

## What is new(s) from GIFT

### A. Webinars

GIFT organised the book release “**India’s Federal Setup: A Journey through Seven Decades**” authored by **Shri R Mohan, Honorary Fellow GIFT on 07-July 2023**. The book was released by **Hon’ble Chief Minister of Kerala Shri Pinarayi Vijayan** and received by **Dr Shashi Tharoor, Hon’ble Member of Parliament**. The book release was followed by a discussion by Prof. T M Thomas Isaac, Prof. M A Oommen, Shri John Mary. Prof. K J Joseph welcomed the participants.

**Webinar on “Southern India: Parliamentary Representation, Resource Sharing and Provision of Responsive Public Services Post” – 2026” organised by GIFT on 26 July 2023**

Prof. D Narayana, Honorary Fellow GIFT presented the paper. Shri R Mohan, Honorary Fellow GIFT chaired the session and discussed the paper. Prof. K J Joseph welcomed the participants.

**Abstract:** There is apprehension that delimitation post-2026 might affect the southern states adversely both in representation and resource sharing. This paper argues that delimitation may not be a major problem although the population share of the five southern states fell from 25 per cent in 1971 to 21 per cent in 2011 and that of Uttar Pradesh and Bihar rose from 23 per cent to 26 per cent. It is presumed that the share of southern states must have fallen further beyond 2011. We argue that this fall might not take place because in-migration might compensate for the low and falling total fertility rate in the South. The experience of Maharashtra and Gujarat confirms it as their share in the Indian population has hardly changed over the last 50 years (14.320 per cent in 1971 and 14.668 per cent in 2011) despite low fertility. The solution to the population problem is migration as the experience world

over suggests. The major problem is the widening income disparities between the southern states and the rest of India. In 1980-81, the per capita incomes of Karnataka and Kerala were around 65 per cent higher than that of Bihar whereas in 2019-20, they are over five times that of Bihar. The share of southern states in the GDP which was 20 per cent in 2000-01 has risen to 29 per cent by 2020-21. The widening incomes translate into serious imbalances in the distribution of resources because some variant of income distance has been a major indicator used in determining the horizontal shares of states by the Finance Commissions in recent years. This indicator has been used to measure the fiscal capacity differences. With the widening incomes use of this measure is bound to cause uneasiness in the southern states, especially when fiscal autonomy of the states has been constrained with the introduction of Goods and Services Tax (GST). The solution to the falling population growth is migration which is already taking place with large flows into south India. But counting of migrants in Census is often beset with problems. A conscious effort to offer subsidized accommodation could work wonders attracting families instead of single male, and expenditure multipliers would come into operation leading to a win-win situation. One possible way out of the lack of fiscal autonomy is to allow for some tweaking of the GST structure. Fix a low base rate of GST to be shared equally between the Centre and the states and allow states to fix an increment in State GST entirely flowing into the states. This will also serve the purpose of meeting fiscal needs beyond the comparable public services as desired by the states. As an example, consider Kerala with a higher share of elderly population requiring more tertiary health care services compared to Bihar or Uttar Pradesh. The additional cost of tertiary care can be met by the additional SGST. Similarly, higher spending on tertiary education as the average duration of education improves in the southern states compared to Uttar Pradesh or Bihar. Doesn't fiscal federalism mean transferring resources from the richer states to the poorer ones for the provision of basic public services simultaneously allowing for meeting the differing needs of states at higher stages of development?

**KEA Curriculum Workshop Series-** GIFT, in collaboration with Kerala Economic Association (KEA) organised a hybrid National Level workshop on Curriculum Reforms and Economic Education: Issues and Challenges on 27 July 2023. Speakers were Prof. M A Oommen, Patron KEA and Distinguished Fellow GIFT, Prof Surjit Mazumdar, Centre for Economic Studies and Planning, Jawaharlal University, New Delhi and Dr Alex Thomas, Azim Premji University, Bangalore. Prof K N Harilal, President, KEA welcomed the gathering.

**Webinar on “Local cultural cleavages and prosocial behaviour: Evidence from household electricity theft” organized by GIFT on 17 August 2023**

Dr Sitakanta Panda, Assistant Professor at IIT Bhubaneswar presented the paper. Prof. Kaushik Gangopadhyay chaired the session and discussed the paper. Prof. K J Joseph welcomed the participants.

**Abstract:** How does the local socio-cultural structure affect prosocial behaviour? The multidisciplinary literature on evolution of prosocial behaviour postulates that the collectivistic societies vis-à-vis the individualistic ones witness more prosocial and civic behaviour. Not stealing electricity from public power stations is an example of prosocial behaviour. Electricity theft is a major economic problem afflicting energy consumption in low-income and developing countries. In this paper, we examine the role of collectivism-individualism cleavages as an indicator of local political economy and social structure in explaining one set of prosocial and civic behavior – of not stealing electricity from local public power grids. Analysing the data of the India Human Development Survey 2012, we find in all three contexts – national, rural, and urban – that a household head’s reporting that s/he lives in a collectivistic village/neighbourhood vis-à-vis in an individualistic one increases the predicted probability of his/her also reporting that his/her family consumes electricity illegally. We also find that reporting of living in localities with higher consumption inequality and local crime incidence (vis-à-vis relatively more equal and less-crime-reported localities) are associated with an increased likelihood of that household’s stealing electricity. This finding is robust to specifications with rural-urban, male-female and social group heterogeneities and alternative explanations. Other factors such as levels of public trust in state government and local government bodies also play a significant role. This study unravels a new channel for explaining electricity theft in developing country contexts and therefore has critical implications for designing public policies motivating prosocial behaviour.

**KEA Curriculum Workshop Series-** GIFT, in collaboration with Kerala Economic Association (KEA) organised a Lecture by Prof Anjan Mukherji, Professor Emeritus, Jawaharlal Nehru University, New Delhi on Economic Curriculum for Undergraduates with Special Attention to Microeconomics and Mathematics: Some Reflections on 22 September 2023.

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

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

#### **PGD-GST Examination for 2022-23 Batch Learners**

The 5th Batch of PGD-GST course examinations was conducted in three centres. (Thiruvananthapuram, Ernakulam and Kozhikode) during June and July 2023. The examination for 5 papers was conducted on five consecutive Sundays. A total 150 learners from the 2022-23 batch and 18 learners from previous batches had appeared for the examination. The paper valuation was made during August 2023 and the results were announced on September 2023. Out of 168 students, 11 obtained distinctions, 99 obtained first class, and 30 passed. The Training certificate, Mark sheets, and Diploma certificates are in the process of preparation. It is proposed to conduct the convocation during October 2023.

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

The training for the sixth batch (academic year 2023-24) of PGD-GST was started in July 2023. The training consists 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. A total of 210 students have joined the course. The training sessions are conducted all weekend (Saturdays and Sundays). During July, August, and September, a total of 60 hours of the training programme have been completed.

Course Co-ordinator: Dr. N Ramalingam

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

## **2. PhD programme**

The activities in PhD programme during July, August and September 2023 are listed below.

### **New PhD Batch Admission**

In response to the GIFT call for application for PhD admission, a total of 46 applications were received out of which 5 candidates were JRF holders. Among the non-JRF applicants, 19 applicants were shortlisted after conducting written test based on CUSAT guidelines 2023. Total 24(5 JRF and 19 non-JRF) applicants were called for the interview. The interview was held off line/ online on 3rd and 4th August,2023. 10 candidates were considered for admission for the PhD programme. All the ten candidates joined for admission on September 15,2023.

### **PhD scholar activity**

Aswathy MA, along with Prof D Narayana presented a paper titled "Distributive Politics of Central Government with the Union Health Budget" in the ISEC Seminar series on July 11th, 2023.

Meghna Jayasankar presented a paper titled "An analysis on forecasting major cryptocurrencies using four major methods" at International Conference on Finance and Corporate Finance (ICFMCF) at IIT Delhi, on 4th July 2023

Steffy Antony attended a workshop organized by the Centre for Public Finance, MSE; 'Summer Training Programme in Public Economics', from 01/07/2023 to 14/07/2023.

Lekshmi Prasad attended Advance Graduate Workshop 2023 at Azim Premji University, Bangalore from July 3 to 14, 2023.

Shijo Thomas presented a paper titled " Determinants of Digital Financial Inclusion: The Role of Digital Infrastructure and Financial Literacy" in IIT Roorkee conference on Digitalization and Inclusive Banking: Vision for the next 25 years on 3-4 August 2023.

Arun Paul presented a paper titled " should digital taxation be in sync with OECD-G20 Two pillar framework? An analysis of equalization levy in India and its aftermath" at GJIMT punjab, pPnjab technical university on 22-23 July

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

### **3. Training on GST Audit to the officials of the Kerala GST Department, Government of Kerala**

To strengthen the audit structure of the State GST Department, the Government of Kerala has developed, through a restructuring process, 140 audit teams to audit the taxpayers in the 15 tax districts of Kerala working in Seven Zones (G.O. (MS) No. 55/2022/Taxes dated 02-08-2022). 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 headed/supervised by the Deputy Commissioners at the Division level in the districts and supervised by Joint Commissioners at the zonal level. The Additional Commissioner Audit is the head of the Audit Wing at the State Head Quarters.

In this background, enhancing the knowledge, skills, and attitude (KSA) of the 700 officials in the areas of legal and procedural matters, including the selection of audit files based on risk parameters, audit visits, verification of accounts and financial statements, including computerised accounting, conduct of audits in a friendly environment, notice drafting, etc., are indispensable. Two-phased training was scheduled for January 2023. In the first phase, handpicked officials out of the total 700, i.e., 80 (40 in one batch), were trained as master trainers from February to April 2023. The master trainers were trained by national-level experts and experienced IRS officials. In the second phase, all 630 officials (630 officials) were trained in 7 different centres in Kerala from June to September 2023. The entire training programme is organised and conducted by GIFT.

### **C. Publications**

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

June, July and August 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. 3 (2023) published, Editor in Chief, K J Joseph.

WHAT IS NEW(S) FROM GIFT

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. Twelve issues of Weekly updates published during July to September 2023 which are available in GIFT Website. Latest issue: 24-30 September 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)