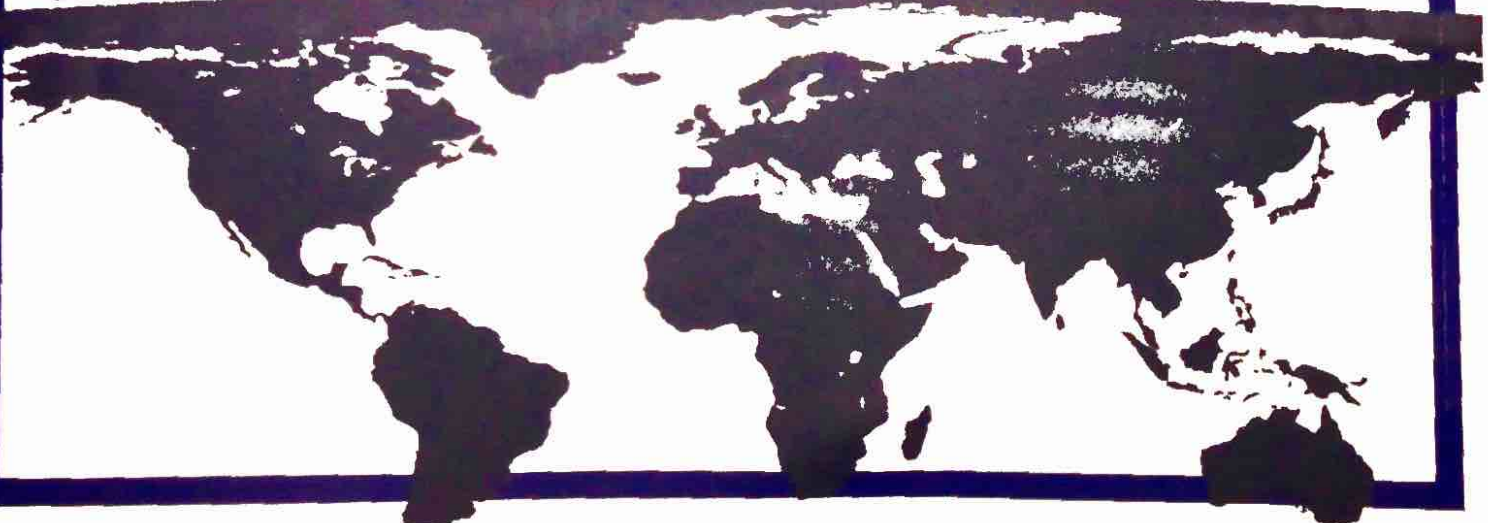
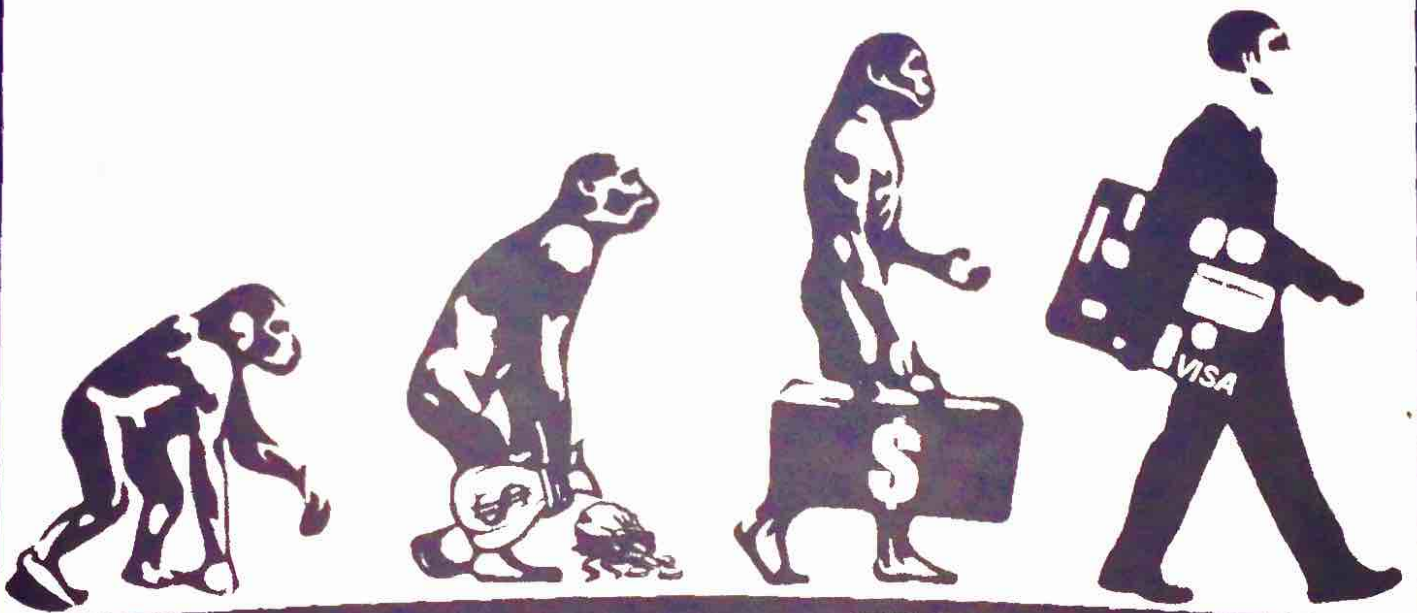


THE

CONTRARIAN

2015



FROM THE DESK OF THE H.O.D

The Contrarian, true to its name, has always stood for a 'different way of looking at things' and as it steps into its fourth edition, I am proud to say, that the magazine has become something we all eagerly look forward to for this very reason!

Every year we choose a different theme for our magazine and try to give our readers a different platter of thoughts! The theme for this year is 'Milestones' and the idea is to capture those important events in the history of the economies of the world which changed their destinies. In short, 'change' is the essence of our magazine. 'Change' is the oldest assertion of living, a repudiation of stillness and it is 'change' that has motored history. This change in turn is the manifestation of shared motivation and dreams...be it the World Wars or the Industrial Revolution, a scientist's invention or an economist's reformist ideas. The magazine endeavors to capture all of that in a nut shell.

The theme that has been chosen, after hours of brainstorming, by our very bright and competent editorial team could not have been more apt - as, if ever the history of our department is to be penned down, the year 2014-15 is sure to feature on its timeline! This has been a watershed year for it marks the realization of a collective dream of scores of our students - the dream to have our very own Inter-college National Economics Festival. Arthanomics, which made a humble beginning last year as an intra-college event, had by its success and popularity set the tone for turning it into an inter college one over time. "Only when you dream it you can do it" believed the core team of Prashant, Jai, Shubhang, Ria, Hiresh, Charmi and Pratyush. So convinced they were of their capability to take this challenge that no roadblock was big enough to deter them from their path. They worked systematically and tirelessly to make this an event big enough to have all eyeballs rolling. What started as a project of these seven soon became the passion of nearly 160 students across faculties - aided and unaided. The stupendous response we received from college across the country left us truly humbled.

I want to end my note by saying "we cannot become what we need to be by remaining what we are" and thus, we must always be the change we want to see. So dear students continue to dream, as dreams are the fuel of life and have the courage to pursue those dreams and become game-changers!

"If you don't build your dreams, someone else will hire you to build theirs"



FOREWORD

When our seniors gave us the responsibility of bringing out the 4th edition of the Contrarian, we were excited, nervous and very elated. After months of hard work by our team, we can proudly present to you the 4th edition of the Contrarian which is a product of our love, dedication and eagerness to learn more. This year, our theme is **Milestones of Economics** where we discuss key events in economic history, how they changed the world and how they continue to influence our understanding of the subject.

The cover page designed by our layout team reflects the evolutionary aspect of the subject. This theme resonates with us personally too. The year 2013-14 saw the Economics Department of Jai Hind College proudly presenting their first intercollegiate economics fest – Arthanomics. The smashing success of the fest is a tremendous milestone for all of us in the Department of Economics.

The most special and significant addition to this year's edition is the inclusion of our Alumni in the building of the magazine. They have made their presence strongly felt in the magazine through messages they've passed for their juniors, inspirational interviews and also articles!

We would like to use this space to extend our gratitude to our hardworking team, Kartik Jaishankar, Sakshi Shahri and Aayush Asthana, without whose efforts this magazine would have never seen the light of the day. Also we would like to thank our friends of Department Mrs. Sarita Jaishankar and our professors Mrs. Vaidehi Dhamankar, Mrs. Moushumi Misra and Mrs. Heena Thakker for their guidance and valuable inputs which were a source of inspiration to us. Thank you for motivating us! We are also grateful to the General Secretary of the Economics Association, Prashant Maheshwary and Treasurer Shubhang Arora and the Association and Department on the whole for their unconditional support, motivation and help throughout our journey.

We hope you enjoy reading the magazine as much as we did putting it together!

Madhuvanti Srinivasan & Vaibhavi Parmar
Co Editors- in- Chief



Your valuable feedback and suggestions are invited by the Editors. Reach out to us on thecontrarianjhc@gmail.com

CREDITS

WHO SCRIBBLED?

Damini Kane (SYBA)

Madhuvanti Srinivasan (SYBA)

Vaibhavi Parmar (SYBA)

Devika Soni (SYBA)

Maithili Modi (SYBA)

Kairavi Dey (SYBA)

Sheral Shah (SYBA)

Mohammed Kudrati (FYBA)

Needa Khan (Alumni)

Malathi Jogi (Alumni)

SPECIAL THANKS TO

The Economics Association

Mr. Guarav Dutta

Ms. Achala Jethmalani

Mr. Siddhant Sharma

Mr. Vishnu Kumar

WHO MADE IT COME TO LIFE?

Mantri Publishers, Mumbai

WHO FIXED IT?

Co- Editors-in-Chief:

Vaibhavi Parmar (SYBA)

Madhuvanti Srinivasan (SYBA)

Editing Head:

Kartik Jaishankar (SYBA)

Layout Team:

Aayush Asthana (SYBA)

Sakshi Shahri (SYBA)

WHO HELPED?

Khadija Rangwala (SYBA)

Prit Sanghvi (SYBA)

Maithili Modi (FYBA)

Kalash Pandiya (FYBA)

Rhea Jaffer (FYBA)

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INDIA'S GREEN REVOLUTION

The Green Revolution was a reaction to a situation where the Indian population was rapidly exceeding the country's ability to produce food. Amid rising figures of starvation deaths, drastic action had to be taken to improve food productivity. In 1943, history's worst recorded food disaster took place in British-ruled India. The Bengal famine killed an estimated four million people, making food security a prime goal of the newly independent India. Despite efforts, the goal of achieving food security was not realised, eventually leading to the legislative and technological changes which would bring about the Green Revolution, which took place between 1967 and 1978.

A green revolution is basically a series of technological, research and development initiatives undertaken with the aim of improving agricultural productivity. Norman Borlaug, the 'Father of the Green Revolution' was invited to India in 1961, when the country was on the edge of a massive famine. 'Western-type' farming techniques were introduced, which included double-cropping, expansion of farmland and using High Yielding Varieties (HYVs) of seeds.

The Indian government in collaboration with the Ford Foundation obtained wheat seeds from the International Maize and Wheat Improvement Center, selecting Punjab as the first site to try these new crops due to its reliable water supply and long history of successful agriculture. The Indian government also undertook projects of plant breeding, irrigation and development of agrochemicals. The International Rice Institute

developed the IR8, produce more This was adopted with enormous success as 'Miracle Rice' into a major rice



a rice variety which could grains of rice per plant. by the Indian government success. IR8 was known and it transformed India exporter today.

the most striking feature there was expansion of rising demand. Double-cropping was undertaken. Traditionally, year practice was fact that India had only according to double-

Although it is not of the revolution, farmland to meet cropping was also a one-season-per-

followed due to the one monsoon. But cropping, farmers were encouraged to plant around the year with the help of irrigation facilities playing the role of a 'second monsoon'. Apart from the IR8, other HYV seeds were used, most notably the K68 for wheat. This was developed by the hero of India's Green Revolution, Dr. M. P. Singh.

Another problem was lack of machinery, which made the agricultural process slow and cumbersome, particularly with regards to growing rice. Tractors and mechanised ploughs supplied by More Economically Developed Countries (MEDCs) replaced water buffalos. This increased efficiency and reduced human effort. Electric and diesel pumps were also introduced.

The issue of small land holdings was a widespread problem due to Laws of Divided Inheritance, where farms were split between the farmer's sons after the farmer's death. 75% of small farms were less than three hectares. There was a situation where the poor didn't own any land but the rich owned too much. The government introduced Land Reforms which aimed to increase the size of these farms by setting an upper

limit on the amount of land which could be held by the rich, meanwhile redistributing the surplus of land amongst the needy.

There were, however, some failures with the Green Revolution. The cost of machinery was often too much for farmers. Money was even required for fuel and maintenance, which they simply couldn't afford. Irrigation schemes were expensive and in some cases, the building of dams flooded over farmland which was perfectly usable. Increased mechanisation led to increased unemployment, as the double-edge sword of development lead to efficiency in production at the cost of fewer people getting work. This lead to a large migration to urban areas, causing stress on urban infrastructure. The Green Revolution was unevenly adopted, with more focus on places with a ready supply of water and adequate farm credit.

Despite that, the Green Revolution is largely considered a success. Between 1978 and 1979, there was a record grain output of 131 million tons, making India one of the world's largest producers of agricultural goods. Yield per unit of farmland also increased about 30%. Crop areas using HYV seeds also needed more water, more fertilizer, pesticides and other chemicals, leading to growth and development of the manufacturing sector. There was also a boost to hydroelectric power due to the building of dams. India's creditworthiness also improved, as she was able to pay back all the loans taken from the World Bank and its affiliates. India also transformed itself from a starving country to a nation which exported food, increasing its prestige in the eyes of the world.

The Green Revolution contributed to making the Indira Gandhi government into a force to be reckoned with. It was extremely necessary as the country was facing an acute food shortage. Through international assistance, India was able to transform its traditional outdated methods of agriculture very rapidly, making it a country rich in agricultural produce. In fact, Canada was so impressed with India's growth in this sector that it requested the Indian government to supply it with farmers who were experienced in the methods used in the Green Revolution.

Today, there are even those who suggest that India is ready for a Second Green Revolution. The aim will be not food security—as India is a food secure country now—but development of non-food grains, improvement of rural infrastructure, irrigation and the development of global market opportunities.

Although the Green Revolution in India was not a complete success, there is absolutely no doubt that it was a huge step in the right direction with regards to agricultural development, and lead to the individual economic growth of many of the poorest farmers, along with a growth in the agricultural and manufacturing sectors.

Damini Kane
(SYBA)

DO YOUR COMMUNISM PROPERLY

A recession is when communists take over your allies' economy. A depression is when communists take over your economy.

Now before budding economists, teachers and knowledgeable peers make me a victim of their scourge- for ruining the very definition of the holy phenomenon of recessions and depressions- I mean the above in jest.

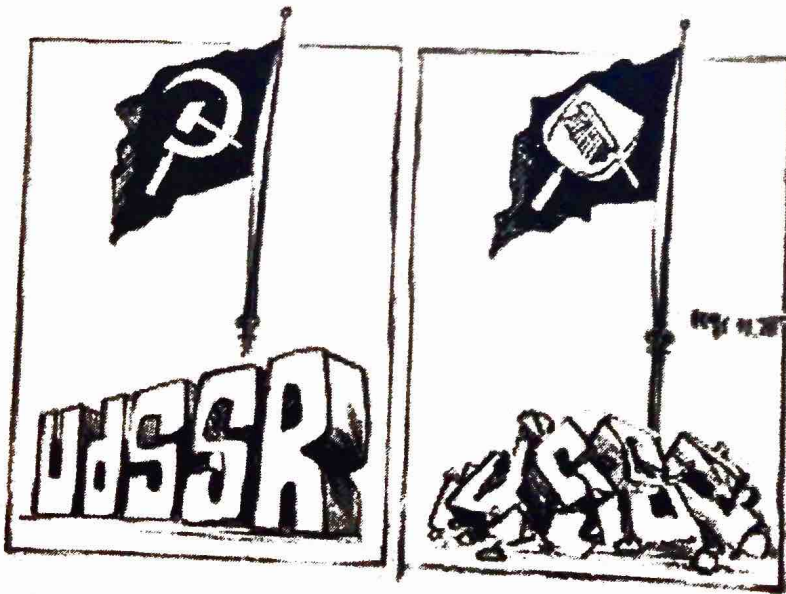
With that cleared, let's get back to communism. It isn't every peoples' choice of government, because everything related to the reds attracts a frown in the current global order. From academic textbooks to the fourth estate depicting communism as the yesteryear villain, I write this article- not to propagate the cause, but to show something that is seldom displayed – diversity within the implementation of communist ideology.

Its alleged nemesis – democracy – has varying forms of itself. From cut throat profiteering to the European model of welfare within capitalism, democracy has it all. Commie states (let us call them this from now on, please) do differentiate amongst themselves with their 'One Party To Rule Them All' philosophy lying as the basic unifying factor.

THE 1970's

In this decade lies the economic story of two nations. Both of them are well known and are considered superpowers. We know them by the name of the Union of Soviet Socialist Republics and the People's Republic of China. Whilst the first name's reputation lies in the past, the balance of power in a system "dominated" by the United States has passed on to the second in an interestingly unspoken manner; the yin to other's yang.

Let us begin with something Mr. Putin wishes had not happened – the fall of the Soviet Union. Going against popular notion, their collapse cannot be accredited to them being a red state alone. While the Soviets were busy centralizing everything, what they overlooked was that they had created a sub-economy within their politically beefy system- an economy that ran parallel to the state's activities. This was the network that handled Soviet societies' private and therefore illegal commerce.



This is the Soviet Union we're talking about, Comrade! Private activities and the state cannot co-exist, on paper at least. It is estimated that that the growth in illegal goods and services grew from about 5 billion roubles in the early 1960s to 90 billion in the late 1980s. By 1988, the total amount of illegally obtained income amounted to 20–25 per cent of all personal wealth in the country. I apologise for going beyond the aforementioned decade; it is to prove a statistical point.

To add to their woes, in 1979, the

Red Army packed their bags and planned a little picnic in Afghanistan. By picnic, I mean wage war there. This conflict would last till 1988, three years before the USSR's collapse and became the nail in the state's coffin. A war that bore no fruits; the Soviet Union had to pay a heavy price by the conclusion of their military activities. Now, should we call communism into the boxing ring for that as well or does this point at the lack of foresightedness within the leadership under Leonid Brezhnev? That is an indication of just how bureaucratic and opaque the times in Russia were. Not so surprisingly, these issues plague a "democratic" Russia even today.

The USSR did have the industries and technology at hand to keep their trade account positive and their coffers from stagnating. And they did just that. They had their satellite commies and allied third-world nations as customers. The false judgement was that they spent too much on useless things, like going on "picnics", for example, instead of keeping their economy smooth. They would've scoffed at the possibility of a systemic reign, if not downright privatization. This would have allowed the illegal wealth to see the light of the accounting books.

And as the USSR faced the consequences of its decadence, a dormant dragon awoke. In 1978, China enacted economic reforms. These two-layered reforms initiated changes in the agricultural sector; shifting to privatization, liberalization and manufacturing gradually. When these amendments in their system came about, they swore one thing – they'll do what America does best better than them. And it is due to that oath I write this article on a laptop manufactured in China for a company based in the U.S.

Check your pocket, your bag, check your anything, dear reader, and you'll find that the content it holds has (most probably) come from the Middle Kingdom. They're commies as well, but knew how to keep their setup intact with the tides of change. They completely overhauled the way the conservative outlook of communism goes; and with the Communist Party still being the face of regulation and propaganda, China let the private sector emerge with the condition that they do what they do best – make money. The private sector was good at that, and couldn't resist the opportunity of gaining cheap labourers and 975 million odd consumers. So the private sector gradually boarded the "Welcome to China Express."



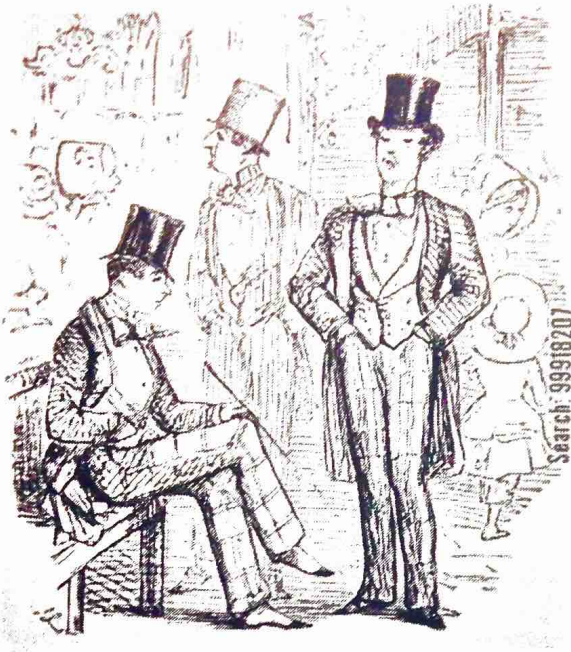
The consequences?

An economic boom so large, it resulted in statistics that had never been seen before in the financial progress of a nation. The colossal belief of self-sufficiency here was modified, if not exterminated, when the Chinese economy became both export (due to massive manufacturing) and investment driven. Investment is vital here. It shows that entities other than the state are in the process of doing business in an economy that was once publicly ruled. Now that Chinese trade vessels rule all routes under the sun, China's balance of trade is massively in their favour- their products flooding even the most menial of markets and their mastery growing from the battle field to the board room. There is absolutely no stopping them. If you're ever planning a communist revolution, be my guest. And when you gain control; go ahead and curse some capitalism, oppress some people, rule with an iron fist, paint the town red (literally), and have a huge party (again, literally); do remember one thing. Just do your communism properly.

And don't forget to give me a job.

Mohammed Kudrati
(FYBA)

INDUSTRIAL REVOLUTION



No. II.—YOUNG ENGLAND.

"DOOCEE GRATIFYING, AINT IT CHARLES, TO SEE SA MUCH
IN-DASTRY?"

Imagine a world without every bit of amenities that surround you. A life without technology, a life without comfortable and speedy transport, a life where consumer choice is limited and scarce. Thankfully a lot of our comforts today are in part because of the Industrial Revolution. The word Revolution is used so often that it sometimes loses its meaning. But when we talk about the Industrial Revolution every bit of the grandiose that comes with the word Revolution is applicable here.

The phrase Industrial Revolution was first popularised by Arnold Toynbee an economic historian to refer to the development in England's production from 1760 to 1840. But broadly the term can be used to refer to the process of shifting to an industrialised way of an economy from an agrarian one. This process first began in 1700s Britain and gradually spread to the other parts of the world

The Industrial Revolution completely changed the way the world looks at labour, production, and technology. Earlier production techniques were labour intensive. A completely

manual labour force was engaged in long tedious hours to manufacture goods using their own strength along with that of their animals. Manufacturing was done mostly in homes where entrepreneurs distributed raw materials and later collected the finished products from households. The family as a unit would then engage in making food, clothing, wood products etc. The economy was mostly agrarian and land was the primary source of wealth with little space for innovation or opportunities for investment.

But the Industrial Revolution changed all that.

Technology was one of the spheres in which the Industrial Revolution made bounding leaps of success. Coal, the steam engine, electricity, petroleum, and the internal-combustion engine, were used to fire up new machines like the spinning jenny and the power loom. The beginning of the factory system of production allowed specialisation and division of labour. Emergence of new and improved forms of transport and communication like the steam locomotive, steamship and the telegraph facilitated to the growth of the economy.

The main industries that benefitted were textile, coal and iron and transport. The first textile mill appeared in Great Britain in 1740s and by 1780s England had nearly 120 mills. By 1835 Britain had more than 120,000 power looms. Improvement in Iron making techniques ensured that iron production grew over three times in 1806 compared to production in 1788. In mid 1800s steam powered ships were used to carry raw materials and finished products across oceans. Steam locomotives began to be popularly used for freight and passenger transportation

Banks also witnessed a growth in terms of expansion of branches and services offered. In 1800 London had 70 banks as compared to the 20 banks it had fifty years ago. Banks offered short term loans to industrialists to help them cover their operating expenses. They also provided credit to wholesalers and retail merchants though the banks did not directly invest in factories themselves.

As far as the labour was concerned both employees and employers had to re orient themselves in a new environment. Some workers found themselves replaced machines while some began to start working with them. The factory system of manufacturing made production process large but also impersonal. While the previous system allowed room for some interpersonal interaction, in this new environment an employer could not deal with each worker personally. Jobs become monotonous as specialised work functions were allotted. Increased migration, low wages, unsanitary living conditions were side effects of the Revolution for the lower class worker. However their situation transformed till some extent in the 1800s when they were allowed to form trade unions and allowed to vote. Gradually their conditions improved.



As far as the consumer is concerned he had to a lot to benefit from the Industrial Revolution. New products, new varieties spelled out comfort for those who could afford them.

The Revolution that began in England was because of its naturally occurring vast resources of coal and iron and also because of the colonies that the British possessed. Coal and iron were the main natural resources the industry depended on. Colonies provided a supply of raw materials and a market for finished products. Thus the demand for British goods grew rapidly in 1700s in the domestic market as well as abroad. However this came at a price for the colonies.

Like India. Colonial rulers collected revenue from the territories they possessed and sent it back home, funding the Revolution. Textile industry grew rapidly in Britain, the raw materials for which (eg cotton) came from Indian farmers. The finished product was then brought into India without losing any money on duties and tariffs ensuring maximum profits in the market and ousting native manufacturers.

The British were possessive over their advancement and sought to safeguard its monopoly but it wasn't long before other countries reaped the benefits of the Revolution. For example they tried to prevent emigration of skilled workers but nevertheless hundreds of skilled workers did leave the shore of England taking away precious knowledge. Belgium became the second country to industrialise between 1830 and 1870. Soon by mid 1800s Revolution became widespread in Western Europe and north-eastern America. By late 1800s America saw themselves becoming the largest industrial nation in the world, thanks to the Revolution.

Thus the Industrial Revolution that began in Britain and spread to the other parts of the world replaced the traditional way of life with a more industrialised one. Power driven machine manufactured goods came into vogue. Capital assumed more and more importance and urbanization became popular as vast sections of the population started living in cities.

Thus from an economic point of view the Industrial Revolution completely changed the way the economy functions. The rules were changed for all the stakeholders in an economy - the buyers, the sellers, the manufactures, the intermediaries and every other player in market. While we have come a long way since then The Industrial Revolution important to understand the parallels between the economy we live in today and that of the past.

Vaibhavi Parmar
(SYBA)

"BECAUSE, IN THE LONG RUN WE'RE ALL DEAD."

The years that led up to Black Tuesday (October 28, 1929) witnessed an age of infinite consumer confidence. The stock market was not a mode of long-term investments, but rather a place where one could 'get rich'. With consumers, businesses and banks even, having invested copious amounts of money into the market, the assertion of it being an infallible investment was further affirmed.

However, as our Business Cycle predicts, such a boom was sure to bust. In late October 1929 the stock market crashed, causing a 40 percent drop in the values of common stock. While there were other factors at play, it was majorly this collapse of the entire stock exchange that instilled a wave of reducing consumer confidence. This in turn flung the economy of the United States into a decade long depression.

Until the 1920s, the realm of macroeconomics was restricted to the classical view, which upheld a laissez-faire attitude. Classical economists believe in the power of the 'Invisible Hand', which automatically corrects any economic anomaly in the long run. This theory, which is the crux of the Classical School Of Thought, is based on the assumption that prices and wages are infinitely flexible and therefore adjust to any level of demand.

However, during the Great Depression, when aggregate demand plummeted and businesses were forced to lay off employees in order to reduce their costs. Such a rise in unemployment paired with a consequent reduction in output was sure to form a recessionary cycle: Reduced output and increased unemployment implies a fall in disposable incomes, which lowers the aggregate demand, causing a seemingly never-ending inertia of recession, failing the Classical theory of automatic stabilisation.



which consumer confidence is trembling around negative figures, reducing the interest rate is unlikely to encourage consumption. Additionally, Roosevelt sought to balance the budget deficit and therefore drastically increased the tax rate, thus providing another disincentive to consume and further stunting aggregate demand.

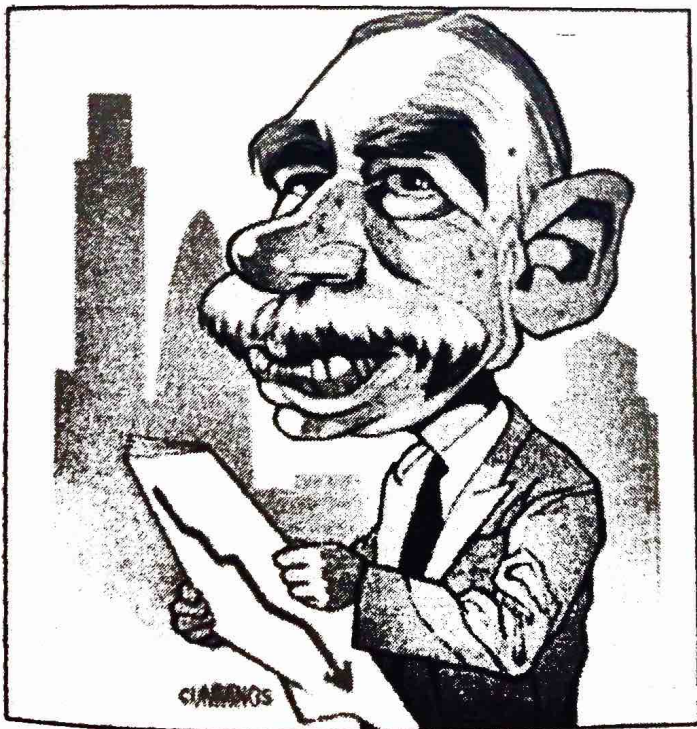
All these consecutive steps taken by the government of the United States put the entire nation, as well as numerous other nations into a period of economic depression. On one hand the global economic situation was deteriorating, while on the other hand the economists of the time were perplexed, as their supply side remedies were blemishing. And, this is where Keynes' theory of macroeconomics emerged as a panacea for the world's economic problems.

Keynes' theory was built on three key understandings: Firstly, unlike Classical economists, John Maynard Keynes believed in operating in the short run. A major issue with the Classicist belief of long run automatic equilibrium is that it deems short run fluctuations to be natural phenomena. Now when a case such as the Great Depression occurs, the prices and wages are inflexible, as producers cannot simply lower prices to increase demand. They instead have to lower costs by laying off workers. Therefore, when the economy gets stuck in a recessionary cycle such as this, one must adapt to the short run and shun passivity.

Secondly, Keynes hands the baton of an economy to the consumer. He always stressed on the importance of demand in any economy as opposed to the classical view of 'Supply creates it's own Demand'. And to explain the same, in his book, *The General Theory of Employment, Interest and Money*, Keynes uses the term 'Animal Spirits' in place of 'Consumer Confidence.' Hence explaining how without consumer confidence, even if there is supply, the demand will not be sufficient, and thus prices and wages will not be flexible, preventing the economy from self-correction. Therefore, to solve this issue of low consumer confidence and staggering demand, we come to the last, but most important aspect of Keynesian Economics: Stimulus.

While the classical economists of the time took to acquiescence, Keynes gave credence to Stimuli. He believed that the depression was deep rooted in the problem of unemployment and so, increasing the employment rate would automatically form a breakthrough from the recessionary cycle. Thus Keynes urged the American government to increase expenditure, by hiring jobless workers directly for public works like roads, dams, and schools. Once employment was generated, incomes would increase, enabling aggregate demand to multiply. Once demand increased, the firms which had previously reduced production and made workers redundant, would re-hire them and increase individual output, finally catapulting the economy into a trend of growth.

While The Keynesian School of Economic Thought seems to perfectly provide a cure for the Great Depression, Keynes had to battle for acceptance. Keynes fought right from the nascence of the Great Depression to employ his line of reforms, in the redevelopment of not just the American economy, but of all those economies of the world struck by the slump. Unfortunately, it was only after immense damage had already been caused that the economists of the time accepted the new Keynesian perspective.



The introduction of such a new line of thought surely provided a whole new dimension to the discipline of Economics. However, despite the results that Keynes showed in helping bring the global economy out of a recession in the 1930s, it is essential to understand that even his theories have drawbacks. For instance, Keynes' demand side theories, do not account for the inflation caused by them. Moreover, when the government increases expenditure in the midst of a budget deficit, the investment gets crowded out, causing the opposite effect than what was intended.

Other than these, there exist numerous more criticisms of Keynesian economics. However, what Keynes brought to the world is a completely new dimension of economics and is flowering even today. Therefore, his demand side theories surely prove to be a colossal milestone in the timeline of economics, without which the global economy would not be on the same page as it is today.

Maithili Modi
(FYBA)

7000 MILES OF TRADE

Import and export are major sources of revenue for nations across the globe. But where did all this begin? In 206 BC with the discovery of a route connecting the western world to the east, stretching across 7000 miles the first international trade relation was fostered.

The Silk Road, coined by Ferdinand von Richthofen was the first ever of its kind to initiate trade not only of goods and services but of art, food, culture, religion and philosophies throughout a major part of Asia and Europe. This road joined two halves of the world and made luxuries from thousands of miles away basic necessities for people.

It connected Sian in China to the Gobi Desert, Mongolia making its way through India, Pakistan, Afghanistan, Iran, Iraq, Syria, Egypt and Israel to Lebanon and Turkey. Parts of the road branched out to nations like Uzbekistan, Kazakhstan, Kyrgyzstan, Turkmenistan and Tajikistan. Goods on this road were exchanged between Constantinople, present day Istanbul and Rome, the western end of the road via the Mediterranean Sea.

Unlike today's concrete roads, shipping facilities and air transport the Silk Road stretched across mountain ranges, valleys and harbours. The road was not one long stretch of land, it branched out into a number of big and small routes and connected a number of empires having some impact in their economic and trade activities.

The routes enabled transportation of basic necessities, slaves and luxurious items such as satin, hemp, musk, perfumes, spices, medicines, rhubarb, zoological specimens as well as non indigenous diseases between Ancient China, India, Asia Minor and the Mediterranean region. Trade along the Silk Road was significant with respect to development of great civilizations of China, India, Egypt, Persia, Arabia and Rome.

The three main empires that carried out trade were China, India and the Roman Empire. The Chinese traded in silk, spices, teas and porcelain. India traded in ivory, textiles, precious stones and pepper. The Roman Empire exported gold, silver, wine, carpets, glassware and jewels.

The Silk Road was an initiation of China who sent its armies to Central Asia which later became a major avenue of international trade. Back then China had resources necessary to build a strong economy but it lacked the sophistication of urban civilizations. China carried out trade with Fergana, Bactria and the Parathion Empire which were rich in resources but did not have strong armies. China provided protection in exchange for their advanced goods and technologies.

China held within its borders a secret of producing silk that set a benchmark in the international market. The Aryans residing on the plains of Ganga played an important role as the middlemen in silk trade. In the early 1st century BCE the Aryans understood that silk produced by the Chinese Empire was very profitable. They strengthened their relations with China and engaged in a three way trade. The Aryans exchanged precious stones like jade, gold and silver for Chinese silk which they then sold to the Roman Empire.

Trading silk along this road made China one of the wealthiest and strongest economies of those times. Roman artists began to replace yarn with silk cloth imported from China. The imports of silk became so taxing for economies that a Roman senate had to issue edicts requesting his people to discontinue the use of silk as it caused a huge outflow of gold from the empire and damaged the economy.



Various empires started sending spies along with their merchant caravans into Chinese borders to steal their formula of silk production. Spies from the Mesopotamian Empire were successful in doing so and later set up their own sericulture farms.

A rare and precious stone Lapis Lazuli was only produced in Badakshan, modern day north-eastern Afghanistan. Along the Silk Road this stone reached Mesopotamia and Egypt by the second half of the 4th millennium BC where it

was used to adorn the caskets of the mummies and by the 3rd millennium BC it reached Harappa and Mohenjo-daro in the Indus Valley.

The Kushan Empire of the 2nd century situated in the north-western part of the Indian subcontinent was located at the heart of these exchanges. Its capital city Begram recorded their treasure hoards being filled with products from the Greco-Roman world, China and India which proved their involvement in and encouragement of trade across regions and cultures.

Gunpowder invented by the Tang Dynasty of China became popular and later a basic necessity for nations through its trade across this road. Even though silk was the most lucrative commodity of the Silk Road, paper was also extremely important. Discovered in Shaanxi around 200 BC paper travelled to the other world through merchants and caravans. Studies credit Egypt with the discovery of 'papyrus' but China made great technological advancements during those times and considered the good quality paper it produced as a part of its four major inventions.

The Silk Road is not only known for its initiation of international trade relations but also a form of banking services available today. When trade reached its peak on the road, purchase orders didn't exist, there were clusters of merchants who maintained correspondence and provided credit. The banking system flourished through a network of local businessmen, often a kin or of the same of religious faith as the travelling merchant.

The Silk Road not only brought wealth to nations but it also destroyed some. Studies say that Black Death which destroyed Europe in the late 1340s may have reached Europe from Central Asia or China via the Mongolian trade routes.

The Silk Road acted as a catalyst for international trade and commerce. Surely even in its absence economies would have eventually opened up and traded with each other but if it were not for this road - the level of trade, the pace at which it occurred and the exchange of philosophical and scientific ideas would have been very slow. Economies wouldn't have been as advanced as they are today. Thus the Silk Road helped form the foundations of the modern economic world in many respects.

**Devika Soni
(SYBA)**

SMALL ENTREPRENEURS... BIG STORIES

Economics is everywhere. It is omnipresent and influences all of us in each and every decision we take. The big corporate honchos need it so do the street hawkers. In this article below we look at how your friendly neighbourhood the vada pav sellers, vegetable vendors and the small shop owner handle their day to day businesses.



Ramdeep Prasad is an old pro at selling vegetables. So it's no surprise that he has reputation for selling fresh quality goods at reasonable prices. This explains why he has his own band of loyal customers in the area. He tells us about his day to day business.

How long have you been in this business?

I have been selling vegetables for 30 years now. I started this business on my own.

Is there any time of the year that is particularly busy?

Yes. I get maximum sales during the winter season.

What are your timings?

I set up my shop at 7am and pack up at 9pm.

Does your family help?

Yes. My boys come around and help in running small errands, setting up the goods and so on.

Where does your stock come from?

I go to Dadar myself and get the vegetables at wholesale.

How do you set your prices?

Depends on how much I get at wholesale prices. My prices and that of the other vegetable owners around me are usually similar. We work together and don't set competitive prices or pose as threats to one another.

Does this business provide you with adequate income?

Yes! I usually get enough to save too.

Bread, biscuits, Mobile recharge, coca cola and endless supply of chocolates. We depend on our friendly 'kirane ki dukan' for so many little things that we don't even realise. Vidhi Vinod Pawar gives us information about being in the business as a small shop owner.

How long have you been in this business?

Me and my husband have had this shop for three years.



Is there any time of the year that is particularly busy?

Yes. Mostly during festivals especially Diwali we have a very busy time.

What are your timings ?

Our shop is open from 8am to 11pm. In the morning when the children are off to school is usually the busiest part of the day.

Does your family help ?

Yes my husband and I own this shop, so sometimes I sit at the counter, sometimes he does.

Where does your stock come from?

The companies come on specific days to drop off their goods. For example on Monday the Parle truck comes around and on Tuesday the Cadbury truck comes by.

What if the stock is left over?

We replace it when the company truck comes by.

Does this business provide you with adequate income?

Yes. This provides sufficient income to run my house, my kid's education and I can even put aside some income as savings.

Sanjay Sitaram's goodies are always in demand which is evident by an eternal throng of customers surrounding his stall at any given time of the day. This vada pav wala was eager to let us in on his long standing business which is obviously a source of pride for him.



How long have you been in this business?

This is my own business that I started around 18 years ago.

Is there any time of the year that is particularly busy?

Yes. Rainy seasons are usually the most hectic.

What are your timings?

I have a fixed location. My stall opens at 3 in the afternoon and shuts down at 9:30 in the night.

Does your family help?

Yes. My family helps a lot. Preparation for the vadas and other eatables start at 10 am at home itself. So they help in that.

How do you set your prices?

My prices are usually set according to the cost of my other items - the oil, and the potatoes and so on. Usually I have to increase my prices as the cost of living is going up nowadays.

Does this business provide you with adequate income?

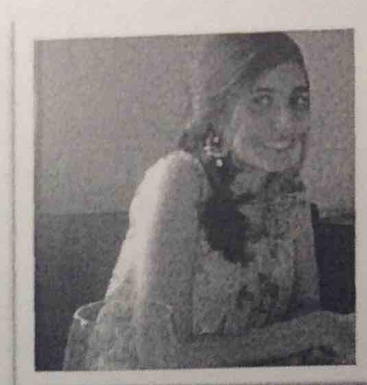
Yes. Most definitely. I am quite satisfied.

THE VOICES OF EXPERIENCE

SAKINA DHORAJIWALA

How did Jai Hind, as a college, and the Economics Department benefit you?

It was particularly the economics department faculty that encouraged us to explore more and keep moving forward. The discussions in class on economics and current affairs, along with participation in extracurricular activities, conventions and seminars gave us a lot of exposure and an opportunity to apply classroom knowledge practically.



Class of 2012

Life Outside Jai Hind in terms of Career, Achievements.

I have worked on food security survey in Bihar with Jean Dreze and published an article on the same in Frontline magazine. I also had the opportunity to teach 2nd & 3rd graders as a Teach For India Fellow in Hyderabad. Currently I am working with Stanford Center on Democracy, Development and Rule of Law in Surguja district of Chhattisgarh on a NREGA and PDS intervention.

Why do you love Economics?

When I took up Eco at Jai Hind it was by ticking off the other options on the list! So it was just coincidental, economics teaches you how small a part of the world you really are!

Your Message/ Advice to the current and forthcoming batches.

Keep asking questions. It's the best way to learn.

SMIT MALKAN

How did Jai Hind, as a college, and the Economics Department benefit you?

Life at Jai Hind was about questioning the way things are and challenging the status quo. I have always been interested in politics and governance. As a teenager, I was very passionate about bringing about a systemic change. I felt that a lot of things were 'not right' in our country and the corruption of the political class was to blame for all of that. The opportunities that came up through the Economics Department gave me exposure to see the complexity of the problems firsthand and understand my role in solving them.

Life Outside Jai Hind in terms of Career, Achievements.

I joined the Teach for India Fellowship after graduating in 2012. I taught 40 children in 3rd and 4th grades in a government school in Hyderabad for 2 years. Post fellowship, I took up a staff position within Teach for India. Currently, I handle government relations in Ahmedabad.



Class of 2012

Why do you love Economics?

Economics as a subject makes you think. Sometimes, it complicates life and then puts a structure in place to solve a problem.

Your Message/ Advice to the current and forthcoming batches.

"Long run is a misleading guide to current affairs, in the long run we are all dead"

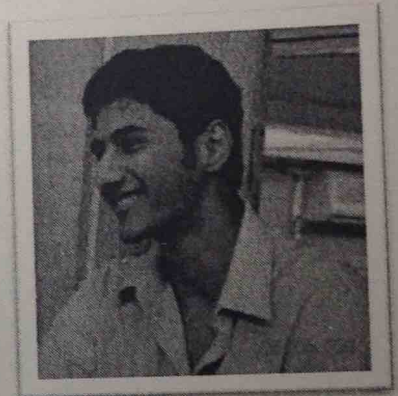
SHOBHIT NAIR

How did Jai Hind, as a college, and the Economics Department benefit you?

Exposure to varied inter college competitions, freedom to design activities and events as part of the Economics Committee and most importantly, the support and enthusiasm of our professors ensured that our time at Jai Hind was constantly enriching.

Life Outside Jai Hind in terms of Career, Achievements.

I've been working at Ernst & Young LLP for 3.5 years now. I'm part of the operations restructuring team which basically assists in turning around cash distressed companies (Non Performing Assets). I was fortunate to be chosen for a (partly) firm funded 2 year Executive Program in General Management from the Indian School of Business in Hyderabad. My most significant achievement would be that I independently developed a methodology to identify and reduce revenue leakages for power distribution franchises.



Class of 2011

Why do you love Economics?

I love economics because its basic principles are applicable to all walks of life - from the economy, to work, sport, and people. It always aims to simplify crucial elements that surround you at all times like - time, money, and utility. It inculcates a fabric of flexibility in perspective by allowing you to evaluate the micro and macro of everything.

Your Message/ Advice to the current and forthcoming batches?

Look to work for different types of organizations - a start up, a MNC, a government body, a voluntary organization, a social service initiative etc. It will help you understand and appreciate concepts like people management, incentives, hierarchy, processes, systems, regulations etc. Be a jack of all and master of none for the first few years. It is important to be a generalist early on. It will help you understand what makes you the happy, enable you to take informed decisions and reduce guilt and regret of not having tried different things. Competition is fierce. Read the newspaper everyday, one magazine (The economist/ Forbes / Entrepreneur) fortnightly, a book every month (non-fiction and or fiction) and build a new skill bi annually (a language, data analytics, MS Excel, communication etc). Spend money on learning new skills as soon as possible. With every ensuing year you will only have lesser time for yourself and your social commitments. Lastly, ensure your health is better than it should be. You'll be surprised how rare and valuable an asset it is.

ANKITA TONDON

How did Jai Hind, as a college, and the Economics Department benefit you?

Jai Hind, as a college, has an excellent reputation in India and internationally. It helped me get into Warwick University and its name and reputation really helps at the time of job interviews. The course taught at Jai Hind College helps set a very good base in the subject. I did a Masters in Finance, and a good understanding of the subject really helped me master more advanced concepts easily.

Life outside Jai Hind, in terms of career, achievements, etc?

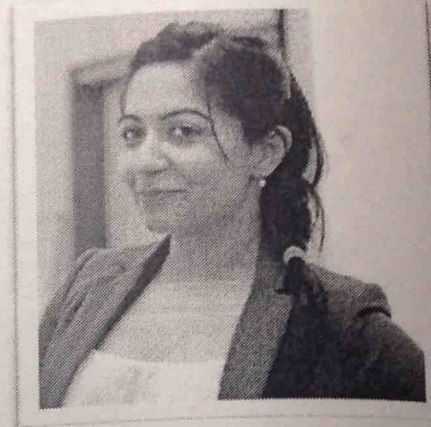
I am currently the Business Head for Sales and Operation for Coupon Dunia Media Private Limited.

Why do you love Economics?

I have always had an affinity for the subject and a good understanding of it. I really enjoy the subject and its applications in everyday life.

Your message/advice to the current and forthcoming batches?

Honestly, just a graduation degree is not good enough for a job, but the course helps set a base for further studies in related subjects. In today's day, an MBA or a Masters is required to seek a well-paying job. I believe that education has two aspects – learning within the classroom and learning outside the classroom (which would include internships, projects, etc.) My advice would be to take the learning experience outside the classroom and apply the concepts they have learnt into real life situations.



Class of 2007



The Economics Association in 2014 organized Arthanomics, a national level inter-collegiate festival. Based on Economics and Business, the efforts of a passionate team brought about a weekend long festival with several of the city's and country's premier institutions coming to take part. The quality of participants was at par with the eminent judges and speakers that attended the festival. It provided young budding economists with a chance to get out of the classroom and a chance to apply Economics in real life. The overall trophy was bagged up by H. R. College while the 2nd and 3rd places were awarded to Lady Shri Ram College for Women and Christ University respectively. This festival with several successful events was a highlighting achievement of the Association for the year.



THE EVENTS

Crime In Catastrophe

Following the theme for the year, Apocalypse, a flagship event in which the participants in a post-apocalyptic world had to plan, procure and sell contraband to people on the campus as well as on 'A' Road. With a lot of interesting twists and turns it was fun to see the participants, soaking wet due to the rains, try and sell these items. It was received with immense praise and popularity.



Lego

In this original event, participants were given a chance to explore their mind reading skills and intuition and the value of calculated risks. They had to recruit the best out of the few, acquire essential resources and make logical decisions quick and fast if they wanted their community to survive. Another instant favourite with the participants!



Marketing to Minds

This was an event that made marketing and economics go hand in hand by making the participants prepare strategies to market some of the most absurd commodities. To do so the participants had to incorporate principles of Behavioural Economics in their strategies.



Arthanomics Paper Presentation

Arthanomics presented a platform to several teams to present their research papers based on a variety of interesting topics. This event was a reflection of the intelligence, effort and quality of participation that the festival associates with its ideals.



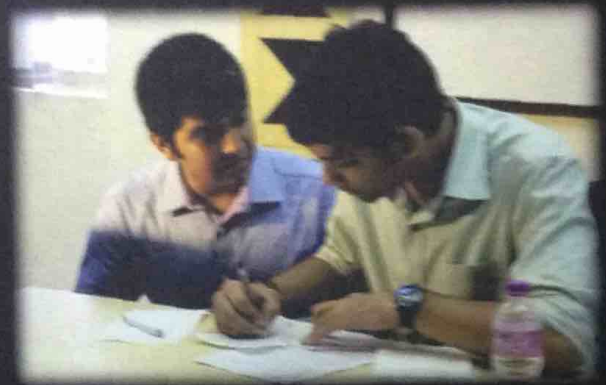


Lok Sabha

A Lok Sabha based in the year 1991. Sounds like absolute chaos but it was the good kind. The topic for discussion was economic reforms such as entry to foreign banks and import restrictions. Taking up positions of Lok Sabha member the participants talked, defended and pushed for their parties' agendas, to shape up the country's future.

Arthanomics Quiz

A classic quiz but it was enough to get the participants tensions running high and frenzy their nerves. Only the best of the best survived.



Punchline

Putting aside the traditional debate, Punchline, a debating event, was based on boxing. Except there wasn't any violence involved. The format of a boxing match was applied to this event and the participants had to make arguments in quick, concise rounds, exchanging blows of wit, quick thinking and coherence.

Bull and Bears

Play well, play fair and win. Sounds easy right? An event based on the stock market, this event was a ride back to 2008. Participants found themselves in the apocalypse of unsteady stocks. With recovery being a near possibility they participants indeed played well and played fair.



BEHIND THE SCENES

Prashant Maheshwari and Jaai Vipra, Chairpersons of Arthanomics 2014, exude a natural comfort and cooperation as they sit to talk about their successful undertaking.

In just its second year, Arthanomics was conceived on the national level. Naturally, there was opposition. "Everyone told us to stick to the city for the first inter-college edition but we wanted the quality of participation of a national scale fest" Jaai recounts.

"Although we were compared to the Aam Aadmi Party," Prashant laughs. "We were confident. We had a lot of good people, experienced with festivals and organising."

This bold move had its fair share of challenges - the organization committee itself was sceptical about the vision, there was a lot of on the job learning. College permissions were a serious hurdle. After presenting a proposal to the Administration, the Chairpersons had to wait an agonizing month and a half to get the green light. "We kept working in the meantime. We knew it would happen. We would have killed people to make it happen," Prashant jokes.

Broaching the topic of motivation, important when planning spans several months, Jaai asserts, "You have to believe in what you're doing and how good it'll be for everyone involved. You have to keep talking to people; they don't tend to be self-motivated."

"There was never an option of failing or not doing the festival. We had bad days and disagreements in the core team but it was always back to business the next day. We knew why we were doing this," Prashant reflects.

"We also had a 'Save the World' complex," Jaai adds humorously. "This college needs Arthanomics!"

How did the experience of being Chairperson enrich them? "We learned a lot about how to deal with people, what goes behind organizing. We made a lot of mistakes (some glaring ones), that taught us. My college life would have been incomplete without this." Prashant decisively responded as his co-chairperson nodded.

A lot of this learning highlighted what could have been done differently. "Plan a lot more!" exclaims Jaai, right off the bat. "It's important to think a lot about the ethos of your festival and what you want to do with it before you get everyone involved. We called a lot of meetings to keep people motivated but this upset some. You have to take care of your people."

When asked about their experiences with each other as chairpersons, reluctant affection flowed. "We fought a lot," declared Jaai. "But I wouldn't have done it with anyone else. Our skills complemented each other. Prashant was good with people, being on fire all the time and doing the laborious running around." Prashant returned more praise than was given. "I don't think anyone else could have fit the bill. She's really well read and was great with pitching ideas, conceptualizing events. She's open to criticism, which is important when you're at this level. I don't see anyone in the whole team doing this as well as she did."

What is their vision for the future of the festival? "Go international! We have the organizational talent. Raise the bar; this should be something participants will be proud to put on their CVs."

On a final note, Prashant warns, "Don't get complacent. It's not always easy, you will hear a lot of No's and face roadblocks but the Yes and the end is really worth it all."

"Always have a vision that's so big it's sometimes scary," proclaims Jaai. "Don't expect things - do them. Ask not what your college can do for you but what you can do for your college." She ends with a fitting paraphrase.



ECONOMICS ASSOCIATION REPORT, 2014

Ex-officio members

Mrs. Sarita Jaishankar
Mrs. Vaidehi Dhamankar
Mrs. Moushmi Majumdar
Mrs. Heena Thakker

Office bearers:

General Secretary: Prashant Maheshwary
Joint Secretary: Jaai Vipra
Treasurer: Shubhang Arora
Second Year Coordinators: Sakshi Shahri, Anvita Rastogi
First Year Coordinators: Rhea Jaffer, Kalash Pandiya
Fest Co-ordinator: Henna Mirchandani
Deputy Fest Co-ordinator: Aayush Asthana
Unaided Streams Coordinator: Prithvi Rajput
Social Initiative Head: Tarishi Kumari

While recording economic milestones, it only seems fitting for us to simultaneously recall those milestones that have helped shape the Economics Association of Jai Hind College.

Our Economics Association is increasingly becoming an integral part of the students' learning process. It is the means to bridge the gap between academia and real life application required in the field of economics. Be it sending contingents for numerous competitions or organizing Symposiums, the Association is all for providing opportunities.

One of the first few activities carried out by the organization was a Public Policy workshop organized by The Centre for Civil Society (CCS). It was aimed at discussing current issues, ranging from poverty and livelihood to trade. As more than 100 students participated, it proved to be an extremely beneficial exercise.

Moreover, the Association, understanding the correlation between social matters and economics invited NGOs such as *Teach for India* and *Young India Fellowship* to conduct presentations on their respective programs. Furthermore, to help guide students from academic excellence to work-readiness, a Personality Development Programme was conducted which sought to make students ready for the 'real world'.

While there were multifarious other events that took place in the interim, what marked the end of the academic year was the Research Symposium conducted by Monk Prayogshala. Regardless of the field you choose it is important to have stellar research skills. Hence, recognizing the importance of research papers, this symposium conducted a seminar for the students in which they learnt the technical paraphernalia required to write a research paper. This was followed by a competitive paper presentation.

As a result of these activities, Jai Hind College is known for churning out some of the best graduates. And whilst at college, the students continue to show remarkable results at fests held at other colleges such as St. Stephen's, Mithibai, NM College, NIMIMS, Xavier's, Christ College, etc.

Hence, in this fashion we see how the Economics Association at Jai Hind College is anything but passive. It is a well-integrated system lead by a group of democratically elected students, backed by the teachers of the economics department.

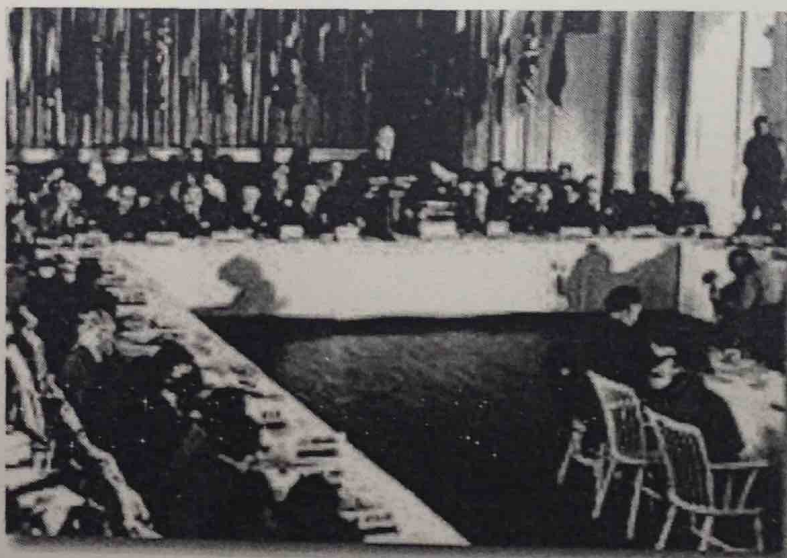
THE BRETTON WOODS CONFERENCE

Over the years, the Bretton Woods Conference has come to be remembered as the platform that launched the International Bank of Reconstruction and Development (IBRD) and the International Monetary Fund (IMF). Also, it marked the beginning of the Bretton Woods system of international finance. The reasons for its staging, however, need to be looked at in the context of the political and economic realities of that era.

The conference, containing representation from each of the 44 allied member states, took place in Bretton Woods, New Hampshire, USA in the month of July, 1944. The crippled post-war economies of Europe were heavily dependent on the new economic heavyweights: the United States of America. Who, in turn, looked to leverage their upper hand in a new, multilateral economic order to tackle internal unemployment and promote welfare.

The economic context was provided by the absence of an international monetary policy. Which was largely necessary due to the use of different currencies in different economic regions. Predicated on the works of Adam Smith and David Ricardo, Liberal economic theory suggested that co-operative trade and monetary structures needed to be put in place in order to implement and take advantage of 'free trade'.

Therefore, the first edifice put in place to aid free trade was the settlement of a par value for each currency with respect to the dollar as a standard, and a band of values around it, for which, fluctuations were permissible. These adjustments and liquidity injections currencies convertible as gold be handled by the



Furthermore, the the Bretton Woods in a new era of among nations. relied on reserves factor on which trade hinged (Gold old ideas of

gave way to new ideas of unhindered trade among western nations. Barriers and restrictions to trade were meant to be reduced. The Gold Standard system of international trade was enhanced by pegging exchange rate values to the dollar. This was meant to absorb the best features of the Gold standard system prevalent in the previous century (low inflation and steady price levels) and inculcate an ability to absorb short-term shocks and setbacks without causing economic instability, which is a feature of floating exchange rate systems. This period lasted from 1946 to 1971.

However, not all of the ventures heralded at the conference turned out to be as successful as others. While the IBRD was absorbed as part of the World Bank and the IMF continues its functions to this day, a proposed International Trade Organisation (ITO) was intended to complement the IMF and the World Bank to handle

transactions, such as necessary in terms of redeemable or reserves, were now to IMF.

main achievement of conference was to usher open market economics Even as nations still of gold as the defining wealth and therefore Standard system), the economic nationalism



CHRISTMAS DAY IN THE CASHOUSE.
We don't WANT our Christmas pulled!

matters of International Trade with respect to rules and regulations. While the organization did not materialize, its functions were later absorbed into the working of the current World Trade Organization. Before the IMF emerged, an establishment acting as a banker to nations called the International Clearance Union was proposed in order to help countries with their foreign exchange shortfalls. This was the precursor to what became known as Special Drawing Rights (SDRs) and other facilities available to nations and the IMF.

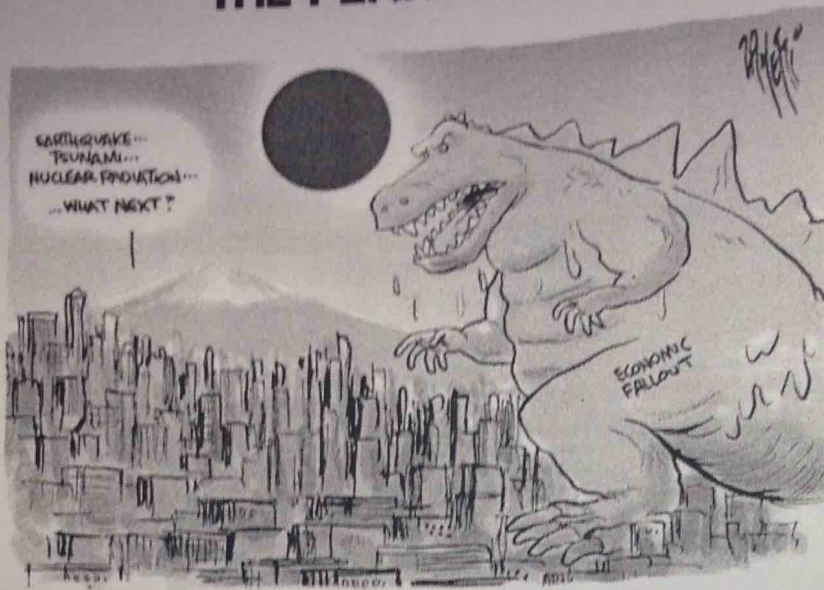
Yet, in today's context the call for a new global financial system will have to have some resonance with the economic powers that were absent in previous meetings. The perspectives of emerging Asian economies, such as India and China will have to be taken into consideration. In other words, the equivalent of a Bretton Woods today would be an economic summit involving the G20 nations, maybe more, specifically focusing on an international finance and monetary structure. Despite being a British colony, India's delegation did convey the need for more developmentalist

policies that involve greater state intervention in national markets. This was done with the aim of catching up with the more developed countries. However, the response of the major powers to the Indian delegation was not encouraging. Even today, India has a meager 2.34% voting power in the IMF as compared to the United States' 16.75%, or even Japan's 6.23%. Moreover, despite being the world's fastest growing economy, China is privy to only 3.81% worth of voting power.

However, as aforementioned, with these changing tides, certain changes in the IMF itself are inevitable. Therefore reflecting how, in the world of economics, any 'milestone', is in fact a stepping-stone. While no one seems to know where we're heading, economics continues to evolve. And, amidst such fast-paced growth, it is worth our while to pause and glance back at developments such as the International Monetary Fund, only to imagine a global economy without such an organization in place.

Kairavi Dey
(SYBA)

THE PEAKS AND TROUGHS OF YEN



Japan is the third largest country in terms of nominal GDP and the fourth largest in terms of purchasing power parity. The tale of growth and economic development of Japan is marked by a series of events and economic strategies undertaken by several governments at various stages. The step by step expansion of the Japanese economy makes it an interesting one wherein the policies initially contributed to the blooming of the economy and then later led to its downfall.

Japan has gone through two periods of economic development. The first phase began in 1868 and extended throughout the Second World War. The year 1945 witnessed the commencement of the second phase of economic development. This period continued up to the mid 1990. Economic development in Japan was mainly characterized by rapid growth of the economy with the adoption of effective economic strategies and a lot of structural changes.

Industrial Revolution in Japan began in the Meiji era. From 1859-1869 Japan had been subjected to a number of unequal treaties forcing a liberal trade policy on it, in which tariffs had to be kept below 5%. Due to these treaties, a flood of imports, unchecked by tariffs, soon devastated the domestic economy of Japan. It immediately underwent a balance of payments issue because it depended heavily on the imports of raw materials and capital goods which were required for early industrialization. Their hands were tied with treaties the Meiji rulers were part of in order to develop Japan's economy. The government emerged as a chief promoter of private enterprise. One of the concerns of the Meiji government was to boost exports and to correct the balance of payments situation. Effective measures such as building up of fundamental public infrastructure and industries, providing subsidies for marine transportation and ship building were implemented. Japan attained tariff autonomy in 1911. Consequently, it raised tariffs on foreign ships. The government introduced agriculture tax as a means to obtain revenue. The economy heavily depended upon traditional agriculture to finance modern industrial agriculture. Besides, three state controlled banks were established by the end of 19th century to direct credit to industrial development. Apart from the agriculture sector, the government provided about 50% of capital investment in Japan. The end of world war two marked the beginning of the second phase of economic development in Japan. The war led to the destruction of a number of industries.

With the commencement of the second phase a large number of people joined in to rebuild Japan. The industries were restored. Improvements in the development pattern led to the increase in output. Growth rate increased drastically like never before. Stringent tariffs and policy measures were adopted to encourage savings. During the Meiji era the government used agricultural tax to finance industrialist locals, however now the government used the savings of the masses. Due to this, there was accumulation of more money in banks which meant multiple times credit creation. Loans became easier to obtain. Yen appreciated against foreign currencies. This encouraged the locals to invest more in the international markets. The Japanese economy boosted. Prices of stocks, property and credit rose. Business prospective became lucrative. All these factors led to Japan experiencing a period of boom. Tokyo's residential homes managed to get listed as the most expensive real estate in the world. A real estate bubble was created as a result of bank deregulation. Earlier the Japanese banks were regulated by the ministry of finance but they were unable to earn adequate profits. Slowly in the 1980s these regulations started to phase out. The competition among the banks increased. Also corporate customers moved away from bank borrowings to other sources such as retained earnings. The

started looking for more customers, and started financing the risky small and medium business enterprises which wanted to invest in real estate. They were given loans at low interest rates. Due to this the paper value of land increased. Land was given as collateral to obtain further loans. These loans were used for investing in either the stock market or to obtain more land which further increased the paper value of land. The banks continued to grant loans against overvalued land as collaterals. This led to the accumulation of Non Performing Assets. The Japanese banks failed to evaluate correctly the new borrowers and projects. Liberal economic policies were undertaken. Initially these policies proved to be prosperous for Japan but eventually the bubble crashed and recession was the outcome. Banks became too liberal in lending. The economy was moving towards inflation. From the end of the year 1990 the money was deliberately tightened and interest rate was raised in order to keep inflation in check. As a result, the stock market crashed and the loans became a huge mountain of debt. This marked the beginning of deflation. With the asset prices falling, those who had taken loans for investing in real estate were unable to repay them. Banks couldn't lend more money until they increased the cash reserves to cover the already paid loans. Hence lesser loans were available. Less credit was created and consequently less money was pumped in the economy. All these factors created a deflationary spiral where less money supply meant less consumption and less consumption meant less money supply. This process started in the 1990's and continued for about two decades and this period is known as the "Lost Two Decades Of Japan".

Therefore a peculiar trend was seen in Japan. The liberal banking policies and financial deregulation was used as instruments to increase money supply and growth rates. These policies created an illusion of perpetuating asset and stock prices. To curb inflation the government introduced policies to tighten the money supply which crashed the bubble and brought about a deflationary trend thereafter. This led to its downfall and stagnated the Japanese economy for about two decades. Today, with the adoption of new policies growth rate of Japan has improved drastically giving it a third rank in terms of nominal GDP. However, Japan's public debt remains a daunting task for the Japanese government.

"Abenomics" is the set of economic policies that Japan follows today and is based upon fiscal stimulus, monetary easing and structural reforms. Thus from the Japanese example, it can be concluded that monetary and fiscal policies of any economy need to be altered over the timeline.



Sheral Shah
(SYBA)

THE GREEK ECONOMIC DEBACLE

"If the Euro Fails, Then Europe Fails"- Angela Merkel

The European Debt Crisis-The Euro Zone Crisis-The European Sovereign Crisis (However one wishes to call it) is a multiyear long crisis among the members of the Euro Zone since the end of 2009. Essentially it is more of a continued epidemic of the 2009 Great Recession wherein countries have debt levels surpassing the brim and they now risk not being able to pay it back. With the reference of the word Euro Zone being made frequently in the first two lines, we must know what the Euro Zone is. It is the monetary union of the 19 European Union States who share the Euro as their common currency which also includes, Greece. One of the main reasons for the outbreak of this internationally impacting crisis is primarily the Violation of the 1992 Maastricht Treaty. The treaty basically laid down certain pre requisites and benchmarks that had to be fulfilled by the members of the European Union to further become members of the Euro Zone which included controlled debt rates, fiscal deficit

rates and inflation levels to subsequently enjoy the benefits. With a lure for the benefits and privileges in their eyes, a number of countries including Greece resorted to Creative accounting which is falsification of data by manipulating numbers so that they could become members of the Euro Zone, consequently boosting the pride and name of the country in the world and also attracting great foreign investments translating into greater degrees of development. Paramount expenditures coupled with miniscule revenue crippled their economies significantly and the Economic Debacle of Europe gave birth to the Age of Severe Austerity in the worst affected economies of the world in recent times - Greece.



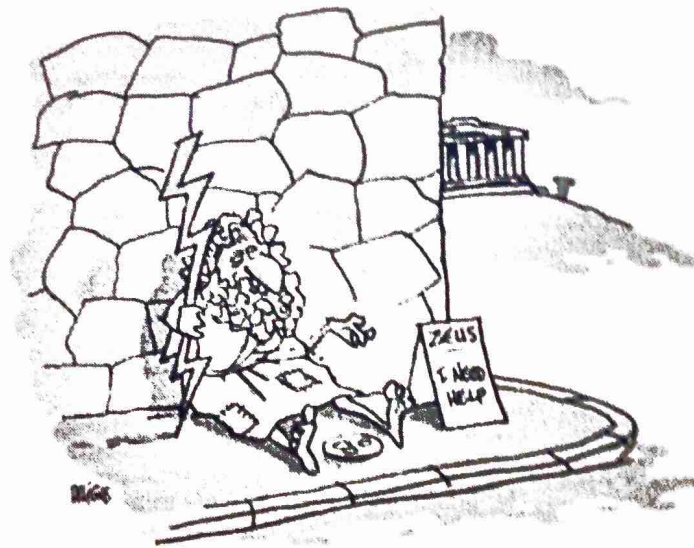
2009 saw the PASOK (Panhellenic Socialist Movement) party winning the elections in Greece with the Finance minister George Papouconstantinou chalking extremely ambitious plans for Greece which were certainly unrealistic because of the crisis rapidly ushering in the economy and credit rates of the economy drastically falling. In 2010 the Greek- German 10 year old debt reached an all time high and February saw the genesis of austerity packages and measures in Greece which was followed by extremely violent public protests later in the year. April 2010 was the time when Greece finally accepted economic realities and called for an international bailout because of which the Papandreou government along with the IMF and the Euro Zone decided on a \$143 billion bailout package. As a matter of fact, debt levels of the country started soaring at such exorbitantly high rates that Greece owes 74 Million Euros to Germany and France alone who have been their chief bailout providers within the Euro Zone.

2011 was welcomed by the credit ratings of Greece falling to the lowest ever number in the history of the country's existence. The tradition of protests and simultaneous austerity bill passing continued which was proving to be devastating for the economy and the Euro Zone. With a sudden and temporary transfer of power in Greece and PASOK, Greece was trapped in an economic and political turmoil. With more and more austerity packages being passed by the Legislature, 2012 saw the humiliating downfall of the PASOK party because of their inability

and lack of efficiency in toppling the crisis of Greece and instead providing conducive pathways for Greece to suffer more. Antonis Samaras was sworn in as the Prime Minister who vowed to battle the crisis out. 2012 ended on a sour note with a special multi austerity package being passed to receive more bailout from the international community. With 2013 unemployment rates started skyrocketing with jobs being slashed not only in private sector but also the public sectors because of which more than half of the shops and businesses in Athens in particular are shut owing to financial difficulties even today. The country went through another battle with the tri coalition failing but the government continued to be in power with a razor thin majority. 2014 was welcomed with a pinch of optimism with credit rates slightly towering up and Greece entering the financial market with \$3 billion Eurobonds. Also increased international bailouts continued through the year but so was the speculation or rather an opinion of other Euro Zone states wanting Greece to exit the union owing to the fear of the crisis turning out to be contagious and hitting hard on the faces of the other countries. The year ended with the Samaras government collapsing and in the recently held snap elections the anti-austerity party of Syriza came to power which called for greater negotiations with the Euro Zone and also promising to rescue the country from half of its debt through their forthcoming years in power.

What really went wrong with the country which was considered the next Germany of the world? They saw their primary industries of tourism and shipping collapse and failed to compete with other European countries (Specially the Athens versus Ankara Phenomenon) which were then left to rot by the government. The 2004 Summer Olympics considerably pressurized the developing economy which at that moment was flying high on foreign investments and failed to keep a check on the strains and repercussions of the same on the economy without the foreign investments and only with their indigenous revenue being flushed into the system. High

proportion of the economy falling under the label of shadow economy questioned the credibility of the tax system in the country and ability of the government to collect taxes. Thus, as per my understanding the crisis was self invited by the Greeks.



economy falling under the label of shadow economy questioned the credibility of the tax system in the country and ability of the government to collect taxes. Thus, as per my understanding the crisis was self invited by the

The European Central Bank, The European Monetary Union, The IMF, The Euro Zone, specially Germany and France have pumped in massive stacks of finances into the Greek

Central Bank, The Stability Facility, Zone, specially France have stacks of finances system with the

sole intention to provide stability. I believe that Greece, which enjoyed great periods of prosperity in the 80's and 90's can most definitely revive their golden days by greater executive and legislative efficiencies in terms of formulating and executing ambitious yet realistic reforms which will create a purposeful impact and turn the tables around for the country.

**Madhuvanti Srinivasan
(SYBA)**

THE GREAT DIVERGENCE

The Great Divergence originally referred to the period in the 19th century wherein Western Europe and parts of America had become extremely rich with the rest of the world still being poor. However this was not always the case. Countries' resources rich areas in East Asia, India and Middle East were the core developed countries before the Great Divergence began.

How did this happen?

There are multiple reasons and reinforcing factors suggested by various thinkers and economists. Some attributed this to cultural and environmental conditions existing in E and America, however these alone as the basis for the Great Divergence have been refuted.

A more coherent explanation perhaps lies in the theory that suggests the Glorious Revolution in Britain of the 1680s, which reduced the power of the monarch, was a crucial stepping-stone in the country's economic development. After the revolution, people became less worried that their profits would be summarily seized by the Crown, as they had been in the past. And so they became keener to work hard. This theory is at the heart of the book "Why Nations Fail", by economist Daron Acemoglu and professor of government James Robinson.

Glorious Revolution along with 'The Age of Discovery' (discovery of new routes for trade and even continents like Africa and America) and the subsequent rise of colonial empires, political revolutions like the French Revolution and the American Revolution, the commercial revolution (economic expansion and mercantilism), technological advances (railways and roadways), The Age of Enlightenment and finally the Industrial Revolution contributed towards creating this Great Divergence.

These conditions paved way for accumulation of wealth in some parts of the world (majorly the west) while leaving the rest of the economies relatively poor.

The Modern day Divergence -

This divergence exists both within nations and between nations. Within nations, as evidenced by the gap between the rich and the poor and between nations, again has its roots in history.

The industrialization and emphasis on laissez faire that started in the 19th century gave an advantage to the western nations as trade and economic growth took off. This divergence seemingly continues till date, however there seems to be a shift. The global meltdown and financial crisis of 2008 which was accompanied by recession left the drivers of growth today as the emerging economies - China, India, Indonesia and Turkey.

History seems to be that the Great Divergence is here to stay. Perhaps in this era the balance of power may shift back to the east just as it happened ages ago.

Needa Khan
(Batch 2012-13)

BEYOND RESOURCES: TREATING PEOPLE AS HUMANS

Your standard Economic textbook will tell you, time and again, that the central focus of Economics is resources. It will drone on (in the same words, repeatedly) that Economics concerns itself with the distribution and use of resources.

This is true, undoubtedly. And for most of Economic history, scholars of the subject have spent their time studying everything about resources – their optimum use, demand, supply, competitive trade, and so on.

I'd taken up Economics with the sole reason of understanding why people do the things they do. Naturally, to me, it felt ridiculous that *my* Economics was forced to view human beings as rational, utility-centred, self-interested beings. Lumping human effort as 'labour' also felt demeaning at some level. After all, these 'workers' were individuals in the real world – with homes to build, families to support, and lives to make something out of. How haughty of Economics to assume that people were some kind of raw material, solely at the disposal of industries, to be manipulated for low production costs and high profits! It was unnerving, to think that I was 'raw material' to some economist somewhere, too!

It was also increasingly impossible to reconcile this view of humans with the dynamic, complex, and adequately altruistic people I saw around me.

As is the case with all bafflement, this one was also resolved with some more research. Turns out that plenty of Economists before me had struggled with similar conflicts. And their approaches to solve this dichotomy mark an important learning in Economic History: People are human, too!

To me, the conception of The Capabilities Approach (CA) marks a critical shift in perspective. Formulated in the 1980s by Amartya Sen, in collaboration with Martha Nussbaum, Sudhir Anand, and James Foster, CA went on to change the way the world viewed Human Welfare.

CA focuses on individuals' capability of achieving the kind of lives they have reason to value. Thus, human beings went from being seen as 'means to an economic end' to alive, aspirational beings whose lives contribute to more than just the GDP.

In my view, CA began to ask questions that really matter. If a country's GDP increases each year, but so does the proportion of its people deprived of basic education, nutrition, health care, jobs, and other opportunities, could we really say that the country is 'growing' or 'making progress'? CA provided us with a framework to gauge how billions of people are functioning. It laid the foundation of alternative indices to measure progress – the HDI, GDI, GEM, and so on, moving away from myopic measures to more comprehensive ones.

It allowed us to bring in elements of justice, equality, and liberty into our analyses – ideals that every democracy should strive for. Of course, CA is far from offering all the answers, and is not free from ambiguities that arise from studying humankind. But as a revolutionary idea that has made Economics (and people!) infinitely more valuable to the world, it has all my respect.

Malathi Jogi
(Batch 2012-13)

KNOW YOUR GOVERNOR

The 23rd Governor of the Reserve Bank of India is one of the most noted financial economists of today. Born in Madhya Pradesh, he completed his schooling from Delhi Public School, RK Puram and completed his graduation from IIT, Delhi, with a bachelor's degree in electrical engineering. He then obtained a Post Graduate Diploma in Business Administration from IIM, Ahmedabad. He wrote a thesis titled "Essays on Banking" and received his PhD in Management from the Massachusetts Institute of Technology in the year 1991.

He admitted to having dreamed of heading the central bank one day decades ago while studying at the IIM. "I want to highlight the role of serendipity - in terms of three incidents. I was asked at Ahmedabad, if you think about a career choice, what will you become? 'I have a confession to make here. I said I want to be the Governor of RBI,'" Rajan said



during an event organised by IIM-Ahmedabad. "The first act of serendipity was when I applied to MIT," he said, adding when the top notch research university refused to accept him into their PhD programme, he wrote back saying, "I am a poor Indian citizen...there is no way I can pay for the PhD. I would like to come but..."

To his pleasant surprise, he received a letter from MIT a few weeks later, saying there is a scholarship programme and the institute would like to consider him. Rajan was also interested in things other than academics. "He was keen to take up anything, from running half marathons to squash and tennis and even bungee jumping. When they were leaving IIM, everyone had to write about their batchmates; "Someone told me that Raghu will win the Guinness record for the thinnest book titled 'Games that I have not played'! He will not fight shy of challenges," Rajan's father, R. Govindarajan, a former diplomat said in an interview.

He then went on to career in 1991 at Chicago University as an Assistant Professor and in 2006 went on to become the Eric J. Gleacher Distinguished Service Professor of Finance at Graduate School of Business, University of Chicago (on leave currently). From 2003 to 2006 he was the youngest-ever Economic Counselor and Director of Research (simply put, the chief economist) at the International Monetary Fund. He was the Chairman of the High Level Committee on Financial Sector Reforms in India in 2007-2008. In his paper titled, Has Financial Development Made The World Riskier?, Rajan predicted the 2008 global financial crisis by saying, "But perhaps the most important concern is whether banks will be able to provide liquidity to financial markets so that if the tail risk does materialize,...". Dr. Rajan was also an honorary economic advisor

to Manmohan Singh, the former Prime Minister of India. In 2012-13 he was appointed as the Chief Economic Advisor to the Finance Ministry, Government of India. He assumed charge as the 23rd Governor of the Reserve Bank of India on September 4th 2013 and being one of the youngest governors he shares a common factor with former Prime Minister Manmohan Singh, who was also 50 years old when he became the RBI Governor. After being named as the replacement for former Governor Duvvuri Subbarao, Rajan said, "We do not have a magic wand to make the problems disappear instantaneously, but I have absolutely no doubt we will deal with them." He has admitted that he is poor in Hindi, he said he started learning Hindi in 7th grade and of course passed the examination and he plans to master the national language soon.

Raghuram Rajan cited excerpts from "If", a poem by Rudyard Kipling the acclaimed English writer on the day he took over as governor of the RBI. Other than proving his impressive taste in literature, the poem, he said, lists the requirements of an ideal central banker. He is the author of the popular book *Fault Lines: How Hidden Fractures Still Threaten the World Economy* and has co-written *Saving Capitalism from the Capitalists* with Luigi Zingales. Dr. Rajan's research interests are in banking, corporate finance, and economic development, especially the role finance plays in it. He has numerous papers published in finance and economics journals to his credit some of which include the *American Economic Review*, *Journal of Economic Perspectives*, *Journal of Political Economy*, *Journal of Financial Economics*, *Journal of Finance* and *Oxford Review of Economic Policy*. Some of his awards and honours include: Gold Medals in IIT and IIM in 1985 and 1987 respectively, Inaugural Fisher Black Prize awarded by the American Finance Association in January 2003, Financial Times/Goldman Sachs Best Business Book of the Year Award, 2010, Global Indian of the Year Award, NASSCOM, 2011, Euromoney Central Banker of the Year, 2014 and Governor of the Year Award, 2014 from London based financial journal Central Banking. He assumed charge when the Indian economy was in great turmoil with the rupee on a sliding spree, sky-rocketing inflation rates and ever growing current account deficits. Some of his key achievement/initiatives have helped revive the same. Some of the criticisms and challenges that he is facing are those regarding NPA's, inflation and gold smuggling. All in all, Mr. Rajan is seen as an indicator of change in regards to the Indian economy and has claimed his space as a leader, as someone who is determined to do the right thing and not be cowed by criticism.

GOOD FOOD: THE EXPERIENCE AND THE BUSINESS

Yohaan Dattoobhai is currently the founder and co-owner of The Funky Kitchen Pvt. Ltd. which has in the span of a year opened two ventures in Mumbai – a gourmet restaurant and an artisanal ice cream brand. He quit his job working for a leading magazine brand to follow his passion for good food. He took time out to chat with us and give us some insight on how he runs his business, and here's what he had to say...

What do you mean by 'gourmet food on the go'?

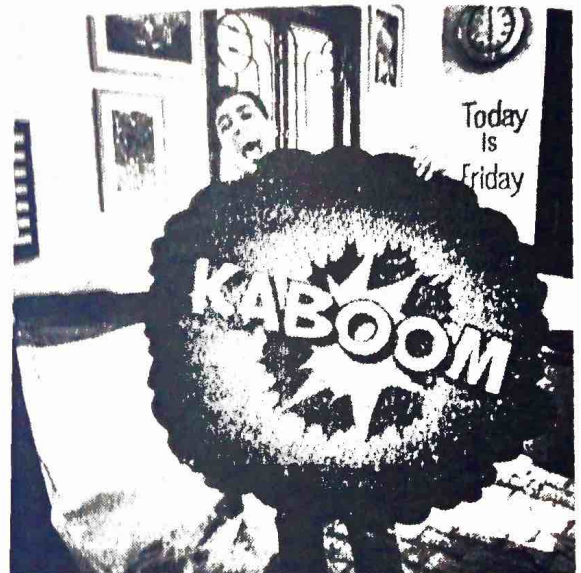
When I was living outside of India, be it London, New York, or Paris, "good food" was never a luxury. Even if I was on a budget, I never had to compromise on the quality of food. And most of the restaurants I went to served this food on-the-go; which saved time and money. When I came back to India, I realised this was really lacking. Good food wasn't as easily available; and where it was, the experience was time consuming and expensive. Hence the idea of gourmet food on the go came about for my first restaurant venture – Kaboom.

Can you give us a little insight on your business model?

The business model of Kaboom is such – no expense is compromised when it comes to quality of produce however, overheads are kept to a minimum. This means that, in order to provide the customer with good food at a relatively lower price as compared to a gourmet restaurant, certain overheads have to be reduced. This is done by having no table service, which saves on the overhead costs of furniture, expensive cutlery, and waiters.

How would you differentiate between your ice cream brand and your restaurant – in terms of business models?

On one hand, the restaurant (Kaboom) aims at catering to a larger audience, consisting of office goers of all ages and income groups and providing them with great food at a reasonable price. On the other hand, the ice creamery (Sucre Des Terres) is a niche brand, catering to connoisseurs and lovers of ice cream, who are willing to pay the price for the best quality of ice creams. The first, needs strong marketing and promotional activities, to draw the attention of the large audience we want to capture. The latter, requires hardly any marketing at all, because the target audience consists of customers who by word-of-mouth will find out about this brand.



How soon do you think a start up in the F&B industry can break even?

It mainly depends on the size and type of venture. While a niche business tends to break even much sooner (sometimes within a month of opening), a start up in a mainstream market takes much longer (anywhere between 6 months and a year).

One thing you would've done differently?

Initially, I worked on my restaurant as just a project, while continuing my work elsewhere. Only later on I realised, an entrepreneurial venture is very different from the average corporate 'project' and needs the complete time and devotion of all the parties from the very beginning. So if I had to change on thing, I would go all in from the start.

CAREERS IN ECONOMICS

So you have an Economics Degree? Econ majors try their hands at all kinds of fields after graduation. Consider these people. What do you think they have in common?

1. Lionel Riche (Singer/Songwriter)
2. John Snow (Former US Secretary of the Treasury) (who does know something apparently, he's got a PhD in economics to prove it)
3. George Bush (Former President of the U. S. A.)
4. Sandra Day O'Connor (First Female US Supreme Court Justice)
5. Steve Ballmer (Former CEO, Microsoft)
6. Kofi Annan (Former Secretary-General of the United Nations)
7. Donald Trump (Real Estate/TV Mogul)
8. Lara Dutta (Actress/Miss Universe 2000)
9. Manmohan Singh (Former Prime Minister of India)
10. Arnold Schwarzenegger (Body Builder/Actor/Governor)

Yes, that's right. They all majored in economics.

Thinking what to do next? You can either start working the moment you graduate or specialize in an economics related field. From Marketing and Journalism, to Statistical Careers and Finance, there are a variety of areas open for an Economics major.

Here are 8 Careers you can look at after a Bachelor's Degree:

1. Economist – They provide specialist advice based on the application of economic theory and knowledge. Average Pay: Rs. 5, 00,000 per year.
2. Business Journalist/Reporter - They are journalists who cover industry trends, economic happenings, and financial markets. Average Pay: Rs. 2,50,000 per year.
3. Market Research Analyst – They view industry trends to determine how different products and services will perform in present and future economic conditions. Average Pay: Rs. 3,00,000 per year.
4. Financial Analyst – They research investment vehicles and manage their clients' portfolios to ensure maximum economic success. Average Pay: Rs. 3,50,000 per year.
5. Non-profits - Nonprofits are organizations that work to improve the common good of society in some way. Various jobs might include research, management, communication, administrative work, etc. Average Pay depends on position in the organization.
6. Sales -Sales executives sell their company's goods and services and also maintain good relationships with clients. Average Pay: Rs. 2,00,000 to 2,50,000 per year.
7. Statistical Analyst – They interpret quantitative data and design statistical models for researching problems or questions. Average Pay: 4,20,000 per year.
8. Economic Consultancy Services - They analyze industry trends and publish reports regarding product introductions, expansions and investments for clients. Average Pay: Rs. 4,50,000

10 Post Graduate Options after a Bachelor's Degree:

- | | |
|---|---------------------|
| 1. Masters in Economics with specializations. | 6. Education |
| 2. International Relations | 7. Law |
| 3. Development | 8. Finance |
| 4. Business | 9. Marketing |
| 5. Econometrics | 10. Human Resources |

ALUMNI TALKS...

'Keep working hard for whatever they want to achieve; and enjoy this experience.' I'm trying to do the same.

Vishnu Kumar, Class of 2013-2014

Writing and economics are two things I absolutely love and The Contrarian gave me amazing opportunities to not just write for it but even build the magazine last year! But what made me happier was the Editorial Team, 2014-15. With Madhuvanti and Vaibhavi at the helm of affairs, the team is an eclectic mix of creative and enthused students. I have huge expectations from the team and the magazine. based on unbridled faith in them!

However, it was the Economics department that played an instrumental role in shaping the magazine. Their help and guidance was very helpful, not just in respect of the magazine but all through the year. Economics at Jai Hind shall always be etched in my memory and will never fail to bring a smile to my face.

Aanchal Jain, Class of 2013-2014

My three years in JHC, and particularly as a student of the Economics D, were eventful to say the least. From interacting with different students and our amazing teachers to participating in economics seminar, college festivals to organising and working on events for the Economics Association - I was given opportunities to learn, explore and have a bit of fun! and I sincerely wish every single student (both current and future) get a chance to experience more things than I did! Make the best use of your time there! Good luck to all!

Nihaarika Ravi, Class of 2013-2014

"The journey is the reward." We all have high expectations from tomorrow; but enjoying and relishing today, now, this moment, is paramount. The ease with which you glide through life, the patience and support of your teachers, enjoy it while it lasts. Jai Hind will always be something you will cherish.

Shirin Sally, Class of 2013-2014

"My two pence is simple- let your college show you a new dimension of yourself. Seize everyday by doing things that make you both better at what you do well and those that help you widen your horizons". I cannot tell you about how to best deal with economics but I would like to add- "read books that push you to think about economics, rather, the ones that push you to write another supplement. In fact, let books that help you finish your supplements be exactly what they are, supplementary."

Siddhant Sharma, Class of 2013-2014

TOP 10 REASONS TO STUDY ECONOMICS

1. Economists are armed and dangerous: "Watch out for our invisible hands."
2. Economists can supply it on demand.
3. You can talk about money without ever having to make any.
4. You get to say "trickle down" with a straight face.
5. Mick Jagger and Arnold Schwarzenegger both studied economics and look how they turned out.
6. When you are in the unemployment line, at least you will know why you are there.
7. If you rearrange the letters in "ECONOMICS", you get "COMIC NOSE".
8. Although ethics teaches that virtue is its own reward, in economics we get taught that reward is its own virtue.
9. When you get drunk, you can tell everyone that you are just researching the law of diminishing marginal utility.
10. When you call 1-900-LUV-ECON and get Kandi Keynes, you will have something to talk about.

JUST FOR LAUGHS!

Two economists meet on the street. One inquires, "How's your wife?"

The other responds, "Relative to what?"

Economists do it with Models.

Q. Why did God create economists?

A. In order to make weather forecasters look good.

TOP ECONOMIST VALENTINES

YOU RAISE MY INTEREST RATE THIRTY BASIS POINTS WITHOUT A CORRESPONDING DROP OFF IN CONSUMER ENTHUSIASM

DESPITE A DECADE OF INFLATION, I STILL DIG YOUR SUPPLY CURVE

WHAT DO YOU SAY WE RE-MEASURE OUR CROSS-ELASTICITY?

FURTHER STIMULUS COULD RESULT IN UNCONTROLLED EXPANSION

TELL ME WHETHER MY EXPECTATIONS ARE RATIONAL

YOU STOKE THE ANIMAL SPIRITS OF MY MARKET

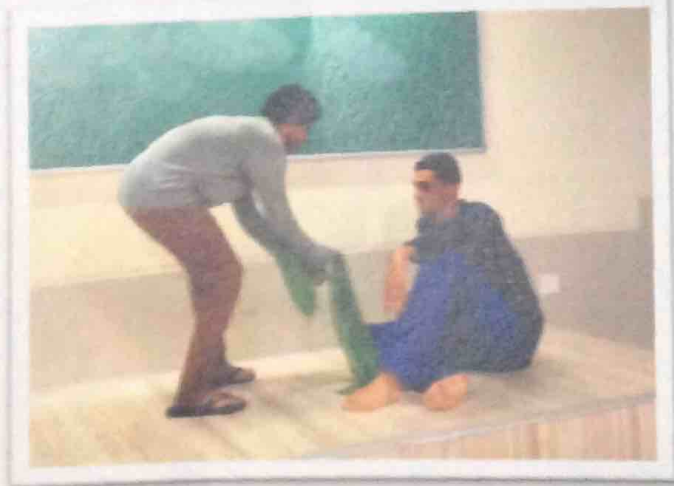
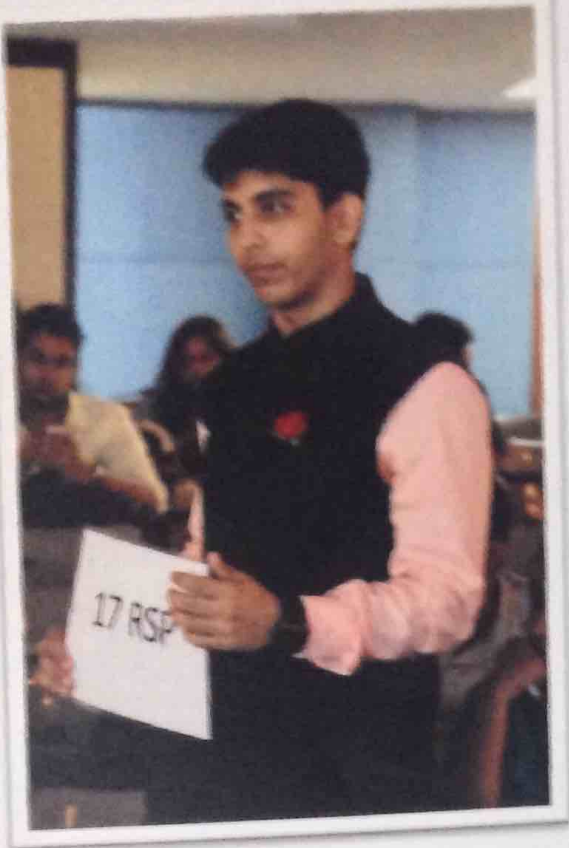
A LOAF OF BREAD, A JUG OF WINE, AND THOU BESIDE ME WATCHING RUKEYSER

DID YOU KNOW?

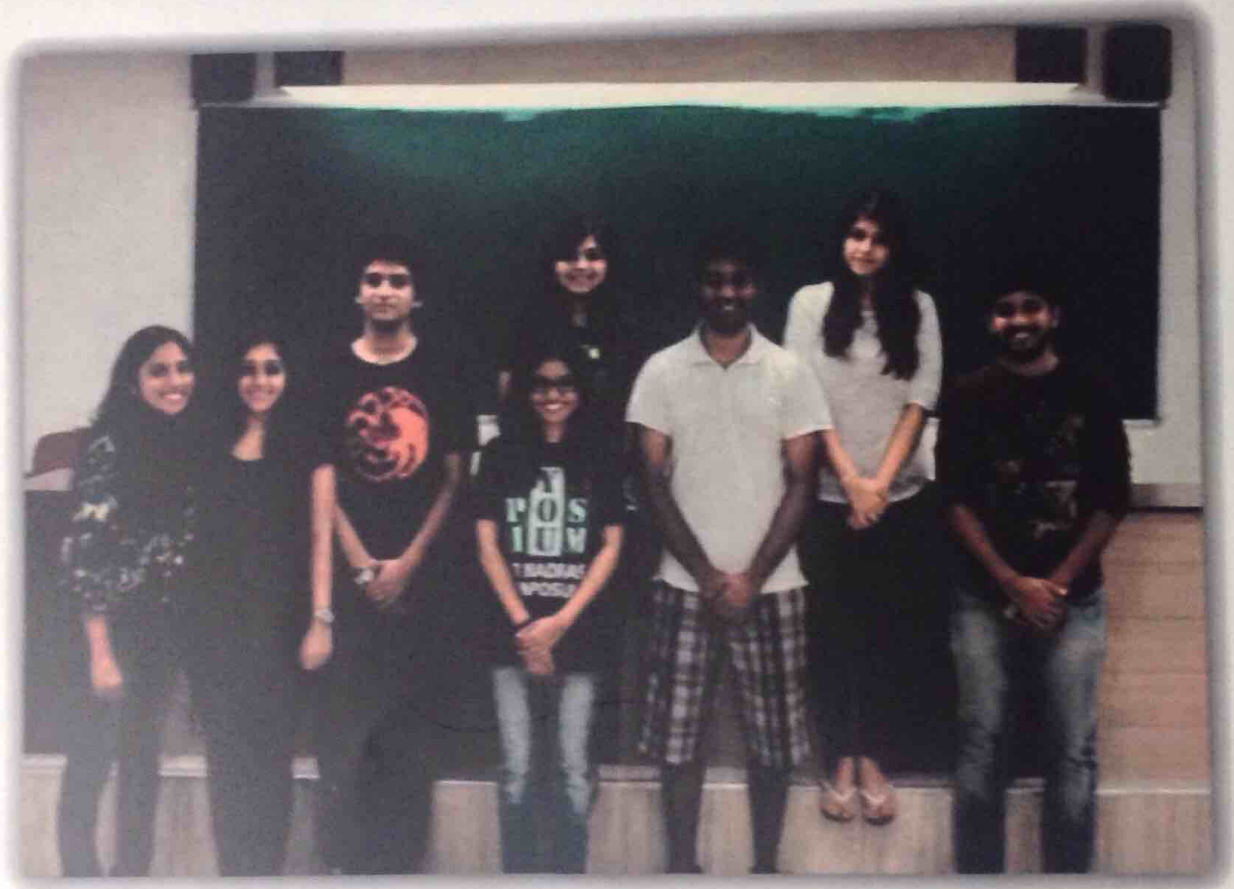
- Did you know that the largest coin on Earth a Canadian coin is, with a value of 1 million Canadian dollars? The coin has a diameter of 51 cm en weighs 100 kg. The gold used for the coin represents a value of 2 million Canadian dollars.
- Did you know that 6% of the world population owns 60% of the wealth in the world?
- Did you know that all Swiss Banks together manage 35% of the world capital?
- Did you know that banknotes are not made of paper? Banknotes are made of cotton and linen.
- Did you know that a gold bar (as known from movies) weighs over 12 kilo's and depending on the gold price is worth about 500.000 euro's? This value is calculated at a gold price of €1250,- per troy ounce
- As of January 2013, there are 16 people left in the world who were born in the 1800s, according to the Gerontology Research Group. With dividends reinvested, U.S. stocks have increased 28,000-fold during their lifetimes.
- If you divide their net worth by their age, Carlos Slim and Bill Gates have EACH accumulated more than \$100,000 in net worth for every hour they've been alive.
- Start with a dollar. Double it every day. In 48 days you'll own every financial asset that exists on the planet — about \$200 trillion.
- Apple's cash and investments are now equal to the GDP of Hungary and more than those of Vietnam and Iraq.
- In December, a start-up called Contrail Systems was purchased for \$176 million two days after it launched.

PHOTO GALLERY





THE ELECTED BODY OF THE ECONOMICS ASSOCIATION



JAI HIND COLLEGE
A ROAD, CHURCHGATE
MUMBAI, MAHARASHTRA
400020