structure of agrarian production. The focal prediction of their model is that, in otherwise equivalent economies, a more egalitarian land distribution raises both output and producer welfare. The traditional (spot) procurement system implicit in the Eswaran and Kotwal model, however, diverges fundamentally from modern (contractual) procurement practices. We therefore develop a new model of agrarian production in order to determine whether the introduction of a modern value chain alters the welfare effects of land redistribution. The inverse farm-size/productivity relationship persists in our model, but we find that more egalitarian land distribution leads to no monotonic changes in producer welfare. We also find that the introduction of a modern sector can harm the labouring classes.

** AGRICULTURE

3. Devi, P Indira, Kumar, Lalit Kumar, D Suresh Man
Payment for ecosystem services: Guaranteed farm income and sustainable agriculture

ECONOMIC AND POLITICAL WEEKLY, 52(17), 2017(29th April):12-13

Paying farmers for ecosystem services that they provide could be a novel way to achieve multiple goals of doubling the farm incomes, reduce rural-urban migration, reduce pressure on urban infrastructure, and at the same time, incentivise sustainable agrarian practices in India.

** AGRICULTURE

BANKRUPTCY

4. Hansen, Mary Eschelbach and Ziebarth, Nicolas L.
Credit relationships and business bankruptcy during the great depression.
AMERICAN ECONOMIC JOURNAL: MACROECONOMICS, 9(2), 2017 (April): 228-255

Credit relationships are sticky. Stickiness makes relationships beneficial to borrowers in times of their own distress but makes them potentially problematic when lenders themselves face hardship. To examine the role of credit relationships during a financial crisis, we exploit a natural experiment in Mississippi during the Great Depression that generated plausibly exogenous differences in financial distress for banks. Using new data drawn from the publications of the credit rating agency Dun & Bradstreet and from original bankruptcy filings, we show that financial distress increased business exit but did not increase the bankruptcy rate. Financial distress caused both banks and trade creditors to recalibrate their collections strategies, which is revealed by changes in the geographical distribution of the creditors of bankrupt businesses.

** BANKRUPTCY

CHILD LABOUR

5. Adda, Jérôme Dustmann, Christian and Stevens, Ka
The career costs of children.
JOURNAL OF POLITICAL ECONOMY, 125(2), 2017(April):293-337

We estimate a dynamic life cycle model of labour supply, fertility, and savings, incorporating occupational choices, with specific wage paths and skill atrophy that vary over the career. This allows us to understand the trade-off between occupational choice and desired fertility, as well as sorting both into the labour market and across occupations. We quantify the life cycle career costs associated with children, how they decompose into loss of skills during interruptions, lost earnings opportunities, and selection into more child-friendly occupations. We analyse the long-run effects of

policies that encourage fertility and show that they are considerably smaller than short-run effects.

** CHILD LABOUR

ECONOMICS

6. Chen, Kaiji and Wen, Yi

The Great Housing Boom of China.

AMERICAN ECONOMIC JOURNAL: MACROECONOMICS, 9(2), 2017 (April): 73-114

China's housing prices have been growing nearly twice as fast as national income over the past decade, despite a high vacancy rate and a high rate of return to capital. This paper interprets China's housing boom as a rational bubble emerging naturally from its economic transition. The bubble arises because high capital returns driven by resource reallocation are not sustainable in the long run. Rational expectations of a strong future demand for alternative stores of value can thus induce currently productive agents to speculate in the housing market. Our model can quantitatively account for China's paradoxical housing boom.

** ECONOMICS.

7. Mankar, Ritika and Shekhar, Sumit

Demonetisation and the delusion of GDP growth.

ECONOMIC AND POLITICAL WEEKLY, 52(18), 2017(6th May): 17-19

Whilst demonetisation (combined with other measures aimed at crunching the size of the black economy) will yield benefits in the long term, we highlight the fact that the move undeniably affected the gross domestic product growth rate adversely in the short term. Moreover, increased tax compliance and the advent of the Goods and Services Tax regime could make a host of informal sector businesses unviable in the future.

** ECONOMICS.

8. Sen, Pronab

Plan, but do not over-plan: Lessons for NITI Aayog .

ECONOMIC AND POLITICAL WEEKLY, 52(18), 2017(6th May): 41-48

Pronab Sen is former Principal Economic Adviser, Planning Commission

Drawing on six decades of India's experience with planning, the main lesson for the NITI Aayog is that it must devote as careful thought to the planning process as to the strategic plan itself. It must recognise that it is not engaged in a technical exercise, but one that involves a deep understanding of people and organisational behaviour. The government and the Prime Minister too must realise that they have to play a significant role in

articulating an economic vision, as opposed to endorsing suggestions put up by the bureaucracy.

** ECONOMICS.

9. Shiller, Robert J.

Narrative economics.

AMERICAN ECONOMIC REVIEW, 107(4), 2017(April): 967-1004

This address considers the epidemiology of narratives relevant to economic fluctuations. The human brain has always been highly tuned toward narratives, whether factual or not, to justify ongoing actions, even such basic actions as spending and investing. Stories motivate

and connect activities to deeply felt values and needs. Narratives "go viral" and spread far, even worldwide, with economic impact. The 1920-1921 Depression, the Great Depression of the 1930s, the so-called Great Recession of 2007-2009, and the contentious political-economic situation of today are considered as the results of the popular narratives of their respective times. Though these narratives are deeply human phenomena that are difficult to study in a scientific manner, quantitative analysis may help us gain a better understanding of these epidemics in the future.

** ECONOMICS.

ELECTRICITY

10. C, Muralee Krishnan and Gupta, Santanu

Evolution of electricity tariff in India, 1975-2010.

ECONOMIC AND POLITICAL WEEKLY, 52(19), 2017(13th May): 101-108

In the early 1990s, India embarked on a series of reforms in its power sector. Years of structural reform and policy changes have had an effect on both the costs and tariffs of electric power. Electricity supply involves both the central and state governments, and given the diversity of geographical conditions, the experience of different states in pricing and cost recovery has been different over the years. The focus of this paper is on how costs and tariffs have evolved for 22 major Indian states from 1975 to 2010, and it attempts to correlate that with policy changes.

** POWER

EMPLOYMENT

11. Ganesh, S Senthil and Padhi, Mousumi

Regulation and governance of employment relations in pre-employment phase.

ECONOMIC AND POLITICAL WEEKLY, 52(17), 2017(29th April):102-110

This article looks at pre-employment issues in the employment relationship with a view to provide a conceptual framework for regulation and governance of employment relations. It brings out the distinction between a letter of intent and an offer letter. It looks at different scenarios such as a deferred offer, alternate offer, and revised offer that the offer letter can be a precursor to. It also argues that from the Organisation's perspective these are risk management strategies in the face of various circumstances. Different kinds of misrepresentation on the part of employer and employees to induce each other to enter into an employment agreement are deliberated upon. The role of labour market intermediaries in perpetrating this is also highlighted. Further, it suggests steps that can be taken to mitigate such instances and grounds under which damages may be claimed upon subsequent knowledge. .

** EMPLOYMENT.

FISCAL POLICY

12. Lusardi, Annamaria Michaud, Pierre-Carl and Mitch
Optimal financial knowledge and wealth inequality.
JOURNAL OF POLITICAL ECONOMY, 125(2), 2017(April): 431-477

We show that financial knowledge is a key determinant of wealth inequality in a stochastic life cycle model with endogenous financial knowledge accumulation, where financial knowledge enables individuals to better allocate lifetime resources in a world of uncertainty and imperfect insurance. Moreover, because of how the US social insurance system works, better-educated individuals have most to gain from investing in financial knowledge. Our parsimonious specification generates substantial wealth inequality relative to a one-asset saving model and one in which returns on wealth depend on portfolio composition alone. We estimate that 30-40 percent of retirement wealth inequality is accounted for by financial knowledge.

** FINANCE.

13. Narayan, Amay Jayadev, Arjun and Mason, J W
Mapping India's finances - 60 years of flow of funds.
ECONOMIC AND POLITICAL WEEKLY, 52(18), 2017(6th May): 49-56

As a useful adjunct to other macroeconomic accounts, this paper describes financial flows between different sectors of the Indian economy from 1955 to 2015. It finds that the consolidated government sector has the largest net deficit, while the households sector has the largest net surplus. The private corporate sector is running larger deficits than at any other time in the past, implying more reliance on external credits. With

liberalisation and globalisation, the rest of the world sector is now the second-largest net surplus sector in the economy. .

** FISCAL POLICY

GENDER IDENTITY

14. Ramdorai, Sujatha

[Gender and science - A case for inclusion and diversity.](#)

ECONOMIC AND POLITICAL WEEKLY, 52(17), 2017(29th April): 67-72

A narrative of the struggles that a woman has to go through in order to establish herself in an area of research dominated by men and by ideas rooted in patriarchy shows how the mathematical playing field is skewed against women. Not only do they have to struggle much more than their male counterparts, but women mathematicians who have made important contributions are still not given their due. The problems that women in the natural sciences face and the possible ways in which these can be addressed in order to create a more equitable work atmosphere in science research institutions and universities is discussed.

** SCIENCE.

MIGRATION

15. Bazzi, Samuel

[Wealth heterogeneity and the income elasticity of migration.](#)

AMERICAN ECONOMIC JOURNAL: APPLIED ECONOMICS, 9(2), 2017 (April): 219-255

How do income shocks affect international migration flows from poor countries? Income growth not only increases the opportunity cost of migration but also eases liquidity constraints. I develop a method to separate these countervailing individual effects and identify the overall income elasticity of migration. Using new administrative and census data from Indonesia, I find that positive agricultural income shocks increase labor emigration flows, particularly in villages with relatively more small landholders. However, in the most developed rural areas, persistent income shocks reduce emigration. Overall, the findings highlight the important role of wealth heterogeneity in shaping migration flows as incomes rise.

** MIGRATION.

MONETARY POLICY

16. Benigno, Pierpaolo and Nisticò, Salvatore

Safe assets, liquidity, and monetary policy.

A MERICAN ECONOMIC JOURNAL: MACROECONOMICS, 9(2), 2017 (April): 182-227

This paper studies monetary policy in models where multiple assets have different liquidity properties: safe and "pseudo-safe" assets coexist. A shock worsening the liquidity properties of the pseudo-safe assets raises interest rate spreads and can cause a deep recession-cum-deflation. Expanding the central bank's balance sheet fills the shortage of safe assets and counteracts the recession. Lowering the interest rate on reserves insulates market interest rates from the liquidity shock and improves risk sharing between borrowers and savers.

** MONETARY POLICY.

PHILOSOPHY

17. Singh, Mohinder

Tagore on modernity, nationalism and "the Surplus in Man".

ECONOMIC AND POLITICAL WEEKLY, 52(19), 2017(13th May): 46-52

Rabindranath Tagore's reflections on the concepts and practices of civilisation, nationalism, and community are directly concerned with the nature of modern political power and its underlying assumptions about human life. This article interprets these reflections by reading them along with and in the light of his philosophical anthropology as articulated in a variety of philosophical essays, focusing closely on The Religion of Man. It concludes by underscoring the contemporary import of these reflections as a philosophical resource for thinking about possibilities of human communities that go beyond the way the dominant tendency in political power tends to capture human life under its multiple regimes.

** PHILOSOPHY.

PHYSICAL EDUCATION

18. Adukia, Anjali

Sanitation and education.

AMERICAN ECONOMIC JOURNAL: APPLIED ECONOMICS, 9(2), 2017(April):23-59

I explore whether the absence of school sanitation infrastructure impedes educational attainment, particularly among pubescent-age girls, using a national Indian school latrine construction initiative and administrative school-level data. School latrine construction substantially increases enrolment of pubescent-age girls, though predominately when providing sex-specific latrines. Privacy and safety appear to matter sufficiently for pubescent-age girls that only sex specific latrines reduce gender disparities. Any latrine substantially benefits younger girls and boys, who may be particularly vulnerable to sickness from uncontained waste. Academic test scores did not increase following latrine construction, however. Estimated increases in enrolment are similar across the substantial variation in Indian district characteristics.

** PHYSICAL EDUCATION.

RESERVATION POLICY

19. Deshpande, Ashwini and Ramachandran, Rajesh

Dominant or backward? - Political Economy of Demand for Quotas by Jats, Patels, and Marathas.

ECONOMIC AND POLITICAL WEEKLY, 52(19), 2017(13th May): 81-92

Using data from the India Human Development Survey, this paper examines the demands of Jats (Haryana), Patels (Gujarat), and Marathas (Maharashtra) to be classified as Other Backward Classes to access reservations. Compared to the major caste groups (Brahmins, other forward castes, existing OBCs, and Scheduled Castes and Scheduled Tribes) in their respective states, based on several socio-economic factors, they are closer to dominant than disadvantaged groups. Their claim to backwardness is empirically unjustified. The paper examines the material basis of their anxieties in the context of structural changes in the Indian agricultural economy. It investigates networks and political connections that explain their success in mobilising .

** RESERVATION POLICY

SOCIOLOGY

20. Datta, Pradip Kumar

Rabindranath's Praxis - Perspectives on remaking the Social.

ECONOMIC AND POLITICAL WEEKLY, 52(19), 2017(13th May):38-39

Bhikhu Parekh observed that a possible reason why Gandhi perennially addressed Rabindranath Tagore as "The Poet" was that it implicitly classified him (and marginalised his many critical observations) as an impractical person of the imagination. Rabindranath's reputation has had to bear this burden for a long time. It is difficult to recognise the Rabindranath who, in many places, stated bluntly that ideas can lead to a cul-de-sac unless they are given shape by work and achieve an external manifestation. Tagore's practical imaginaries tend to be underrated, if not overlooked.

** SOCIOLOGY

21. Kannabiran, Kalpana Mishra, Sujit Kumar and Raju
[Investigating the causes for low female age at marriage -The case of Telangana and Andhra Pradesh.](#)
ECONOMIC AND POLITICAL WEEKLY, 52(18), 2017(6th May): 57-65

This study on low female age at marriage is aimed at investigating the causes and factors influencing the marginal increase in age at marriage among women from 15.3 years as reported in the National Family Health Survey-1 (1992-93) to 16.1 years in NFHS-3 (2005-06) in undivided Andhra Pradesh. The analysis of the data collected from a sample of 716 households from seven districts of Telangana and of 1,944 households from 10 districts of Andhra Pradesh reveals that the two most important exogenous variables with respect to age at marriage are awareness and education, with education emerging as a key indicator.

** SOCIOLOGY

22. Chevalier, Arnaud and Marie, Olivier
[Economic uncertainty, parental selection, and children's educational outcomes.](#)
JOURNAL OF POLITICAL ECONOMY, 125(2), 2017(April):393-430

After the fall of the Berlin Wall, East Germany experienced an unprecedented temporary drop in fertility driven by economic uncertainty. We show that the children born during this transition period performed worse on a range of educational outcomes from an early age onward. The mothers of these children exhibit personal characteristics and family structures consistent with negative parental selection. Investigating the underlying mechanisms reveals that parental educational input and emotional attachment were also lower for these children.

Finally, our ability to compare siblings means that we can reject that our results stem from a time of birth effect.

** SOCIOLOGY.

WAGES

23. Kleven, Henrik and Landais, Camille
Gender inequality and economic development: fertility, education and norms.
ECONOMICA, 84(334), 2017(April): 180-209

We document the evolution of gender inequality in labour market outcomes-earnings, labour supply and wage rates- over the path of economic development, and present evidence on the potential reasons for this evolution. To this end, we have created a micro database that compiles 248 surveys from 53 countries between 1967 and 2014, covering a wide range of per capita income levels. There is large convergence in the earnings of men and women over the path of development, driven by female labour force participation and wage rates. We argue that the single most important factor behind this convergence is demographic transition: the effects of children on gender gaps ('child penalties') are large at both low and high levels of development, but fertility declines drastically over the growth process and thus reduces the aggregate implications of children. We also document gender convergence in educational attainment and consider its effects on earnings inequality, arguing that these are significant but less dramatic than the effects of fertility. Finally, we document striking changes in the values or norms surrounding the role of women with children, implying that such changes could serve as a reinforcing mechanism for gender convergence.

** WAGES.