

THRIFT



Editor's note

(To be honest, I have procrastinated writing the beginning of my editorial because there's nothing more heartbreaking than knowing that I will be writing 'dear readers' to my Welham family for the last time.)

Dear Reader,

As we turn the pages of the last edition, I find myself reflecting on the remarkable journey with Thrift, which has definitely made me realise what it's like to go to extreme lengths for your child. I got the opportunity to not only embrace the ideologies of Welhamites but also convey their perspectives in the realm of economics through this publication. My objective has always been to encourage writers to combine their interest in the subject with other complementary subjects and talk about relevant issues to provide engaging content.

Economics is more than just graphs, numbers, and abstract theories; it is the very fabric of our daily existence, and it's extremely important to have a certain level of economic understanding. I aimed to make the articles accessible even for those who call them boring because the subject is not esoteric; it's present in every decision and every challenge we will face when we step out of these walls of comfort. The ultimate objective is to empower other students to make informed choices and become part of solutions to complex global problems.

My recent read included a memoir of the famous economist Devaki Jain that left me with a lingering thought. When we read famous memoirs, we only expect to read about their vast careers and great achievements, but what was special about reading this book was her blatant honesty about what the real world is like. A woman actively involved in building a new India with her independent and political thoughts, was once denied of her opportunities (even at the most prestigious institutions of the world), as she refused to be sexually exploited. Her writing inspired me to believe that there are always going to be more forces in society who would hinder you from your goals than the ones pushing you towards them, but you need to find that one push that will drive you to the other side without losing any faith in yourself. For me, it's "if Devaki could do it in 1953, then why can't I in 2023?"

Publishing the last issue in my capacity as Editor-in-Chief and curating it in such little time was indeed a chaotic process, but I would like to thank my entire editorial team, who worked extremely hard to make it the best. A big shout-out to all those who helped me get through all the obstacles in publishing the past issues at the last minute (even if that meant stapling each copy in the library for three hours!). Thank you for making this journey a rewarding and an enlightening one.

Here's to becoming individuals with bold thoughts!

Signing off,
Editor-In-Chief
Vaaruni Swaroop

TREASURE OR TRASH?

THE MIND GAMES OF POSSESSION



The intersection of emotions and rationality is brought to the forefront by the perplexing phenomenon known as the Endowment Effect and Loss Aversion. This paradox hinders our ability to make sound decisions in various aspects of life ranging from financial investments to personal relationships.

The Endowment Effect stems from the idea that individuals tend to assign greater value to objects they own compared to those they do not possess. On the other hand, loss aversion is the tendency for individuals to be more averse to losses than they are attached to gains. Surprisingly, overvaluing possessions doesn't necessarily increase willingness to sell. Many people have a strong attachment to their belongings and are reluctant to sell them, even if there is potential for financial gain. This contradicts traditional economic theories, suggesting individuals act rationally to maximise utility, and highlights the profound impact of emotions and psychological biases on economic decision-making.

The Endowment effect and loss aversion are significant factors in consumer behaviour, as seen in limited edition products and 'exclusivity' marketing strategies. These tactics create a sense of scarcity or ownership, influencing individuals to value unique or rare items, as seen in the fashion industry.

As we explore the intricacies of our cognitive processes, it becomes crucial to comprehend and manage these biases, both in personal decision-making and within the global economy. Embracing our human nature, with all its idiosyncrasies, empowers us to make more informed choices and adapt our strategies in a world where change in sentiment is not only intriguing but also deeply significant.

-Palak Arora and Aarushi Jain (Pre SC)



The Enduring Enigma: Tulipmania's Modern Parallels

Imagine a world where flowers, though seemingly inconspicuous to the economy at large, become a target of unrestrained lust and insanity. The 17th-century Netherlands was such a place, where tulips became the ultimate status symbol among the Dutch elite. It came to a point where every household in Amsterdam owned a collection of these precious blooms. This onset of economic hysteria marked a period in history known as 'tulipmania'.

The desire for these exotic tulips and their extreme fragility set the stage for a financial frenzy like no other. The value of tulip bulbs soared to astonishing heights, driven by the hope that prices would keep rising, only to come crashing down in a spectacular burst, leaving many wondering how something as delicate as a flower sparked such fervor and folly in the financial world.

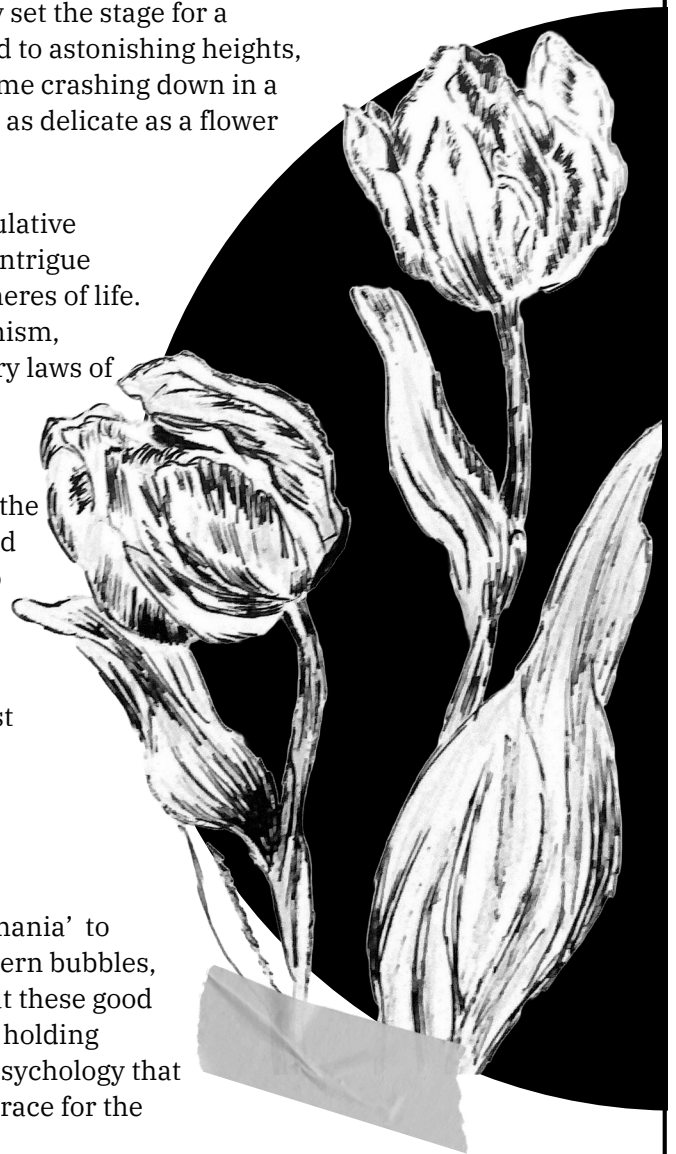
The echoes of Tulip Mania reverberate in the world of speculative bubbles today. A speculative bubble has the ability to both intrigue and perplex, luring enthusiastic individuals from many spheres of life. These economic deviations, encouraged by excessive optimism, provide a seemingly magical atmosphere where the ordinary laws of supply and demand cease to apply.

In both Tulip Mania and modern bubbles, rationality often takes a back seat to irrational exuberance. Investors follow the crowd, driven by the fear of missing out, and abandon sound financial analysis. This mob mentality makes prices soar to dizzying heights, underpinned by nothing more than the collective belief that they will only go up.

But what drives this irrational behavior; this boom-and-bust cycle that seems to repeat throughout history? It is the peculiarity and limitations of the human psyche. Our brain is wired to seek patterns, to be influenced by the actions of others, and to be swayed by emotion.

The overconfidence and willingness exhibited in the 'tulipmania' to leverage investments mirror the behaviors seen in the modern bubbles, where investors buy assets they can't afford and believe that these good times will last forever. They eventually realize that they are holding overvalued assets, and the panic selling sets in. The same psychology that propelled prices to unsustainable levels now fuels a frantic race for the exit.

From the 17th century tulip mania to the cryptocurrency bubble a few years ago, the financial world hasn't learned from its past, still chasing the elusive promise of ever growing wealth. The allure of speculative bubbles still remains an enduring enigma in the realm of finance and human behavior.



-Naija Mehra and Arushree Kashyap (Pre SC)

THE PESO PREDICAMENT

Argentina's unstable economy is a recurrent theme, marked by periods of rapid growth to soaring heights followed by periods of massive decline, when it crashes back down. At present, its economy has plummeted, with inflation at 124%. But what explains this unfortunate trend?

One reason behind the country's economic woes lies in its history. The legacy of former President Juan Peron continues to influence policies. Peron modeled his ideology after Mussolini and made Argentina a welfare state. This legacy of 'Peronism' promotes deleterious welfare policies, with a staggering one-third of the workforce employed by the State. Instead of investing in technology and innovation, most of its revenue goes towards paying salaries and pensions.

A parallel issue is the devaluation of the peso, their local currency, which has led to widespread adoption of saving in dollars, despite a monthly exchange limit of \$200. This has resulted in a thriving black market with high exchange rates. Javier Milei, a hard-right politician, proposes dollarisation as a radical solution to economic difficulties in Argentina, advocating for the country to adopt the US dollar as its official currency. This would eliminate inflation and address Argentina's debt crisis, as it is currently the largest borrower from the IMF.

The State's decision to exempt 99% of the formal workforce from paying taxes, is the latest in a string of bad decisions. While not unprecedented, as countries like the UAE and Monaco also lack income tax, Argentina's motivations behind this move differ significantly. The Finance Minister, Sergio Massa who is also running for the upcoming presidential elections, is lagging behind and that explains the decision for abolishment of taxes.

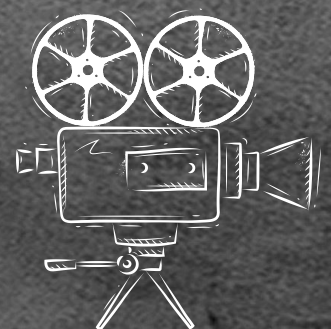
Clearly Argentina's bloated welfare system is a detriment rather than an asset. To restore stability, the leaders need to make tough choices; if not, Argentina's economy will remain an example of what is called 'negative exceptionality'.

-Amiya Walia (SC)



SUGGESTION BOX

- Inequality For All
- The Queen of Versailles
- The Ascent of Money
- The Men who built America





CHALLENGING THE DRAGON

As India hailed itself the leader of the 'Global South' during the 2023 G20 summit in New Delhi, a new multinational economic collaboration was announced with the potential to reshape the global economic landscape. This collaboration has shaped itself in the form of the India-Middle East- Europe economic corridor comprising railway lines and shipping routes, that brings together a consortium of economies including India, Saudi Arabia, the United Arab Emirates, Jordan, Israel and the European Union.

This project's main aim is to facilitate the movement of resources across borders and open up new markets for trade. The corridor is estimated to reduce the travel time between these regions by 40%, thereby lowering shipping costs, increasing trade volume, and reducing fuel consumption. The corridor will also manage energy resources as the Gulf countries, being leading producers of oil and gas, will ensure a reliable supply to Europe and India which will contribute to enhanced energy security and stable oil prices. Furthermore, this corridor is like a high speed digital highway that will connect businesses and government making them work together more efficiently. It also offers an opportunity for diversification of all involved economies so they are not too reliant on just one trading partner or a specific industry.

While it is undeniable that the potential benefits of this venture are substantial, it's also vital to acknowledge the plethora of challenges it must overcome to succeed, such as geopolitical turmoils, environmental concerns and securing financial backing. It also has a torrent of political implications for our world, and there is no question that if successful, it will lead to a noticeable shift in regional power dynamics and political alliances. The United States, a major investor in the corridor, is leveraging this corridor to compete with China's Belt and Road initiative and undermine its position as the primary investor in developing economies by offering an alternative partnership and investment opportunity.

Despite the G20 summit's aspirational theme of 'One Earth, One Family, One Future,' the reality of our world presents a bleaker picture, as the global supply chains- heavily affected by the dual forces of the Covid-19 and Ukrainian war- are realigning themselves along geopolitical lines, hence the need for them to become stronger and diversified is becoming more evident than ever. Now, only time will tell whether this economic corridor will transform the international trade dynamics or fade into the background of our collective memories.

-Aarisha Jain (Pre SC)

Is India's vision of becoming a \$5 trillion Economy a utopian or an achievable aim?

UTOPIAN



India ranks as the world's fifth-largest economy based on nominal GDP, with an estimated value of \$3.736 trillion. The government of India, as quoted by the Prime Minister himself, claims to "become a \$5 trillion economy soon". To achieve a \$5 trillion economy within the next 3 years, India would need to maintain an average annual growth rate exceeding 15%. However, the most recent projection by the Reserve Bank of India (RBI) anticipates a growth rate of 9.5% for this year, which is significantly below the required threshold.

Foremost, if we examine the economic challenges that India currently faces, the unemployment rate has been hovering around 7% or 8% and there are still 229 million Indians living in poverty. India has the world's largest number of impoverished individuals, which is further exacerbated by economic inequality and societal divisions based on caste, religion, region, and gender. Addressing these issues should take priority over setting ambitious targets.

Now, my opposition might claim that given the development trajectory of India, the goal set is within the realm of practicality. However, the economic progress has been differing between population groups and geographic areas. India should prioritize an inclusive agenda that encompasses marginalized communities and minorities, rather than solely focusing on economic growth.

The arguments articulated emphatically elucidate the utopian nature of the \$5 trillion economic goal set forth by India; it should be focusing on long-term stability rather than short-term goals. Given that, India should take a bow, recalibrate the compass, and aim for a goal that's not just grand but grounded in reality.

-Riya Mohata (Pre SC)

REALISM

Obstacles are what you see when you take your eyes off the goal. What is "achievable"? It signifies boundless potential within each person. It blooms in the garden of ambition, nurtured by actions that fulfill long-standing goals. India's aim of a 5 trillion-dollar economy isn't merely a vision; it's a tangible reality shaped by the Indian Government's determination and actions.

India, the world's fifth-largest economy, has developed a roadmap for inclusive growth, with infrastructure and manufacturing as key drivers in the Union Budget. A working group is now implementing these plans to achieve its goal of becoming the fastest-growing major economy.

"Our youth are our strength, and their skills are our future. A higher ratio of the working-age population to dependents is known to stimulate economic growth. India's motivated youth can fuel our economy. To tap into this potential, the Indian government has implemented initiatives like increased support prices, financial aid to farmers, and programs like 'AGRI INSURANCE' to boost agriculture."

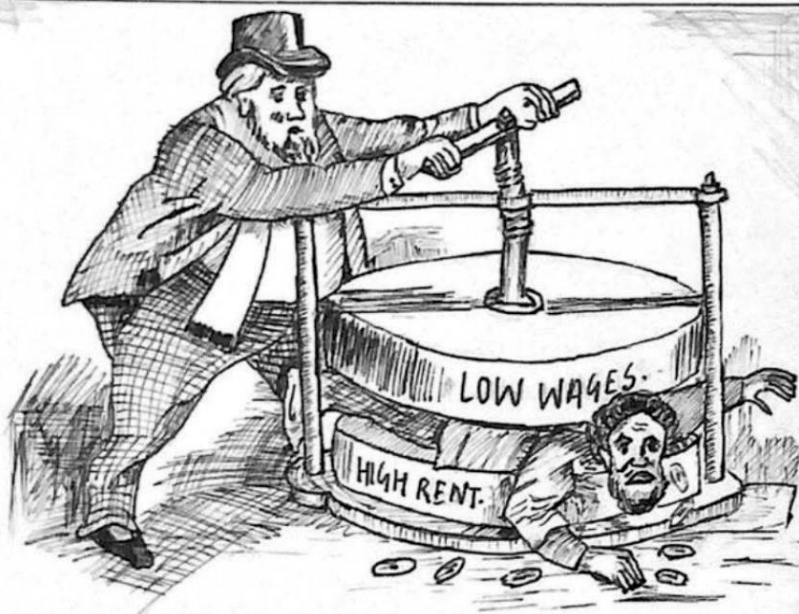
If you look at the numbers from the last 30 years, India's GDP in dollar terms has grown at an astonishing average rate of 9% annually. This exemplary growth rate indicates that there is potential for India to achieve its goal of a "5 trillion economy."

The opposition argues that India's aim is utopian, but this perspective is unrealistic. By labeling this goal as a UTOPIAN idea, the opposition completely disregards the efforts and progress that our government has made, painting a dystopian image where achieving anything is skeptical.

-Tarushi Uppal (Pre SC)

ECONSOCIE

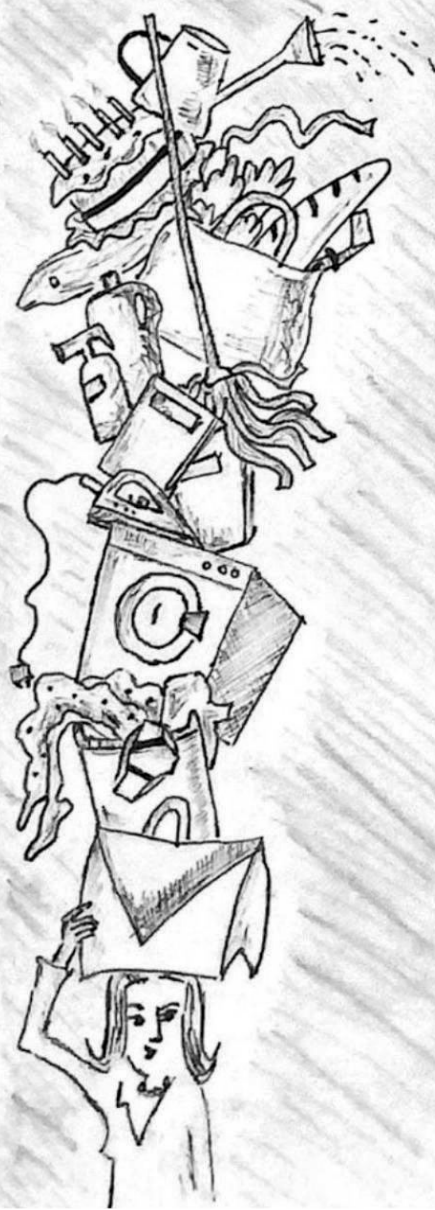
MIDDLE CLASS UNDER PRESSURE : ECONOMIC SQUEEZE IN INDIA



As inflation soars and economic pressure mounts, India's middle class grapples with a heavy burden, with nearly 70% of their income allocated to essential expenses, highlighting the squeeze on their vital segment of population.

UNMASKING INDIA'S GENDER WAGE GAP

Although women at the individual contributor level earn just 2.2% less than men in comparable positions, the disparity increases to 3.1% for managers / supervisors and 4.9 - 6.1% for directors and senior executives.

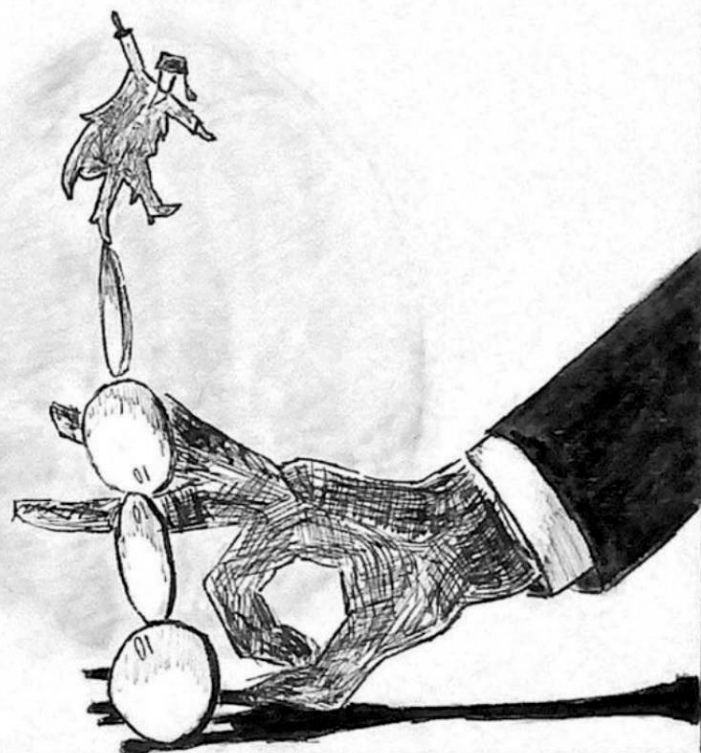


ETY GAZETTE

9

YOUTH UNEMPLOYMENT LOOMS LARGE

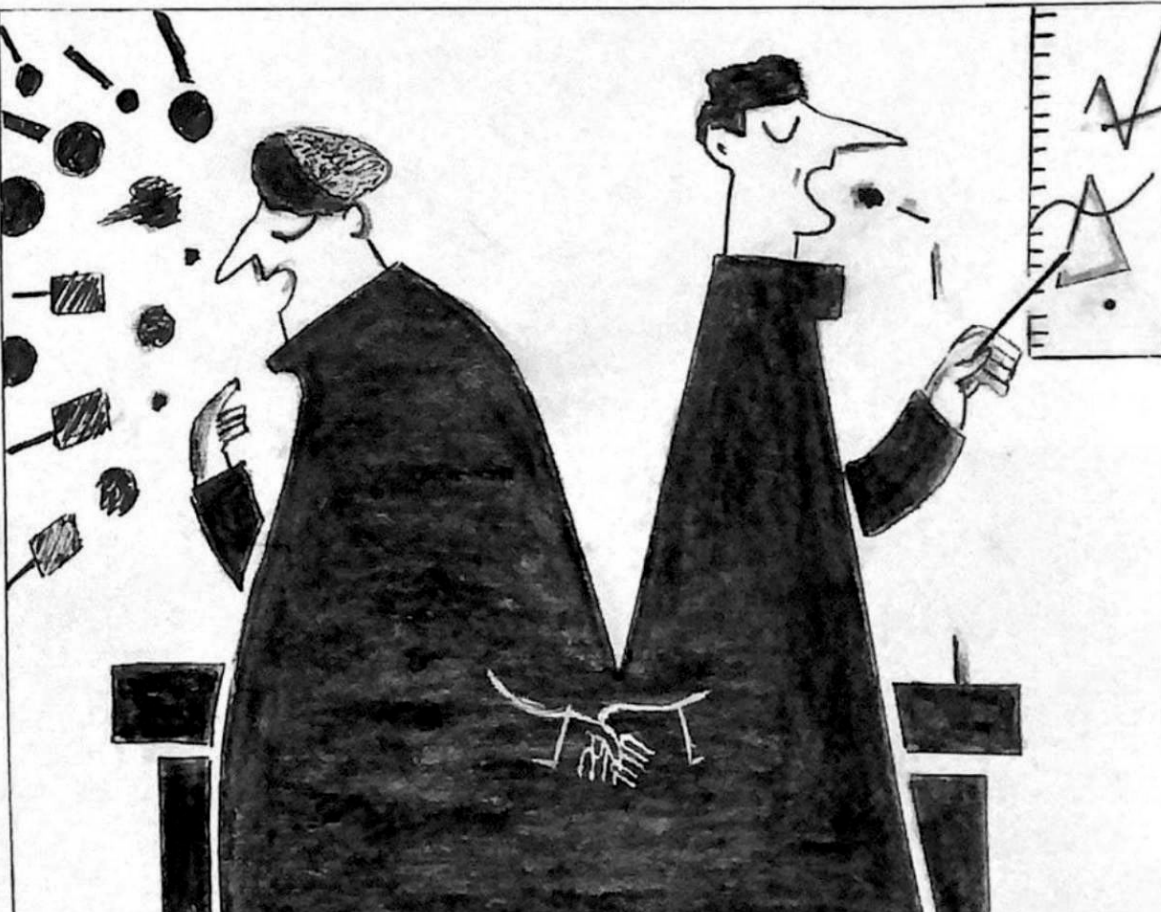
OVER 40% OF INDIA'S GRADUATES
UNDER 25 UNABLE TO
FIND JOBS



The unemployment rate in India has decreased after the COVID-19 pandemic for individuals with different levels of education. However, the rate for graduation is still above 15%, and for graduates under 25, it has reached as high as 42%.

CRONY CAPITALISM-INDIA'S BATTLE FOR ECONOMIC FAIRNESS

Earlier this year, Adani group, one of India's largest conglomerates was accused of stock price fraud. Its market value had risen dramatically since 2019, but the allegation caused the stock to plummet.





Elon



Zuck competition is fine but cheating isn't.

you do know the difference between 'having' friends and 'buying' friends, don't you? And when you are not forcing people to follow, you go around stealing ideas.

hey that's way cooler than leaking people's personal info to random companies.

I think the world needs to know who the real GOAT is. Let's do a 'cage fight' and decide once and for all.

Whatever, Elon you are just jealous because I have more 'likes' and 'friends' than you will ever have in real life.

Ideas like making colonies on Mars or launching cars into space for fun and calling them cool.

I agree, I can't be cool enough to name my child after a Wi-Fi password.

Send Me Location!

Delivered



Elon Musk ✓
@elonmusk

#MARKmywords

12:00 PM · Oct 27, 2023

40.3K Retweets 11.3K Quote Tweets 196.9K Likes



Mark Zuckerberg ✓
@finkd

It's a fact that MUSK mELONS have a relatively short shelf life, so good luck.

1:00 PM · Oct 27, 2023

23.4K Retweets 5.4K Quote Tweets 345.9K Likes



Mark Zuckerberg ✓
@finkd

Account suspended

Twitter suspends accounts that violate the Twitter Rules.

FROM ALGORITHMS TO ABUNDANCE



Artificial intelligence is redefining almost every aspect of human endeavour and transforming the world in innovative ways. The economy, which has so far resisted adopting AI, is about to undergo significant transformations. Artificial intelligence (AI) might not only revolutionise technical progress, but it could also transform the study of economics. The field of economics is being reshaped by utilising AI's strengths in data analysis, predictive modelling and decision-making. In this article, we will explore the ways in which AI will reshape economics and discuss its implications for various sectors and society as a whole.

Data analysis will be improved using artificial intelligence (AI). AI can analyse enormous volumes of data in real-time, providing economists with access to insights and patterns that were previously unattainable. This enables more comprehensive market analysis, more precise economic projection, and informed policymaking. High-frequency trading and investment decision-making have already been transformed due to the integration of AI into the financial markets.

Businesses can dynamically adjust prices in real-time, responding to changes in supply and demand, thanks to AI-driven pricing algorithms. This enables the development of customised price plans that cater to certain clients, boosting earnings and enhancing market outcomes. Pricing strategies across industries will be redesigned by AI's ability to study consumer behaviour, preferences and buying patterns.

As AI and automation technologies advance, certain jobs may become obsolete or undergo fundamental transformations. This will require a re-evaluation of the skills and roles needed in the future economy. Economists must analyse the implications of AI-driven automation on employment, income distribution and the overall structure of the labour market.

Adopting AI in economics offers both potential and challenges. It is essential to navigate this transition while emphasising responsible AI deployment, addressing ethical issues and ensuring equitable distribution of benefits. Economists and policymakers can gain deeper Insights, make better choices and contribute to the creation of a future economy that is efficient, sustainable and inclusive by harnessing the potential of AI.

-Vaanya Thapliyal (Pre SC)

Hedge Funds

A hedge fund is a private investment partnership that involves complex proprietary strategies for trade in listed and unlisted derivatives.

Liquidity Trap

This occurs when individuals and businesses hold onto cash instead of spending or investing it, which hampers economic growth even when interest rates are low.

WHAT'S THAT WORD?

Angel Investors

A high-net-worth individual who provides financial backing for small startups or entrepreneurs, typically in exchange for ownership equity in the company

Fiscal Cliff

A situation where specific financial factors lead to or pose a sudden and severe risk of economic downturn.

WOMEN

Elinor Ostrom, the first woman to win a Nobel Prize in Economics grew up during the period of the Great Depression. Back then, of course, being a woman was a "big handicap". Her mother opposed her college plans yet she persisted as a "stubborn son of a gun" due to her fascination for the subject. Ostrom's work provided the world with great insights into the tragedy of the commons. The tragedy of the commons refers to a situation in which individuals with access to a public resource (also called a common) act in their own interest and, in doing so, ultimately deplete the resource. Ostrom took up case studies in Spain, Nepal, and Japan and studied local communities. Her work tells us that small communities develop group norms, offering solutions tailored to their own problems.



Claudia Goldin, a distinguished economist from Harvard University, not only made history as the third woman to win the Nobel Prize in Economics but also as the first woman to receive an unshared prize. Her work delves into income inequalities between men and women, providing a historical perspective on women's earnings and labor market participation, identifying the factors driving change and persisting gender gaps. Goldin, often comparing herself to a detective, scours historical records, archived documents, and vast datasets to answer the pressing questions that drive her. "It's not just a job; it's a passion". She was also the first woman offered tenure in Harvard's economics department in 1990, thus paving the way for future female economists.

EMPOWER

ECONOMISTS



Devaki Jain, a leading pioneer in feminist economics and one of the favourites of our beloved editor-in-chief, received her education from Oxford and is a recipient of Padma Bhushan. In an era when women were typically married off early, she defied many conventions by not only pursuing her academic interests but also went forward with an intercaste marriage to the man who inspired her Gandhian philosophies. Jain's experiences of harassment and discrimination exposed her to the constant risk of exploitation as a woman that rekindled her ambition and led her to find solidarity with fellow women. Her work with several organizations, including the government of India and the UN, provided crucial and innovative projects in the field of development economics.

(The writer recommends reading *The Brass Notebook: A Memoir of Feminism and Freedom*)



Anna Jacobson Schwartz's interest in economics sparked during her first-ever economics class which was around the Great Depression, leading her to choose economics as her college major. Her education at Columbia university was disrupted when World War 2 derailed her dissertation funding, leading to the denial of her Ph.D. Undeterred, she collaborated with Milton Friedman, and after 15 excruciating years of scouring libraries, communicating through snail mail (since they both lived in different states in a time when phone calls were expensive), and detractors urging her to quit for her children, Schwartz and Friedman published one of the most groundbreaking books in economic history- *A Monetary History of the United States*. Schwartz also contributed significantly towards the development of an entire school of thought called Monetarism. Her story is an epitome of resilience and true passion, and in 1965, she was finally awarded her Ph.D by Columbia University.



-Shubhangi Jain (SC)

The opulence of nations

In the realm of abundance, the nations bathed in gold

Their opulence, extravagance, vividly told.

*A global banquets, where lavishness prevails,
Laborers toil, the sweat and blood unseen by them
Singing the fervent anthem, Capitalism's doctrine
Soaring high with the wings of profit while
The burden lying on the unknown.*

*A mockery of wealth, a harsh masquerade
The riches of the nations, beholding Adam's dream
Wealth flowing like a river to the privileged fold.*

*Monopolies ascend, avarice standing tall
Competition, but a facade the prices under their subjugation
The market's pulse beat not for the common welfare*

*But the gains garnered by a few who care
Monopoly, a cherished board game, we all adore
Yet, in reality it is a Capitalists' arduous mission
Chuckling at this maddening display, with a nod and sigh
In this game of monopoly,
who emerges as the victor we ponder and pry.*

-Ananya Ratan (SC)

Wings of Change

*Decades back, when India was drowning,
Deep into the waters of debt and poverty,*

Entered the rescue force,

In the form of a policy

It wasn't as hard

Wasn't as shunned,

For it was introduced by the International Monetary Fund.

Like a lamp, it lead the way,

To better per capita income and

Even better progressing days.

With the grand entrance of Foreign Exchange Management Act,

A hero on a horse here to save the day,

India survived to get back on its feet

And was here to stay.

*The GDP curve progressed like a
winning bird game,*

PV Narsimha Rao and Dr. Manmohan Singh bull's-eyeing their aim.

Finally, flew the TATA's in an airplane tagged with their own name

And then began the journey of

Liberalization,

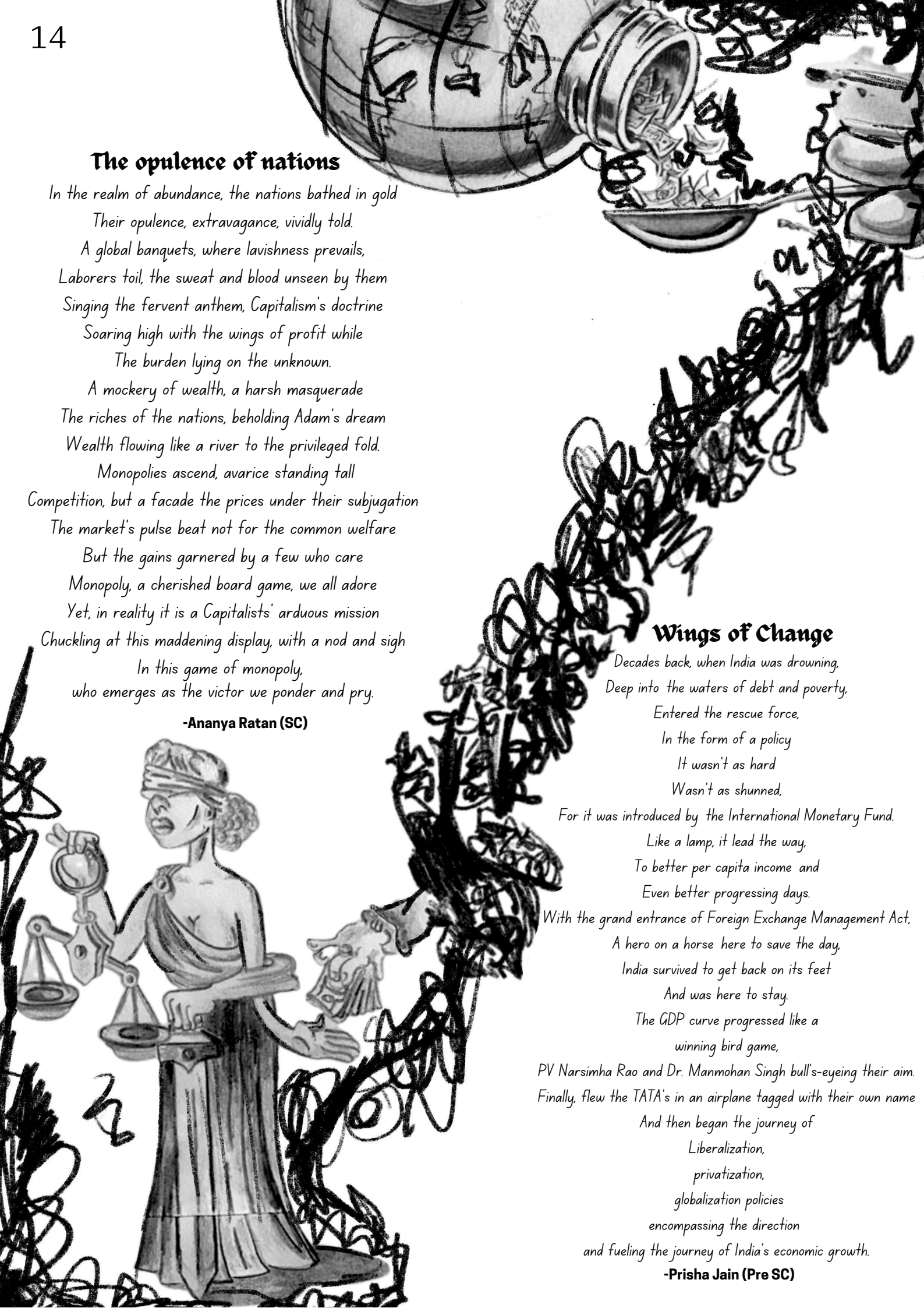
privatization,

globalization policies

encompassing the direction

and fueling the journey of India's economic growth.

-Prisha Jain (Pre SC)



BOOK REVIEW: DEVELOPMENT AS FREEDOM

In his influential and thought-provoking book, 'Development as Freedom', Nobel laureate economist Amartya Sen provides a profound analysis of the intricate interplay between development and freedom. Departing from conventional economic perspectives that prioritize factors such as GDP growth or industrialization, Sen focuses on the social dimensions of economic progress. He posits that true development lies not in mere material prosperity but in the enlargement of human freedoms and individual liberties.

Sen's profound understanding of development emphasizes the inseparable link between freedom and progress. Sen argues that true development is achieved when individuals are empowered to lead lives that align with their own values and aspirations. His argument is rooted in the belief that freedom is both a means and end of development.

Sen's book not only emphasizes the significance of political freedoms, social opportunities, government transparency and security in achieving development but also provides an extensive analysis and case studies to illustrate their interconnectedness.

Such a comprehensive understanding by Amartya Sen informs us that true development encompasses far more than just economic growth; it necessitates an environment that fosters individual agency and empowers people to lead lives marked by freedom and choice and only then can we truly understand what it means to achieve holistic development for all members of society.

-Ayurddhi Aggarwal (SC)



Sustainable Search: Greening the web

How would you feel if I told you, you can plant a tree, or clean the ocean, all while sitting in your chair? Well, hold on to your screens because from these emerges a solution that is absolutely effortless yet impactful. Today it is common to hear the phrase 'I'll just Google it'. Did you know each click of a search query has the potential to sow the seeds of life, to breathe life into forests, and to combat climate change. Google receives over 40,000 searches every single second, adding up to a total of 3.5 billion searches every day worldwide. Each of these searches is responsible for 700 kg of carbon emissions. And yet, Google does nothing to tackle its growing carbon footprint. On the other hand, we do have some digital allies in our environmental mission, some simple browser extensions that can transform our internet searches into a force for sustainability.

-Bhavaya Sangal (SC)



As per 2023, Ecosia has planted more than 180 million trees in over 35 countries. If it was as big as Google, it could absorb 15% of the world's CO2 emission. The highlight of it all- it maintains complete transparency between its revenue and donation



Rapusia was founded by the World Tennis Foundation. It does not track users and does not share any user information with advertisers. Moreover, like Ecosia, it publishes its monthly financial reports to foster transparency.

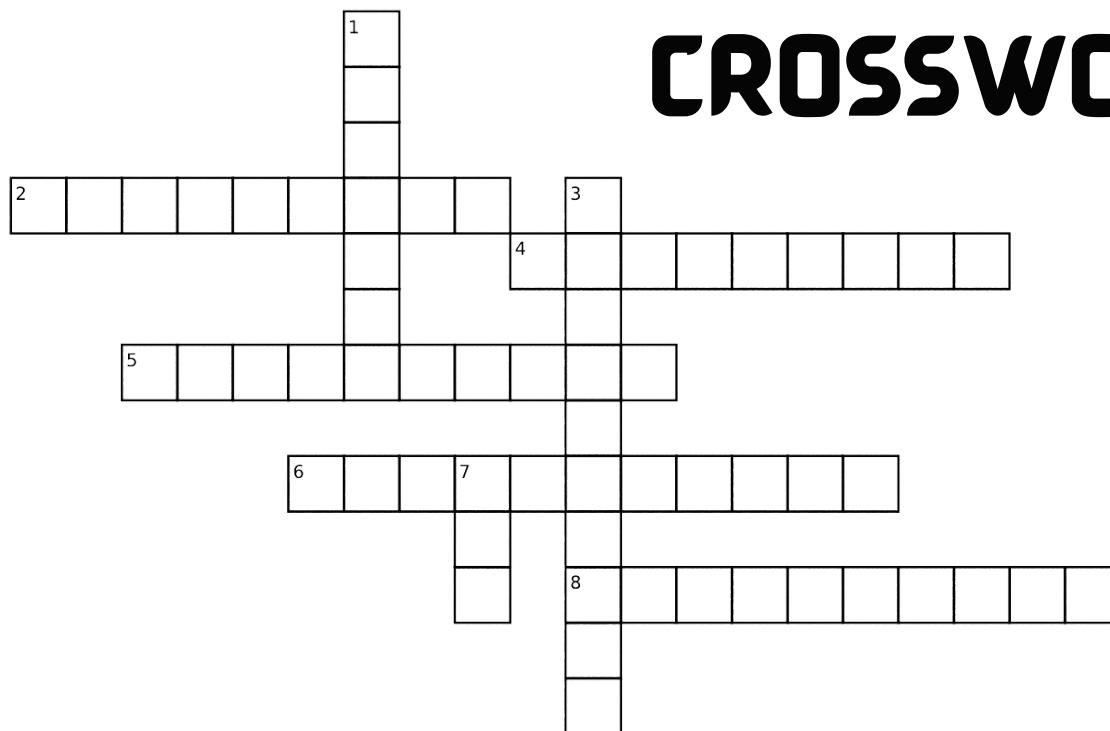


OceanHero prevents plastic pollution in oceans by collecting money for every five searches and collaborating with recycling organizations, preventing 43 million bottles from reaching the oceans.



giveWater

CROSSWORD



Across

2. An increase in the general price level of goods and services in an economy.
4. A market in which control over an industry lies in the hands of a few large sellers.
5. Economic system based on private ownership and free market competition.
6. The profit made by a government when it issues currency.
8. People are offered subsidies, bonuses, money, or salaries to encourage them to take specific action.

Down

1. The amount by which something is less than what is required or expected.
3. Measure of how responsive quantity demanded is to a change in price.
7. The total value of all goods and services produced in a country within a specific time.

*First to solve and approach Vaaruni will get 3 chocolates :)

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