

The Economic Newsletter



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The Olympics: Good or Bad?

The Olympics bring us together through athletic achievement and grandeur. It's a chance to bond as a nation so as to cheer on your country as one patriotic entity that vicariously lives through our competitors to experience the thrill of victory, and the agony of defeat.

Okay, enough of the flashy words. Let's get to some of the economic aspects of the London 2012 Olympic Games.

We all know that winning a bid for the Olympic Games is an automatic boost to a country's economy. In fact, studies have shown that it gives a powerful boost to exports even for those countries that lose out on the bid.

It's a call out to the rest of the world that you're thriving and ready for business. In addition, it's an opportunity to rebrand

your country and let it make an impact on the planet.

The extravaganza of the Games lures thousands of tourists into the host nation, causing businesses to boom, consequently lifting domestic

the cost. Some models predict that most successful bidders of the Olympics actually regret hosting the Games.

The economic boom is so momentary and short-lived that nearly all host cities lose

substantial amounts of money by the time the Games are gone. Stadiums and buildings built for athletes that cost millions have little use after the games are over.

Take the Bird's Nest stadium from the Beijing Olympics for example, the world's largest steel structure; it was an engineering marvel. But what has happened to it now? It just sits there collecting dust looking like a dirty construction zone, having a maintenance cost to the tune of 11 million dollars per year. The same goes with the facilities in Athens, which is now in a state of despair.



CAPTIVATING: The London Bridge at the night of the opening ceremony

demand. Moreover, preparation and construction result in the creation of a plethora of new jobs, reducing unemployment in recession-ridden countries like London. But as soon as the games are over, these jobs are gone.

The price of preparing a city for the Olympics is staggering; so much so that the economic boost doesn't necessarily justify

The military cost of hosting the Games is no less astounding. In last year's Games, the number of troops deployed for security was the largest mobilization of troops since World War II. Security is the top priority and organizers don't want anything to go wrong.

This means the government has to fork out of pounds from the Olympic pot of wealth that has been fueled by the hard-earned money of innocent taxpayers.

Another problem that arose even before the Games started revolved around the concept of regeneration. Regeneration occurs when better facilities and public services are brought into an area with the pre-existing community staying where it is (example: better schools, hospitals et cetera), hence generally improving the standard of living.

The east end of London is on a bottom economic run and that's where most of the construction for the Games took place.

With all that money filtering in the area, inhabitants of the east end were told and hoping for quality of life to improve their

So what we have beneath the glitz, the spectacle, and the record breaking performances are pushed-aside forgotten

people whose lives are greatly affected by the games, but in a negative way.

"Governments want to host these events because they are highly prestigious and hugely popular with the electorate," says Professor Stefan Szymanski, a specialist in the economics of sport at the University of Michigan, "If you tell me you're going to have a party, that's great – but if you tell me you're going to have a party and

get rich at the same time, then I'm not going to believe you."

Host cities try so hard to put their best foot forward that sometimes they don't care where they're stepping, and that's a sad realization.

By

Pranay S. Mohnot

11 A Level



CRUEL: Wealthy plutocrats forcing innocent people out of their locality

locality; and that is, for a regeneration to take place. It's not what's happening in parts of east London that are most directly affected by the Games where people are being taken from their neighbourhoods and being told to leave for smacking new amenities to be built that only cater to affluent plutocrats, a completely different economic class. These happenings are already evident in the London Borough of Newham, Hackney and other parts of east London.

Measuring The Happiness Index:

Gross National Happiness (GNH) or the Happiness Index measures the happiness, satisfaction and quality of life in the economy.

It cannot be measured quantitatively as, to think rationally, how does one put a measure of value on happiness? Therefore, the factors contributing to the index are usually social objectives, such as income inequalities, literacy rates, infant mortality rates, pollution, sanitation etc.

Till recently not much thought was given to the GNH as it was not considered to be an effective indicator of the progress in an economy.

So far, the only country to have successfully established GNH is Bhutan and rightfully so, as Gross National Happiness is a term coined by His Majesty the Fourth King of Bhutan in the 1970s.

The concept implies that sustainable development should take a holistic approach towards notions of progress and give equal importance to non-economic aspects of wellbeing. Such as: good governance, sustainable

socio-economic development, cultural preservation, and environmental conservation.

For this issue of the newsletter we had decided on calculating our schools Gross Happiness but for the lack of knowledge in using the traditional method we settled on asking our student body and teachers their happiness rating on a scale of 1 to 10.

In the 2012's results of a three-year long survey, done by Gallup, a research

feeling anything. They had been asked whether they experienced five positive and five negative emotions a lot during the course of a day.

On this Jon Clifton, a partner and director at Gallup, wrote in an article "The implications for an emotionless society are significant...The bottom line is that Singaporeans are productive, highly disciplined citizens who are not enjoying their lives much."

As you can see below, almost one-fourth* of our school has voted to being unhappy i.e. from 1 to 5 with the major reason being the approaching exams.

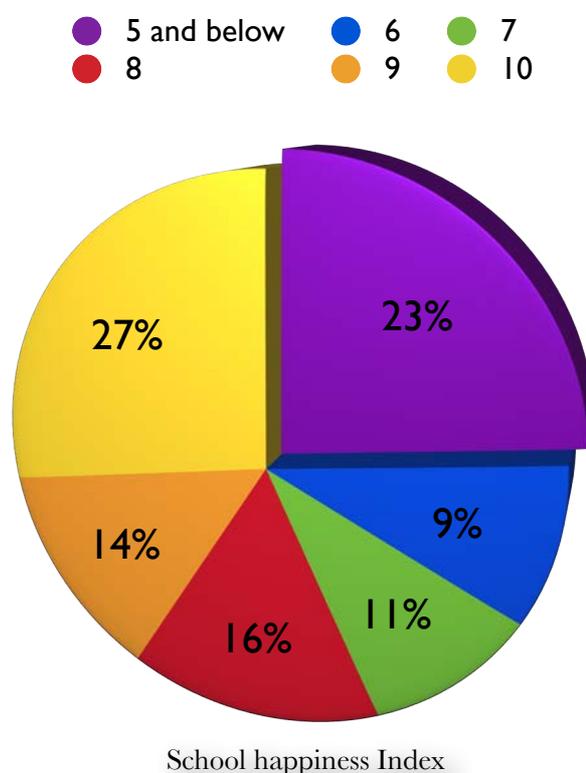
The only question is will we be able to turn this unhappiness in to a budget surplus or will we fail drastically, keeping in mind the vast age gap between the Singapore labor force and our school students?

By

Neeti Relan

11 A Level

*Due to time constraints we could not reach out to the entire A-block. Our sincerest apologies.



based performance-management consultancy, 36% Singaporeans reported to

Economic Jokes

Economist Valentine's Day Card:

"Despite your
decade of
inflation, I still
love you!"

Q: How many
economists does
it take to change
a light bulb?

A: It depends on
the wage rate.

An economist is
someone who
gets rich
explaining to
others why they
are poor.

Top Three Reasons to Study Economics:

1. Economists can supply it on demand.
2. When you are in the unemployment line, at least you will know why you are there.
3. You can talk about money without ever having to make any.

POLITICS DEFINED

SOCIALISM: You have two cows. The state takes one and gives it to someone else.

COMMUNISM: You have two cows. The State takes both of them and gives you the milk.

FASCISM: You have two cows. The State takes both of them and sells you the milk.

MILITARY

DICTATORSHIP: You have two cows. The State takes both of them and shoots you.

BUREAUCRACY: You have two cows. The state takes both of them, accidentally kills one and spills the milk in the sewer.

CAPITALISM: You have two cows. You sell one and buy a bull.

PURE DEMOCRACY: You have two cows. Your neighbors decide who gets the milk.

REPRESENTATIVE

DEMOCRACY: You have two cows. Your neighbors pick

someone to decide who gets the milk.

ANARCHY: You have two cows. Either you sell the milk at a fair price or your neighbors kill you and take the cows.

By

Afreen Chawla

11 A Level