

## What is new(s) from GIFT

### A. Webinars

#### **Webinar on Fiscal Policy and Transmission: "The Case of India's States" organised on 28 April 2023**

Dr Nikhil Damodaran , O P Jindal University, Sonipat presented the paper. Dr G V Nadhanael, RBI, was the discussant of the paper. Prof. K J Joseph welcomed the participants. Dr Kiran Kumar karkalapudi proposed the vote of thanks.

**Abstract:** The paper examined the fiscal policy of India's states to evaluate aggregate and regional implications of state level fiscal shocks. The paper finds two distinct uses of fiscal policies by states with a limited set of instruments. First, certain states employ government spending as a means to stimulate their own economy. Second, despite the relative strength of a government spending-led stimulus, the use of tax cuts by other states imply different uses of fiscal policy. We find that inter-state trade could explain the simultaneous variations in both spending and taxes across states. States which use government spending, aim to stimulate their own economy, but end up with unintended positive benefits to the entire country. While states which rely on tax cuts rely on terms-of-trade deterioration to improve their 'current account balance', resulting in beggar-thy-neighbor policies. The paper made two key contributions to the broader literature of fiscal policy transmissions. First, they have used a currency union New Keynesian model and examined the sub-national trade transmission of fiscal policies for states in India. The study did so under a variety of settings - lumpsum tax, distortionary taxes and government debts - which explore the possibility of diverging fiscal policies as a result of differences in implementation of fiscal instruments. Second, unlike the usual literature, the study computed the model implied tax multiplier for indirect taxes and examined their impact. This is referred to as an 'unconventional' fiscal policy because of its

infrequent use, but in our setting is often the only policy that state continue to use to impact a stimulus.

**GIFT in collaboration with the International Institute of Migration and Development (IIMAD) organised a round table discussion on 'the impact of a pandemic on nurse migration' on 2 May 2023.**

Prof. K J Joseph welcomed the participants. Presenters include Prof Irudaya Rajan, Prof. Yuko Tsujita, and Prof Hisaya Oda. Moderator: Prof. Gini Zacharia Oommen. Prof B A Prakash made the concluding remarks

**Webinar on "Sectoral Productivity Shock, Regional Differences in Intersectoral Linkages, and Structural Transformation in Ghana organized on 15 May 2023 by Dr Soumik Paul, New Castle University, UK..**

The chair of the seminar was Prof KJ Joseph, Director GIFT , welcomed the participants.. Dr Vipasha Ray Hajong, PhD Scholar GIFT.

**Abstract:** The study analysed the effect of a local sectoral productivity shock on subnational structural transformation. The analysis is based on regional input-output tables we construct for 2004 and 2013 and available censuses of firms in 2003 and 2013 for Ghana. Based on our data, we confirm the occurrence of a mining productivity shock. Between 2004 and 2013, mining grew dramatically as a share of gross domestic product. The mining shock occurred primarily in the south of Ghana with much larger increases in mining's share in regional output, in the number of mining firms, and in mining employment than in the north of the country. We find that the mining productivity shock led to growing regional (north-south) differences in intersectoral linkages, with greater intermediate use of mining output and a larger sectoral total factor productivity ratio between mining and manufacturing in the south than in the north. Informed by international evidence of strong intersectoral linkages between mining and heavy manufacturing industries, we examine the performance of heavy manufacturing in response to the mining productivity shock. The elasticity of heavy manufacturing to mining employment growth is 50 percent larger in the south than in the north, generated by an increase in both average firm employment and the entry of new firms. We interpret these north-south differences as possibly due to weak interregional production linkages.

**Webinar on "Entrepreneurial Ecosystem: Theory and Empirical Reality in India organized on 24 May 2023 by Prof Jeemol Unni, Ahmedabad University, Gujarat.**

The chair of the seminar was Shri C Balagopal, Chairman Federal Bank, Founder and former Managing Director Terumo Penpol Ltd .Prof KJ Joseph, Director GIFT welcomed the participants.. Dr Kiran Kumar Kakarlapudi, Asistant Professor, GFT proposed the vote of thanks.

**Abstract:** Traditional economic models predict that people choose entrepreneurship when returns are higher than wage or salary. However, this traditional model is questioned as only a few entrepreneurs succeed and many fail or receive meagre returns. This puzzle contradicted entrepreneurship theory of pursuit of business opportunity and profit orientation. Why do entrepreneurs persist in running business for long periods with low returns?

**Webinar on "Wasting among Children: The Blindspot in India's nutrition story organized on 29 May 2023 by Dr Zakria Siddiqui, Economist, Department of Social Services, Australia and Adjunct Faculty, GIFT**

Prof Udaya Shankar Mishra, International Institute for Population Sciences, Mumbai chaired the session.Prof KJ Joseph, Director GIFT welcomed the participants. Simantini Mukhopadhyay, Assistant Professor, Institute of Development Studies, Kolkata was the discussant of the programme. Dr Kiran Kumar Kakarlapudi, Asistant Professor, GFT proposed the vote of thanks.

**Abstract:** Despite registering good economic growth, India struggles to progress in social indicators. Improving the nutritional performance of children has been one of the most formidable challenges for India. We argue that there has been a lack of attention to other indicators of child nutrition. The key measure used for assessing child nutrition in most studies is stunting, or height faltering, squarely ignoring wasting where India turns out to be the worst country in the world for which we have the data. India has not improved in wasting prevalence in the last 20 years. Besides, medical literature using longitudinal measures indicates that cross-sectional measures for wasting are a five-fold underestimate of the actual prevalence of wasting. Further, longitudinal estimates also indicate that past wasting events are often a precursor for stunting. We provide a data-based contextual discussion that India's slow progress in addressing child nutrition is due to the fact that wasting has never been in the calculus of policy response.

**Public Lecture Series on Issues in Indian Public Finance, 12-06-2023 to 14-06-2023**

Prof M Govinda Rao Former Director NIPFP, Member 14th Finance Commission and Distinguished Fellow GIFT delivered the public lecture series. Three Lectures were given (1) An Overview of Indian Public Finance or emerging issues in Indian Public Finance, (2) Tax Policy and Reforms in India and (3) Fiscal Federalism and Intergovernmental Transfers: Theory and Practice in India.

**Webinar on: Distributive Politics of the NDA Governments with the Union Health Budget organized on 16 June , 2023 presented by Ms Aswathy M A and Prof D Narayana**

Prof K J Joseph, Director, GIFT welcomed the participants. The chair and discussant of the seminar was Prof Achin Chakraborty, Professor of Economics and Former Director, Institute of Development Studies, Kolkata

**Abstract:** Distributive politics or the politics of pork barrel was popularized by the researchers in the United States in the 1960s. It showed that incumbents in legislatures try to allocate disproportionately high public expenditure to their constituencies to improve their chances of getting re-elected. Political parties try to do the same to get back to power. Visibility plays an important role here and hence the allocation is for new programmes with big outputs at the cost of more efficient ones with lower visibility. This paper argues that the National Democratic Alliance (NDA) governments in recent years have been playing distributive politics with Union health budgets. Health in India is a state subject but in the initial decades of planned development, the Central government designed national programmes for the eradication/control of communicable diseases and population control and trained manpower for implementation of the programmes by the state governments. However, with communicable diseases on the decline the initial years of the 21st century saw the Central government make three major interventions, namely (Prime Minister's Swasthya Suraksha Yojana (PMSSY), National Rural Health Mission (NRHM) and Rashtriya Swasthya Bima Yojana (RSBY) aimed at correcting the imbalances in the provision of tertiary care, provision of accessible, affordable and quality healthcare to the rural and vulnerable and in particular reduce IMR and MMR, and to protect people from catastrophic health expenditures respectively. The United Progressive Alliance (UPA) government (2004-2014) redesigned PMSSY to upgrade Government Medical Colleges, introduced NRHM and RSBY. The NDA

government (2014 to the present) set up AIIMS like institutions, neglected NRHM and renamed RSBY and raised the sum assured to a visibly high amount. Continuing the trend, it refused to accept the recommendations of the XV Finance Commission that recognized the health infrastructure deficits and the resulting lives lost during COVID-19. Post-COVID Union budgets too show the neglect of primary care and national disease control programmes at the cost of large projects under Central control confirming the play of distributive politics.

**GIFT, in collaboration with the International Institute of Migration and Development (IIMAD) organised a book talk on The Migration-Development Regime: "How class shapes Indian Emigration. 20-06-2023.**

Prof Rina Agarwala the author of the book presented the outline. Prof K J Joseph welcomed the participants. Prof Irudaya Rajan moderated the session.

## **B. Teaching and Training programmes**

### **1. Post Graduate Diploma in GST (PGDGST)**

#### **Examination for 2022-23 Batch**

During June and July examination for the 5th Batch of PGD-GST course were conducted in three centres. (Thiruvananthapuram, Ernakulam and Kozhikode). Total 150 students have appeared for the examination in all three centres. The examination for 5 papers were conducted in five Sundays. The result is expected to be announced during second week of September 2023

#### **Admission 2023-24**

GIFT has announced PGD-GST course for the academic year 2023-24. This is the sixth batch after the introductions of GST. This is of one-year duration and will be imparted through online and hybrid training programme of 150 hours covering theoretical and practical aspects of GST. The curriculum of the course consists of five papers. The training will consist of theoretical and practical sessions to equip the students to understand and comply with various provisions in the CGST/SGST/IGST Acts, Rules & Forms and Accounting. The program is open to graduate in any discipline, final year graduate students and employed persons are also eligible to apply. Attractive fees concessions are available for 14 different categories of aspirants. For prospectus, syllabus, fees and admission procedure, please visit GIFT website -

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www.gift.res.in. For further clarification you may contact our helpline number: 9746683106, 9388958074 email- pgdgst@gift.res.in. So far 182 students have joined the course.

Course Coordinators : Dr N Ramalingam and Smt. L Anitha Kumary (till 31 May , 2023).

For more details: <https://www.gift.res.in/index.php/course/detail/14/PGD-GST>

### **2. Primer to GST Audit Training to the State GST officials, Government of Kerala**

To strengthen the audit structure, the State GST Department of Government of Kerala has developed, through a restructuring process, 140 audit teams to operative throughout the 14 districts of Kerala working in Seven Zones (Each team consists of two Assistant Commissioners/ State Tax officers and three Assistant State Tax Officers with the total manpower of 700 officials. These officials will be supervised by the Deputy Commissioners at the District level and Joint Commissioners at the Zone level. The Additional Commissioner Audit will supervise at the State level.

To impart in-depth and rigorous training to these audit officials of State GST Department of Kerala, GIFT has initiated a training programme with its 30 years of experience in tax training and research combined with the experience and expertise of individuals or external training agency of national repute in the GST Audit. Training. The idea of obtaining the external expertise and experience is mooted by the Commissioner of State GST in his letter to Director GIFT.

For preparing the officials for the Audit Training, 60 hours base level training is mooted by GIFT. This Primer training programme proposes training in Accounting and Returns.

Sixty (60) hours training programme is imparted and conducted in two hours slots of 30 days in online mode (Zoom Platform). (11.00 am to 1.00 pm). The training is imparted during April & May 2023. The faculty members who handled the programme are Dr N Ramalingam, Associate Professor, GIFT & Dr Thomas Joseph Thoomkuzhy, Associate Professor, GIFT

The primer to GST training envisages training and performance objectives as follows:

#### **The Training objectives**

At the end of the 60 hours training programme, the participant officials should be able to

- (1) Prepare journal, ledger, trail balance and final accounts
- (2) Prepare the relevant GST returns from the accounts
- (3) Read the base accounts, financial statements and integrate with the relevant returns

### **The Performance Objectives**

After the completion of the training programme the Audit officials will be able to analytically integrate the taxpayers accounts, relevant source documents with the monthly, quarterly and annual returns.

### **3. PhD programme**

The activities in PhD programme during April, May and June 2023 are listed below.

#### **Update from the First Batch, 2018**

Suha AM, fourth-year PhD Scholar , Published An article titled "Federal Transfers and Sub-National Spending in India: An Analysis of the Stimulatory Effect" in the journal of Asia Pacific Economy, co-authored with Dr. P S Renjith

#### **Update from the Third Batch, 2021**

Shagishna K, third-year PhD scholar, Published Article titled " Faith-based Financial Exclusion in India: Impact on Branch Density and Access to Loans" in Economic and Political Weekly (vol LVIII No 15), co-authored with prof D Narayana

Three scholars from the Third batch, Shagishna K, Athira Karunakaran and Vipasha Ray Hajong Participated in a three-day Executive Programme in Social Science Research Methodology organised by the Department of Humanities, Indian Institute of Space Science Technology, Thiruvananthapuram.

#### **Update from fourth batch, 2022**

As part of their coursework , all the nine scholars from the fourth batch prepared and presented a term paper on various issues pertaining to economics and finance. Currently, they are revising the term papers based on the feedback received from the evaluators

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**Course Coordinators:** Prof. K J Joseph and Dr Anoop S Kumar

### **C. Publications**

#### **1. Kerala Tax Reporter (KTR)**

April and May 2023 issues of KTR published Online and offline. <https://www.gift.res.in/ktr>

#### **2. Innovation and Development**

A Routledge journal from GIFT, Volume 13, No. 2 (2023) published, Editor in Chief, K J Joseph.

For details, please visit <https://www.tandfonline.com/toc/riad20/current>

#### **3. Weekly update on Finance, Taxation and the Indian Economy**

This is an attempt by the Young Scholar' Forum in GIFT, led by Smt. Shency Mathew to update on important developments on Finance, Taxation and the Indian economy. Latest issue: 24-30 June 2023.

For details, please visit [https://www.gift.res.in/index.php/publish/publish\\_list/14/Weekly-Updates-on-Finance](https://www.gift.res.in/index.php/publish/publish_list/14/Weekly-Updates-on-Finance).