ECONOMICS JOURNAL

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Freshers' Edition 2016

Dear Reader,

You're probably a first-year studying economics, or a Durham student passing by in the Bill Bryson, or maybe both. In any case, we're excited to have you join us today in reviewing some of the most interesting articles of 2015-2016. Economics, by nature, is one of the most far-reaching and practical disciplines of the last several decades, meaning topics from procrastination (page 16) to AirBnB (page 8) to fast fashion (page 4) all have the potential to fall under its umbrella of scarcity, consumption, and making choices.

If you're interested in joining our team of writers for the coming school year, or have any questions about the Journal itself, please don't hesitate to send us an email at editor@duej.co.uk, and we'll be happy to get in touch. Writing is a great way to delve deep into a topic you've been wanting to explore, or simply a way to voice your opinions on current affairs that directly affect yourself and your future. We look forward to hearing from you, and in the meantime, happy graphing, happy thinking, happy reading.

Best Wishes,

Iris Lang & Sophie Haselden,
Editors-in-Chief, 2016-2018

"Capitalism is the astounding belief that the most wickedest of men will do the most wickedest of things for the greatest good of everyone."

--John Maynard Keynes

In this issue:

From Paris, to London, to Dhaka, Bangladesh

Iris Lang

In the recent two decades, a fashion industry that once revolved around the winter ready-to-wears and biannual fashion shows of New York has been recalibrated to include its exceedingly profitable cousin - fast-fashion. H&M, Primark, Forever 21: the budget-happy names of contemporary high street fashion not only exist as closet staples, but have redefined the term itself -- no longer is it the garment but the corporation that occupies a permanent spot on our hangers. Zara boasts a turnover rate of anywhere from 230-360 styles per week (that's upwards of 12,000 new designs a year, as if you had 33 different shirts to choose from each day), compared to the 100 or so ensembles that Louis Vuitton showcases in a year. This breakneck production model, known as quick response manufacturing, originates from a form of competitive advantage first harnessed by the Japanese automobile industry in the 1980s. Rather than relying on economies of scale or quality to gain an edge over rivals, firms now competed to shorten the amount of time between design and export, and the emphasis on efficiency over excellence deepened.

Market dominance became centered upon developing, manufacturing, and marketing chains of new products so quickly that competitor firms had no way of matching the pace. Such a model not only pushed companies to streamline their production processes, but also served to fulfill rapidly changing consumer tastes. This was exactly the sort of framework that the infant fast-fashion industry latched onto in the late 1990s. By drastically shortening the interval between seeing a design on the catwalk and appropriating it for mass consumption, retail giants like Topshop and Zara created an industry paradigm oriented around 'microseasons', where new designs could be churned out at alarmingly rapid rates. This had two important implications; first, the allure of a constantly updated inventory meant more customer visits and more in-store purchases; second, the swift design turnover rate gave rise to the term 'disposable fashion', where cheap prices and ever-changing trends normalised a culture of throwaway couture.

Director Andrew Morgan examines these issues in his 2015 documentary, *The True Cost*, where he brings to light a jarring side of corporate consumption. "Cutting corners and disregarding safety measures have become an accepted part of doing business in this new model," he narrates in the film, "an accepted part" that has been briefly interrupted by fatal factory accidents in recent years. Just November of 2012, a garment factory fire on the outskirts of Dhaka, Bangladesh killed 117 of its workers trapped inside. On 24 April 2013, the Rana Plaza collapse killed over 1,100 workers

and injured 2,000 more. In between, attempts at labor unionization have led to their activists being violently assaulted or murdered, nonviolent demands for higher-than-$2-a-day wages are met with a gunned police army. When social activist Naomi Klein made a visit to Southeast Asia while researching for her book No Logo, she "spent evenings on concrete floors in squalid dorm rooms where teenage girls—sweet and giggly—spent their scarce non-working hours. Eight or even 10 to a room. They told me stories about not being able to leave their machines to pee. About bosses who hit them."

These instances of human rights abuses, coupled with images of the 11 million tons and counting of non-biodegradable textile waste, all serve as a disturbing juxtaposition to the clips of H&M billboards flashing Only £6.99 and Youtube shopping hauls proudly exhibiting their purchases. The manifold sufferings that receive little attention in the global north, from Cambodian garment workers dying at work from malnutrition and dangerously long hours, to reports of harassment as a tactic to keep Bangladeshi workers complicit in health and safety violations, highlight a different dimension of the oft-repeated argument: workers would be worse off in the alternative jobs available. But the physical and environmental abuses surrounding these workers raise questions -- is pulling a rickshaw on the streets of Phnom Penh, Cambodia truly that inferior of an alternative to working 16 hour days, vulnerable at all times to fatally toxic fumes and physical abuse by the factory owner? How much actual research has been done on the wages and safety conditions of these alternatives, or do they lean more towards hazy assumptions fabricated to rationalize corporate exploitation?

At the same time, it must be addressed that these multinationals do operate within the capitalist skeleton of a global economy, and in a system focused on getting the most out of as little as possible, sustainability just isn't realistically profitable. For consumers too, it's so much easier - and at face level more appealing - to choose budget-consciousness over environmental, not only because we live in this framework of more-for-less but also because the consequences of financial un-survival feel more immediately relevant to ourselves than chemical pollution in Dhaka. And although Bangladesh's gross national income per capita remains shockingly low compared to that of developed nations, the garment work is argued to have given women greater autonomy in a heavily patriarchal society, while plans like Europe's "Accord on Fire and Building Safety in Bangladesh" have seen much involvement from corporations responding to consumer demands for greater investment in this area.

> "We can begin by starting more conversations about these issues."

Which is why these defenses are not a cue to remain complacent. Both government committees and grassroots movements are necessary for reorienting our approach towards fashion consumption and its effects on the environment and people who may feel psychologically far from ourselves, but nevertheless inhabit the same Earth we do. And as individuals, we can begin by starting more conversations about these issues--for example, each kilogram of textile waste (about 2 pairs of jeans) emits 14 pounds of CO2, so donating unwanted clothes to clothing banks rather than second-hand shops (who have been reported to resell and/or discard a majority of the clothing they receive) is one part we as consumers can play in this worldwide issue. The point of Morgan's documentary is this: - we don't pay anywhere near the full prices of the fast fashion we wear. Actual humans and the planet we stand on right now are the ones paying for us to continue enjoying our discounted denim, and complacency is not an option when lives--both others and our own--are at stake.

The Value of Water

Amelia Lenanton

Water is essential to the survival of the 7 billion people that our planet tries to sustain. Diamonds are mere luxuries. It therefore seems perplexing that the price of water is so low, whilst diamonds, with limited practical use, sell for substantially higher prices.

> "Nothing is more useful than water; but it will purchase scarce anything; scarce anything can be had in exchange for it." - Adam

Attention was brought to this diamond-water paradox with Adam Smith's observation that, 'nothing is more useful than water; but it will purchase scarce anything; scarce anything can be had in exchange for it.' He drew the distinction between 'value in exchange' and 'value in use', however, this topic had long been debated prior to him. For Plato mentioned in Euthydemus that, 'only what is rare is valuable; and 'water', which … is the 'best of all things', is also the cheapest.' These great thinkers understood that market prices do not reflect the total utility that goods bring. Whilst prices change with changing times, the essential properties of goods such as water do not. It is this comparison between practical value and monetary value that Aristotle has also concerned himself with when he mentioned, 'of everything which we possess there are two uses … one is the proper, and the other the improper or secondary use of it."

Economists Jules Dupuit and Alfred Marshall have since explained this apparent paradox with the concept of marginal utility. They suggested that it is the additional satisfaction that a consumer gains from an extra unit of the good that determines the price, rather than the total utility of the good. Despite water having a diverse array of uses, an additional unit of water would generally provide little extra satisfaction. In contrast, for generations people have valued diamonds highly for their perceived beauty and rarity, which means that the marginal utility for diamonds is significantly higher.

However, it still may seem unclear as to why the prices of water are so low compared to other goods that are deemed essential to survival, such as food, clothing and fuel. This can be explained by the influence governments have on the supply of water. There are significant economies of scale to be gained in water storage, whilst the distribution of it requires a high degree of coordination. These naturally give rise to single providers with monopoly power who can afford the high fixed costs associated with the necessary capital and infrastructure. As governments consider water supply to be of great importance, they frequently subsidise or are involved in the direct provision of it. The price of water therefore remains low, not due to the abundance of water or lack of demand but instead due to political involvement.

This has in turn created problems of its own. Water scarcity is an escalating issue for today's society. Subsidized water is one method of opening access to water, but it arguably encourages over exploitation of this precious resource. Baumann and Boland stated that 'water is no different from any other economic goods.[4]' Perhaps it would be favourable to treat water in this way and thereby institute a market in which its price is determined by its marginal utility. The rationing effect of price may help to curb excessive consumption to a more sustainable level.

"Only what is rare is valuable; and 'water,' which [...] is the best of all things, is also the cheapest." - Plato

Yet there are significant ethical and practical difficulties in instituting such a mechanism. Some have argued that water, 'must not be treated as a private commodity to be bought, sold, and traded for profit.'[5] This reflects a widely held view that access to clean water is a universal human right. 1.1 billion people still lack access to it[6] and a pricing strategy would be highly unlikely to resolve this. In addition, the very nature of water means that it is highly difficult to distribute evenly – it cannot simply be moved from areas of surplus to areas of shortage.

Ultimately, collective action is needed but the direction of it is unclear. The market for water must meet many conflicting conditions: accessible without overexploitation, an affordable price without compromised quality. The repercussions of poor water quality can be devastating as diseases spread, people die and the economies of entire nations suffer. The practical value of water and the market value of diamonds thus becomes incomparable as they are defined in entirely different terms. What is certain though is that measures must be taken to manage sustainable consumption of water as a crucial resource.

Winners & Losers: Does everybody gain from the shared economy?

Sophie Haselden

A term first used in the early 2000s which has since become more common is that of the shared economy or collaborative consumption. Gaining popularity through digital platforms such as Airbnb and Uber this sector of the economy has taken off and is showing no signs of slowing down.

But what exactly is it? The idea behind it lies in utilising underused resources, assets such as cars, homes and consumer goods which were previously gathering dust. This means that by renting out or sharing possessions owners are no longer losing money but making it, made possible through high tech-software companies who are able to facilitate a two-sided market open to buyers and sellers outside of usual corporations. In an ever-increasingly populated world, we are constantly faced with the consequences of resource depletion so collective consumption means that fewer resources are wasted. Simply put the shared economy favours access to goods over ownership.

This could be as simple renting sports equipment off Splintster on your mobile phone or being one of the 500,000 members of Zipcar which allows the sharing of cars part-time. Even by outsourcing errands through TaskRabbit, a website based around finding people to do tasks you don't want to, the shared economy covers a range of fields. The most profitable of these being peer-to-peer lending, which is expected to grow by a colossal 63% in the next 10 years.

> "Collective consumption means that fewer resources are wasted."

Clearly, sharing scarce resources it is economically sound. People can benefit not just from the greater choice it brings but the resulting lower prices as it is cheaper to share a BlaBla car ride than pay for an entire journey by yourself. In an economic climate where in the UK real incomes have only recently reached pre-recession levels, getting things for cheaper prices is still as attractive as ever, the shared economy's digital technologies have aided this.

So, the benefit for consumers and the 'winnings' they derive is evident but what about employees? In the UK there are an estimated 5

million workers involved in collaborative consumption, with JP Morgan stating that working for the shared economy could boost income by up to 15%. Asides from the material gain, the independence associated with the job means the UK's already flexible workforce is even more so, having seemingly positive effects on those employed.

> "People can benefit not just from the greater choice it brings but the resulting lower prices."

This new digital world is therefore being seen as the future of employment, but this type of work does not come without its risks. The lure of being 'your own CEO' fades when in reality workers are hired for small jobs with no safety net. There is no work-based health insurance for those who fall sick, no rights if employment is withdrawn and no security from employment laws which are harder to enforce. Uber admitted themselves that most taxi drivers work for the company for a mere 6 months, somewhat showing a sinister side to the seemingly all inclusive, collective economy.

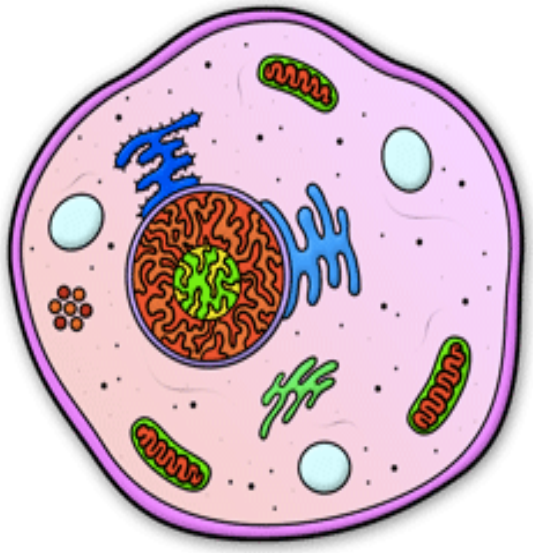
And what for the government? Undoubtedly, the shared economy is a welcome addition to economic growth with Airbnb and Uber having market capitalisation in the billions. The problem is though, that governments do not necessarily reap the benefits of higher tax revenues, as the shared economy is hard to track meaning they not only lose out on tax revenue from the shared economy directly but also from potential revenue they could have gained from consumers staying at a hotel for instance, rather than booking through Airbnb.

This means that the success of 'collaborative consumption' is heavily reliant on favourable government policy who can impose regulations on the shared assets, limiting the ability for platforms to offer new services, for instance Seoul banned Uber last year. Japan did something similar, following pressure from the hotel industry the government introduced 'Minpauku' which, by putting time restrictions on home sharing, renders most of Airbnb's market illegal.

Indeed, with Airbnb driving up rental prices by removing apartments from long-term rental market – which is not cohesive or 'collaborative' at all – we have to question whether the industry really lives up to its name. Shared implies a degree of mutuality so therefore in a truly shared economy can people gain at the expense of others? An estimated extra 10,000 cars are on London roads due to Uber, having a huge impact on congestion and resulting pollution meaning that all the economy is actually doing is 'sharing' the burden, meaning it is doubtful as to whether this could be construed as a positive, 'collaborative' economy.

> "We have to question whether the industry really lives up to its name."

Nevertheless, irrespective of the views towards it, this booming sector is already worth £500 million in the UK alone. This is expected to continue to rapidly grow, with PwC expecting the value to rise to a massive £9 billion by 2025; to put this into perspective this larger than Malawi and Niger's current nominal GDP combined. So it's clear, the shared economy is here to stay. Although with significant differences in who gains from it perhaps the name shouldn't.



Economics of Cancer

Julia Laksa

What do Bob Marley and Walt Disney have in common? In addition to them both being internationally renowned for their media presence, they became victims to cancer. The illness strikes indiscriminately. According to Centre for Disease Control (CDC), about eight million people annually die from cancer, and 39.8% are diagnosed with the disease at some point in their lifetime. Bringing figures into perspective, only one percent of the population eats in McDonald's (Business Insider, 2012).As such, the scale of cancer prevention and treatment industry is tragically large. What are the estimates of the cost of the illness to society? What funds, realistically, are required to find the cure, and how much should you donate?

The intuitive answer to the above can be found in official figures presented by healthcare bodies. The NHS, for instance, spends £5 billion annually on cancer cure and research, whereas globally, the overall cost reaches $895 billion per year (DrugWatch, 2015). Comparatively, heart disease costs $753 billion, with traffic accidents and diabetes each costing about $204 billion. According to British Journal of Cancer, the total treatment cost accounts to an equivalent of £30,000 per patient in the UK, out of which 85% is funded by the NHS. Moreover, last year budget for cancer drugs fund has been increased to £340 million, making standard treatment relatively affordable.

> "What are the estimates of the cost of the illness to society?"

This is not the case for many other nations. In the United States, for example, patients are often hit by more severe out-of-pocket costs. As a result of anti-competitive power exhibited by the nation's pharmaceutical industry, the price of treatments averages at $10,000 per month, with some therapies topping $30,000, according to the American Society of Clinical Oncology. In an interview with The Huffington Post, Vinay K. Prasad pointed out a tendency of global pharmaceutical giants to abuse of market power. One illustration of such monopoly be

havior can be seen with firms, such as the Swiss firm Novartis, to have increased the price of cancer drugs 'from $30,000 in 2001 to $76,000 despite the fact that it costs less than $200 dollars to manufacture a year's supply". Other medications undergo a similarly disproportionate markups. Within the United Kingdom, the price of Daraprim, a medication used by AIDS patients, averages $0.66, whilst in the US consumers purchase a single tablet at$750 (BBC, September 2015). Therefore, it is not the matter of scarce donations or distribution of income that should be addressed, but despotism of the monopolies. The issue does not lie with scarce donations towards current cancer remedies or research. Instead the problem lies with the avaricious nature of pharmaceutical monopoly industries.

"Everyone should know that most cancer research is largely a fraud." Dr. Linus Pauling

The emerging subfield titled 'economics of cancer' houses a number of controversial debates. Whilst some researchers advocate sponsorship to develop a cure, others argue that this branch of healthcare has grown too precious to be cut off from funding. An oncological revolution would lead to shrinking profits and unemployment growth. In the 2010 documentary titled Cut Poison Burn, filmmaker Wayne Chesler presents powerful quotes about corruption in the business of conventional cancer treatment in the US. For example, Dr. Linus Pauling, laureate of a Nobel Prize in chemistry, remarks that "everyone should know that most cancer research is largely a fraud". Although this is an overstatement bearing in mind success of Acelarin, a "remarkable" invention produced in Cardiff University last year (BBC, May 2015), corruption definitely is a major barrier preventing patients from living longer.

"In an ideal world, scientific progress would not be hindered by the need to generate profit."

As a further illustration, the American Institute for Cancer Research estimates Americans lost 83 million years of healthy life because of cancer deaths in 2008 – this, transferred into loss of life and productivity, accounts for 1.5 percent of global GDP losses (DrugWatch, 2015). In an ideal world, the price of drugs would only reflect the cost of producing that one drug, and patents would be enough to reward the ingenuity of the inventor, but not so that it would exclude cancer patients an opportunity to live longer. Scientific progress would not be hindered by the need to generate profit. In an ideal world, we would not lose David Bowie, or Alan Rickman, or 7.6 million other people every year for reasons associated with satisfying the profits of pharmaceutical giants.

Will April Showers Bring May Flowers for Oil Importers?

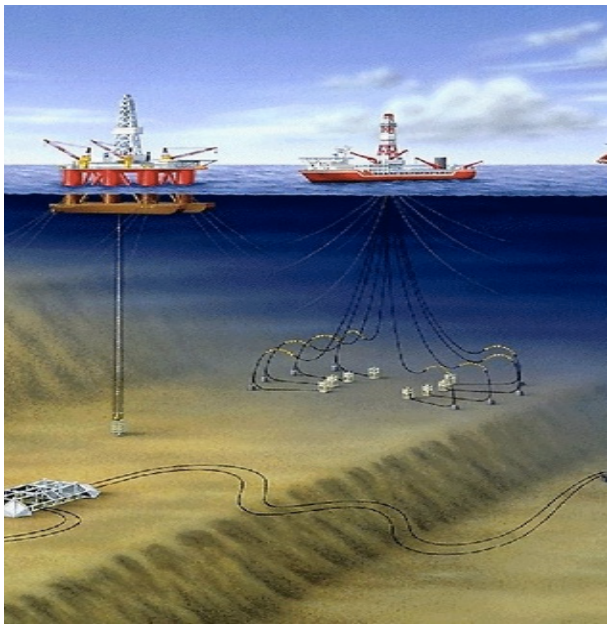
Azuolas Alisauskas

Following years of rapid fluctuations, crude oil prices finally peaked at a staggering $136.55 per barrel in 2008. However, the recession hit the oil industry hard, so that prices began to steadily fall once more and by 2009, they had lost three quarters of their value. Though oil prices eventually begin to climb to their usual market prices in (quarter of year x) once the global economy had stabilised, the trend did not last long. In 2014, oil prices began to plummet further, culminating to a 12 year low of below 30$ per barrel. These striking market shocks have made it seem like plunging oil prices have dominated the news over the past year (examples of newspaper headlines and their time of publication). Needless to say the fall of the market prices impact is felt everywhere – no nation can remain indifferent to these developments as oil is integral to their economic progress.

It is not difficult to understand the factors which led to these price shocks in the oil industry. One explanation, is attributed to the dwindling demand for oil. Another explanation is due to the increasing influx of supply which itself is explained by a number of contributory factors. Firstly, the United States doubled its domestic production of oil after the "shale revolution," consequently provoking oil importers to look elsewhere. Secondly, the OPEC cartel has lifted its price floor, leading to a further fall in oil prices. A third reason partly lies with the fact that the global demand for oil has been rocked by the recession leading to a glut in the production of oil. The increasing demand for energy-efficiency is another factor, as it consequently leads to less gas-guzzling vehicles being consumed.

> "The global demand for oil has been rocked by the recession."

When prices started to fall there seemed to be a general attitude that there would be an overall positive effect around the globe. Now, however, there are reasons to believe that it might have a net negative effect on the global economy. Although it is still to be ascertained, the boundary between the winners and losers of these developments is anything but blurry. While the fall in oil prices was celebrated with enthusiasm by oil importing countries, whose inhabitants reaped the benefits every time they filled up their car or home heating oil tanks,



on the losers' side are oil exporting countries, such as Russia, Venezuela, and Saudi Arabia. The oil dependent economies which lack export diversity are not able to withstand a substantial decrease in oil revenues. As a result, most of these countries have been plunged into a recession.

It is no secret that the wealth derived from natural resources has a major impact on the economics and politics of producing countries. However, unlike human resources, these are limited and the volatile nature of their price cannot guarantee stability and constant economic growth. Joseph Stiglitz and other economists go so far as to claim that countries with large endowments of natural resources suffer from a resource curse. This is because countries that have no such resources are forced to develop human resources whose limits are yet to be discovered. Take Switzerland, for example, despite possessing no substantial natural resources it is one of the richest countries in the world, while resource-rich countries like Nigeria experience high corruption, low (if any) growth rates, great volatility, and, in extreme cases, civil wars.

Venezuela is one of the countries that has been damaged most by the fluctuations of the global price of oil. Being the world's fifth largest oil exporting country, it has dipped into a recession after oil revenues have slumped and there do not seem to be any signs of recovery. Revenue from petroleum exports account for more than 50% of the country's GDP and roughly 95% of total exports so it is of no surprise that with a plummeting oil price, the country dips into a recession. The IMF forecasts a 10% and 6% contraction this and next year respectively, while inflation skyrockets to 159%. Could this be substantial enough evidence to Venezuelans that they cannot base their economy on only natural resources and expect stability as well as growth? Although the answer is unclear there seems to be a bright light. In the most recent Venezuelan parliamentary election which was held in December 2015, the United Socialist Party of Venezuela (PSUV) lost control of the Assembly for the first time since 1999. During their reign, as can be expected, there were no reforms implemented that could have diversified Venezuela's economy. The new majority at the very least seems to be promising essential reforms and a will to escape the dependence on oil.

Saudi Arabia is another oil exporting country that experienced a similar fate. Having the second largest oil reserves in the world, it is largely dependent on the price of oil, as the petroleum sector accounts for roughly 92.5% of Saudi budget revenues, 97% of export earnings, and 55% of its GDP. The Saudi Kingdom seems to have realized that it must quicken the pace of reform to avoid rapid economic deterioration. A few months ago Saudi Arabia issued a manifesto for change in the face of a number of pressing issues. The government has sought to allocate its petroleum income to transform its relatively undeveloped, oil-based economy into that of a modern industrial state while maintaining the kingdom's traditional Islamic values and customs. The new plan envisages cutting waste and increasing spending on infrastructure to diversify sources of income.

There is hope that in a few decades Venezuelans and Saudis will look back on 2016 as a year when reforms leading to economic prosperity were starting to be implemented. After all, we should not forget that April showers bring May flowers.

Facebook and a Different Side of Charity

Iris Lang

Back in May of 2010, Facebook launched what seemed to be a virtuous undertaking: Facebook Zero, whose aim was to broaden Internet access around the world, specifically targeting the lesser-developed 'global south' where tech industries remain in the infant stages of development. Collaborating with over 50 mobile services worldwide, the initiative gave mobile-users free access to a bare bones version of Facebook, a practice known as zero-rating or sponsored data. Although 0.facebook.com is accessible via several carriers throughout Western Europe - from Three in the UK to SFR in France - the majority of mobile networks teaming up with Facebook operate in countries throughout Africa and South Asia.

Zuckerberg's objective to "put every human being in the world online" no longer seems to be a pipe dream, as the number of African users on Facebook increased by an average of 114% a year and a half after Facebook Zero's launch - the highest growth rates reached a monumental 4000% in the Central African Republic and 2400% in Chad. Similarly, developing countries like India and Brazil take up six of the top ten countries with the most Facebook users, which signals potential for exponential rises as their market growth gathers, increasing momentum. But what is jarring is the view from the other side. Helani Galpaya, CEO of tech policy think tank LIRNEasia, conducted a survey in 2012 of Facebook users across Southeast Asia [5], and discovered in 2012 of Facebook users across Southeast Asia, and discovered that users reported no use of Internet while simultaneously extolling their usage of Facebook.

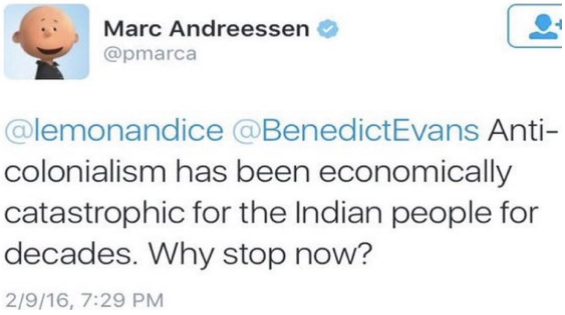
For these users, Facebook became a synonym for the Internet whose existence they were not actually aware of - a phenomenon Facebook is cognizant of, and even seemingly on board with. "We know Facebook is one of the main drivers of why people buy phones, particularly in the developing world," Chief Operating Officer Sheryl Sandberg pointed out, "People will walk into phone stores and say 'I want Facebook.' People actually confuse Facebook and the Internet in some places." But this confusion adds a slightly insidious layer to Zuckerberg's ever-optimistic aim of connecting the entire world - which now appears to be occurring within the vacuum of Facebook itself and not the World Wide Web his dream initially invokes.

> "Facebook became a synonym for the Internet."

Perhaps the confusion even served as inspiration for Facebook's second global connectivity scheme, initially called internet.org during its launch in August of 2013. Rebranded as Free Basics in September 2015, the organisation exists as a partnership between Facebook and six major tech companies, among them Samsung and Nokia, with the collective goal of expanding affordable Internet access into lesser developed countries. "We believe that connectivity is a human right," Zuckerberg voices in its promotion video, "and that connectivity can't just be a privilege for some of the rich and powerful. It needs to be something that everyone shares."

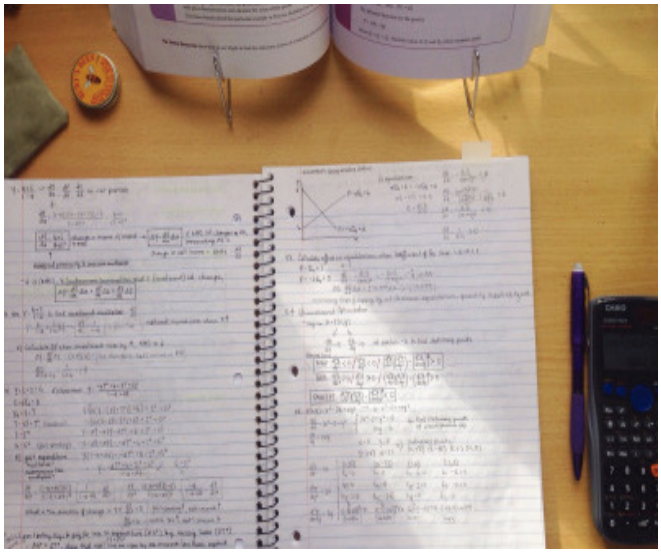
It all sounds promising, and rings at least partially true - the development of technology, and specifically information technology, has played a significant role in orienting once-undeveloped economies towards a state of flourishing industrialization, perhaps most notably seen in the staggering growth of China and South Korea's economies, and more recently India's as well. But IT as a solution to poverty has its fair share of skeptics. Computer scientist and University of Michigan professor Kentaro Toyama begins his article "Can Technology End Poverty?" with an account of one visit he made to a 'telecenter' in India - essentially an internet cafe with an educational twist - where citizens of all ages can walk in, sit at one of the few PCs in the room, and gain immediate access to an abundance of information. But information technology is maximally effective in alleviating poverty only when coupled with "competent, well-intentioned people" who possess enough skills and computer literacy to navigate its complicated and ever-changing realms - otherwise, it can be a waste of time and resources for both provider and user, and as Toyama aptly puts, "[...] usage doesn't always mean positive social value, as we know from the tobacco industry."

Critics of Facebook Zero and zero-rating services like it argue that this hand-picked basket of services violates the basic principle of equal access to all content on the net, and those skeptical of Facebook's online hegemony are concerned about presenting a heavily skewed introduction to the Internet for inexperienced users. There have also been mentions of Free Basics' as representative of an era of neocolonialism, both explicit comparisons - Indian-American tech writer Om Malik's "What do the British Raj and Facebook's Free Basics have in common? A lot, actually." - and appallingly ignorant observations like Silicon Valley investor Marc Andreesson's recent Twitter fiasco.



Like Malik describes, the supposedly well-intentioned Free Basics initiative and its provision of a 'free good' that they retain control over is reminiscent of the similarly unwelcomed 17th century arrival of Britain's East India Company at the port of Surat, and its eventual establishment of British control over a majority of South Asia and its natural resources. And while becoming a successful venture capitalist and Facebook board member doesn't require thorough knowledge of Western Europe and the United States' dark history of colonialism and exploitation, Andreessen's lack of awareness points to a deeper issue within the field of economics itself - that more often than not, discussions of economic growth sidestep mentions of a country's imperialist history.

As globalisation shifts its status from buzzword to a normalised facet of international economics, understanding the history of subjugation between coloniser and colonised becomes essential to strengthening modern-day relationships between the two - and ultimately can serve as the real first step in truly connecting the world.



Economics of Procrastination, Or Where The Word 'Deadline' Comes From

Julia Laksa

During the seventh week of term, the surreal cheer of freshers' week is dissolving, leaving behind only a realization that the university is not just about making friends. Days become darker, to-do lists become longer, and there you are, in Bill Bryson on a Thursday night, re-reading the same paragraph for the seventh time and not taking information in, because your mind is too busy having inner conversations. It is assumed that we are all rational – no excuse, especially if the paragraph you are reading is in an economics textbook! – so does this mean that we are not able to evaluate the benefits of concentration versus the cost of the time wasted scrolling your newsfeed? Is it a rational decision not to kick the unproductiveness?

A branch of study combining biology and economics, dubbed 'neuroeconomics' offers an answer. Thomas Schelling, an American behavioural economist, or an 'egonomist', as he called himself, took a somewhat dramatic approach to explaining what can be called lack of willpower, using the term 'mental war'. In the late 1950s, armed with brain scanners and rational choice theory, his group of researchers studied brain impulses to find supporting evidence for his split-personality theory. From observed reactions to various stimuli, they concluded that one part of the brain, the dopamine system, demanded immediate gratification and easy joy, whereas the other, cognitive, was better able to guide longer-term choices through evaluation of lasting benefits. The imbalance between the two – namely, dominance of the dopamine system, the impatient one – is therefore what makes us prefer slacking off now and postponing all our productivity to the mystical 'Land of Tomorrow'. Does it feel better to read that paragraph about perpetual life of limited companies, or to watch a vine?

> "Does it feel better to read that paragraph, or to watch a Vine?"

But does it actually? If this was true and biology ruled our concentration disregarding of our willpower, the existence of Durham University would be endangered. There must be an extent to which we rationally allow dopamine system to stay in control – such self-command

is present even in heavy alcoholics and smoking addicts, according to a research conducted in the late 1980s by Becker and Murphy. They (the academics, not addicts) have found that with an increase in price of nicotine, a substantial fall in cigarette consumption will occur, with the biggest cuts observed amongst the heavy addicts - contrary to presumably inelastic demand. It's pushing it to say that low productivity is an addiction; therefore, procrastination must be a rational and deliberate strategy.

So what about the situation when you are sat having a tête-à-tête with your assignment, with no distractions whatsoever, and still daydream? Do you rationally prefer being unproductive to getting work done? Here, attainability of both options can be questioned: namely, due to tiredness, or influence of the dopamine system, focused studying may be temporarily beyond your reach. Thus, effectively, you are facing a trade-off between time spent fruitlessly looking at your book and any other pastime accompanied by acute guilt for not doing work, where you have chosen the former. This does not mean that you strongly prefer your occupation – in reality, you have selected only a lesser 'evil' in terms of your personal utility.

To support, a recent study carried out by Wilson suggests that the human mind is in fact unable to draw pleasure from entertaining itself with its own thoughts. Within several experiments, Wilson's subjects were offered to do nothing but remain idle for a quarter of an hour. The majority found the task challenging and rated their enjoyment 'below midpoint', or cheated by resorting to listening to music, closely examining furniture in the room or practicing origami.

Moreover, some were wired up and were given a chance to receive an electric shock during the time of their idleness; shockingly already, even among those who said they would pay money not to feel the shock again, a quarter of the women and two thirds of the men gave themselves a zap when left with their own thoughts. Thus, if you prefer electrical shocks over remaining idle, and remaining idle over do ing work… it is time to re-evaluate your motivation. As the proverb goes, many great things can be done in a day if you don't always make that day tomorrow. Now, once equipped with some knowledge about your opponent, it is a good time to tackle procrastination. Tomorrow.

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