



Welcome

Welcome to Wilsonomics. This is the first issue of Wilsonomics, the magazine that sets out to explore the arguments, ideas and concepts that underlie and unite the liberal arts. The brief is to invite students to contribute articles or letters that will engage or enrage or inform, you the reader. We hope you'll enjoy this issue.

The Economics of History: The Corn Laws –tariffs, self-sufficiency and high prices!

Introduced in 1815, the Corn Laws were a set of tariffs that protected domestic wheat prices, and consequently were unpopular with the masses because they led to higher prices for bread. The justifications provided for their implementation included that Britain needed to be self-sufficient in case it became embroiled in another conflict after the Napoleonic Wars, and that if the market was flooded with cheaper foreign grain, landowners would be forced to reduce production, and lay off workers, which would cause mass unemployment. The concept of producers reducing supply in response to lower prices is economically sound, but reducing the level of competition also could lead to inefficiency, and artificially high prices.

The Corn Laws are often seen as one of the key causes of the period of unrest between 1815 and 1820, and indeed sometimes credited with convincing those who were politically unrepresented (the majority of the population at this time) that reform was needed. They remained in place until Robert Peel repealed them in 1846, a decision that led to the political demise of the Conservatives, until 1874.

The famine in Ireland is often cited as the reason for the repeal of the Corn Laws, but it is unlikely this was the main reason. Although the Irish needed food, most were subsistence farmers with no income, so the lowering of the price of bread was inconsequential, as they still could not afford it. Throughout Peel's tenure he had pursued free trade policies; for instance, in the 1842 budget import duties on over 700 items were reduced or removed, and it seems likely that he always intended to repeal the Corn Laws, and that the Irish famine was merely a justification.



Peel's policies of lower tariffs led to an increase in revenue for the government due to increased consumption of the goods (which were now cheaper), which was enough to cancel out the smaller revenue received per good.

John Lindsay

New UK Growth Forecast

The UK economy will grow more slowly this year than previously forecast, the Chancellor George Osborne has said.

The independent Office for Budget Responsibility (OBR) forecast 1.7% growth in 2011, compared with its previous estimate of the 2.1%.

This is more in line with market analysts' forecasts.

The downgrade was due to slower growth at the end of last year,

higher commodity prices and higher-than-expected inflation, Mr Osborne said.

Growth next year would be 2.5%, compared with the previous forecast of 2.6%, and 2.9% in 2013, in line with the last estimate, the chancellor said.

The pound fell on the currency markets immediately following the growth downgrades, but recovered soon after.

'A Fat Tax-Good Idea or Not' Here are some of the arguments.



A solution: Taxation on food and drink that will provide the government with necessary revenue and reduce the average BMI of Britain, but would this work?- what do you think?

For:

People will be driven away from the more expensive fatty foods and would want to buy the cheaper Healthier foods which don't have a tax

The government would receive revenue from the tax to help fill the void between government taxation and expenditure

Fast food companies will supply less in Britain therefore removing people's cravings

Against:

Fast foods are very demand inelastic, meaning if the price was to increase dramatically, demand would not decrease as much as it should. This means people will no necessarily stop eating fatty foods if the price Decreased

Inequality would increase between the higher wages and lower wages as the tax would be the same for all, meaning people who spend a larger proportion of their income on food will be hit harder

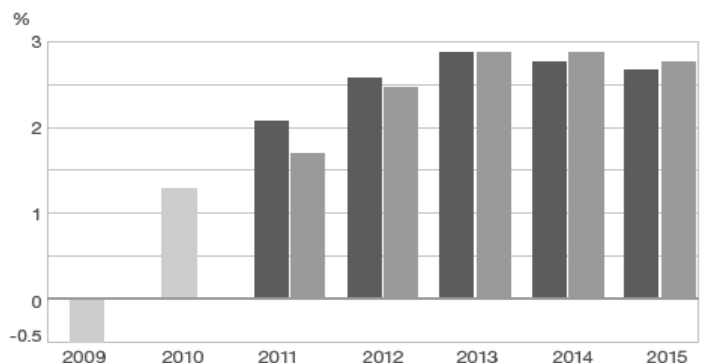
My opinion:

A fat tax is a good idea in a perfect world, however in the real world adding a cost to a product doesn't always deter people from buying it. Also people who are not obese will not benefit from this tax, however see their weekly shopping bill increase which seems very unfair. With the recent increase in VAT from 17.5% to 20%, and a 7-10% fat tax added, people would see their shopping bills spiral out of control. This shows there are problems the fat tax would fix, however it would cause more problems at the same time, so an alternative should be found.

Sam Cheshire

Growth

Actual figures November forecast New Budget forecast



Source: Office for Budget Responsibility

Country Comparison: Sweden vs. UK

2

So how do we rate?

Both Sweden and the UK are constitutional monarchies with democratic parliaments and membership of the European Union. The UK has a larger population than Sweden, however Sweden has a lower population density in terms of residents per square mile. Sweden uses the Krona as its currency while the UK uses the Pound Sterling.

Sweden has a greater overall GDP per capita and a better balance of payments in comparison to the UK deficit, in part due to Sweden's strong export orientated economy while the UK has a high marginal propensity to import. While both countries have similar levels of unemployment, **Sweden has a lower level of inflation than the UK**, perhaps due to its greater involvement in the Eurozone whose inflation currently stands at 2.4%.

Although both countries are famed for their comprehensive welfare states, Sweden seems to have greater levels of development and healthcare compared to the UK. **Swedish citizens have a longer life expectancy and lower mortality rate than citizens of the UK**. While both have similar literacy rates, Sweden ranks higher on the Human Development Index than the UK, although its index is only marginally better. Sweden is also higher on the

Happy Planet Index. Consequently, **Sweden is economically stronger and more developed than the UK**, due to the structure of its economy, stronger exports and high levels of welfare.

Annoj Ipananthan



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Indicator	Sweden	UK
Population	9,354,462 (2009)	62,041,708 (2010)
Population Density (Residents per Sq Mile)	53.3	659.6
Currency	Krona (SEK)	Pound Sterling (GBP)
GDP Per Capita	\$36,502 (2010)	\$35,082 (2010)
Economic Growth (GDP per cap)	5.1% (2010 Q3)	-2.0% (2010 Q3)
Inflation (CPI)	2.5% (Feb 2011)	4.0% (Jan 2011)
Unemployment (ILO)	7.9% (Feb 2011)	8.0% (Jan 2011)
Current Account Balance (BOP)	\$31,460,364,996 (2010)	- \$27,060,601,907 (2010)
Human Development Ranking	9 th (2010)	26 th (2010)
Human Development Index	0.885 (2010)	0.849 (2010)
Literacy Rate	99.0% (2010)	99.0% (2010)
Life Expectancy	81.3 (2008)	79.8 (2008)
Infant Mortality Rate (Under-5)	0.275% (2009)	0.485% (2009)
Happy Planet Index Rating	53 rd (2009)	74 th (2009)

Watch the birdie!

By Nikhil Vyas 11C

With spring in full swing, and summer just around the corner, now is a great opportunity to take some time out and enjoy nature at its blooming (quite literally) best. And there are few ways better to do this than by going birdwatching. Although you may think of it as 'neeky' or a 'waste of time when I could be playing FIFA' (which may be true), once you get into, you'll find it to be an enjoyable, entertaining and informative pastime.

For those of you who are unsure, there are several important things to undertake birdwatching. Firstly: the place. Don't bother going abroad- the UK, especially during this season, is a great place to go birdwatching, since it's at the confluence of many regions-Scandinavian, West Atlantic, Mediterranean and North African varieties can all be found here. Try going to your local park, wood or lake, or, if further, visit a nearby reservoir, or, if even further still, the Scottish Highlands, famed for their spectacular birds of prey. Upon finding a suitable bird, there are many ways to capture the bird. The most common way is to take a photo (many professional photographers have made a start in the careers through birdwatching). If you have a bit more time, try doing a quick sketch of it, which you can improve and develop later. Other ways include recording a passage of flight or its birdsong.

But what is the point of all this, I here you ask? Well apart from the fact that 'exercises' like birdwatching improve observational skills and patience, birdwatching is a great way to get more involved in conservation and ecology. Let's be honest, in today's increasingly modernised world, it's nice to simply wind down by enjoying nature at its most striking best.

Hopefully, this article will help you to get involved in activities like birdwatching. There are plenty of ways to take this activity even further, with many competitions set up by the RSPB and other 'twitcher' groups. So this spring, grab a pair of binoculars and give it a go!

An outlook on the economics of Bird Watching

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'About 4% of North Americans were interested in birding In the 1970s and in the mid 1980s at least 11% were found to watch birds at least 20 days of the year. An estimate of 61 million birders was made in the late 1980s. The income level of birders has been found to be well above average.

According to a U.S. Fish and Wildlife Service study,

birdwatchers contributed with 36 billion USD to the US economy 2006,

and one fifth (20%) of all Americans are identified as birdwatchers¹

1 million members of RSPB.

Consensus of opinion – birdwatchers tend to enjoy higher than average incomes, have at least a college degree and be male.



AND IN COMES.... THE ECONOMY IS SO BAD. LET'S LOOK AT A FEW JOKES!

The economy is so bad, my sister had an exorcism but couldn't afford to pay for it, and they re-possessed her!

If the bank returns your check marked "Insufficient Funds," you call them and ask if they meant you or them.

I KNOW YOU ARE LAUGHING YOUR SOCKS OFF!

The Impact of Foreign Aid

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Foreign Aid Hinders Development. Discuss.

From 1970 to 1998 poverty in Africa, the destination of over \$1 trillion of official development assistance (ODA) in the last 50 years rose from 11% to 66%. The provision of aid to African governments in particular has led to or propitiated despotism, corruption, disease and famine, but it continues to flow.

Aid makes recipient nations **completely dependent on its continuous inflows of foreign currency or goods**. Rather than fostering development, assistance such as food aid can instead serve to crowd out domestic producers. Under its Food for Peace program, which has operated since 1954, America gave 59.2% of total food aid in 2005, of which 80% was 'program', or non-emergency aid. This food, normally sold on by the government at extremely low prices, undercuts domestic farmers, potentially putting them out of business and making them reliant on further food aid. If there is no such thing as a free lunch, the West should stop trying to give them away.

The impact of foreign aid has always been damaged because money ends up in the wrong hands, or lost in a sea of bureaucracy. Transfers to governments allow the rulers of developing nations to spend as they wish, rather than having to help the poor. The Reserve Bank of Zimbabwe was accused in 2008 of **wasting \$7.3 million of a \$12.3 million foreign currency transfer by the Global Fund to Fight AIDS, Tuberculosis and Malaria**, having used some of the donation to purchase vehicles for the Information Ministry, satellite dishes, televisions and farm equipment.

Aid agencies should not let humanitarian crises be cause for unjustifiable trust in regimes with a proven record of neglecting the welfare of their citizens, such as Mugabe's, when their actions might then cause the country to go backwards.

As well as having harmed economic growth when offered with the best of intentions, development assistance has been used as a geopolitical weapon, with disastrous results for the world's poorest. This prevalent during the Cold War, when the USA and USSR fought an

aid-based proxy war in Africa, pre-emptively intervening in various nations' affairs when they feared the other might do so first.

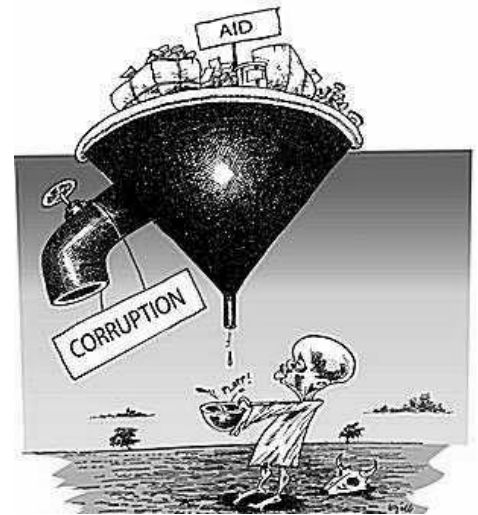
The President of Zaire, Mobutu Sese Seko, **stole roughly \$5 billion of the \$12 billion his country received from the IMF** from 1965 up to his overthrow in 1997. Mobutu continued to receive aid because of his status as a key anticommunist ally, despite rampant corruption, torture and the arming of Rwandan Hutu insurgents.

To try and circumvent the problem of aid helping authoritarian regimes, many commentators have called for assistance to be given only with assurances that the recipient nation cleans up its electoral system, state institutions or human rights.

In contrast, the transformation of African nations such as Malawi, Zambia and Benin into multiparty democracies has failed to ignite economic development, and they remain poor and reliant on aid. The post-Cold War emphasis on encouraging liberal democracy, dysfunctional at best when rapidly introduced, is an unhelpful Western obsession.

Many Western governments also try to count anything they can as ODA (**Official development assistance**), in their efforts to meet targets. Furthermore, much of their aid is even considered by NGOs as doing little to help with tackling poverty. Action Aid estimates that only 53% of development assistance is 'real aid' which can justifiably be included in Western nations' aid figures. The rest is described as 'phantom' – aid which either does nothing to help alleviate poverty, or is being incorrectly counted as ODA. The former includes overpriced technical assistance and tied aid, while the latter concerns spending in areas like debt relief and on refugees. Even if we were to assume that all real aid has a positive effect, it does not make up an acceptable proportion of total aid flows.

The increasing influence of China in the developing world has threatened to cause a renewed conflict of interests in Africa, with Western media denouncing its considerable involvement in Sudan throughout the Darfur conflict. Although the Chinese interest has primarily been in feeding its appetite for metals



and oil, its approach towards Africa has been praised by observers like Dambisa Moyo, who favours Beijing's commitment to foreign direct investment (FDI) over the traditional Western method of ODA. As a potential source of cheap labour, Moyo argues that Africa should be ripe for investment, but its poor infrastructure, high regulation and government opacity scares off foreign companies.

Even the often ignored influence of private remittances can have a more positive effect on development than aid to governments. Unlike foreign aid, these payments go straight to individuals, who have a greater incentive than state organisations to use their income efficiently. Remittances to India alone were **\$49 billion in 2009, compared to just \$21 billion for Sub-Saharan Africa**, with the former growing at a faster rate. Remittances can even be used as collateral by developing world banks if they need loans from the international credit markets, because they are regarded as stable capital flows. In *Dead Aid*, Dambisa Moyo adds that governments can exploit their overseas communities by issuing 'Diaspora bonds' to attract finance from expatriates – Israel has raised \$25bn in this way. At a more basic level, private remittances make it possible for the recipients to afford housing, health and education, all from a small proportion of the donors' income.

Alex Springer



Get Inspired by *Marcus Aurelius* 121-180ad

Every moment think steadily as a Roman and a man to do what thou hast in hand with perfect and simple dignity, and feeling of affection, and freedom, and justice; and to give thyself relief from all other thoughts. And thou wilt give thyself relief, if thou doest every act of thy life as if it were the last, laying aside all carelessness and passionate aversion from the commands of reason,

and all hypocrisy, and self-love, and discontent with the portion which has been given to thee. Thou seest how few the things are, the which if a man lays hold of, he is able to live a life which flows in quiet, and is like the existence of the gods; for the gods on their part will require nothing more from him who observes these things'

The Romantic Period

'Beethoven the Rebel to Richard Strauss'

This was a period stretching from the mid 19th century to the early 20th century. The Romantic Period describes the era which follows the Classical Period that was dominated by some of the crucial figures in the history of music; Mozart and Haydn. Early Romantic composers such as Schumann and Brahms were much influenced by the works of Beethoven, who had an enormous impact on Western music at the time. Beethoven does not belong to a distinct period, however, his early works are influenced by the Classical masters, and he gradually leaned towards a new generation of music over the years. Beethoven rebelled against the Classical tradition and his unorthodox approach to music eventually gave way for future composers to give birth to a new period, known as the 'Romantic Period'.

Johannes Brahms may have been a Romantic composer, but he firmly believed in the **disciplinary traditions of the Classical era**. In terms of form and structure, Brahms' works are heavily influenced by the Classical Period, but his harmony and rhythm are typical of the Early Romantic style. Some of Brahms' contemporaries such as Franz Liszt had a much more radical approach to composition.

Many of Liszt's works for the piano are not only virtuosic, but there is a lot of **rubato (flexible tempo, free tempo) and spaces to be more expressive**. These are typical features of Romantic instrumental works, where the performer communicates with the audience on a more emotional level. Liszt began to experiment structure and form in his orchestral works, and he was very keen on the music to tell a distinct story. This gave birth to a new form called 'Tone Poem'. Although the term 'tone poem' was first applied by Liszt, the

narrative features of this form were used by numerous composers.

Schumann is a fine example of a composer, **who integrated the form of literature and music together**, in order tell a story. Although people thought that music told a story for many years, it was in the Romantic era, where composers wanted to bring specific pieces of literature to life, through music. Schumann's *Fantasiestücke* Op.12 are based on novellas by E.T.A Hoffmann, and each piece of the set describes a section of the story.

Later composers such as Richard Strauss developed the 'narrative in music' even further, and as the years passed by, other features of music were going through a phase as well. The works produced in this period are known to be colossal in length and the use of 'new' instruments such as the trombone, became prominent. The orchestras grew much bigger, and the roles of brass and percussion began shine. Gustav Mahler's symphonies demand massive forces and the use of unusual instruments such as a giant hammer and an orchestral whip are typical of Late Romantic music! Composers' visions of their works were of monumental size in this period and they wanted to push the boundaries of music even further on. Unlike the Classical Period, where the composers were obliged to write in a certain style, the composers of the Romantic Period **embarked on their own journey in their lives and presented something completely new to the world**. Music became much more personal, expressive, lyrical and explored into the philosophical

depths of the human mind.

Classical Music industry: Forget art it's about the money!

Dutch classical recording artist Andre Rieu currently has 4 cd's in the UK chart. His success on DVDA is even more impressive. Andre Rieu proved a boon to music DVD sales, accounting for 9 different titles at number one, across 36 weeks of the year in Australia in 2010. Since 2008 his tours of USA and Europe have generated total ticket revenue in excess of \$121.5 million since its launch in November 2008.

Recommended listening:

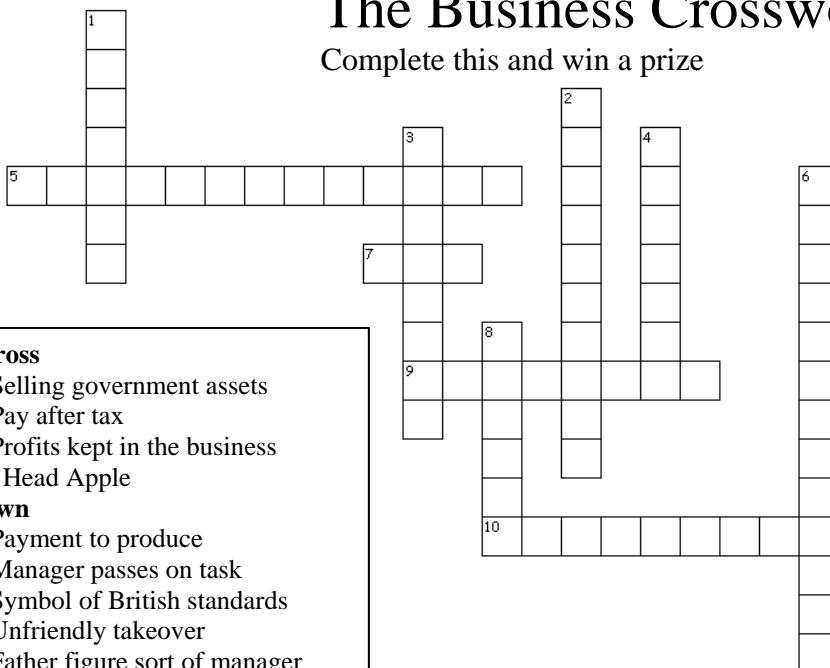
- Chopin Piano Works** - Etudes, Ballades, Nocturnes
- Liszt Piano Works** - Etudes, Hungarian Rhapsodies
- Mendelssohn** - Violin Concerto
- Bruch** - Violin Concerto No.1
- Rachmaninoff** - Piano Concerto No.2
- Tchaikovsky** - Piano Concerto No.1
- Tchaikovsky** - Romeo and Juliet overture fantasy

Schumann- 1810-1856



The Business Crossword

Complete this and win a prize



Across

- 5. Selling government assets
- 7. Pay after tax
- 9. Profits kept in the business
- 10. Head Apple

Down

- 1. Payment to produce
- 2. Manager passes on task
- 3. Symbol of British standards
- 4. Unfriendly takeover
- 6. Father figure sort of manager
- 8. moral standards in business

Send in your answer with your name attached to Mr Ormonde in the Business Dept. The lucky winner will be selected in the prize drawer and a prize given via their form tutor. Good luck.