

**Editorial...**

Being the editor of *Kautilya*-News Letter, I am happy to say that the very purpose of the News Letter is to provide updated information about the ongoing changes and current economic events taking place in and around the economy, to the targeted audience of the college. In this connection, the department is happy to place before the earnest readers, the 15th issue of *Kautilya*, which is getting released at the weekly assembly.

As a regular feature this issue covers a brief write up on the contributions of Nobel laureate, Bertil Ohlin, who was jointly awarded the Nobel Memorial Prize in Economic Sciences in 1977 together with the British economist James Meade "for their path breaking contribution to the theory of international trade and international capital movements". also includes few writings contributed by the staff and students of Economics.

The Newsletter has accommodated small write ups and the Reports on Special lectures.

However, the main aim of the newsletter is to provide an opportunity for both staff and students to express their views on relevant economic issues through their contributions in the form of articles and write ups.

Chief Editor**Dr. B.R. Jayakumari****Editors****Venkatalakshmi MN****HoD & Staff****Technical Support****D. Dasprakash****Bertil Gotthard Ohlin**

He was a Swedish economist and politician. He was a professor of economics at the Stockholm School of Economics from 1929 to 1965. He was also a leader of the People's Party, a social-liberal party which was the largest party in opposition to the governing Social Democratic Party, from 1944 to 1967. He served briefly as Minister of Commerce and Industry from 1944 to 1945 in the Swedish coalition government during World War II. He was President of the Nordic Council in 1959 and 1964.



Ohlin's name lives on in one of the standard mathematical models of international free trade, the Heckscher-Ohlin model, which he developed together with Eli Heckscher. He was jointly awarded the Nobel Memorial Prize in Economic Sciences in 1977 together with the British economist James Meade "for their path breaking contribution to the theory of international trade and international capital movements".

Bertil Ohlin was raised in Klippan, Scania with seven siblings, where his father Elis was a civil servant and bailiff. His mother Ingeborg influenced him with her left-liberal views on the society, with nordic partnership and Karl Staaff as her role model. Having received his B.A. from Lund University 1917 and his MSc. from Stockholm School of Economics in 1919, he thereafter obtained an M.A. from Harvard University in 1923 and his doctorate from Stockholm University a year after in 1924. In 1925, he became a professor at the University of Copenhagen. In 1929, he debated with John Maynard Keynes and contradicted the latter's view on the consequences of the heavy war reparations payments imposed on Germany. (Keynes predicted a war caused by the burden of debt, but Ohlin thought that Germany could afford the reparations.) The debate was important in the modern theory of unilateral international payments.

In 1930, Ohlin succeeded Eli Heckscher, his teacher, as a professor of economics, at the Stockholm School of Economics. In 1933, Ohlin published a work that made him world-renowned, *Interregional and International Trade*. Ohlin built in it an economic theory of international trade from earlier work by Heckscher and his own doctoral thesis. It is now known as the Heckscher-Ohlin model.

The model was a breakthrough because it showed how comparative advantage might relate to general features of a country's capital and labor, and how those features might change through time. The model provided a basis for later work on the effects of protection on real wages, and has



been fruitful in producing predictions and analysis; Ohlin himself used the model to derive the Heckscher–Ohlin theorem, that nations would specialize in industries most able to utilize their mix of national resources efficiently. Today, the theory has been largely disproved, yet it is still a useful framework by which to understand international trade.

In 1937, Ohlin spent half a year at the University of California, Berkeley, as a visiting professor. Later, Ohlin and other members of the “Stockholm school” extended Knut Wicksell’s economic analysis to produce a theory of the macro economy anticipating Keynesianism.

Ohlin was the leader of the Liberal People’s Party from 1944 to 1967, the main opposition party to the Social Democrat Governments of the era, and from 1944 to 1945 was Minister of Commerce and Industry in the wartime government. In 2009, a street adjacent to the Stockholm School of Economics was named after Ohlin: “Bertil Ohlins Gata

Wassily Leontief made a study of the theory that seemed to invalidate it. He noted that the United States had a lot of capital; therefore, it should export capital-intensive products and import labor-intensive products. Instead, he found that it exported products that used more labor than the products it imported. This finding is known as the Leontief paradox.

Publications:

- The German Reparations Problem, 1930
- The Cause and Phases of the World Economic Depression. Report presented to the Assembly of the League of Nations Geneva: Secretariat of the League of Nations; 1931.
- Interregional and International Trade, 1933
Mechanisms and Objectives of Exchange Controls, 1937

- Venkatalakshmi MN
Associate Professor & HoD, Economics.

‘ಅರ್ಥಶಾಸ್ತ್ರದಲ್ಲಿ ವೃತ್ತಿ ಅವಕಾಶಗಳಿಗೆ ವಿಶೇಷ ಕೌಶಲ್ಯ ಮತ್ತು ತರಬೇತಿಗಳು ಅಗತ್ಯ’

ಮಹಾಜನ ಪ್ರಥಮ ದರ್ಜೆ ಕಾಲೇಜಿನಲ್ಲಿ ಅರ್ಥಶಾಸ್ತ್ರ ವಿಭಾಗ ಹಾಗೂ IQAC ಸಂಯುಕ್ತಾಶ್ರಯದಲ್ಲಿ ‘ವೃತ್ತಿ ಅವಕಾಶಗಳು ಮತ್ತು ಅರ್ಥಶಾಸ್ತ್ರದಲ್ಲಿ ಉದ್ಯೋಗಕ್ಕೆ ಕ್ಷೇತ್ರಗಳು’ ಎಂಬ ವಿಷಯದ ಕುರಿತು ಸಂವಾದ ಕಾರ್ಯಕ್ರಮವನ್ನು ಆಯೋಜಿಸಲಾಗಿತ್ತು.

ಕಾರ್ಯಕ್ರಮದಲ್ಲಿ ಸಂಪನ್ಮೂಲ ವ್ಯಕ್ತಿಯಾಗಿ, ಖ್ಯಾತ ಅರ್ಥಶಾಸ್ತ್ರ ತಜ್ಞರು ಹಾಗೂ ಜಿಇಎಂಎಸ್ ಬಿಸಿನೆಸ್ ಶಾಲೆಯ ಪ್ರಾಧ್ಯಾಪಕರಾದ ಡಾ. ಬೆಟಿನಾ ಸಿ. ಸುಧಾಕರ್ ಅವರು ಮಾತನಾಡಿ, ಅರ್ಥಶಾಸ್ತ್ರ ವಿಭಾಗದ ಪದವೀಧರರಿಗೆ ಕೇಂದ್ರ ಸರ್ಕಾರದ ನೀತಿ ಆಯೋಗ, ವಿತ್ತ ಸಚಿವಾಲಯ, ಆರ್ಥಿಕ ವ್ಯವಹಾರಗಳ ಇಲಾಖೆಗಳಲ್ಲಿ, ಸಾರ್ವಜನಿಕ ವಲಯದ ಬ್ಯಾಂಕುಗಳಲ್ಲಿ, ನಿಗಮಗಳಲ್ಲಿ ಹಾಗೂ ಶಾಸನಬದ್ಧ ಸಂಸ್ಥೆಗಳಾದ ವಿಪ್ರೋ, ಆಕ್ಸೆಂಚರ್, ಜೆಪಿ ಮೋರ್ಗನ್ ಮುಂತಾದವುಗಳಲ್ಲಿ ದೊರೆಯುವ ಉದ್ಯೋಗವಕಾಶಗಳ ಕುರಿತು ಅದರ ಜೊತೆ ಖಾಸಗಿ ವಲಯ, ವೃತ್ತಿಪರ ವಲಯಗಳಲ್ಲೂ ಸಿಗುವ ಅವಕಾಶಗಳನ್ನು ವಿದ್ಯಾರ್ಥಿಗಳಿಗೆ ವಿವರಿಸಿದರು.

ಅರ್ಥಶಾಸ್ತ್ರದ ಪದವೀದರರು, ಹಣಕಾಸು ವಿಶ್ಲೇಷಕರಾಗಿ, ಕೈಗಾರಿಕಾ ಅರ್ಥಶಾಸ್ತ್ರಜ್ಞರಾಗಿ, ಡೇಟಾ ವಿಶ್ಲೇಷಕರಾಗಿ ಹಾಗೂ ಹಣಕಾಸು ಅರ್ಥಶಾಸ್ತ್ರಜ್ಞರಾಗಿ, ದಿನಪತ್ರಿಕೆಗಳಲ್ಲಿ ಅಂಕಣಗಳನ್ನು ಬರೆಯಬಹುದು. ರಾಷ್ಟ್ರಮಟ್ಟದಲ್ಲಿ ವೃತ್ತಿ ಅವಕಾಶಗಳನ್ನು ಪಡೆದುಕೊಳ್ಳುವ ಪ್ರತಿಯೊಬ್ಬ ವಿದ್ಯಾರ್ಥಿಯು ಸಮಸ್ಯೆ ಪರಿಹಾರ, ದೃಢನಿರ್ಧಾರ ತೆಗೆದುಕೊಳ್ಳಲು ಅಗತ್ಯವಿರುವ ಕೌಶಲ್ಯಗಳನ್ನು ಹೊಂದಿರಬೇಕು ಎಂದು ಹೇಳಿದರು. ಬೆಟಿನಾ ಅವರು ವೃತ್ತಿ ಅವಕಾಶಗಳ ಜೊತೆಗೆ ಅರ್ಥಶಾಸ್ತ್ರದ ಉದ್ಯೋಗಕ್ಕೆ ಶಾಖೆಗಳ ಕುರಿತು ವಿದ್ಯಾರ್ಥಿಗಳಿಗೆ ಮನಮುಟ್ಟುವ ಹಾಗೆ ವಿವರಿಸಿದರು.

ಸಂವಾದ ಕಾರ್ಯಕ್ರಮದಲ್ಲಿ ಪ್ರಾಂಶುಪಾಲರಾದ ಡಾ. ಬಿ.ಆರ್. ಜಯಕುಮಾರಿ, ಕಾರ್ಯನಿರ್ವಹಣಾಧಿಕಾರಿ ಡಾ. ಎಸ್.ಆರ್. ರಮೇಶ್, ವಿಭಾಗದ ಮುಖ್ಯಸ್ಥೆ ಎಂ.ಎನ್. ವೆಂಕಟಲಕ್ಷ್ಮಿ, ಸಹಾಯಕ ಪ್ರಾಧ್ಯಾಪಕರಾದ ಡಾ. ಪುಷ್ಪಾಣಿ ಪಿ.ಬಿ., ಶ್ರೀ ಚಲುವೇಗೌಡ ಹಾಗೂ ವಿಭಾಗದ ವಿದ್ಯಾರ್ಥಿಗಳು ಪಾಲ್ಗೊಂಡು ಯಶಸ್ವಿಗೊಳಿಸಿದರು. ನಾಲ್ಕನೇ ಸೆಮಿಸ್ಟರ್ ಬಿಎ ವಿದ್ಯಾರ್ಥಿನಿ ಸಿರಿ, ಅವರು ಕಾರ್ಯಕ್ರಮ ನಿರೂಪಿಸಿ ವಂದನಾರ್ಪಣೆ ಮಾಡಿದರು.

- ಮಣಿಕಂಠ
ತೃತೀಯ ಬಿ.ಎ. (ಜೆಇಇ)



Career Opportunities & Emerging Areas in Economics 14.6.2023

Resource Person: **Dr. Bettina C Sudhakar**, Adjunct Professor, GEMS Business School.



Special skills are crucial for job opportunities

The department of Economics in association with IQAC, Mahajana First Grade College (A), Mysuru had organised an Expert Talk and Interactive Session on Career Opportunities and Emerging Areas in Economics in the college premises.

Dr. Bettina C Sudhakar, Adjunct Professor, GEMS Business School, who was the resource person, addressed the students on the career opportunities available in the field of Economics. She stressed on the fact that there was a strong demand for bright economic graduates through out the global market. In continuation Dr. Bettina threw light on the top recruitments for graduates in the Ministry of Finance, Department of Revenue, Department of Foreign Trade and other career path in the private sector. The speaker added that after the completion of post graduation in Economics, one could look forward to bagging job roles in the field of Academics, research,

investment and finance sectors as well. She opined that, an exciting skill set was crucial for a great jump start and career development in this field. Dr. BettinaC Sudhakar's presentation also spoke about the various specialisations in Economics and highlighted upon emerging areas in the field of Economics.

Dr. B.R. Jayakumari, Principal; CEO and Academic Advisor, Dr. S R Ramesh, Smt. M N Venkatalakshmi, Head, Department of Economics, Dr. Pushparani P G, Assistant Professor, Mr. Chaluvegowda and students of the department were present during the event. Comparing and vote of thanks of the programme was carried out by the student Ms. Siri, IV semester BA. The invigorating session helped students gain valuable insights into the study of economics as an exciting career option and well received by the students of economics present on the occasion.



‘ವ್ಯಕ್ತಿ ಹುಟ್ಟಿದದೇಶ ಮತ್ತು ಆರ್ಥಿಕ ಸ್ಥಿತಿಗತಿಗಳು ಅಸಮಾನತೆಗೆ ಕಾರಣವಾಗುತ್ತವೆ’

– ಪ್ರೊ. ಟಿ. ಎಸ್. ವೇಣುಗೋಪಾಲ್





ಆರ್ಥಿಕ ಅಸಮಾನತೆ – ಒಂದು ವಿಶ್ಲೇಷಣೆ

ಮಹಾಜನ ಪ್ರಥಮದರ್ಜೆ ಕಾಲೇಜು, ದಿನಾಂಕ 30.1.2023ರಂದು AVC – II ಸಭಾಂಗಣದಲ್ಲಿ ಅರ್ಥಶಾಸ್ತ್ರ ವಿಭಾಗ ಮತ್ತು ಐಕ್ಯೋಎಸಿ ಸಹಯೋಗದೊಂದಿಗೆ 'ಅಸಮಾನತೆಗಳ ಕುರಿತು ಒಂದು ವಿಶ್ಲೇಷಣೆ' ಎಂಬ ವಿಶೇಷ ಉಪನ್ಯಾಸವನ್ನು ಆಯೋಜಿಸಿತ್ತು. ಮಹಾರಾಣಿ ಕಾಲೇಜಿನ ಸಂಖ್ಯಾಶಾಸ್ತ್ರ ವಿಭಾಗದ ನಿವೃತ್ತ ಪ್ರಾಧ್ಯಾಪಕರಾದ ಪ್ರೊ. ಟಿ. ಎಸ್. ವೇಣುಗೋಪಾಲ್ ಅವರು ಸಂಪನ್ಮೂಲ ವ್ಯಕ್ತಿಯಾಗಿ ಪಾಲ್ಗೊಂಡು ಅಸಮಾನತೆಗಳ ಕುರಿತ ವಿವಿಧ ಆಯಾಮಗಳನ್ನು ಅಂಕಿ - ಅಂಶಗಳ ಮೂಲಕ ಸವಿವರವಾಗಿ ತಿಳಿಸುತ್ತಾ, ಅಸಮಾನತೆಗಳ ಹುಟ್ಟು ಮತ್ತು ಕಾರಣಗಳು ಹಾಗೂ ವಿವಿಧ ಆರ್ಥಿಕ ಮತ್ತು ಸಾಮಾಜಿಕ ವಲಯಗಳಲ್ಲಿ ಅದರ ಬೆಳವಣಿಗೆಯನ್ನು ಕುರಿತಂತೆ ವಿಶ್ಲೇಷಿಸುತ್ತಾ, ಉತ್ಪಾದಕತೆ ಮತ್ತು ಹಂಚಿಕೆಯಿಂದಾಗುವ ವ್ಯತ್ಯಾಸಗಳು ಮೂಲಭೂತವಾಗಿ ಅಸಮಾನತೆಗಳಿಗೆ ಕಾರಣವಾಗುತ್ತವೆಂದು ಹೇಳಿದರು. ಕಾರ್ಮಿಕರ ಆದಾಯ ಮತ್ತು ಬಂಡವಾಳ ಶಾಹಿಗಳ ಆದಾಯದಲ್ಲಿನ ವ್ಯತ್ಯಾಸದಿಂದಾಗುವ ಅಸಮಾನತೆಗಳು, ಹುಟ್ಟಿನಿಂದ ಬರುವ ಅಸಮಾನತೆಗಳು ಆರ್ಥಿಕ ಹಿನ್ನಡೆಗೆ ಕಾರಣವಾಗುತ್ತವೆಂದು ತಿಳಿಸುತ್ತಾ, ಅದನ್ನು ನಿವಾರಿಸುವಲ್ಲಿ ಶಿಕ್ಷಣ, ಆರೋಗ್ಯ,

ತೆರಿಗೆ ಪಾವತಿಯ ಪ್ರಮಾಣ, ಸರ್ಕಾರದ ಪಾತ್ರವನ್ನು ಕುರಿತು ಮಾಹಿತಿ ನೀಡಿದರು. ಉಪನ್ಯಾಸದ ನಂತರ ವಿದ್ಯಾರ್ಥಿಗಳು ಹಾಗೂ ಪ್ರಾಧ್ಯಾಪಕರಾದ ಶ್ರೀಮತಿ ವೆಂಕಟಲಕ್ಷ್ಮಿ, ಚಲುವೇಗೌಡ ಅವರು ಸಂವಾದಲ್ಲಿ ಪಾಲ್ಗೊಂಡಿದ್ದರು.

ವಿಶೇಷ ಉಪನ್ಯಾಸ ಕಾರ್ಯಕ್ರಮದಲ್ಲಿ ಕಾಲೇಜಿನ ಪ್ರಾಂಶುಪಾಲರಾದ ಡಾ. ಬಿ. ಆರ್. ಜಯಕುಮಾರಿ ಅವರು ಪಾಲ್ಗೊಂಡು ವಿಶೇಷ ಉಪನ್ಯಾಸದ ಸದ್ಭಳಕೆಯನ್ನು ನಿಜ ಜೀವನದಲ್ಲಿ ಅಳವಡಿಸಿಕೊಳ್ಳುವಂತೆ ವಿದ್ಯಾರ್ಥಿಗಳಿಗೆ ಕರೆ ನೀಡಿದರು. ಕಾರ್ಯಕ್ರಮದಲ್ಲಿ ಅರ್ಥಶಾಸ್ತ್ರ ವಿಭಾಗದ ಮುಖ್ಯಸ್ಥರಾದ ವೆಂಕಟಲಕ್ಷ್ಮಿ, ಪ್ರಾಧ್ಯಾಪಕರಾದ ಸಿದ್ದಪ್ಪ ಆರ್, ಚಲುವೇಗೌಡ ಎಸ್.ಎಂ, ಕ್ರೀಡಾ ವಿಭಾಗದ ಮುಖ್ಯಸ್ಥರಾದ ಡಾ. ಭಾಸ್ಕರ್ ಹೆಚ್.ಎನ್ ಮತ್ತು ಮಧುಸೂದನ್ ಹಾಗೂ ಆಂಗ್ಲ ವಿಭಾಗದ ಮುಖ್ಯಸ್ಥರಾದ ಶ್ರೀ ಮಂಜುನಾಥ್ ಮತ್ತು ಸುಮಾರು 90 ವಿದ್ಯಾರ್ಥಿಗಳು ಪಾಲ್ಗೊಂಡಿದ್ದರು. ವಿದ್ಯಾರ್ಥಿನಿ ಸಿರಿ, III Sem. BA ಕಾರ್ಯಕ್ರಮವನ್ನು ನಿರೂಪಿಸಿದರು. ಶ್ರೀ ಸಿದ್ದಪ್ಪ ಆರ್ ಅವರು ಎಲ್ಲರನ್ನು ವಂದಿಸಿದರು.

– ಮಣಿಕಂಠ

ತೃತೀಯ ಬಿ.ಎ. (ಜೇಇಇ)

Why did the RBI Withdraw the 2000 Rupees Notes?

Reasons and Impact on the economy:

On May 19, 2023, the Reserve Bank of India (RBI) announced that it will withdraw the Rs 2000 denomination banknotes from circulation. While the existing notes will remain legal tender. The RBI has provided a generous timeframe, allowing individuals to deposit or exchange the notes until September 30, 2023. This move is part of the RBI's Clean Note Policy, which aims to provide the public with high-quality currency notes and coins with improved security features.

Why Sudden Ban in INR 2000 Notes in India

1. Disrupting Illegal Activities: The sudden ban on 2000 rupee notes aims to disrupt the financial operations of illegal activities such as corruption, terrorism, and money laundering. By invalidating a significant portion

of unaccounted cash, the government hopes to make such activities more challenging to carry out.

2. Encouraging Digital Transactions: The government's emphasis on promoting digital payments and a cashless economy is reinforced through this action. By discouraging the use of high-denomination notes, it aims to encourage citizens to adopt digital modes of transactions, fostering transparency and reducing the reliance on cash.

The RBI said that the withdrawal of the Rs.2000 notes is part of its currency management operations. The Rs. 2000 banknotes were introduced in 2016 to meet the immediate currency requirements after the withdrawal of Rs 500 and Rs. 1000 notes during the demonetization exercise. With an adequate supply



of other denominations available, the printing of Rs. 2000 notes was stopped in 2018-19, as the initial objective of expediting the currency requirement was achieved.

As of March 31, 2023, the value of Rs 2000 banknotes in circulation has decreased to Rs 3.62 lakh crore, constituting only 10.8% of the total notes in circulation. The last time India demonetised currency was in November 2016 when the government withdrew 500 and 1000 rupees notes in an effort to remove forgeries from circulation. The move took away 86% of the economy's currency in circulation by value overnight.

2000 Rupee Note Ban Reason

1. **Curbing Black Money:** One of the primary motives behind demonetization is to combat the issue of black money, which refers to undisclosed income or wealth that evades taxation. By banning 2000 rupee notes, which were believed to be popular among those involved in illicit activities, the government aims to discourage the hoarding of unaccounted cash.

2. **Countering Counterfeit Currency:** Another crucial aspect is the government's effort to tackle counterfeit currency. 2000 rupee notes, being of higher denominations, were more susceptible to counterfeiting, posing a threat to the integrity of the Indian currency. The ban aims to mitigate this risk and enhance the security features of the legal tender.

2000 Rupee Exchange Rules

1. **Exchange Period:** The government has provided a specific period during which individuals can exchange their 2000 rupee notes at designated banks or post offices. The exchange window is typically announced and lasts for a limited duration to facilitate a smooth transition.

2. **Identification and Documentation:** To exchange the 2000 rupee notes, individuals are required to provide valid identification documents such as Aadhaar card, PAN card, or Voter ID, along with a proof of address. This ensures that the process is transparent and helps prevent misuse.

3. **Cash Deposit:** In case an individual possesses a large sum of 2000 rupee notes, exceeding the prescribed exchange limit, they may be required to deposit the surplus amount into their bank accounts. The deposited money will be subject to scrutiny and verification by the concerned authorities.

Impact on the Economy

- The RBI governor stated that the impact of withdrawal of 2000 rupees' notes will be "very marginal" on the economy because it accounts for only 10.8% of currency in circulation.

- The withdrawal will not cause disruption "either in normal life or in the economy" as there is an adequate stock of banknotes in other denominations.

- Some economists said that the withdrawal of the higher-value note is "a sensible form of demonetization" and could boost bank deposits at a time of high credit growth.

- The withdrawal could ease the pressure on deposit rate hikes and could also result in moderation in short-term interest rates and would help to curb black money and corruption.

- **Short-term Disruptions:** The demonetization of 2000 rupee notes may lead to temporary disruptions in daily transactions, as people adjust to the new currency landscape. However, with adequate measures in place, such as the availability of lower denominations and digital payment alternatives, the impact can be mitigated.

Economic Impact: The move can have both positive and negative implications for the economy. On one hand, it may deter black money hoarders, encourage formalization of the economy, and increase tax revenues. On the other hand, it may temporarily affect consumption patterns, particularly in sectors relying heavily on cash transactions.

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