

GCLE

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WILL INDIA'S DRAFT E-COMMERCE POLICY HELP GIVE IT A FIRMER STAND IN WTO TALKS?

The Narendra Modi government's draft e-commerce policy – which critics have planned for the manner in which it tightens restrictions on global giants like Amazon while favoring local players like Reliance – will likely help cement India's efforts to fight off the need for negotiations on the same at the World Trade Organization (WTO). However, some of the draft policy's provisions are contentious and may be challenged at the WTO. The proposed e-commerce rules also come at a time when the US is seeking full reciprocity in trade ties with all its partners and India is squarely in its crosshairs.

To read more: <https://thewire.in/trade/will-indias-draft-e-commerce-policy-help-give-it-a-firmer-stand-in-wto-talks>

THE SPIRIT OF KALECKI AT JACKSON HOLE

The focus on imperfections in the real economy—be it monopoly power or the decline in the bargaining power of workers or higher inequality—is welcome. The latest edition of the annual meeting of central bankers and economists held in the ski town of Jackson Hole had an unusual topic—changing market structure. The growing dominance of a few companies has become a hot button political issue across the world. The Jackson Hole crowd met to figure out the implications on monetary policy. I was surprised that there was no mention in the proceedings of a Polish economist who had tackled these issues many decades earlier. His name was Michal Kalecki. Kalecki fans have often argued that he independently arrived at the same conclusions as Keynes did—and even earlier than the English economist. His misfortune was that he wrote in his native language rather than the global one.

To read more: <https://www.livemint.com/Opinion/eZjG3ZxrOFIbkadlpW6jcl/The-spirit-of-Kalecki-at->

[Jackson-Hole.html](#)

WHY ARE SOME LAWS INEFFECTIVE (AND HOW DO WE MAKE THEM WORK), ASKS KAUSHIK BASU IN HIS NEW BOOK?

How can law and economics be made to work together formally, in a structured manner? Economists and legal scholars have had an abiding interest in the question of why so many laws languish unimplemented. But an even more intriguing and philosophically troubling question is its obverse. Why are so many laws so effective, being both enforced by the functionaries of the state and obeyed by the citizens? After all, a law is nothing but some words on paper. Once one pauses to think, it is indeed puzzling why merely putting some “ink on paper” should change human behavior, why a new speed limit law recorded in a book should prompt drivers to drive more slowly, and the traffic warden to run after the few who do not, in order to ticket them. Traditional law and economics dealt with these questions by avoiding asking them. The purpose of this book is to take on this conundrum of ink on paper triggering action frontally. In the chapters that follow I spell out and explain the enigma, and then go on to provide a resolution. This forces us to question and in turn reject the standard approach and replace it with a richer and more compelling way of doing law and economics.

To read more:

<https://scroll.in/article/892059/why-are-some-laws-ineffective-and-how-do-we-make-them-work-asks-kaushik-basu-in-his-new-book>

WHY THERE MAY BE NO WINNERS IN INDIA’S PAINFUL BANKRUPTCY PROCESS?

While RBI is pushing bankers to come clean, whimsical application of the law by bankruptcy judges are leading to lengthy appeals and little recovery. Corporate banking in India is one of those painful-to-watch soccer games stretching godlessly into injury time. Neither the creditors nor the debtors have the energy to carry on, yet they’re dreading the long whistle: That’s when both sides lose. Power companies, for instance, have taken the Reserve Bank of India (RBI), the banking regulator, to court over its guideline. A pending judgment gives the lenders some breathing space. Putting just the stranded plants into the care of tribunal-appointed overseers would require a 50 per cent loan-loss provision on their \$25 billion exposure. That would be an immediate hit on state-run banks’ non-existent profits. More losses would come later as most of these electricity-generating units would sell for scrap value in liquidation. It’s a good thing that the RBI has stuck to its guns: Only by forcing banks to stop telling lies about their

asset quality can the regulator finally get on top of a \$200 billion bad-loan menace that keeps growing every quarter. However, the problem is with India's relatively new bankruptcy process, which was supposed to deliver solid outcomes in just 270 days.

To read more: <https://theprint.in/opinion/why-there-may-be-no-winners-in-indias-painful-bankruptcy-process/106127/>

IS RBI FILLING THE MACRO MANAGEMENT VACUUM AT THE CENTRE?

Whether it is UPA or NDA rule, the one thing common is how global economic factors profoundly impact domestic macroeconomic management. Therefore, finance minister Arun Jaitley must not overstate the case that the economy produced "less than modest growth" in the last four years but the "quality" of macro economic management was better than seen during the UPA tenure. The fact is exports, agriculture, industrial production, private investment and bank credit have all shown sub-par growth over the last four years. There is no getting away from this reality, whatever spin the finance minister may give.

To read more:

<https://thewire.in/macro/is-rbi-filling-the-macro-management-vacuum-at-the-centre>

WITH CONCEPTUAL ISSUES STILL, INDIA'S DATA PROTECTION BILL SHOULD NOT BE RUSHED THROUGH

The report does not consider how the domestic law and policy will fit into that global context, which accounts both for the hybridity of the proposed legislation and its unworkability. The proposed data protection legislation offered by India's ministry of electronics and information technology last month is a complex hybrid, blending provisions borrowed from European privacy law and indigenous strains of Indian statutory architecture. But the draft law's fundamental unworkability results not from its incoherence of detail, but from the absence of coherent policy-making from which the details of legislation could have emerged. The committee of experts, on whose vision of the wider context the statutory language is supposedly based, starts correctly by observing that India must have a data governance regime that contributes to a "free and fair" digital economy in India, and it must protect the rights of Indian citizens.

To read more:

<https://thewire.in/tech/with-conceptual-issues-still-indias-data-protection-bill-should-not-be-rushed-through>

CAUTIONARY TALES OF GOVERNMENT OVERREACH

It's possible for well-intentioned democracies to implement interventions that almost certainly leave citizens worse off than before. The economic collapse in Venezuela continues to be spectacular and horrifying. Thanks to hyperinflation, the stack of cash it takes to purchase vegetables is often larger than the vegetables themselves. Tens of millions of Venezuelans are going hungry, and dangerous weight loss is rampant, indicating that outright famine may be close. Observing the disaster that is Venezuela, many free-market proponents are inclined to say that socialism always fails. To bolster their claim, they can also point to the Soviet Union, to North Korea, or to Vietnam and China.

To read more: <https://www.livemint.com/Opinion/Yz6HZ3AwiYXOZpnpPIqBsN/Cautinary-tales-of-government-overreach.html>

WHY THE NSSO EMPLOYMENT SURVEYS SHOULDN'T HAVE BEEN DONE AWAY WITH

In a recent interview, Prime Minister Narendra Modi apparently said, “more than a lack of jobs, the issue is a lack of data on jobs”.

For those of us who have been using the National Sample Survey Organisation (NSSO) data on employment and unemployment for decades now, such a statement comes as a surprise as almost all research on several aspects of Indian labour markets has been based on data provided by the NSSO employment-unemployment surveys (EUS). Even field-based studies use the NSSO-EUS for their background research.

To read more: <https://thewire.in/economy/why-the-nssso-employment-surveys-shouldnt-have-been-done-away-with>

VANISHING JOBS? DON'T BLAME IT ON TECH

Policy, to be precise. Hyman elaborates that what generally drives social change are decisions people make about “how to organize our world”. Technology simply helps accelerate and consolidate those changes. He feels “the nature of work always remains a matter of social choice”. Which means that what we decide to do with technology is entirely up to us. It is not a result of an algorithm, he says, “it is a collection of decisions by corporations and policymakers.”

To read more:

<https://www.thehindubusinessline.com/opinion/columns/the-cheat-sheet/vanishing-jobs-dont-blame-it-on-tech/article24754000.ece>

ECONOMICS OF WATER: UNDERSTANDING THE WATER CRISIS

The statistics are urgent: MIT researchers predict that more than half of humanity will live in water-stressed areas by the middle of this century. The World Resources Institute shows that 37 countries currently face “extremely high” water stress, meaning that more than 80 percent of water available for agricultural, industrial, and domestic use is withdrawn annually. The 2017 WHO/UNICEF Joint Monitoring Programme (JMP) Report also shows that 844 million people do not have access to clean water. The water crisis has begun significantly affecting our world. Cape Town, South Africa, for example, could very soon reach Day Zero – when water levels fall below 13.5 percent and the water supply has to be cut off altogether. There are common characteristics that cause the global water crisis. In particular, analyzing water through an economic lens reveals some of the factors that have caused or could affect the current water crisis.

To read more: <http://harvardecon.org/?p=3744>

PARROTS' ECONOMICS

The CCRG team has now investigated whether parrots can make economic decisions, too. The birds have learned how to trade a token for food: one each for a low, medium or high-value food. The task was to choose between an instant food reward and a token that they could exchange for higher quality food. In control tasks, however, selecting a token resulted in an equal or lower payoff.

To read more:

https://www.eurekalert.org/pub_releases/2018-08/m-pe082218.php
