Sri Lanka, Bangladesh have seen faster rise in per capita wealth than India since 1995

Per capita wealth changed very little across countries, even falling in 25 countries, between 1995 and 2014, a new World Bank report by Glenn-Marie Lange and co-authors shows. The report attempts to provide a more comprehensive measure of economic progress than gross domestic product (GDP) alone by considering the combined wealth from four different sources: produced capital (plants and factories), human capital, financial capital and natural capital (resources such as forests, minerals etc). Low-income countries, where natural capital constituted a major share of wealth, doubled their wealth between 1995 and 2014, the report shows. But on a per capita basis, their wealth grew by only 17% over this period due to high population growth. South Asia saw among the biggest gains in per capita wealth over the past two decades, the report shows. But countries such as Bangladesh and Sri Lanka saw faster growth in per capita wealth compared with India because of gains in human capital formation. The report underlines the need for India to invest more in health and education to raise wealth levels sustainably in the years to come.

Also see: The Changing Wealth of Nations 2018: Building a Sustainable Future

Access to e-commerce in rural China benefits only a slice of the rural population, and may not bring broad-based gains to the entire countryside, according to a new National Bureau of Economic Research (NBER) working paper by Vector Couture of the University of California, and co-authors. The Chinese government recently announced the expansion of e-commerce to the countryside as a policy priority to bridge the rural-urban economic divide. As part of this agenda, the government entered into a partnership with a large Chinese e-commerce firm to invest in the necessary logistics to ship and sell products from villages that were hitherto unconnected to e-commerce trading. The researchers tapped into the data from the e-commerce firms to find that beneficiaries of the programme were likely to be richer, younger and living in close proximity to the e-commerce terminal. These gains are largely consumption gains because of the availability of a greater range of products rather than because of increased production in villages. The researchers conclude that in the absence of complementary interventions such as business training, access to e-commerce sites is unlikely to catalyse new rural business or help existing businesses to scale up production.

Also see: E-Commerce Integration And Economic Development: Evidence From China

Individuals from historically deprived social groups face far worse health outcomes compared with those from upper caste groups, an *Economic & Political Weekly* paper by Vani Kant Borooah of the University of Ulster, Northern Ireland, shows. For instance, in 2014, the age at death was highest for persons from non-Muslim upper caste households (60 years) and lowest for persons from tribal households (43 years).

Also see: Caste, Religion, and Health Outcomes in India, 2004-14

Raising per capita income and improvements in health conditions are both critical to raising welfare in a country, argues an International Monetary Fund blog post by economists Geoffrey Bannister and Alexandros Mourmouras. The blog, based on a well-being index constructed by accounting for consumption, leisure, inequality and life expectancy in 151 countries, shows that per capita income and per capita welfare are closely related. Welfare levels in poor countries are lower than income levels, while it is the opposite for rich nations. Poor health leads to low life expectancy, imposing a cost on the welfare of the poor countries. Besides, bad health conditions adversely affect welfare by causing disruptions in employment and productivity, consequently affecting economic growth.

Also see: Welfare Versus GDP: What Makes People Better Off

Decentralized ledger technologies such as blockchains can facilitate the creation of smart contracts but they may also lead to greater collusion, a recent NBER working paper by Lin William Cong and Zhiguo He of the Booth School of Business, University of Chicago, shows. Blockchains are a real-time database of financial transactions, contracts, physical assets, etc. and reach a decentralized consensus through interaction with dispersed record-keepers. While this process removes the barriers of information asymmetry, it also makes collusion more likely, raising the chances of anti-competitive outcomes, the authors argue.

Also see: Blockchain Disruption And Smart Contracts

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