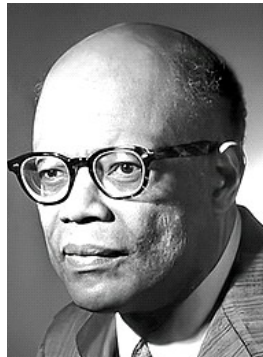


**Editorial...**

I wish to state that the department has been publishing quality articles in its Newsletter, promoting the writing skills of students and staff members, also aims at motivating students for contributing articles on current economic topics. The department has been striving hard to bring out the News letter from the past 11 years. This is the 20<sup>TH</sup> issue of **Kautilya** getting released at the weekly assembly. Publication of the articles and other features in the Newsletter is one of the academic exercises which the department is doing on regular basis. Being an editor, I am happy to say that the very purpose of this New letter is to provide updated information about the ongoing changes and current economic events taking place in the Indian economy to the targeted audience of the college.

This issue comprises articles on current Economic topics and problems. As a regular feature, this issue of **Kautilya** covers a brief write up on the contributions of Nobel laureate & it light upon the contributions of Nobel Laureate, **Sir William Arthur Lewis**, who was awarded the Nobel prize in the Economic Sciences, in 1979, also this issue contains articles, namely STUDENTS & ECONOMY!, MS Dhoni & Economic Legacy, Diwali and rejuvenation of the Economy, The Rise of Digital Payments and its impact on the Economy & India's Long-Term Economic Ambitions: A Path to a \$ 35 Trillion Economy

Objective of this Newsletter is to provide an opportunity to both staff and students to exhibit their views on current economic issues through their creative writings in the form of articles and write ups. The readers are welcome to express their opinions and suggestions for further improvement of the same.

**Chief Editor****Dr. B.R. Jayakumari****Excutive Editor****Venkatalakshmi M N  
HoD & Staff Members****Technical Support****D. Dasprakash**

**Sir William Arthur Lewis** (23 January 1915 – 15 June 1991) was a Saint Lucian economist and the James Madison Professor of Political Economy at Princeton University. Lewis was known for his contributions in the field of economic development. *In 1979, he was awarded the Nobel Memorial Prize in Economic Sciences.*

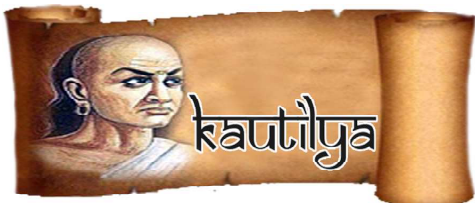
**Biography**

Arthur Lewis was born in Castries, Saint Lucia, then still part of the British Windward Islands federal colony, the fourth of the five sons of George Ferdinand and Ida Lewis (the others being Stanley, Earl, Allen and Victor). At the age of 18, he earned the government scholarship to attend the London School of Economics (LSE), becoming the first black individual to gain acceptance there. While enrolled to study for a Bachelor of Commerce degree ("which offered accounting, business management, commercial law and a little economics and statistics") in 1933, he achieved similar success as he did at grade school. While at LSE, he studied under John Hicks, Arnold Plant, Lionel Robbins, and Friedrich Hayek.

After Lewis graduated in 1937 with first-class honors, LSE gave him a scholarship to read for a PhD in industrial economics, under the supervision of Arnold Plant. Lew is became the first black faculty member at LSE: in 1938 he was given a teaching appointment, and in 1939 was made an Assistant Lecturer, continuing to work as a member of the LSE staff until 1948.

In 1947, Lewis married Gladys Jacobs, and that year he was selected as a lecturer at the Victoria University of Manchester, and moved there with his family, becoming Britain's first black lecturer. In 1948, at the age of 33, he was made a full professor

He taught at Manchester until 1957. During this period, he developed some of his most important concepts about the patterns of capital and wages in developing countries. He particularly became known for his contributions to development economics, of great interest as former colonies began to gain independence from their European colonizers.



Lewis served as an economic advisor to numerous African and Caribbean governments, including Nigeria, Ghana, Trinidad and Tobago, Jamaica, and Barbados. When Ghana (where in 1929 his eldest brother Stanley had settled) gained independence in 1957, Lewis was appointed as the country's first economic advisor. He helped draw up its first Five-Year Development Plan (1959–1963).

Lewis helped to establish the Caribbean Development Bank and in 1970 he was selected as its first president, serving in that capacity until 1973. Lewis received the Nobel Prize in Economics in 1979, sharing it with Theodore Schultz, "for their pioneering research into economic development research with particular consideration of the problems of developing countries". Lewis died on 15<sup>th</sup> June 1991 in Bridgetown, Barbados, aged 76. He was buried in the grounds of the St. Lucian community college named in his honour.

Lewis published in 1954 which was his most influential development economics article, "Economic Development with Unlimited Supplies of Labour" (Manchester School). In this

publication, he introduced what came to be called the dual sector model, or the "Lewis model".

### *The Theory of Economic Growth (1955)*

In his 1955 book, *The Theory of Economic Growth*, Lewis sought to "provide an appropriate framework for studying economic development", driven by a combination of "curiosity and of practical need." During the Industrial Revolution, England was experiencing the worst economic turmoil of its time. It would not be until an economic enlightenment took place that cities began to shift towards factories and labour-intensive methods of production as they experienced giant shifts in the labour and agriculture markets, thus, eventually leading to higher production, and higher income. Lewis theorized if England could turn its misfortune around, the same could be done for developing countries around the world. His theories proved true for some countries such as Nigeria and Barbados, as they would see some economic development.

- Venkatalakshmi M N  
HoD, Economics

## STUDENTS & ECONOMY!

Students play an important role in shaping the economy of a country, including India. As young people are learning new skills, gaining knowledge, and exploring ideas, students bring fresh energy and creativity that can help the economy grow.

The following are the points which highlight the contributions of students towards the dynamic economy:

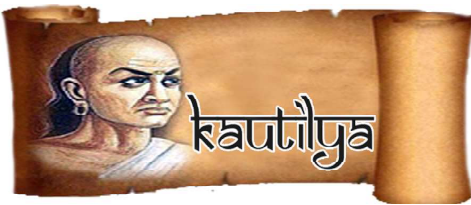
### 1. Learning Skills for Future Jobs

As students study in schools and colleges, they are learning skills that will be useful in different

types of jobs. When students focus on subjects like science, technology, business, and engineering, they prepare for careers that help industries such as technology, healthcare, and manufacturing. This means that when students enter the workforce, they bring skills that help businesses and the economy grow.

### 2. Starting New Businesses

Many students are not just learning but also thinking about starting their own businesses. With support from programs like startups India, students get help to turn their ideas into real



businesses. They start small companies in areas like online shopping, finance, and healthcare.

These new businesses create jobs, bring new products to the market, and make the economy stronger.

### 3. Research and Innovation

Some students work on research projects, finding solutions to real-world problems. For example,

they might work on creating new ways to grow food, developing technology to reduce pollution,

or improving healthcare tools. These innovations can lead to new products, better solutions, and

more efficiency, helping the economy and improving people's lives.

### 4. Supporting Local Communities

Many students also help in their communities by volunteering and supporting social projects.

They might teach digital skills, promote health awareness, or support literacy programs. This

helps more people, especially in rural areas, to improve their skills and join the workforce, which

benefits the economy in the long term.

### 5. Promoting Digital Growth

Students today are very comfortable with technology which is helpful as India moves towards a

digital economy. They use and promote digital tools like online payments, social media, and e-governance, helping people adopt these technologies. By encouraging digital growth, students

make the economy more efficient and connected.

In conclusion, it may be admitted that students are essential for the future of the economy. By learning, innovating, starting businesses, and supporting their communities, they bring new ideas, energy, and solutions that help the economy grow. With support from schools, the government, and industry, students can continue to play a big role in making the economy stronger and building a brighter future for everyone.

- HARSHA HM  
V SEM BA (EG)

## MS DHONI & ECONOMIC LEGACY

### How a Cricket Icon Creates & Shapes Markets and Consumer Trends in India?

Mahendra Singh Dhoni, one of India's most celebrated cricketers, has not only inspired millions through his game but also played a significant role in shaping India's economic landscape. Beyond cricket, Dhoni has become an economic powerhouse, driving consumer spending, influencing industries, and contributing to regional and national economic growth. His

journey exemplifies how sports and economics are deeply intertwined.

### A Brand That Drives Economic Growth

Dhoni's transformation into a global brand ambassador has created ripples across various industries. His endorsements have generated substantial revenue for companies, contributing to job creation and economic activity. Brands like Dream11, TVS Motor Company, Indigo Paints,



and Boost have seen increased sales and market presence due to his association. Economically, Dhoni serves as a multiplier. His brand value increases the demand for products he endorses, which then drives production and generates income across supply chains. For instance, his partnership with TVS Motor Company boosted sales of motorcycles, particularly in rural India, showcasing his appeal to diverse markets.

### Consumer Behavior and Spending Trends

Dhoni's influence on consumer behavior is a prime example of behavioral economics. Consumers tend to associate his traits—reliability, resilience, and humility—with the brands he endorses. This emotional connection drives purchasing decisions. For example, Indigo Paints witnessed a significant rise in market awareness and stock performance after Dhoni became their ambassador. Moreover, the Indian Premier League (IPL), where Dhoni leads the Chennai Super Kings (CSK), generates billions in economic activity every season.

From ticket sales and merchandise to sponsorships and broadcasting rights, Dhoni's presence amplifies the tournament's value. His dedicated fan base ensures high engagement, further driving consumer spending.

### Regional Development and Economic Impact:

Dhoni has spurred economic growth in Ranchi through the Jharkhand State Cricket

Association Stadium, boosting tourism and local businesses during matches. His investment in organic farming promotes sustainability while creating jobs, showcasing his commitment to regional and sustainable development.

### Financial Markets and Business Growth

Dhoni's association with companies like Indigo Paints often boosts stock prices, highlighting the role of celebrity endorsements in influencing investor sentiment. His leadership of CSK has made it one of the most valuable IPL franchises, generating profits for sponsors, investors, and government revenue through taxes. This showcases how sports icons can drive financial growth and contribute to the broader economy.

**Conclusion:** I would like to conclude that MS Dhoni's journey highlights the that positive economic influence that a sports icon can have on society. His ability to drive consumer trends, boost regional economies, and shape financial markets underscores the transformative potential of sports in fostering economic growth, inspiring innovation, and creating opportunities for development at both local and national levels.

- **Keerthi sneha S**

V SEM BA (EE)

## CAPTAIN COOL

FORMER INDIAN CRICKET CAPTAIN MAHENDRA SINGH DHONI WAS BORN ON THIS DAY, IN 1981

Tests	ODIs	T20is	Runs	Catches	Stayships
90	350	98	17,266	634	195

Captained Team India in limited-overs formats from 2007-08 and in Tests from 2008-14; has the most wins by an Indian captain in ODIs & T20is

is the only captain in cricketing history to win all ICC trophies — 2007 ICC World Twenty20, 2011 ICC Cricket World Cup and 2013 ICC Champions Trophy

In 2009, led India to No. 1 position for the first time in the ICC Test rankings



### NOTABLE INDIVIDUAL AWARDS

- ICC ODI Player of the Year (2009, 2009)
- Rajiv Gandhi Khel Ratna award (2007)
- Padma Shri (2009) and
- Padma Shushan (2018)

Profile on: [www.totl.com](http://www.totl.com)





## DIWALI AND REJUVENATION OF THE ECONOMY

This somehow activates the economy of India with Diwali lighting up houses there at the beginning of each new year. In a cultural sense, Diwali has always symbolised the rejuvenation of the economy. Today, it is all the more so. It now stands as a festival and a very powerful support for the recharging of India's economic resilience. From reviving consumer confidence to being a lifeline for small businesses, Diwali has now become the revival force of the economy within the country, where festive spirit really goes hand in hand with financial activity.

Diwali season in the last couple of years helped the Indian economy come out of the economic impacts of the pandemic and have been giving strength to resilience at various sectors.

### **A Consumer Spending Spree is an Economic Boon:**

Traditionally, Diwali heralds a spate of consumer spending in a country where people throng to buy everything - be it clothes or electronics or vehicles or even a flat. This surge in consumer expenditure has proved quite beneficial during post-pandemic for mending wounds suffered in sectors that received quite a serious setback.

Consumer expenditure during Diwali has surged significantly in the last few years, with good recovery both in retail and e-commerce channels, according to reports from Confederation of All India Traders. Festive sentiment and the desire to get back to normalcy after the pandemic meant that many shoppers were looking to spend money on goods, which in turn brought ripples of improvement in employment and production.

This annual lift has helped both the gigantic corporations and renewed the whole supplier

ecosystem of logistics providers and artisans thus underpinning the highly entrenched position of consumer expenditure in terms of economic resilience.

### **Diwali as a route to sustainable recovery through festive demand:**

The celebration is thus a golden chance for India's MSME. MSME forms the very basis of Indian economy. Many MSMEs-earthen lamps manufacturers and producers of textiles as well as handicraft manufacturers derive a significant portion of annual sales during the festivities, and the Diwali season has been instrumental for them in getting most sales during this period alone, saving many artisans from absolute economic distress during COVID 19.

MSMEs were able to cash in on the Diwali demand to gain stability, efficiency, and high contribution towards India's GDP by generating employment and income in small towns and villages. Continued revivals prove that the festival contributes to the local economy and economic independence in return.

### **E-commerce boom and digital transformation:**

Diwali 2020 was the first turning point for India's consumer landscape when e-commerce accelerated very fast. With more and more people getting used to shopping online, there were more sales of Diwali on these major platforms which were not only made by the first-time customers but the returning ones as well. The online majors like Amazon, Flipkart, and Myntra made some huge sales records this Diwali. Discounts, easy delivery options, and customer base growing beyond urban centres are fuelling them.



This has been beyond the festival season and is now an irreversible shift, one that has pushed rural and small-town business into the digital economy. Many local artisans and small business owners are today resorting to e-commerce as a means to market themselves and sell themselves into larger markets and significantly increase sales way beyond geographics, imposed by the limits of Diwali. This digital growth has, therefore, made e-commerce an intrinsic part of the Indian economy and, thus, diversified the system in terms of revenues and innovation in logistics as well as customer engagement.

#### **Revitalization of Old Industries:**

Real Estate, Jewellery, and Automobile industries' belief in investment during Diwali and finds itself in manifestation through the favourable economic buoyancy from the realty, Recovery of the pandemic lost grounds since the pandemic times takes its advantage within the festivities seasons over last few years in real estate, jewellery as well automobile sectors. There has seen increase in government incentives or loan competitive interest rates made it an investment time for various sectors especially when Diwali falls due. The automobile sector also saw a high increase in sales as people got back to their automobile purchases that had been delayed because of the pandemic. The gold and jewellery segment too witnessed an increase in price during this period, and not just because they were the synonyms to Diwali over the years, but it is because of increased expenditure that is forcing jewellers and silversmiths scurry towards improving balance sheets.

#### **Seasonal Employment Gained with Demand for Diwali**

It is very much a business event while talking about employment as well. The three sectors that are most badly affected are the retail, logistics,

and tourism sectors. To handle such seasonal rushes of demand from orders or footfalls into the malls, outlets etc hundreds of thousands get employed during the festive months. For example, the e-commerce companies hire more delivery and warehouse staff to fulfil the orders during Diwali without any hassles. This seasonal hiring in this way minimises the problem of unemployment especially among informal sector people, which will be a vital sources of income for all of them.

Such demand created by Diwali times generates jobs and, as these jobs do not make disparities regarding income, the family tends to have economic stability that develops the back of the economy in the labour force.

#### **Marketing and Advertising: Reconnection to Consumers:**

Diwali is no longer a season of shopping but has now become the golden hour for brands to connect with consumers through festive marketing. The post-pandemic time has witnessed companies raising the degree of advertisement during Diwali times as a measure for rebuilding consumer confidence and further deepen brand relationships. As emotional quotient started rebounding through consumers, big brands resorted to the widest spread campaign on digital media, prints, and influencer collaboration, which fits well in perfect festive seasons. These ads will rejuvenate the media and marketing industries alike by being an economic stimulus that also fosters a consumerist economy with full faith in a recovering market.

#### **Financial Literacy Campaigns and Investment Promotion:**

Financial houses consider Diwali to be the ideal time for people to reflect on their



investments and long-term financial planning. One of the longest-held traditions associated with Diwali has been investment in gold, an unadulterated expression of wealth building.

After the pandemic, this includes mutual funds and stocks, even digital platforms for investment; this is because in the wake of the fight against the spread of pandemics, the banks and institutions engage consumers by holding financial literacy forums. This serves to ensure general resilience by fostering a culture of informed decision-making within the financial fold, necessary for the stabilization of respective households and economies.

#### **Diwali's & India's soft power Business:**

There has been a growing cultural influence of Diwali felt throughout the world, especially those having a strong Indian diaspora across the world. International events of Diwali festivals have acted as an inspiration for Indian traditional sweets, traditional attires, and handicraft decorative items that contributed to boosting India's export of its cultural economy value. It adds a different dimension to India's resilient economic development, improves international presence, and raises its demand in international markets.

With Diwali being celebrated across the world, Indian soft power becomes effective

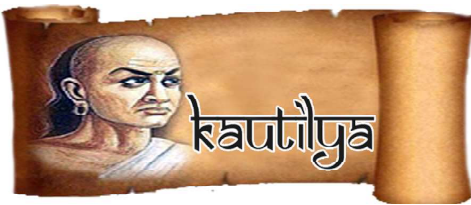


because rich cultural heritage has come under the gaze of an eye, which further creates avenues for exporting Indian products. Digital Payments: A Road to Inclusive Financial Services Today was a Diwali where digital payments dominated the celebrations of the nation of India as figures reached new highs with increased usage of the Unified Payments Interface of India.

Digital payments form part and parcel of the post-pandemic economic landscape. And they give small businesses, vendors, and artisans a seamless and secure avenue of engaging with the digital economy. Even the smallest Diwali transactions were now cashless and completely transparent financial transactions as their reliance on cash decreased while that of a financial transaction increased, and further strengthened the economic spine of the Indian economy in the form of an increased proportion of rural Indians who participated in the financial inclusion arena.

**Conclusion:** Diwali, the Pillar of Economic Revitalization in the post-pandemic period, Diwali has emerged as an economic pillar for India. While it is a time of family get-together and fun, it also heals economic wounds by supporting industries, creating jobs, and reviving consumer confidence across both the urban and rural sectors. In this light, Diwali supports consumer demand, empowers small enterprises, promotes digital transactions, and fuels massive employment, becoming an economic pillar for India. With its sights on the future, Diwali, is not only a hope in itself but also acts in the role of actually constructing a stronger and more malleable economy aligned to the needs of today with the vibrancy that makes it take on new-age challenges successfully.

**- Dheemant B S**  
V sem BA (JE)



## THE RISE OF DIGITAL PAYMENTS AND ITS IMPACT ON THE ECONOMY

### Introduction to Digital Payments:

Digital payments refer to the transfer of money or payment for goods and services through electronic systems, without the need for physical cash or cards. With the rise of smartphones, internet access, and secure payment technologies, digital transactions have become an essential part of modern life. In India, platforms like UPI, mobile wallets, and QR-based payments have made cashless transactions accessible and seamless for millions of people. This shift has revolutionized how individuals and businesses handle financial transactions, making payments faster, more efficient, and convenient.

### Merits of Digital Payments:

- Digital payments offer major advantages such as convenience, speed, and accessibility.
- Transactions can be completed anytime and anywhere, eliminating the need for cash or physical visits.
- This has boosted consumer spending, benefiting sectors like retail and e-commerce.
- They also enhance transparency by providing traceable records of transactions, reducing the risk of tax evasion and illegal activities.
- Digital payments have contributed to financial inclusion, allowing people without access to traditional banking to engage in the economy and access financial products.

### Demerits of Digital Payments:

Despite their advantages, digital payments come with challenges.

- Security concerns are prominent, with fraud, phishing, and hacking posing risks to users.
- There is also a digital divide—many rural areas lack the infrastructure needed for digital

transactions, limiting access for certain populations.

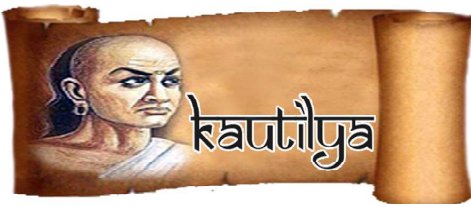
- Privacy concerns also arise, as each transaction generates data that could be misused if not properly protected.
- Without robust data protection laws, users may be hesitant to adopt digital payment systems fully.

**Impacts of Digital Payments:** Digital payments have had a broad impact on the economy.

- They have facilitated higher consumer spending, driving growth in retail, e-commerce, and transportation.
- From a governance perspective, they have increased transparency by leaving traceable records, helping reduce tax evasion and corruption.
- Digital payments have also fostered financial inclusion by providing access to banking services for underserved populations.
- Small businesses have benefited by reaching a wider customer base, with many relying on digital payment methods during the COVID-19 pandemic to stay connected with customers.

**Conclusion:** In conclusion, I could say that that digital payments have undoubtedly brought convenience and growth to the economy, but they are not without challenges. By addressing issues like fraud, accessibility, and privacy with practical solutions, we can ensure that digital payments benefit everyone. A balanced approach will allow us to build a secure and inclusive system, paving the way for a future where technology truly empowers the economy provided it is not misused.

- Sanjana MN  
V SEM BA (EE)



## India's Long-Term Economic Ambitions: A Path to a \$ 35 Trillion Economy

### Introduction:

India, with its vast and diverse economy, has set ambitious targets for the coming decades. Among these, the most audacious is its goal to become a \$35 trillion economy by 2050. This vision, outlined by various policymakers and thought leaders, presents a roadmap for India's future, where economic growth is fueled by a mix of infrastructure development, industrial expansion, trade partnerships, digital innovation, and human capital. Achieving such a lofty target requires addressing the challenges of rapid urbanization, inequality, and global economic volatility, all while capitalizing on opportunities that come with technological advancements and shifting geopolitical dynamics.

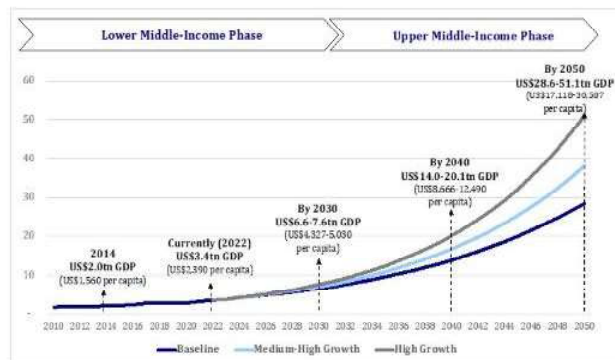


Figure 1: India's GDP in Different Scenarios

Source : Greater Pacific

### Current Economic Landscape

India, currently the world's fifth-largest economy by nominal GDP, is projected to maintain strong growth, with the International Monetary Fund (IMF) forecasting a GDP growth rate of 6.3% for 2024. This growth is occurring against the backdrop of a global economy marked by uncertainty due to factors like inflation and geopolitical tensions. India's service sector, which constitutes over 60% of the GDP, remains the largest and fastest-growing segment. Key sectors like agriculture and manufacturing, while smaller in comparison, continue to provide crucial employment and contribute significantly to economic output.

### Infrastructure Development: A Key Growth Driver

Infrastructure development is at the core of India's economic strategy, with an ambitious National Infrastructure Pipeline (NIP) that seeks to invest over INR 111 lakh crore across transportation, energy, urban, and digital sectors. With rapid urbanization expected to increase India's urban population to 600 million by 2031, expanding infrastructure to support cities will be crucial in fostering sustainable growth. In addition, India's emphasis on renewable energy, targeting 50% of energy from non-fossil sources by 2030, is critical in meeting its long-term environmental and economic objectives.

### Industrial Growth and the Make in India Initiative

India's manufacturing sector, though contributing only 15% to GDP, holds immense potential. The "Make in India" initiative aims to increase the sector's contribution by fostering investment and innovation. The government has rolled out schemes like the Production Linked Incentive (PLI) program, which offers incentives across 14 sectors, including electronics, pharmaceuticals, and automotive manufacturing. This push is expected to help India capitalize on its demographic advantage, with a large, young, and tech-savvy workforce poised to drive industrial growth.

### Labor Market Dynamics and International Trade Alliances

India's demographic profile presents both opportunities and challenges. The country's labor force is vast, but a significant portion is employed in low-productivity sectors like agriculture. According to recent data, agriculture contributes around 12% to GDP but employs over 50% of the workforce. This duality underscores the importance of improving productivity in both agriculture and manufacturing. Furthermore, the Indian government's push for digital innovation and technology adoption will likely create new job opportunities, especially in areas like IT, fintech, and digital marketing.



Global trade is set to play a crucial role in India's growth story. India's openness to trade, exemplified by its goal of \$1 trillion in merchandise exports by 2030, will require diversification of export baskets and integration into global value chains. As global supply chains shift, India stands to benefit from its position as an alternative manufacturing hub to China, especially with favorable policies and competitive advantages. Moreover, India is actively engaging in trade agreements, including the Regional Comprehensive Economic Partnership (RCEP) and bilateral trade agreements, to expand its global trade footprint.

### **Technological Innovation and the Digital Economy**

India's digital transformation is another key pillar of its economic growth. The adoption of technologies like artificial intelligence, block chain, and 5G is expected to enhance productivity and innovation across industries. India's Information Technology (IT) sector, which contributes a substantial portion to the GDP, has already established the country as a global leader in software services and digital solutions. The government's Digital India program, which aims to digitally empower citizens, is also creating new avenues for economic engagement. This transformation will facilitate better access to

services, improve governance, and enable a new generation of digital entrepreneurs to drive job creation.

### **Challenges and Path to \$35 Trillion**

While India's economic growth prospects are promising; achieving the \$35 trillion goal will require overcoming several key challenges. These include addressing income inequality, ensuring inclusive growth, improving healthcare and education systems, and managing environmental concerns. Moreover, sustaining high growth rates amid global uncertainties, such as commodity price fluctuations and geopolitical tensions, will demand robust economic policies and adaptability.

### **Conclusion**

India's long-term economic ambitions are rooted in a multifaceted strategy that blends industrial growth, infrastructure development, digital transformation, and global trade integration. By focusing on these areas, India aims to capitalize on its demographic dividend and position itself as a leader in the global economy by 2050. If these targets are met, India will not only reach \$35 trillion in GDP but will also create a more inclusive, sustainable, and prosperous future for its citizens.

**- Kalyan Kumar H**  
III Sem BA (EE)

