

Editor's Note

Letter from the Editor:

Rostra Economica's history makes it one of the most valuable student-run magazines in The Netherlands. Since 1953, Rostra has given students the opportunity to share insights and analysis about the most relevant worldwide events. Rostra Economica will continue on being produced by students, and for students.

Two years ago, I accepted the role of Editor-in-Chief to direct Rostra Economica through what I considered was the right path. With the help of an excellent Managing Team, and an outstanding committee, we managed to increase Rostra's inner growth and boost our outreach in the University of Amsterdam. Today, in my last "printed" edition as Editor-in-Chief, I say goodbye to this journalistic outlet, and leave fresh leadership to drive Rostra to keep on growing and to respect the right of independence that our writers have enjoyed.

Student journalism is crucial to prepare and train young students to become the future of the production and distribution of information related to current, or past events. Journalism is indispensable for a well-functioning society. The transmission of information to the people is essential to avoid autocracy and misinformation. The written word will continue to be a great form of communication. The expression of ideas and emotions will continue to be channelled through words and sentences. Democracy in all its forms will continue to be shared and protected by journalists around the world.

Rostra Economica, along with every other student-run magazine/newspaper, is the current representation of future journalism. We, as students, must improve and protect our sources in order to reflect the type of society that we want for ourselves and for our loved ones. These past few months have been full of controversy. Event after event, the world released a streak of cataclysmic events that have dragged our full attention. From the brink to a third world war at the beginning of the year, to the eruption of protests fighting issues that should have been resolved decades ago. It seems like humans are approaching the end of a chapter in their history.

In the current wake of events shaking our social and economic systems, journalists have the responsibility to keep us, the people, informed about all matters materializing around us. In turn, we must protect the rights of those considered by Colombian-writer Gabriel Garcia Marquez, the most important professionals in the world.

Alfonso Garza
Editor-in-Chief



COLOPHON

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Our History

Rostra Economica was founded in May 1953 as the new magazine of the faculty study association (SEF) of the faculty of economics at the University of Amsterdam. Its formal purpose was to provide current information and to publish, mostly, academic articles. However, the magazine also served as a means for students to reflect on the faculty. Through contributions by professors it connected the academic community at the faculty. Over time, Rostra Economica became an important part of the SEF, and a burden on the budget of the association. At one point, Rostra Economica represented over 90% of its budget.

To make the magazine financially sustainable, economics students of the University of Amsterdam and the VU University Amsterdam decided to cooperate. In 1965, at its 52nd edition, the magazine was re-named Rostra Economica Amstelodamensis, now published for both universities in Amsterdam. The marriage did not last long. In 1968, the magazine was discontinued after an argument between the SEF and the editorial board on the future cooperation with the VU. An attempt to start over was funded by the University of Amsterdam. The magazine, now called Rostra, started publishing again in 1970. It was a short magazine, hardly four pages long, and not at all appealing to students at the faculty. It seemed the magazine had lost its right of existence.

The new editorial board of 1972 did not agree with that notion. With a new layout and renewed enthusiasm to be more than an announcement bulletin for the SEF, the magazine gained new life. Topics were increasingly less academic and focused more on current affairs in economics and at the university. In 1981, the magazine celebrated its 100th edition. The magazine was again named Rostra Economica in 1986, a name it has retained until now. Under its new (and old) name, the magazine pushed on towards its 200th edition in 1994 and its 50th birthday in 2003. The magazine featured more and more interviews with key figures in economics and politics, from Nout Wellink to Mark Rutte.

Although the history of Rostra Economica has been vibrant to say the least, the magazine has gone through some of its biggest changes in the last ten years. In 2010, Rostra Economica was published in English for the first time. Recent changes in the media landscape did not pass by for Rostra Economica unnoticed either. When the magazine arrived at its 300th edition in 2014, it was clear that the future of the magazine is online. In 2015, Rostra Economica launched its new website, providing more content at a higher frequency. It is by no means the final destination of the magazine, as it continues to adapt to any challenges that the future brings.

Do you want to write for **Rostra** yourself?

We will be recruiting during this academic year.
Stay tuned to our **Facebook & Instagram** platforms
for more details, or send us an email to
rostra@sefa.nl

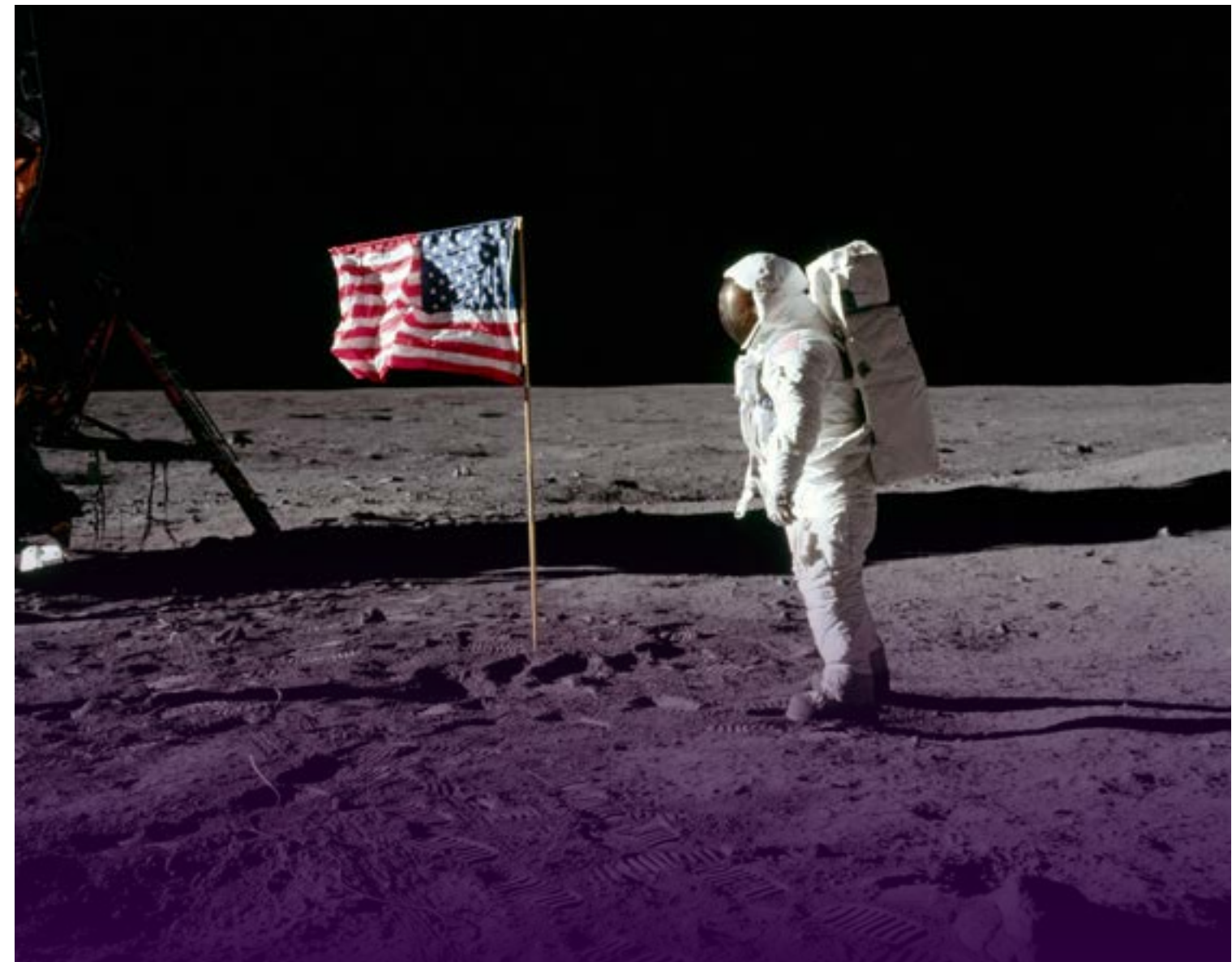


Photo: NASA

Conspiracy Theory: *Humans never arrived at the moon*

In 1969, 'One small step for man, one giant leap for mankind' were the enigmatic words to confirm the arrival of humans at the moon. After a half-century, this fact is questioned. Some believe that the man was never there and the images all witnessed would have been created on a film set by Stanley Kubrick, hired formerly by NASA.

In the late sixties, the United States was far behind in the space race. The USSR had been the first power to orbit an artificial satellite (Sputnik), a living being (Laika), a human being (Gagarin) and even make the first spacewalk (Leónov). They just needed to step on the moon and that was a defeat that the United States could not afford. For this reason, Americans would have recreated the moon landing in a movie studio. To support this theory, sceptics claim that the photographs show numerous errors. For example, the United States flag flies, something impossible on the Moon. Also, the fact that there are more sources of light besides the sun and that the astronaut's helmet glass is reflected. The technical team of the film. As if this were not enough,

those who support this theory claim that Kubrick would have truffled his film *The Glow of Clues* about his Secret Work for NASA. To try to resolve the issue, Iker Casillas asked his Twitter followers if they believed the man had reached the Moon or not. What happened next will surprise you: 42% of respondents said it was a fraud.

**'One small step for man,
one giant leap for mankind'**

Achic Lema (Ecuador)

Third-year economics student from Ecuador. She believes that education and the equality of opportunities have the power to change the status quo of the vulnerable.





Photo: Marian Kamensky via cartoonmovement.com

The Good, the Bad and the Crazy

During the COVID-19 pandemic, we have seen various measures being implemented all around the world. Countries' approaches towards the virus are vastly different, yet some measures are more "creative" than others. This article, therefore, sums up 10 unique strategies in tackling the virus by various countries all over the planet.

First of all, Turkmenistan; a country most people do not hear from daily. The president of Turkmenistan, Gurbanguly Berdimuhamedow, decided that the best way to protect his people from the Coronavirus was to ban the name altogether. The terms "COVID-19" or "Coronavirus" were subsequently removed from all health brochures. Moreover, the newspapers that did try to inform the Turkmen people about the virus were suppressed. That said, given the fact that Turkmenistan is ranked last on the Press Freedom Index, there probably were not that many independent newspapers in the first place.

Another remarkable leader is Aleksandr Lukashenko, the president of Belarus. He allegedly stated that the virus "cannot be seen flying around", and thus it is not dangerous. He also claimed that the cold would make it impossible for the virus to spread and that drinking vodka works as a medicine. Belarus is among the few countries that have not yet implemented any measures in the fight against the

COVID-19. Sporting events continue, as well as other day-to-day activities. This plays into Mr Lukashenko's aspirations for Belarus's future in the world of sports, which he shared in a recent statement: "When the National Hockey League was delayed, many players went to Russia to play. Maybe Lionel Messi and Cristiano Ronaldo will come to Belarus to continue playing, right?"

Jair Bolsonaro, the president of Brazil, is someone most people have read about during the last few months. He first claimed that the virus was no danger at all, after which he issued an executive order to strip local authorities from their power to restrict people's movements. Eventually, this order was revoked by the Supreme Court of Brazil. Furthermore, Bolsonaro posted videos on Twitter in which he urged people not to comply with social distancing measures; these were later removed by the social networking service due to them presenting a risk for the health of the Brazilian people. Later on, after Mr Bolsonaro seemed to have admitted that the virus was, in fact, a threat. He posted a video in which he stated that there were shortages of food and essential products because of the government's measures. However, his own agriculture minister later said that these statements were completely false. Communication within Brazil's government does not seem to be entirely adequate, to say the least.



Photo: Dimitris Georgopolis via cartoonmovement.com

One of the most frightening leaders in the current crisis is perhaps Donald Trump. The leader of the wealthiest country in the world in terms of GDP started off by calling the Democrat's politicization of the Coronavirus their "new hoax". During the past month, Mr Trump has blamed the pandemic and its repercussions on almost everybody you could think of: China, Europe, US governors, the media, the WHO, and many more. How fortunate we are to have The Donald's "very large brain" looking out for us: if it were not for him, the world might have gone under by now.

Next up, Panama and Peru. These countries have a unique system regulating who can go outside during quarantine. In Peru, women can leave their homes on Tuesday, Thursday, Saturday and men on Monday, Wednesday and Friday. Nobody can leave their house on Sunday. Panama has the same system, only the days for men and women are the opposite of Peru. Colombia has a similar arrangement, where the government decides who can leave based on their ID numbers (for example, people with the numbers 0, 4, and 7 would be allowed to leave on Mondays, etc.).

In Serbia, an hour a day was explicitly allocated to dog-walking. Every day between 21:00 and 22:00, people were allowed to walk their beloved pets. However, this has recently been banned, causing outrage among many owners (and their dogs).

One of the most creative and unique suggestions so far has come from Iran. Abbas Tabrizian, the Iranian Ayatollah, suggested people should "insert cotton wool drenched in violet oil into the anus before bedtime" to tackle COVID-19. Tabrizian's idea and many others are shared via the popular online shop, the "Islamic Medical Centre". On this platform, another prominent cleric suggested dripping bitter gourd oil into one's ears twice a day.

Back in Europe, Britain seems to be dealing with the opposite problem of most other countries: a lack of workers. British farmers are unable to find enough summer labour, which has been a problem for a while now. For example, last year, over 16 million apples were left to rot on orchard floors. The British rely heavily on Bulgarian and Romanian workers for their farms. However, since the Brexit, Eastern-European workers have been doubtful about returning to Britain, and the current pandemic certainly isn't helping. G-Fresh, one of the UK's biggest salad producers, has therefore flown in hundreds of Romanian workers, likely setting a trend for the coming months.

Quarantine is taking a toll on most of us. Boredom and frustration occur more frequently by the day. This, however, is not something the Saudi Arabian crown prince, Muhammad Bin Salman, seems to be struggling with. He spends his days playing the popular video game "Call of Duty", a shooter game played by millions all over the world. The hobby seems to be shared by many in the region, as the Middle East and Africa account for approximately 15% of the world-wide gaming community. Despite the tragedies this pandemic is causing, if quarantine means enforced gaming in a royal palace, maybe it's not so bad after all.

Camiel Fortass
(Netherlands)

A first-year student in Business Administration, with an affinity for politics and economics.



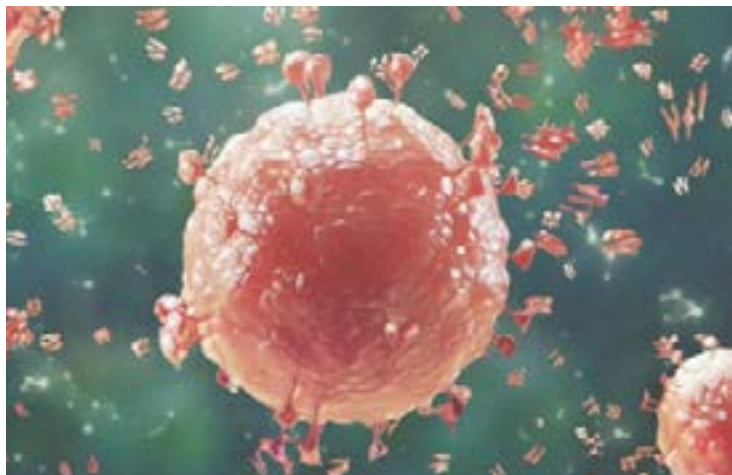


Photo: Via healthline.com

A War Against Disease: The Paradox of Constant Medical Innovation

Even since the dawn of the human species, we have competed with all life on this planet. Nowadays, we have reached a point where we have obliterated some of the most obvious threats we can find in nature. Yet, one stood the test of time - disease. Ironically, it is not the creature with the sharpest fangs or the one with the greatest strength that might bring our end, but rather the smallest one. Out of sight, pathogens responsible for diseases work tirelessly to thwart our existence, locking us down in an endless conflict.

In this war, our weapon of choice is innovation. We use our minds to discover and create, all in a bid to stay alive. That is, some would say, the very essence of human instincts. Nonetheless, our enemies often prove to be equally crafty in this domain. Pathogens have been equipped by nature with the right biological mechanisms to constantly develop, perhaps up to a point when we can no longer keep up with them. Whenever we find new medicines, new techniques to counter the effects of a disease, it finds a new way to eventually break our defences - that is the law of evolution.

Innovation in Quality

Whilst we can count on pathogens to continue their advance, we can hardly say the same thing for human progress. That is because human innovation depends on a variety of factors of social, economic and political nature. Given all these variables, there is little certainty that the engine of innovation can run indefinitely. At some point, let's say, due to lack of economic incentives (i.e. insufficient funding) or an unstable socio-political context (i.e. civil unrest or state conflict), the engine slows down - or outrightly stops. That is the opportunity window for pathogens. Whilst humanity is bogged down in its temporary crises, viruses, bacteria and other microorganisms can adapt to such a degree that would enable them to wipe us out.

Adjacent to the innovation conundrum, there is the problem of uniformity. Often times, emerging technologies and practices in the upper echelons of medicine do not necessarily translate to better care for all. Quite the opposite, there are a number of obstacles when it comes to implementing ever-increasing standards. With a constantly moving target to meet, underfunded or mismanaged medical units just can't keep up the pace. There is also the possibility that top-level innovation doesn't even reach the general care level - perhaps the most poignant example of this is the disparity of medical care between developed and developing countries. Ultimately, it is patients who suffer the most, as in the ambiguous period of change, the quality of medical services can drop drastically.

Innovation in Quantity

With the advent of better medicine, humankind has also created the means to mass-produce and effectively distribute drugs to consumers. The excessive use, however, of even the most basic of drugs overexpose the pathogens to the pattern of the medication. Doing so multiplies the pathogens' opportunities to adapt against our defences, developing what is called antimicrobial resistance. Consequently, the medicines become ineffective and infections persist in the body, increasing the risk of spread to others.

The Grand Sum of Life

Let's put the doomsday scenario aside for a moment. Ever since the first vaccine was created, we have come up with countless ways to make our lives better. Through the use of modern medical norms, we have eradicated the deadliest of diseases, prevented countless deaths, and, perhaps the most commonly experienced, improved the quality of a patient's life. Ultimately, whilst we might be locked in a constant war with disease, we proved to be effective at suppressing it under the weight of human progress. However, the outcome of the conflict is still out of our grasp. Whether we will emerge victorious or not, only time will tell.



Photo: Yokogawa Co-innovating Tomorrow

Alin-Gheorghe Hampău (Romania)

First-year student in Politics, Psychology, Law and Economics. He enjoys reading and writing about all of the previously mentioned subjects.



Photo: Markus Spikse via Unsplash

Time to Pay Our Bill

In the 19 of July 2019, we had consumed all annual resources for that year, the earliest ever. The overwhelming evidence of the effects of climate change does not seem to move governments to take measures against the emission of greenhouse gases. The cause of this phenomenon is the unnecessary production and consumption of economic activity. As expected, it has reached the point where the consequences have already become catastrophic for biodiversity and human life.

Who to blame? Easy question to answer. All of us have to assume the responsibility for the misuse of non-renewable resources, pollution and consumption habits. Year after year, the unwillingness to solve the fundamental cause of climate seems motionless. Many feasible solutions attack the interests of capital and large corporations using highly polluting technologies.

Carbon emissions count 60% of the global ecological footprint. Since the industrial revolution, the concentration of CO2 in the atmosphere skyrocketed in developed countries, thanks to which they became industrialised and enriched. Today, poor countries which have suffered from colonialism for centuries, receive international companies in order to grow.

However, the benefits of companies return to their countries of origin, and they leave the damages in charge of the countries where they produce, although the sales and the consumption of its products carry in the companies' countries. It has opened a deep gap between the developing countries that claim to developed countries to pay for the past emissions of CO2 and the necessary means to mitigate climate change. While the developed countries claim emerging countries do not emit CO2 but it would prevent them from developing. A direct influence on social inequality and that it promotes poverty and hunger in dozens of countries, significant differences in amounts of natural resources' consumption. If there is no cooperation, the poor countries have no other choice than to follow the same path as the rich ones to get out of poverty. Furthermore, many say that climate change is something that joins everyone and tends to make us all equal, but its corollaries have affected a great portion the poorest areas, such as Bangladesh by the rise of sea levels or Haiti by the devastating earthquake of 2010. Climate change increases inequality in a capitalist society.

Thinking about the mitigation of climate change with the participation of the current economic system is ambiguous and ambitious. To stop global warming, simple, we have to use fewer resources. But in order to avoid the collapse of our capitalist economic system, unlimited growth is necessary.

As the former French President, Francois Hollande, said "It will not be late, it will be too late" regarding taking severe decisions on climate change that had to be taken in the Paris agreement in 2016. However, let me say that it is too late. The Paris agreement is gone, and most of the scientist has called it as a fraud, because of the considerable gap between the main objective of maintaining a rise in global temperatures below 2 ° C and pursuing efforts to limit the increase At 1.5 ° C. Even more, these agreements are not enforceable, the 196 countries would just attempt it. Essential and key countries like the USA left the agreement. In addition, the target is too small; countries are required to radically raise its aim now. The longer an effective policy is postponed, the more severe and more troubling the emission reductions will be in the future.

Efforts to reduce pollution levels, the development of sustainable policies, the promotion of practices that are more environmentally friendly, and to make people aware of an increasingly irreversible reality such as climate change must overcome before political barriers than economic, social, and cultural.

Protecting biodiversity, moving to the use of green energy, respect for the most basic rights of indigenous peoples, etc., should no longer be related only to the agenda of the ecologists. It must become part of the priority agenda of politicians and society as a whole.

Despite all these things, we do not learn, but climate change is a matter of life or death: continuing the history of humanity or disappearing. How dinosaurs disappeared. For a long time, we have enjoyed the resources of the Pachamama without taking into account that these are limited and now we are paying the bill.

Achic Lema (Ecuador)

Third-year economics student from Ecuador. She believes that education and the equality of opportunities have the power to change the status quo of the vulnerable.



Photo: Via www.independent.co.uk/

Is the Coronavirus Showing Us the Need for More Social Democracies?

With the coronavirus raging throughout the world, forcing countries to respond immediately with resources at hand, it has exposed the strengths and weaknesses of different economic structures. This article explores how socialist and capitalist countries have responded to the crisis, and how this shows a need for a different structure – a social democracy.

Socialism

Many have argued that the coronavirus has proven a case for socialism, citing China's success in battling the virus. Within just two months of the outbreak of the virus, China has been reporting almost no new cases, while other countries are still anticipating the peak of infection. It was also ranked #5 in the Covid-19 safety ranking by the Deep Knowledge Group.

One of the biggest reasons accredited to this apparent success, is China's centrally planned economy, which allowed it to immediately mobilize its resources once the virus started spreading. This meant that China could quickly and completely lockdown all its cities to slow the spread of the virus and ensure that food and other essentials were delivered to all households. Because of the many state-owned enterprises, the government was also able to increase the supply of testing kits, medical equipment, and hospitals very quickly,

in order to meet the urgent need for healthcare. For example, China was able to build two hospitals with 2600 beds in just two days.

Another benefit of socialism in a medical crisis, is that all citizens have free access to healthcare, thus allowing them to easily get tested and treated. Additionally, since education is free there will be more highly trained health professionals who can now bear the brunt of the increase in hospitalizations.

However, one of the biggest criticisms of China is that the information is controlled by the government, and thus may be false. Therefore, despite its reported success in reducing covid-19 cases, many are sceptical of its reporting and believe that it is suppressing the true number of new daily cases. Socialist states may be incentivized to misreport the number of cases to ensure social stability and political support in the future. A related danger of socialist countries is that they may use their reported success in battling the coronavirus as propaganda to support their regime once the crisis is over. This may mean that some governments can justify continued authoritarian rule and increased state surveillance even after the virus is over, using their success during the crisis to justify the increased involvement of military and State oversight of people's lives and decisions.

Capitalism

In the United States of America, the coronavirus may show the benefits of not having a centralized system. The national government has given unhelpful guidance, while denying the severity of the situation. However, private businesses have stepped up during the crisis. Restaurants exclusively catered to takeaway while expanding the necessary infrastructure, and supermarkets designated shopping hours for elderly people before the national government started ordering similar actions. This allowed the country to start social distancing before the government even realized the need for it. This proves that when the national government is incapable of managing such a large crisis by itself, a capitalist system would be more successful.

However, America's response to the coronavirus is exposing the many holes in the capitalist system. For one, there has been public outrage because celebrities showing no symptoms have been tested for the coronavirus, while many people showing symptoms cannot be tested because of the shortage of testing kits in state-run facilities and because they cannot afford the prices at private hospitals. People who are already struggling with unemployment may be reluctant to go to the hospital for treatment even if they suspect that they have the virus, as it would rack up exorbitant hospital bills that they cannot afford if uninsured. This highlights the massive wealth disparity which stems from a free market, and how, in a largely privatized healthcare system, low income earners become more vulnerable.

With regards to the public healthcare system, Trump's government has been cutting funding to the Centre for Disease Control and Prevention and other national healthcare institutions. This underfunding means that the system is not ready to immediately accommodate a sudden increase in patients, and effectively research and control diseases. Many healthcare contracts have also been outsourced to private firms. For example, a multi-million-dollar medical device producer procured the contract to design and supply ventilators to hospitals and replaced affordable ventilators with more expensive ones, leaving America with a shortage of ventilators.

Under a capitalistic system, the government is often subject to the workings of the free market, with the preservation and upliftment of people becoming a secondary consideration. This need to preserve the free market may be why many countries did not react immediately to the virus by locking down the country, costing many lives in the process. Some are still wary of meddling too much with the market. For example, the Netherlands is pursuing an 'intelligent' or partial lockdown to reduce the economic consequences. However, this approach has cost the lives of more than 3,000 people to date.

Other countries, such as Sweden, also prefer not to take paternalistic approaches during crises and therefore have not enforced lockdowns, but have rather recommended that people should social distance. This leaves the lives of vulnerable elderly and immunocompromised people in the hands of risk-taking younger people who have been seen to continue socialising, increasing the risk of passing on the

virus to vulnerable people. This emphasis on the freedoms from State control – which is very much tied to capitalism – is also seen in America, where many are protesting the lockdown as an infringement of their constitutional rights. While these rights are important and should be upheld, there is a strong case for State imposed lockdown when a virus is spreading rapidly with a sizeable mortality rate.

Middle Ground: The Success of Social Democracies

Social Democracies are often described as countries that support free markets, but have massive welfare programmes and more socialized healthcare, education, and labour markets. Many of the countries that have been successful in their coronavirus response, such as Germany, Taiwan, Denmark and South Korea, can be termed social democracies – also otherwise described as a humanized version of capitalism. Spain and Italy are exceptions, possibly due to their late reaction and the privatisation of and budget cuts to the Italian healthcare system.

Social Democracies have found ways to efficiently enforce strict lockdowns to slow the spread of the virus, while cushioning the blow to the economy through stimulus packages and trade union deals. This effectively protects citizens from both the virus and an economic downturn. Their public healthcare systems also mean that all people can have affordable and easy access to testing and treatment. This may be why Germany, despite having a high number of cases, has a relatively low death rate for the region, of 3%. In Denmark, the government has stopped mass layoffs of employees through deals with trade unions where the government will cover 75% of wages. This allows workers to manage financially while also being able to stay safe at home.

All these countries show a greater priority for the well-being of people than the markets or the status of the government, which have been the weaknesses of capitalist and socialist countries. Whether we are in a crisis or not, governments should always prioritize their citizens and ensure that all people, regardless of income, have access to essentials such as healthcare, education, and employment opportunities. Therefore, the social democracy structure seems perfect, as it recognizes the State's responsibility to provide essential services and protect the vulnerable in society, while also allowing free market mechanisms and the upholding of individual rights. Hopefully, once this crisis is over, more countries will start re-evaluating their economic and governance structures and see the benefits of social democracies.

Elisabeth Hoole (Sri Lanka)

First year Economics and Business Economics student from Sri Lanka. Enjoys writing about political economics, developing countries and the intersection of economics and social inequalities.





Photo: Jennyfer Criollo

Plastic and Its Toxic Love Affair With Humans

Why do we take care of how we look, how we dress, where we travel to, and how well packaged our food is? As soon as we used a product, plastic is thrown away, ending up in landfills or the oceans.

Plastic is one of mankind's greatest discoveries of the 20th century. Our laptops, food, clothes, and furniture, almost everything is made with it. This material is an example of inventions that ease the innovative process of producing goods like machinery, technological equipment, and medicine, which in turn is something relatively affordable and accessible for more people than in the past. Versatile, practical, cheap, and convenient, this revolutionary element helps the globalization to give a better approach to a more interconnected and advanced world. For instance, companies of fashioned shoes and high-quality phones try to scale up their range of products to attract more customers, to have more significant power in the market and to sell more products every time. Security, comfort, uniqueness, elegance and fashion, giving to customers innovation guarantees more revenues for businesses.

How long ago have you disposed of your last plastic product? What are we doing to recycle?

In the food industry, one of the main functions of plastic is to be used for packaging. Around 40% of plastic production is for packaging, according to the World Health Organization. Our hero, plastic, protects food from becoming waste quickly. Transparent and flexible water bottles are fabricated massively to supply the constant demand at grocery stores, containing particles of industrial chemicals like DEHP and BPA that can affect the hormonal system or produce cancer in the human body.

Also, where does all the plastic waste go?

A report by National Geographic describes that only nine percent of the total plastic waste is recycled, 12% is burned and the rest is accumulated in landfills and the oceans. As is well known, plastic takes 1000 years to degrade. Until then, the material gets fractioned into small pieces, such as microplastic and nano plastic, which can be possibly eaten by marine animals and eventually would end up in our dish, being toxic for our health.

Plastic or planet?

Would you incentivize yourself to use less plastic to help to fight against global warming rather than having the best clothes and plastic products in the living room? Well, as humans, we work with incentives. Hypocritically, I would say I don't waste much of the plastic that I do not need. One extra plastic spoon for lunch means more trash. Furthermore, how accurate are we when we talk about problems when we know that we, ourselves, are the problem?

For better or worse, we cannot get rid of plastic until a material at least as costly-efficient and malleable is created. Alternative products to plastic? Let's see what comes next. Picture ourselves in 2050. How do we expect our life to be in 30 years? Do you think plastic pollution will be resolved? Promising or more problematic?

Petroleum has a long life in the industrial market, even though it is widely used in the industry. However, the use of plastic has progressively become a social issue, as there are entirely effective ways to dispose of plastic waste. Alternatives to plastic have been created as a response to the high demand for a sustainable approach to the production of plastic. Bioplastic from fish waste, algae, corn, sugar cane, straw grass, stone wool, and milk seem positive substitutes to plastic. However, what about the resources wasted until its production? we should not forget that they also emit greenhouse gasses, or it may take many resources to make them, like in the case of milk plastic or urine bricks. According to the professor Scott Wilson from the Macquarie University, for now, we cannot get rid of plastic, but we should improve its quality and make its usage more enduring in our hands. Fortunately, not everything is just bad news because there is a short-term alternative for packaging plastic, which is MarinaTex. Their main activity is to collect fish waste from fishing enterprises in the UK and produce a biodegradable plastic to package food that can dissolve in three weeks. As humans, we have a long way to go along with plastic to see more development; however, the way we use it may change our expectations about society co-occurring with innovative usages of the plastic. Possibly, it can be adjusted thanks to the zero-waste movement, or circular economy.

Cinthy Criollo (Ecuador)

Second-year Economics student, whose likelihood to help the students community to be abreast of current affairs maintains her in action during this quarantine. Writing is part of her routine as she finds it a way to enlighten herself and improve personally. She feels confident of the data she gets from reliable sources, becoming herself a trustable channel to inform readers.



Photo: Graham Trenholm via macleans.ca

The Burning Bush

The Australian bushfires started in June 2019 and are continuing at the time of writing this article, but were reduced thanks to heavy raining at the end of January 2020. The fires have affected almost all parts of Australia and have been record-breakingly intense, destroying buildings and displacing communities. As a result, the devastation in terms of area size is the biggest since 2002, but the largest recorded bushfires in Australian history took place in 1974-75.

The bushfires occur yearly around the summer season in Australia. However, due to climate change, they have been forecasted to start earlier, last longer and become more intensive. Temperatures in Australia had been above average for 36 months before the start of the bushfires. Climate change has been blamed for the unusually high temperatures which have led to draughts that further increased and intensified the fires. It has been reported that the fires were ignited mostly by lightning strikes and by winds carrying the fires further. Contrary to the popular belief, some conservative politicians have blamed the lack of prescribed burning as a cause for the fires, but these accusations were widely discredited. Interestingly, some people have been accused of arson, which has started conspiracy theories about the motives behind the fires.

The damage from the fires has been devastating. According to the most recent data, the fires have burned an area of more than 18.6 million hectares, destroyed over 6000 buildings, killed at least 34 people and more than 1 billion animals. The total costs of the fires are hard to calculate but have been estimated to be above 4.4 billion Australian dollars.

The massive number of dead animals have received plenty of media attention. An estimated 25 000 koalas died and, other animals that are already endangered lost a large part of their habitat and shrunk in numbers. The fires have re-

leased about 306 million tonnes of carbon dioxide into the atmosphere, which further increases the pace of climate change. The smoke is also a health hazard because it contains small particles which are toxic to humans. Already almost a quarter of Australians are reporting ill health effects due to the smoke they have inhaled.

The Australian prime minister Scott Morrison has been criticised for the way he managed the fires. His leadership has been questioned as some people think his government has not adapted well enough to climate change and, in fact, have earlier denied climate change altogether. Additionally, his government has not taken actions to transition away from fossil fuels which are seen as the reason for the record-breaking fires. Experts have warned him that the extreme weather phenomena are likely to increase, but he has not reacted to these warnings appropriately. As a result of the fires, the public has started demanding politicians to take action to combat climate change. They have done this by attending demonstrations which took place in Sydney, Melbourne and Canberra. The silver lining in this situation might be that politicians will finally start making decisions they should have made years ago. In fact, Morrison has already expressed regret over his handling of the bushfires. Also, The National Bushfire Recovery Agency has already been created due to the events and might turn out to be helpful in the future when dealing with similar events.

Hopefully, these fires will make people and politicians recognize the climate emergency that we are facing and start taking appropriate action to save our planet.

Erik Hämäläinen (Finland)

Second year Economics & Business Economics. He enjoys taking walks while listening to podcasts or music.





Photo: Xinhua / Zheng Huansong via Getty Images

European Green Deal in Making

Heated debates are held around whether economic growth or environmental protection should be the priority of modern policy-makers. A rising number of economists such as Kate Raworth are arguing that the focus on growth has led to the destruction of nature and destabilization of our planet, calling for a substantial reorientation of economic policies. On the other hand, policymakers such as the European Union see the hope in reconciling economic growth with nature preservation. The latest example of this is the European Green Deal, a 'growth strategy' proposed by the European Commission that aims to make the continent carbon-neutral by 2050.

The Commission's president Ursula von der Leyen characterized the Green Deal as the 'European man on the moon moment'; the plan is to be so ambitious and impactful that it should make the continent a global leader in sustainable growth. The projects funded under the Deal should lead to economic growth across the whole Union while decoupling it from polluting resource use and negative externalities to nature. The plan aims to decarbonize areas from public and private transport to construction, but also includes tackling the loss of biodiversity, emissions of toxins from production and excessive waste generation.

When it comes to plan's financing, von der Leyen demands at least 25% of the EU budget for the 2021-2027 period to be utilized for climate action and environment programmes, which accounts for approximately €503 billion. National funding and private investments should constitute the other half of the plan's costs, altogether counting for €1 trillion. In order to ensure the fair competition between European entrepreneurs adhering to the plan, a tariff on carbon imports from parts of the world where carbon emissions are not priced will be imposed. Moreover, an initial version of

the European Climate Pact was launched on March 4th that aims to set a legal framework for an effective transition to carbon neutrality. This 'Climate Law' should assure that the pro-environmental changes resulting from the Deal are irreversible but also wants to bring more predictability for investors interested in green finance.

A Feasible Plan or a Fairytale?

Although neither the Deal nor the new EU budget are finalised yet, the Deal's announcement in December has already caused criticism. The hypocrisy that has been pointed out is the fact that new fossil fuel projects are still subsidized in all EU member states. Eastern European member states, especially, highly depend on these non-renewable fuels. For example, Poland employs 80,000 people in the coal mining sector and, although the number of employees has been decreasing, the sector is unlikely to disappear before 2030 due to social costs and technical complexities associated with it. Coal mining provides jobs for around 250,000 EU citizens, mostly Eastern-Europeans, leading to criticisms that the Deal is too vague in details when it comes to real-life trade-offs these countries will be forced to make. A part of the Deal, however, is the establishment of a 'Just Transition Fund' which should ease the transition of poorer EU members to a more sustainable path.

Moreover, the Deal has been criticised as too focused on targets, which are difficult to be made binding, rather than a clear set of actions through which the targets are to be achieved. To ensure that the targets will actually be met, robust monitoring impact assessments will have to be conducted regularly. Lastly, climate activists disapprove of the construction of the Deal as a 'growth strategy', arguing that the obsession with growth has been a major cause of environmental damages done to the planet in the first place. They claim that the European Green Deal is pretending to save the climate while actually saving the economy, calling for a change in lifestyle and policy-making orientation instead.

The European Green Deal is still being designed, making the validity of strong opinions of both proponents and opponents questionable. Transnational climate agreements signed so far have been full of targets, yet most are too vulnerable to changes in national political leadership. What the world needs from the EU are bold actions instead of another best wishes. Let's hope the Green Deal will finally manage to make sustainable Europe a reality and not just a buzzword.

Katja Komazec (Croatia)

Third-year PPLE student majoring in Economics & Business. Her main passions are economics and environmentalism (eco-warrior alert). She also enjoys running and travelling.



Photo: Aly Song via Reuters

China going back to 1984

China's role in the world economy has not passed unforeseen. Its skyrocketing economy left many economists without words and defied all reasonable expectations: many researchers and businessmen praised China's business practices and productivity. However, do economic indicators provide an accurate overview of the current state of things going on in China?

While its economy may be booming, many already know that China's attitude of caring for more social values is not strong, if present, at all. In fact, many readers point back to George Orwell's novel 1984 and the presence of a "Big Brother" above all of us. With the excuse of providing safety to its citizens by empowering the diligent ones and punishing anti-conformists, many countries among which China have enacted many controversial policies. These include face-recognition technologies, artificial intelligence and so-called "re-education" camps, where allegedly a few million people have been interned and indoctrinated. Not to talk about admission from Chinese officials of their ability to access deleted conversations from WeChat. In more and more occasions, safety and privacy are seen as extremes of the same construct: to provide safety, information is needed. Thus, privacy is weakened. And a high level of confidentiality often implies low access to information, which is necessary to act quickly and efficiently to ensure safety.

With the advent and development of the new social media platform TikTok, supposedly connected to the government, China will gain even more in-depth access to a massive amount of data: if we jaywalk, we may be scanned by a real live camera and receive a fine (if not the police) directly at home. Its ties with Huawei also worry many citizens, who are afraid that by giving access to new infrastructure (and consequently the Chinese government which is said to subsidise their own key domestic companies heavily) like the 5G network, Chinese will be able to have access to unbearable amounts of data which would enable it to "categorise"

its citizens as pro or against the current regime. Additionally, in the last months, China was labelled by the US as "currency manipulator", a formal accusation of gaming the currency system by supporting the devaluation of their currency and boost exports, with the goal of being more competitive abroad.

Last years' Facebook's leaks look like nothing compared to the extensive proactive intervention of the Chinese government in the society, prompting surveillance cameras in every corner of every street. While a stolen item may be recognised by security and placed in the lost and found, to reach such responsiveness, we must continuously be under their control.

It is tricky to outline solutions to the issues mentioned above especially considering their magnitude, but while defeating the Chinese government may be impossible, aspects that could be improved to reach a higher quality of life standard include mass media. While the government itself may make use of it as well, keeping the world up to date in real-time will allow even the people who are not directly affected to provide support and be aware of macroeconomic situations which may affect the world economy, and enhance companies and countries' trading power while settling an agreement with mainland China. On the other hand, that may be harmful as well, as it is happening right now with the spread of the coronavirus and panic all over the world. But hey, you cannot always have the best of both worlds!

Marco Favaretti (Italy)

Business Administration student. Intrigued by politics and the disabilities environment. Motto is: We give our lives meaning. If you feel like life is meaningless, that's your fault!





Transition from Fossil Fuels

Photo: Karsten Würth via Unsplash

It is often difficult to find a positive piece of news regarding the environment. But let's begin this article with one: yearly global emissions of carbon dioxide in 2019 did not rise. Instead, they were level with those in 2018, according to a report released in February 2020 by the International Energy Agency (IEA). What is most surprising about this fact is that economic growth in advanced economies averaged 1.7% in 2019, while the total energy-related CO₂ emissions fell by 3.2% (offsetting the effect of increased electricity production). IEA believes that the emissions trends for 2019 suggest clean energy transitions are underway, led by the power sector.

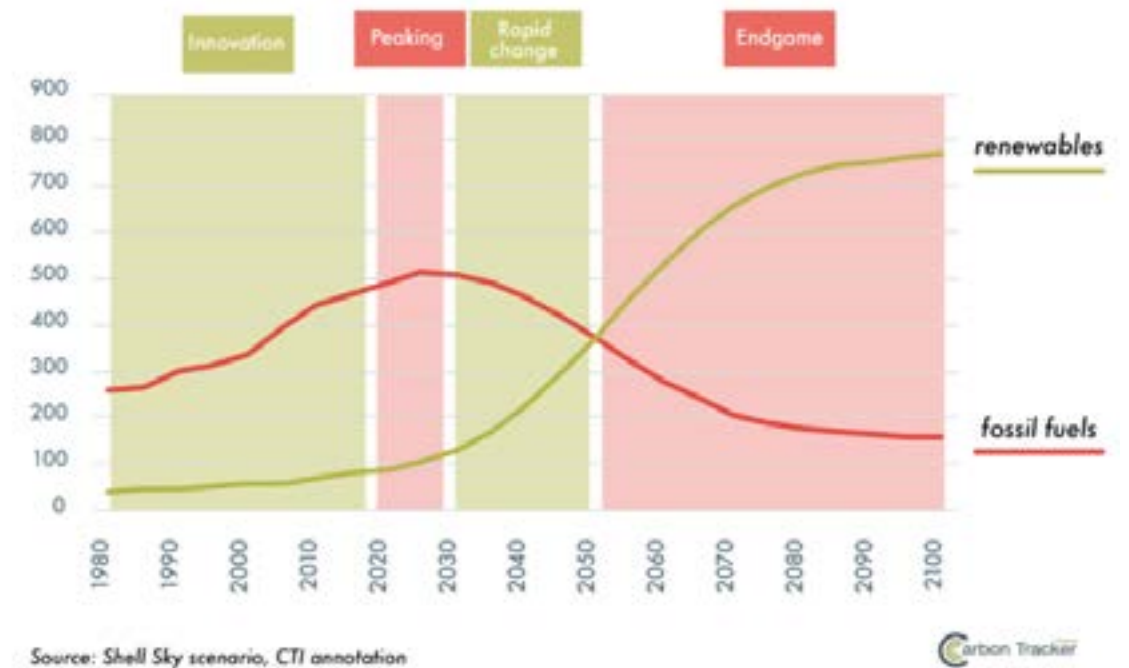
What Drives the Transition?

There are several factors driving this energy transition. Firstly, the costs of solar photovoltaic (PV), wind and battery storage are decreasing fast – at around 20% for each doubling in capacity. Consequently, unsubsidized renewable energy is now most frequently the cheapest source of energy generation, according to the International Renewable Energy Agency. This is making renewables the competitive backbone of energy decarbonization – a crucial climate goal – and their effects have been perceived in the fossil fuel industry. For example, coal-fired and gas-fired power plants

in Europe and parts of the United States are already being closed down due to being uneconomic. As Kingsmill Bond, NGO Carbon Tracker New Energy Strategist, put it: “Investors anticipate, so they will typically react even before companies see peak demand. This is what happened recently in the coal and European electricity sector transitions. We believe that investors will start to react faster as the energy transition works its way through the world's capital markets.” Similar patterns have been observed in many energy transitions, from electricity, coal and cars in recent years to horses and gaslights in the past. Demand for incumbents peaks early, and investors in incumbents lose money early.

But this transition is not only driven by economic forces. It is also noteworthy how governmental policies around the world are increasingly supporting these trends. Emerging markets are choosing renewables over fossil fuels especially, thus driving growth in energy demand. Since these countries often have less fossil fuel infrastructure, as well as rising energy dependency and pollution, they have shown efforts to seize the opportunities renewables have to offer. For example, China overtook the United States as the largest host of solar and wind capacity in 2012 and electric cars in 2016. In the long run, these measures will have an important effect: according to IEA, 27% of energy-demand growth in the next 25 years will come from India and 19% from China.

Total primary energy (EJ)



2020's – the Peak for Fossil Fuels

Carbon Tracker believes that the 2020's will record a peak in fossil fuels. As renewables will increasingly sustain the growth in energy demand, demand for fossil fuels will decrease thereafter. This prediction, when graphed, takes the form of an S-curve of renewable growth and a downward slope of fossil fuel demand.

This transition encompasses four main phases: innovation (with up to 2% penetration for new technology); peaking (between 5-10% penetration); rapid change (between 10- 50% penetration); and the endgame (after 50% penetration). In fact, we could allude to the theory of diffusion of innovation, which can also be applied to the energy transition: as successful new products conquer a market, they target new groups of people sequentially, from the innovators to the early adopters, early majority, late majority and laggards. And in each country and each sector, renewables are moving along this type of trajectory.

Carbon Tracker argues that general concerns on issues such as winter heat, airplane fuel and renewable intermittency will not delay the peak in the fossil fuel demand and are most likely to be addressed in the endgame phase, when demand is already falling. Instead, the company argues that the most challenging phase for financial markets is the peaking phase (i.e. where demand for the old energy source peaks). The transition from fossil fuels will pose important risks to financial markets – while investments in fossil fuel ventures are surging and production remains high, interest in renewable energy is also growing (hence the peaking phase). This, according to the International Energy Agency (IEA), will arguably create an excess of supply of stranded fossil fuel assets, where net carbon importers such as China and the European Union emerge as “winners”. At the same time, fossil fuel exporting countries where these fuels account a significant percentage of its GDP (e.g. Russia, with 10%) will suffer from the consequences.

Concluding...

The impacts of the energy transition will be vast. The fossil fuel sector is estimated to have invested more than \$25 trillion in infrastructure, and the transition from these will be felt in the stocks. Ridding the world of fossil fuels and eliminating their impact on climate change relies on mastering the adoption of renewables. But renewable energy is increasingly cost-effective and, as research has found, more than 75% of global emissions are subject to economy-wide emissions-reduction or climate policy schemes. The transition from fossil fuels is, once more, a challenge that requires joint efforts from businesses, governments and individuals.

Maria Diaz (Spain)

Third-year Business Administration student from Spain. Enjoys writing about politics and environment-related issues.





AI and its Potential Effect on War

Photo: moderndiplomacy.eu

Many of the greatest minds in the world have shown skepticism regarding artificial intelligence (AI). Physicist Stephen Hawking classified its emergence as what could turn out to be the worst event in the history of humanity. Likewise, Bill Gates and Elon Musk have expressed concerns about the possibility that AI could develop to the point that humans may no longer control it.

When people hear AI is a threat to humankind, they picture an evil-looking armed robot that becomes conscious and wants to wipe out humanity. The hypothetical scenario of an AI takeover in which it becomes the dominant form of intelligence on Earth is unlikely and for now, just science fiction. Our actual concern should be AI turning competent with goals misaligned from ours. All things considered, the main concern with the AI-movement isn't with robots but with intelligence itself.

It is important to understand how AI works. In a classic computer program, you give step by step instructions on how to do something. With AI, however, it goes differently. You don't tell AI how to solve the problem; you simply give it a goal, and the AI has to figure out by itself through a process of trial and error.

The danger of AI is not that it is going to rebel against us, but that it is going to do precisely what we ask it to do. So then, the trick of working with AI becomes how do we set up the program so that it actually does what we want. Therefore, the problem with AI is that it is relatively easy to give the program the wrong puzzle to solve, and often we don't realize that until something has gone wrong.

We should center our attention on lethal autonomous weapons (LAWs). These are weapon systems that through the use of sensor and computer algorithms are capable of hitting targets without human intervention or approval. LAWs differ from traditional military drones because in the latter human controllers decide when to fire, not a computer. Although LAWs don't

exist yet, ethical concerns have been raised. Human rights groups argue that giving robots the power of making life and death decisions violates the principles of human dignity.

To successfully build LAWs there must be a development of software and hardware, allowing it to operate autonomously. Weaponized robots would be a dangerous creation because all computers can be hacked. The weapons could fall into the hand of hostile actors who might program them to target innocent people. Here is where we come back to the main concern: an AI with goals misaligned from ours. There are many potential causes of robots not behaving as desired, such as wrong data being used, design faults, or malicious intervention.

From a military perspective, autonomous weapons would open up a world of new capabilities. By not requiring human controllers to make decisions, we would no longer be constrained by limited personnel. Millions of weaponized drones could be flying simultaneously, ready to engage the target. Moreover, by not having to transmit the information to the base, there would be no lag or jamming. Given the above, with AI war could be catastrophic.

The worrying thing about developing AI war machines is that it's inevitable. A country will build it to defend themselves against the bad guys, yet so will the rest for the same reason. No country wants to be left exposed. AI might not be like the terminator, a conscious entity that wants to kill us all, but it could be a tool we use to destroy each other.

Mateo Ricucci (Venezuela)

Second year Economics and Business Economics student from Venezuela. Interested in politics, economics and technology.

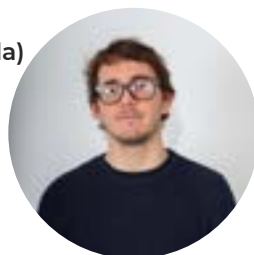


Photo: Via sileu.com

Zero Waste Living

Defining You will probably read this magazine, enjoy it, put on the pile at home and one day you will throw it in the paper recycling bin (hopefully). You would think that's the end and you can enjoy your "sustainable" life. The truth is that there are so many different regulations about recycling material in different countries which makes it almost impossible to follow sorting standards properly.

Different requirements about trash separation make it harder for people to follow it correctly, and the UvA Green Office is currently working on resolving this problem. At the beginning of this year, they created a guide for the trash separation which you can access through their web page. Correct trash separation leads to the creation of more "clean" and less contaminated (higher quality) recycling material that can be better recycled and, thus, have a second or third life.

Some products have only one chance to live, like single used plastic coffee cups that are not recyclable at all. Compostable substitute creates more carbon dioxide emissions if tossed to the landfills and not "composted" on the special plants. Plastic bags that clog up sorting machines and not all recycle plants accept them. Small foils from candies, never make it to something new. Chip bags with a thin layer of foil. Oh, and do not even make me start about Styrofoam.

But some environmentally conscious people look back to those times where there was no plastic. They refuse to use single-use products and opt-out for alternative options that our grannies were using once. Main idea in its name: no waste. Reduce, reuse and only then recycle: that is the motto. It is not just about ditching plastic; in my opinion, is still a very nice material, it can be durable, waterproof and help to keep things fresh. It is about using what you have as long as you can, repair it if necessary. Think about how many items you throw away because it is so cheap to buy new ones. We toss it to the bin, get rid of it, and it is not your problem anymore. Well, honey, the truth is that in the long run, we are all dead and hopefully not from the pollution that we created ourselves.

We create much trash on a day-to-day basis not even noticing that simple things add up, salad box, plastic fork, coffee-to-go cup and now multiply by the number of your course mates. Can you imagine this trash pile and just in one day? Simple things that really can make a change: reusable bottle, coffee cup, your own cutlery. I found out about this movement two years ago, and I did my best to incorporate some of those habits. Some stuck to me while others did not. On the webpage "Going Zero Waste" Kathryne, founder of her personal journey blog page, talks about zero waste a bit differently than your first impression may be. She says that Zero Waste is not about fitting all your yearly trash in one tiny little mason jar, it is about making conscious choices every day, knowing what impact they made on the society and planet overall. It makes me think about the future and what impact I made right now. Sometimes being imperfect, but trying to do little things has a higher impact than doing nothing at all.

People join and promote zero waste living as a response to the global problem with waste separation and unnecessary use of resources. Thus, in a way, they encourage and strive to achieve a circular economy. What is it? Economy or production line where resources are used to most of its potential with the forward perspective of reusing materials in the future. Imagine for a moment a world where every piece of clothing and every pen and pencil that you use was created without extracting resources from our beloved blue planet, using what we have already created. This means that everything should be created with disassembly in mind, with materials that can be durable during the lifetime of the product. Moreover, the blending of materials hampers recycling.

Circular economy goes beyond the materials that we use or the waste that we create. It is also about the energy resources that we need and try to substitute with greener ones. For now, technological advancement stabs upon creation of a battery that will contain the charge for a prolonged amount of time. It does not sound like a big deal, but it also has to be durable and easily disassemble at the end of the lifetime with no harmful materials for the environment (like the lithium batteries that are used nowadays). So there is much room for creativity and cooperation between different scientists and specialists that will unite together to tackle climate change and work on the creation of a circular economy.

Oksana Sokil (Ukraine)

MSc Finance. Have you ever thought about little things that define you? Oksana can be described as a bundle of Odipus Poly Amorie, Guns N' Roses, Alice's Adventures in Wonderland, film photography, ashtanga yoga and tennis.

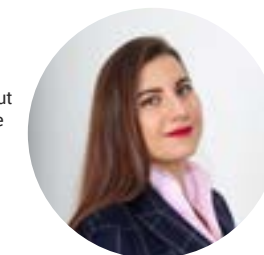




Photo Cola en una oficina de empleo. (EFE) via www.elconfidencial.com

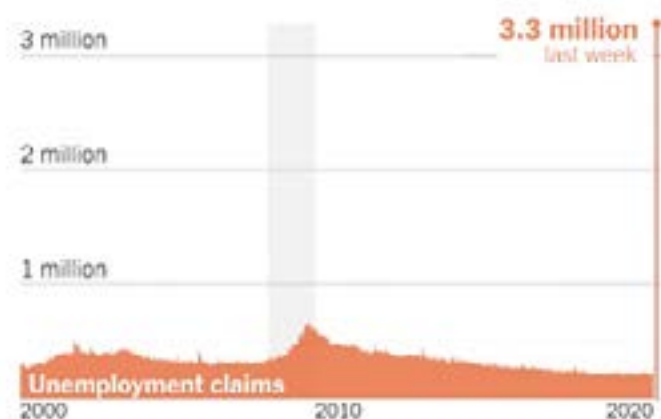
The Unemployment Catastrophe of Europe

Theoretical and practical considerations

Opening a newspaper, sitting at a nice café, sipping upon the finest Italian grain, a headline warning of incoming “economic doom” might not seem overly alarming. Even in these times of confinement, one can afford a certain disdain when the same news is delivered to a fully paid house, where the reassuring presence of a healthy bank account is felt. However, if one were living paycheck to paycheck from a seasonal job, in a rented, or still mortgaged house, with three small children in schooling age, the effect of the news might be entirely different. These two simple words, so seemingly far and so certainly foreign, can, and to many do, bring the ghost of an age-old menace racing back into their lives: Unemployment.

The recent Covid-19 epidemic has been shown to make no distinctions of race, wealth nor geographical location. The worldwide scale of the pandemic, coupled with the economic links globalization has stretched among countries, spells short term disaster for national economies. Both confinement and fear will drive down consumption and

investment across most markets, leaving many companies with surplus labour, if not entirely out of business. This dramatic situation will see millions out of a job, severely threatening the resistance of existing welfare systems. Similar situations are not unheard of, the 2008 financial crisis and the 1920's great depression left many countries in dire economic situations, and millions unemployed. However, the pandemic nature of Covid-19 presents the unique challenge of producing long-term scars upon the economic tissue of most European nations, especially those most reliant on tourism.



The consequences of unemployment differ on a case by case basis. Economically, for most, it results in a total loss of income. This can have severe effects on their ability to pay basic amenities and take care of their loved ones. However, the social effects, many times sidelined in discussions concerning this topic, are at times more profound. Vast research has been conducted linking unemployment with various forms of mental health issues, including depression and anxiety. Alcohol and drug abuse among unemployed populations is also widely documented, while resulting domestic abuse and social unrest pose severe threats to the overall stability of societies.

Before entering into a discussion regarding possible solutions to the incoming employment hecatomb, a brief overview on the economic theory behind unemployment is warranted. Classically, i.e before the advent of Keynesian economics, unemployment was seen as a factor of uncompetitive wages, too high to justify a hiring of personnel by companies. Although heavily criticized by contemporary economists for ignoring exogenous effects on markets, some empirical works at the end of the 20th century point towards a certain validity of the classical theory. The perception of unemployment, along with the whole of economics, changed with the work of a single man, John Maynard Keynes. In his general theory, he proposed a new methodology to understand the economy, pointing to a different cause for unemployment: insufficient aggregate demand in the economy. As previously discussed, the current Covid-19 crisis is poised to create this exact effect. However, from a more heterodox approach, Austrian school followers consider unemployment to be a decision of individuals stemming from a perceived incompatibility with available positions. Such a view seems to be confirmed by the lack of sufficient labour for agricultural work in most European countries in spite of the increased rate of unemployment. As seen, economic theory is not a monolithic science, so divergence in views on how to solve the looming unemployment crisis is to be expected.

In any case, in order to tackle the nefarious effects of Covid-19 upon employment levels, ambitious policies are required. Some argue that the economy will recover on its own, even if the unique quantitative effects of the pandemic are still to be determined. Most fail to understand that cyclical downturns of this magnitude could result in a long-term alteration of labour usage, due to technological replacements, leaving millions without the possibility of ever returning to work. Therefore, faced with the possibility of large-scale long-term unemployment, the only viable solution would be the implementation of a basic universal income for all citizens, employed or unemployed alike. Not only would this measure be fair to those that still maintain their work, given that they also benefit, but it would also lead to a decrease in social tensions derived from the deterioration of the economic landscape. A tentatively small-scale measure of the kind was recently proposed by the socialist Spanish government, and backed by the conservative vice president of the European Central Bank, Luis de Guindos. A similar proposal in the United States also received bipartisan impulse. The ideological diversity of the proposals' supporters point towards an unprecedented level of political unity, which could spill onto other corners of Europe and the world.

Moreover, the hardship and social upheaval in southern Europe following the 2008 financial crisis showed that austerity is not the answer. For the European Union, facing this crisis by imposing budget restrictions upon the most heavily hit southern nations could spell its end. Such measures will only fuel resentment and the rise of populist parties throughout. On the other hand, aid packages should not be handed out without assurances and conditions. This would promote more fiscal irresponsibility, prevalent among Mediterranean nations, while reinforcing negative views towards European solidarity among northern societies. There are many conditions that, if imposed upon beneficiaries of future aid, could benefit not only them, but the European project as a whole. An example could be the tackling of the underground economy, which inflates the unemployment statistics while decreasing tax revenues. Additionally, a call for increased government spending is not only supported by Keynesian theory, but also by empirical evidence, given that institutions such as the Royal Bank of Spain recently estimated fiscal multipliers during these crises to circle the 1.6 mark.

However, the solution does not lie exclusively with the government and its institutions. Communities and individuals are poised to play a fundamental role in curbing the negative effects of unemployment upon individuals and local communities. Given the magnitude of the situation, it is unavoidable that people will closely experience layoffs, either among their families and communities or themselves. Therefore, stigmas around mental health and substance abuse have no place in the current landscape of impending catastrophe. It is vital to understand that, although cyclical downturns, no matter their magnitude, are temporal, and better times are ahead. Thus, mutual support among communities is crucial for a future return to the labour market.

Ultimately, all questions of theory and ideology will fade to the background as the harrowing effects of unemployment grip our communities. The solutions to this catastrophe will require unprecedented cooperation between individuals and political institutions, alongside international cooperation, to ensure that the reopening of economic activities, and inevitable fiscal stimulus packages, are effective at returning people to work, while protecting those that may never be able to. The future of Europe and the prosperity of its people are hinged upon this partnership.

Miguel Adan (Spain)

First year economics student from Getxo, Spain. Passionate about financial markets, political economy and the future of taxation.





Photo: Télam via unidiversidad.com

How “Infodemia” is the New Pandemia. And Why This Matters.

In times of great uncertainty, when nothing makes sense, people go to conspiracy theories, while others exploit it.

The world might not be the same after the COVID-19 crisis. People will eventually come to terms with accepting this reality and leave their fate in the hands of the experts. Unfortunately, no one knows for sure when things will turn back to the way they were, or if they ever will. Taking these facts into consideration, in times of confusion and helplessness like today, people, having nowhere else to go or anything to believe in, tend to fall for the allure of conspiracy theories. But has anyone questioned if this could be beneficial for the individuals in power? Let's find out.

You may have come across claims such as the virus is a political bio-weapon, or the pandemic was caused by the 5G network, or the whole setup of this crisis was executed by the richest 1% of the population... the list goes on. Similar statements have been made relating to secret treatments for the virus, like drinking alcohol or bleach, avoiding telecommunications, or simply adding pepper to the soup. To mitigate such viral disinformation, the Big Tech, i.e. Facebook, Youtube, Spotify, Twitter, is aggressively intervening within their platforms to filter out anything 'different' from

what official authorities state. Along these lines, the WHO has created a Myth busters webpage to discredit deceptive medical advice (and it is surprisingly long).

Why do conspiracies flourish and receive so much attention? Researchers state that it is human nature to seek meaning and give explanation to the things happening around us, and at this very moment conspiracy theories happen to satisfy such necessary psychological needs. Perceiving something as random (i.e. the current sudden outbreak) conflicts with our sense of control. In other words, conspiracies act similarly to the coping mechanism, in which people counterintuitively find logical clues to the situation, even if they are false. Historically, in periods of crisis in society — terrorist attacks, political or economic instabilities — rumors, flooded with conspiracies, often would take over the public. The moment it gets dangerous is when people begin dismissing information given by the national institutions to seek their own truth. Let's assume a mass of panicked shoppers, aggressively emptying aisles of food, for example. The government has advised to remain calm, yet the response was the exact opposite to the official guidelines, which already serves as an element of distrust and questioning of the overall system of rule.



Photo: Valentyn Ogirenko via Reuters

Today, there's a growing wave of populism, particularly prevalent among democratic states, i.e. the United States, Brazil, Mexico, and the EU, in which leaders struggle to regain their credibility and take control of the national conversation, as the public starts to really question the administrative ability of taking coordinated measures to tackle an outbreak of such a degree. Some perceive such countries as having 'failed' at responsible governance, by lacking the seriousness in taking early precautionary steps to mitigate the epidemic and economic shutdown. While these nations struggle to resolve the health crisis from within their borders, authoritarian states, like China and Russia, are actively engaged in international humanitarian aid, positioning themselves as global benevolent leaders, and thus earning support of the Western audience and consolidating their dominance on the geopolitical stage.

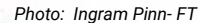
However, despite the donations of China and Russia, Western officials are concerned with how the COVID-19 crisis has become a battlefield for world dominance, which is a direct competition with the Transatlantic states. Both authoritarian states are suspected of executing a social-network-wide manipulation campaign, with masked trolls and fake online users, to propagate the rumour that the virus was engineered by the US and its allies.

These could just be bots, possibly similar to the ones used in the U.S. 2016 elections, which further highlights the manifestation of automation and its power to reshape the narrative. Lately, it has been questioned whether 'messy democracies' with tight controls over their citizens, are better equipped in tackling crises of such a scale. In the light of this discussion, it can now be said that the virus does not simply attack the immune system, but it also slowly erodes the very foundations of free society and globalization. It is worth pointing out that the catalyst — the key feature that makes the COVID-19 crisis more extraordinary than any other major historical crisis — is the dominance of social media over our lives and how easily such media can be manipulated.

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Financial Crises: *What We Can Learn From Them*

How to understand financial crises

Financial crises are a common occurrence in a capitalist society and have become a regular topic of discussion not only in universities, but also in cafés and bars. They are frequently related to bank runs, currency crises, sovereign defaults and economic recessions. The 2008 Global Financial Crisis is a clear example of the potential of an unravelling of financial imbalances leading to a global recession and having a disastrous impact on the economy, society and politics around the world.

There is not a single widely accepted theory that explains the origins and nature of financial crises. However, we can identify at least two main views on them.

On the one side, crises are seen as the result of large exogenous shocks that get amplified and are spread by contagion. These exogenous shocks are unpredictable, and the soundness of each individual financial institution supports the stability of the financial system as a whole.

On the other side, crises are seen as an endogenous phenomenon to the financial system. Essential to understand this perspective is the concept of systemic risk. Systemic risk is the risk of collapse of the entire financial system, and it is different from the sum of the risks that each component of the financial system faces. Systemic risk is endogenous to the financial system due to a fundamental externality in financial intermediation: what is prudent from the point of view of an individual financial intermediary might not be so for the financial system as a whole. As such, crises will occur endogenously, without the need for an exogenous shock to the financial system, as systemic risk follows patterns across time, which are related to the risk-taking attitudes of financial players.

This last point of view has gained traction among economists and policy-makers, especially after the 2008 crisis. If

we accept that this theory explains how financial crises occur, then market regulation is crucial to guarantee financial stability and to avoid an increase in risk-taking attitudes by financial agents.

This leads us to another concept: that of a financial cycle. It is defined as the self-reinforced interactions between perceptions and attitudes towards value and risk, which translates into a cycle of financial booms and busts. Financial cycles tend to be longer than business cycles and to have a higher amplitude. As an example, the 2008 financial crisis is seen as the bust of a financial cycle that started in the early 1990s. The key variables to assess in a financial cycle are leverage (debt/capital), credit growth vs GDP growth and the growth of asset prices, namely housing prices. The evolution of these variables helps us estimate financial cycles and monitor the evolution of systemic risk.

An interesting concept is Hyman Minsky's financial instability hypothesis, which states that economic agents interpret a low-risk environment as an incentive to increase risk-taking. This implies that in a boom a speculative euphoria develops and risk-taking behaviour builds up. Consequently, the financial system will be most unstable when it looks most stable (the paradox of instability). Then, a trigger will cause an unwinding of financial imbalances, risk-taking attitudes decrease, banks stop lending and "fire sale" risky assets, asset prices collapse, banks deleverage and consequently, firms and the economy as a whole suffer, likely causing a recession.

To sum up, these are not the only theories that try to explain financial crises and I have not talked about speculative attacks to currencies which are frequently related to financial crises and are common in developing countries. However, I believe that the theory of financial crises as an endogenous phenomenon is crucial to understand the Global Financial Crisis of 2008 and the policy response that followed it.

The 2008 Financial Crisis: causes, consequences and lessons to be learnt

The Global Financial Crisis of 2008 is the result of a prolonged and extreme financial cycle, made possible by structural changes in the financial system, in the policy regime and in the Macroeconomy. The banking sector has witnessed deep changes in its business model since the 1970s. It has mostly switched from an originate to hold business model (banks take deposits and give out loans) to an originate to distribute business model, which is characterized by the securitization of loans, the use of repos (repurchase agreements) for short-term funding of banks, derivatives trading to allow risk transfer, increasing disintermediation and a growth of the market share of shadow banks, like investment funds and money market funds, which are less regulated than “regular” banks. These developments have meant a longer intermediation chain, with more players and less complete information about riskiness. These factors, along with financial innovations that allowed banks to shift risk away from their balance sheets through the selling of asset-backed securities, made the financial system more complex and opaque. Financial intermediaries thought they could shield themselves from the risks they were taking by using increasingly complex financial products, but this only led to a shift in risk and not its disappearance, to risk exposures being harder to measure and to an increasing interconnectedness between financial institutions. In short, these changes made the financial system more vulnerable to systemic risk.

In addition, the decades preceding 2008 were also marked by rising financial deregulation, which increased the incentives to take on more risk and allowed a “symbiosis” between banks and shadow banks (permitted by measures such as the repeal of the Glass-Steagall Act in the US in 1999). Finally, the years between the mid-1980s and 2008 have become known as the Great Moderation, a period characterized by relatively low interest rates (which helped support the boom), low inflation and moderate economic growth.

Hence, the default on “subprime” mortgage loans starting in the US caused great losses to several financial institutions. In September 2008 this led to the bankruptcy of one of the largest investment banks in the world, Lehman Brothers, which was the trigger that caused markets to panic, banks to deleverage, and stock prices to collapse. Consequently, financial markets almost ceased to function, banks registered profound losses, and loans to companies and households were significantly reduced, pushing firms to insolvency and unemployment increasing substantially. The financial crisis extended outside the US and soon the world entered into a recession that became known as the “Great Recession”. Accordingly, the Federal Reserve had to bail out several financial institutions and bought mortgage-backed securities worth billions of dollars in its Quantitative Easing programme between 2008 and 2014. Similar policy-reactions occurred across the developed world, with Europe lagging in its response to the financial and economic crisis.

The Global Financial Crisis of 2008 marked a change in the paradox of financial regulation and supervision. While before 2008 financial regulation had been focused on micro-prudential policy, which had the goal of limiting the distress

of individual institutions, the financial crisis exposed the high degree of interconnectedness between financial institutions and the exposure to systemic risk of the financial system. Therefore, since 2008 the focus of financial regulations has shifted to macroprudential policy, which has the goal of limiting systemic risk and promoting the stability of the financial system as a whole. Moreover, the whole regulatory framework has changed to also consider the impact of monetary and fiscal policies on financial stability. In the EU, this change in policy is exemplified by the creation of the European Systemic Risk Board (ESRB) in 2010, which is responsible for the macroprudential oversight of the European financial system. The General Board of the ESRB is chaired by the President of the European Central Bank, which indicates that the need for cooperation between prudential policy and monetary policy decision-makers is understood.

In conclusion, financial crises are a fundamental threat to economic and social stability and its prevention is a tough challenge for regulators and policy-makers. Notwithstanding, our knowledge of financial crises has improved, and we have a stronger policy framework to prevent new financial crises and to counteract their effects compared to 2008. Let's hope that we have learnt our lessons from the past and that History does not repeat itself.

PS: This article was written before the escalation of the Covid-19 health emergency and the imposition of lockdown measures. Now we can already observe that the next crisis is already upon us and, in contrast to the 2008 crisis, this one did not start in the financial markets. However, this crisis entails dangers to the financial system as well, and authorities have to be careful in the policies they enact so that the economic crisis that results from the lockdown does not lead to a financial crisis and a sovereign debt crisis.



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Photo: Death as a Pale Horse by Benjamin West

Carpe Apocalypse

The pandemic has cast the world in new a light. Humanity has not been tested in this way for generations. The situation is dire, the consequences will be severe, but there is now a clearly distinguishable light at the end of the tunnel. As the end of the end is nigh, we find ourselves at a crossroads: do we writhe, crippled and resentful, passing blame and giving up on the future, or rise to the challenge of reconstructing a better world from the rubble, and rise like a phoenix from the ashes. As with every catastrophe, when the dust settles even the darkest clouds are revealed to have silver linings. Such are the opportunities of an apocalypse, and in seizing them there are many ways in which we can snatch small but significant victories from the jaws of defeat.

That much at least is not unprecedented: we have triumphed over adversity many times in the past. The ease with which wartime analogies roll off political tongues make it seem like yesterday; "Keep Calm and Carry On" may yet elevate itself above the rank of a merchandise slogan once more. Despite the overwhelming tragedy and destruction, the sheer force of the wars also precipitated great change for the better. In World War I, the atrocities in the trenches provoked critical advancements in medicine, and radio innovations initially intended for the US Navy revolutionized communication. Meanwhile, on the home front, cars displaced horses, unearthing cities from mountains of manure (believe it or not, back then cars improved air quality). Industrial warfare meant technological innovation became an imperative. During World War II, aircraft were propelled into the jet age, paving the way for efficient global commerce and tourism. As the Greatest Generation emerged from the fight of their lives, social reforms abounded amidst a profound post-war human solidarity. As a matter of fact, history is ripe with examples of disaster spurring progress. In 1666, the Great Fire of London not only extinguished an outbreak of bubonic plague, but also laid the groundwork for rebuilding a safer and healthier city. The 1918 Spanish flu pandemic prompted research into viruses that resulted in the influenza vaccine. More recently, massacres in Australia (Port Arthur, 1996) and New Zealand

(Christchurch, 2019) were briskly met with semi-automatic weapons bans and tighter gun control in general. However, this domain opens the door to the admission that good does not always come from pain: such legislation consistently eludes materializing into law in the US, and crucial banking regulations imposed after a crisis are all too easily overturned to satisfy the short-term political goals of the following administration. That said, the past flickers with beacons of hope we can turn to for reassurance no matter how dark the hour.

Encouraged by the past, there is perhaps even an angle from which today's glass appears half full. Merely a couple of interminable months ago, our social climate seemed defined by divisiveness. For all its ills, the pandemic has undeniably brought us closer together (although literally speaking confinement may mean too close for comfort). A newfound community spirit has us connecting with neighbours and strangers alike, in the street, outside our windows, and across entire nations as we clap and cheer in unison. Once we overcame the panicked impulse to stockpile (we're only human after all), we united in a long overdue praising of the men and women in our social services. Altruistic volunteers lined up to lend a disinfected hand. We suffered our first real tease of extinction, and thankfully our humanity prevailed. All associated worst-case scenarios were tested at once. In terms of pandemic readiness, the Apollo 13 euphemism of "Successful Failure" comes to mind, but many accomplishments outshine the blunders. Mobile emergency alert systems, tainted by the Hawaiian missile gaffe in 2018, have finally proven their worth. Despite fears of internet slowdowns, a Netflix crash or widescale server meltdowns, our online infrastructure has withstood the surge. The only thing thriving more than media-streaming companies appears to be the environment: NASA imagery depicts massive CO2 reductions in China, coral is being rejuvenated in the Great Barrier Reef, and even air quality in Indian cities is at long last bearable. In perhaps the most symbolic tale of all, fish have returned to the canals of Venice.



Photo: Dean Maddocks via Unsplash

Along the trail of our carbon footprint, we have skipped a step. What's more, our addiction to around-the-clock political bickering was kicked just as the US Democratic race reached a fever pitch. Brexit feels like a distant headache. Cooperation has retaken centre stage as a pan-European rescue package was assembled (barring some insolence from Dutch bookkeepers). At the personal level, we now have a unique opportunity to truly value what we'd been taking for granted, connect with the people who matter and derive joy from simple pleasures. We'd been spending our lives indoors voluntarily, and now a stroll in the sunshine is worth fighting for. Dogs have never been so walked. More than anything else, the pandemic has allowed us all to stop, take stock and gain some perspective. Why also not seize the moment to re-examine the course we're charting for the future?

Among the many anecdotes worth remembering from the coronavirus chapter down the line, a good one would be that we were finally able to put both feet in the digital age, if only with a little push. For the private service sector, the switch from office to home office was almost a sleight of hand, proving that the tyranny of bureaucracy can just as easily be carried out in pyjamas. As inter-departmental communication wholeheartedly embraced these cost-effective mediums, paper has never looked so antiquated. Cutting out commutes saves time, money, a few hundred million tons of CO2 and considerable aggravation. In the public sector, where tradition and heritage have long been excuses for the fossilized state of our institutional behemoths, such a shake-up was invaluable. The use of big-data and sophisticated monitoring software belatedly hauled healthcare systems into the 21st century. The UK judiciary now conducts hundreds of hearings per week via weblink, an increase in efficiency with the potential to unclog years of backlog. There are few concepts as outmoded as that of hundreds of European MEPs regularly travelling over 400km from Strasbourg to Brussels: surely the European Union wouldn't fall apart if video conferencing put an end to that? And perhaps in applying the brakes to their redundant commuting,

the deed would kindle widespread support for a Green New Deal. Despite the COP26 conference in Glasgow being postponed, it will now benefit from conclusive proof that we can indeed survive without a desperate reliance on oil. Furthermore, social programs such as worker safety nets are ripe for implementation, especially in the US. As the majority of Universities move regularly scheduled classes online, internet education may finally be taken seriously, potentially bestowing essential skills and qualifications to millions. As individuals, we're likely to care more for our physical and mental well-being, as some healthy habits are sure to stick: at the very least hand-washing may enter the pantheon of national pastimes, at best the mindfulness and meditation apps that have found their way into millions of phones may at long last relinquish social media's stranglehold on our attention spans.

There is of course a chance that, as soon as released from quarantine, we lose any positive takeaways in the cacophony of a wild consumption frenzy and relapse back into our old ways with a vengeance. However, if cooler heads prevail, as we emerge bruised and battered, we'll still remember the promises of improvement we made to ourselves and the world. The ink is not yet dry on this page of history, the pen is still in our hands. If we wield it right, at the very least we should be able to scribble something to the effect of: "And they ensured nothing like this could ever happen again".

Ollie Corfe (England)

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Photo: Via Getty Images

Innovation, Has It Lost Its Magic?

"We wanted flying cars, instead we got 140 characters" – Peter Thiel

One of the biggest forces behind economic growth is that of innovation. The consistent creation of new ideas and the perpetual improvement of existing products have led to unprecedented societal improvements over the past 200 years. Since the industrial revolution happened in the 18th century, civilization has been introduced to numerous inventions that have pushed the boundaries of scientific knowledge and made our lives easier. The steam engine, the car, the telephone, and many others are examples of the groundbreaking changes that this innovative force has given us. It has inspired both people and societies to push the boundaries of what is possible. In the beginning of the 20th century, the brothers Orville and Wilbur Wright proved with their invention of the airplane that the human dream of flight was indeed possible. Years later, through President John F. Kennedy's Apollo Program humanity discovered that even the unexplored frontier of space was not out of reach. With the discovery of modern medicine, scientists made rapid progress in identifying and preventing illnesses, extending human life further than people would have thought possible. Clearly, this creative-destructive force of innovation is one of the most important concepts in human history. However, the question of how much technological progress is currently happening has arisen. Has innovation gotten faster and faster or has it actually decelerated?

Innovation has disappeared and we are all going to feel its loss

According to Peter Thiel – co-founder of PayPal, Palantir Technologies, and Founders Fund – there has been very little innovation over the last 40 years outside of a few key areas. He gives the energy sector as an example: oil prices and energy costs, after accounting for inflation, have still not recovered from the 1970's oil shocks. This is despite new technologies such as fracking. The biotechnology sector is not much different. Nowadays about a third as many drugs get approved by the FDA – The U.S. Food and Drug

Administration – per year compared to 20 years ago. The excuse we hear when pointing this out is that humanity is on the cusp of a new golden age due to the few technology sectors that still have the innovative force in them. While it is true that sectors such as robotics and computing have seen major advances, these advances have still not led to the promised unprecedented innovation in other sectors. And even if these changes do happen there is no good prediction as to how many jobs this will create or how much it would add to the GDP. Moore's Law – the perception that the number of transistors on a microchip doubles every two years, although the cost of computers gets halved – has been a hard driver of the computer revolution. However, it has barely been able to affect median income.

This general view of stifling growth is reiterated by, for example, the U.S. economy. From 1950 to 2000 their economy grew at an average annual rate of 3.5 percent. However, since the year 2000, it has grown at about half that. The inability to innovate leads to the problem of sclerotic growth. With a 3.5 percent growth rate, the standard of living roughly doubles in a generation. This increase in economic wellbeing would be slowed down massively through the deceleration of technological advancement and compounds other societal problems such as the national debt. If the economy would grow rapidly and double in size over a 20-year period, repaying this debt would be no problem. If this does not happen then repayment might become an issue.

Imagine that each industry is a circle, then what we see is that, outside of a few High-Tech sectors, these circles are not expanding. These parts of the economy are not innovating and thus not growing. Rather they are trimming around the edges and hoping people will not notice how similar these industries look compared to 20 years ago. One of the problems this lack of new and creative progress brings with it is that there is almost nobody left willing to invest in these firms, which leads to even less innovation. So, what is the problem that these industries face. Have they run out of new ideas? Is there not enough demand for their product to push the innovation forward? Or have regulatory institutions made it too hard for them to get anything done?



Photo: Daria Nepriakhina via Unsplash

The hopefully bright future of innovation

Have all the new ideas ran out? The big growth innovations – the ability to harness oil, the washing machine, the assembly line – are one-time events. Currently, the progress that is being made in the computer industry will cause – or rather can cause if they're allowed to – great disruptive changes in everyone's lives. The driverless truck would constitute a massive transformation in the transportation business. If the promises that have come out of the High-Tech sectors do come true, this would lead to one of the fastest all-round innovation of all sectors. The world before and after this technological shift would be almost incomparable. Take for example gene therapy. The drugs that are being developed in the current world of medicine are one size fits all. The dosage prescribed might differ from person to person, but they're the same solution for a certain disease. By using gene therapy – a process in which you "hack" a gene and put in a virus that is injected with the correct DNA, after which that DNA will fight off the disease – would change the pharmaceutical industry from mass production to mass customization. The cure would be individualized to the person, making it more effective than anything we currently have.

Historical evidence suggests that the highest level of innovation takes place in those sectors that are the least bound by regulations. Industries such as finance or computing had very little regulation until recently. This has led, in the case of finance, to the creation of the securitizations, the development of venture capitalists/private equity firms, and new financial instruments. In the beginning of the computer revolution, the entire industry had very little regulatory boundaries. It is hard to imagine Bill Gates being able to create Microsoft if he had to deal with massive amounts of red tape. This government legislation is the reason why computer engineering is a booming industry, but nuclear engineering is not. People say they want more science but in practice the idea of having private companies test new ways to use nuclear energy still makes them uncomfortable.

There is a cost to the safety and security politicians want to legislate into industries. In the 1970s, the average cost of developing a new drug and getting it approved by the FDA was \$179 million. This cost has grown to approximately \$2.6 billion in the early 2010s. Not only has this increased price tag meant that fewer drugs get approved and that drug prices have shot up, it has also made the entire biotechnology sector unprofitable for outside investors. Without the outside funds, it becomes very hard for an industry to try to innovate itself. There is even a question whether government will allow the robotics and A.I. industries to transform the global landscape in any serious way. The positive side of this situation is that if government is willing to loosen its regulatory grip on industry, it might quickly lead to massive innovation throughout the entire economy.

If we believe the optimists who say humanity is close to reaching its next golden age, it is almost impossible to capture in our imagination how different the world will soon look. Our modern-day gadgets have been highly effective at distracting us from noticing how similar the world around us has stayed. We're amazed by inventions such as online streaming that we're too busy to acknowledge that the public transport system we use is the same outdated transport system we used a decade ago. Perhaps if people were to look up from their phone and see the world around them, this demand for innovation could finally get the push it deserves.

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Photo: Zbynek Burival via Unsplash

The Fallacy of Economic Growth

We are all living through an unprecedented situation. At first it might have been exciting to live during a worldwide emergency, but as days go by, and journalistic outlets speak about nothing else but the well-known coronavirus, one notices the severity of the circumstances.

The virus seemed to be running through a geographical route from East to West. First visiting China, rapidly moving to the Middle East and Europe, and slowly reaching the American Hemisphere. As the virus migrated from country to country, governments saw the necessity to take some very difficult last-minute decisions. The health of their citizens was at risk, but in order to save a majority of lives, governments would need to put something else at risk: **the economy**.

The economy is that part of a country that for decades has taken the top spot in most political agendas. This priority has been the cause of regime-changes and revolutions across the globe. Opponents of the idea have long questioned why the creation of financial instruments should be more relevant than the overall well-being of citizens, while supporters affirm that well-being comes with economic growth.

Yes, economic output uplifts societies in some aspects. Overall human development is proven to increase by means of capitalism. The over-generation of purchasing power exists due to the necessity to boost economic production. However, as good as an economic focus might look like, it also draws on negative consequences. Take the environment, for instance. Ever since the Industrial Revolution, economic growth has been carried by mass production that requires the release of chemical and toxic pollutants that damage our environment and reduce humans' life expectancy. Essential human industries such as energy and transportation not only accelerate global warming, but also quicken the extinction of several species. Sadly, humans are the main cause of fauna extinction.



Photo: Welgos via Getty Images

The environment is not the only sector affected by economic growth. With mass production came mass oppression to a working class that received the lowest possible wages, not enough to provide for them and/or their families. Due to the facilitation of machine work, manpower demand became limited, while its supply skyrocketed.; therefore workers had to settle for their miserable wages as their work could easily be replaced for another man's work. The inequality gap expanded.

Economic Shift

During the pandemic, the economy is no longer our sole point of attention. Health stepped up as our main priority and health workers became our superheroes. Most pragmatic governments left decision-making to experts on health sciences. Politicians stepped down to leave room to scientists, and the World Health Organization became the worldwide maximum authority. There was indeed a massive shift in decision-makers.

Environment during Covid:

As days go by, we are able to see some drastic changes in global nature that were caused due to this contraction in economic activity. The contraction in economic activity has driven down greenhouse emissions. The decrease in overall transportation across the world has diminished the demand for energy. As a consequence of this shrinkage in transportation, the decline of oil consumption is allowing the Earth to take a deep breath before humankind resumes business as usual.

For instance, as reported by NASA, the air quality of China has seen significant improvements in the general level. According to Marshall Burke from Stanford University, this progress may save over 4 thousand children under the age of 5, and 73 thousand adults over 70 years old. "It seems clearly incorrect and foolhardy to conclude that pandemics are good for health", said Burke in a press release. Even pessimistic estimates conclude the number of saved lives at 20 times higher the number of deaths from coronavirus.

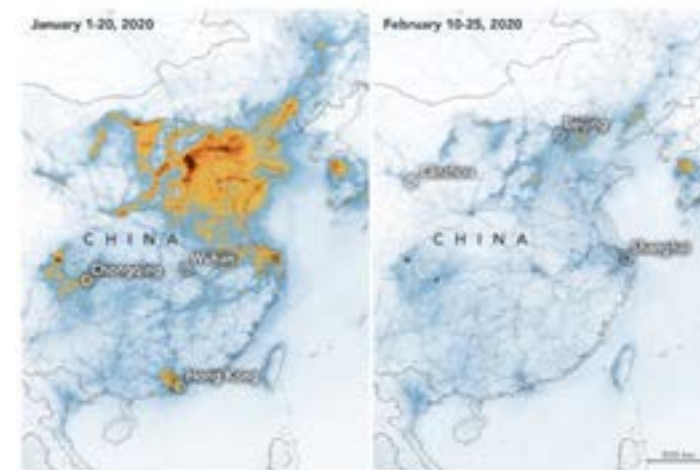


Photo: NASA

Overtime reduction in nitrogen dioxide, a gas that contributes to the formation of pollutants.

Greenhouse emissions not only contaminate our environment and raise sea levels, but also melt permafrost soils that have been frozen for millenia. As these soils melt, they could potentially release ancient bacteria and viruses that have long been passive. For example, scientists have found portions of RNA from the 1918 Spanish flu virus in Alaska, and many remains of anthrax have been discovered in Northern Russia. This effect will be a threat to future generations if present ones do not attempt to stop it.

Trade-Off

There is a well-known trade-off between economic growth and sustainability. For decades we have chosen economic growth as our top priority, while the environment, and other social aspects, have been severely neglected. Since its invention in the 1930s, Gross Domestic Product (GDP) has been our sole parameter to measure a country's progress. This, in turn, forces governmental authorities to focus on economic growth, exclusively. It is obvious that a leader will attempt to score a majority of points in the criterion that adds more points. While it is true that GDP may give us an

approximate of the total production generated in a country within a period of time. Is it really telling us how much the country has "improved" in such period? If the answer is yes, then we are assuming that humans only exist to produce and sell goods and services. If this is correct, then we are doing a pretty good job at existing.

In 2008, the then president of France Nicolas Sarkozy created the Commission on the Measurement of Economic Performance and Social Progress, which aimed to identify the limits of GDP and to detect new measures that affect human's development, such as education, sustainability or gender equality. With the aim of following a new policy approach, David Cameron asked the British, through the Office for National Statistics, to state their opinion on elements that cause and boost happiness. Other countries have followed a similar approach. The US, for instance, has begun a project supported by the National Academy of Sciences, among other foundations, to search for alternative indicators of progress. Italy, South Korea, Australia and Canada are following behind.



Photo: N. REITZAUM via GETTY

Most economic parameters are created based on averages, but do these really reflect the general picture of a population? We could look at COVID-19 in two different ways: The first one by being a threat to humankind and to our economic institutions. The second as a wake-up call that tells us to look beyond economic production, and begin to focus on other aspects of well-being such as improving our only home's overall health, our standard of living, levels of happiness, education, etc.

The Covid-19 pandemic has not only taken the lives of our loved ones away, it has also led us into isolation, diminished our overall mental health, and severely damaged our economic system. It is up to us to attain a positive outcome out of this. To change our political priorities might be a good start, so that we can finally begin to devote effort and resources to what really matters.

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The Not So Safe Zone - Your Own Home

Photo: pxfuel.com

For all of us, being stuck inside our homes every day with roommates or family may be tough. Many fight the boredom of quarantine, but for others, the walls of home present a more serious battle. Domestic violence, especially affecting women, is surging all around the world, from East to West, during the Covid-19 lockdowns. On top of all the other uncertainty related to these unconventional times, the victims have to fight for their lives.

The current lockdown and quarantine measures are essential to fight the pandemic. However, the consequences for the victims of domestic violence could be horrific as there is no escape from the abuser. The urging numbers worldwide made the United Nations Secretary-General Antonio Guterres urged "... all governments to make the prevention and redress of violence against women a key part of their national response plans for Covid-19." Some governments have taken the initiative, but more needs to be done, even after the pandemic. For example, France has promised to pay for hotel rooms for the victims of domestic abuse during the lockdown and provide pop-up counselling and extra funding. The measures are certainly needed, as domestic abuse reports jumped by 36 percent in Paris and 32 percent countrywide, including two murders, two weeks into Covid-19 restrictions.

In the UK, 13 women and four children are believed to be killed by abusive men, while stuck inside their homes in the first four weeks of the lockdown. That already doubles the average of two women a week. There has been seen a 120 percent increase in calls to domestic helplines while the website traffic has tripled. The Metropolitan police covering London reported that, on average, 100 people are arrested daily for domestic violence offences during the Covid-19 lockdown. Yet, the number of reports and arrests is expected to rise rapidly after the lockdown is lifted as have been seen in other countries. The pressing fear is that some victims suffer in silence as they fear abusers might lose their jobs and create financial instabil-

ity for their children. When jobs are disappearing, it might seem irresponsible to report the breadwinner in the household. That being said, children, too, are more vulnerable than ever. According to Reported by some social services, the rate of "at-risk children" turning up to school has dropped below 10 percent and in other schools to zero before the Easter holidays.

On the other side of the globe world in India, with a population of 1.3 billion, the country has been under the world's largest lockdown. In regular times between 2015 and 2016, one-third of Indian women indicated in the National Health Survey that they had experienced domestic violence, yet, less than one percent sought help from the police. Many abuse-facing women would usually flee leave to their mother's house to escape the violence, but the lockdown has left the mandatory shelter homes by law the only option if you cannot stay home. Anyhow, these tightly packed facilities are perfect incubators for the Coronavirus and, therefore, not safe. Vrinda Grover, a feminist lawyer, told Al Jazeera how "the government has shown absolutely no concern for the vulnerable in planning and executing this lockdown."

After the pandemic, courts and police are most likely to see a significant rise in domestic abuse cases. On the other side, these soaring numbers could finally bring up finally the scope and importance of women's rights and, consequently, force governments around the world to open their eyes and pockets for the issue and provide proper funding. Violence against women, girls, children, and all vulnerable groups should finally be addressed accordingly and come to an end, as human rights are for us all.

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Photo: NASA via Unsplash

Space Waste

The concerns about the growing waste humans are producing have become more serious than ever before. Sustainable ways of living and zero waste lifestyles are strongly encouraged and advertised on social media platforms. Anyone who is slightly worried about the future of our planet, is motivated to take small steps such as substituting plastic with other alternatives. However, the waste produced by us, humans, is not only limited to the surface of our planet. It goes far beyond the borders of the Earth. Humans have successfully reached the spheres of space also in terms of waste. This comes with an already worrying outlook on the amount of junk that is surrounding our planet. If we hesitate to take action, it is likely to create a prison for humanity in the years to come.

What is Space Waste?

Space waste, also termed as space debris or space junk, refers to both natural and artificial particles that usually serve no useful purpose in space. The natural particles are usually meteoroids that orbit around the Sun, while artificial debris can be described as man-made objects that enter the low Earth orbit (LEO).

The low Earth orbit is an orbit relatively close to the Earth. It is situated at an altitude less than 1000 km from the Earth's surface. It is widely used for satellites, as once these satellites enter the orbit, it becomes really hard for them to get out of it. This can be seen as particularly advantageous for objects that are meant to stay up there for long periods of time. In most cases, these are satellites collecting weather data or used for navigation and GPS.

On the contrary, the fact that it is hard to get out of this space, is one of the reasons why the low Earth orbit has literally become a junkyard of nonfunctional spacecrafts, parts of rockets and satellites, and thousands of fragments that come from the collision, erosion and disintegration of such "large" pieces of junk. Even though it might appear to many of us that large pieces of garbage are more likely to cause trouble than small "innocent" fragments, that are hardly trackable, in reality, the contrary occurs. The presence of millions of small fragments causes a significant difficulty to shield against them. Moreover, the speed at which space

debris travels can reach up to 30,000 km/h, which is almost seven times faster than a bullet. This means that if such a small piece hit a functioning satellite, it would immediately shatter it. By this way, the space surrounding our planet has been covered by millions of deadly pieces, resulting from debris destruction.

What poses a greater threat than a small piece of junk, is the possibility of a domino effect, resulting from two colliding satellites. Such a collision would increase the likelihood of other collisions through the additional pieces of junk it could generate, thus potentially leading to a collision cascade and slowly turning everything non-junk into junk within the low Earth orbit.

Although this sounds rather dystopian, and at the moment, the likelihood of such a collision cascade happening is quite low. Nonetheless, there's a growing concern in relation to space junk. One of them is that currently no one is being held responsible for the generation of space garbage as there is no legislation enacted on such matters. While in case of damage landing on the surface of the Earth, the launching state is held liable; in relation to space junk, no such laws exist at this moment.

As a response to the problem, an international organisation called Inter-Agency Space Debris Coordinating Committee (IADC) has developed certain guidelines for the mitigation of space debris. However, these guidelines are not legally binding under international law, which again goes back to the point of no one being held liable for the generation of space waste. The lack of established rules also goes hand in hand with the economical burdens that the removal of space waste could impose. The mitigation and possible resolution of this problem is not only a challenge to face but also a great opportunity to preserve the space for future endeavours. Nevertheless, the currently ongoing inertia and lack of action can be best described as the "tragedy of the commons."

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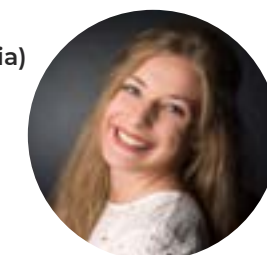




Photo: Image From South China Morning Post/ Illustration: Craig Stephens

Profiteering in a Global Pandemic

The world has changed dramatically in the last three months since COVID-19 became a global pandemic. The economic impact has been enormous. Global GDP is forecasted to contract by 2.6 percent this year and is expected to become the worst economic downturn since the Great Depression of the 1930s. Moreover, this disaster has resulted in a tragically large number of deaths and has upended day to day life. It has also transformed how we work and conduct business, with over a quarter of the global population calling their living rooms their new office space.

Although industries from sports & entertainment to air travel have been devastated by this crisis, some have sought to profit from its wake. The California-based biotech company, Gilead Sciences, is one of such cases. They recently filed for a special designation in over 70 countries that would allow for an extended 20-year patent on its prospective COVID-19 treatment drug. In this way, they have placed themselves to monopolize pricing in the coming years. The molecular diagnostics company Cepheid is another example of pandemic profiteering. After receiving an emergency authorization from the US Food and Drug Administration to fast-track the development of diagnostic kits, they announced that they would charge almost \$20 per test in developing countries -including highly impoverished regions where some people live on less than \$1 a day.

Doctors Without Borders has been an avid critic of such practices. The non-governmental organization

has called for no patents on drugs, tests, or vaccines used to treat the novel Coronavirus. Additionally, they have urged governments to take extensive measures, such as price controls, to ensure the widespread availability of potentially life-saving treatments. This advice has not fallen on deaf ears, with countries like Canada, Chile, and Germany issuing compulsory licenses for COVID-19 medicines.

However, profiteering during this pandemic has not been exclusive to the pharmaceutical industry. The Zoom Video Communications software company -which has seen users surge from 10 million to 200 million since December of last year- has been involved in deceptive practices, collecting vast amounts of private information and selling those data to third parties.

The service has “fallen short of the community’s -and our own- privacy and security expectations” says Eric Yuan, the chief executive of the video conferencing firm, after news came to light of their dubious dealings. Nonetheless, in an era where digital tracking is everywhere, what is an individual’s expectation for privacy? Industry experts explain that nearly 90 percent of consumers in the US have changed their behavior due to COVID-19. Tech giants have seen their databases flooded with users’ information about their financial status, purchasing behavior, health concerns, and even those of their children, strengthening their bargaining over the consumer.



Photo: Edwin Hooper via Unsplash

Although these practices may seem dystopian, the public sector is involved in similar undertakings in the name of public health. The fine line between protecting individual privacy and collecting information critical to the public good is changing, as the disease makes its way into all aspects of everyday life. For example, the governments of Singapore and Iran have made data regarding the location of confirmed cases part of the public domain, through symptom-tracking apps that rely on individuals’ willingness to disclose their medical history. Similar efforts from the US government are supported by the likes of Amazon, Facebook, and Google. Marketeers leveraging these data, are positioning themselves to profit greatly from this rapid expansion of surveillance while being publicly rewarded for their work on the pandemic and, therefore, effectively shielding themselves from the growing criticism of anti-consumer privacy behaviors.

The debate between incentivizing the private sector to help fight the ongoing COVID-19 pandemic and protecting public health appears to be at an impasse. On the one hand, during normal times, firms developing novel, life-saving drugs via breakthrough production processes would be justified in protecting their profits. On the other hand, these are not normal times and savage profiteering will likely lead to incredible devastation of human lives around the world -especially in developing countries where paying for new treatments could mean juggling between disease or hunger. Furthermore, privacy concerns have always led to heated conversations between advocates and critics. The unprecedented way in which individuals are being asked to disclose personal information to tackle the novel Coronavirus will only add to this discourse. One thing is for certain, human suffering will never be a deterrent for profiteering, and the way these issues are addressed will have a profound and lasting impact on society as a whole.

“Savage profiteering will likely lead to incredible devastation of human lives around the world”



Photo: Edwin Hooper via Unsplash

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