

WORLD ENTWINED

Newsletter

Issue 1: November, 2020

ECONOMICS
and
PSYCHOLOGY



Welcome!



Greetings everyone!

Welcome to our first-ever newsletter.

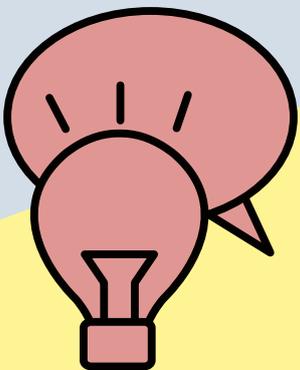
We started off this August as a magazine on the interdisciplinary character of subjects, but are now thrilled to announce the beginning of a newsletter as well!

You may be wondering- what is the distinction between the magazine and the newsletter?

To start off, the newsletter will incorporate some intriguing tidbits and information on the two subjects being addressed, while the magazine will be on the entwinement of these subjects.

Through this newsletter, we hope to spark that curiosity in you to explore and learn more about the topics concerned. This journey is sure to boggle your mind and transport you to the captivating worlds of Economics and Psychology.

We are so glad to have you join us on this journey :)



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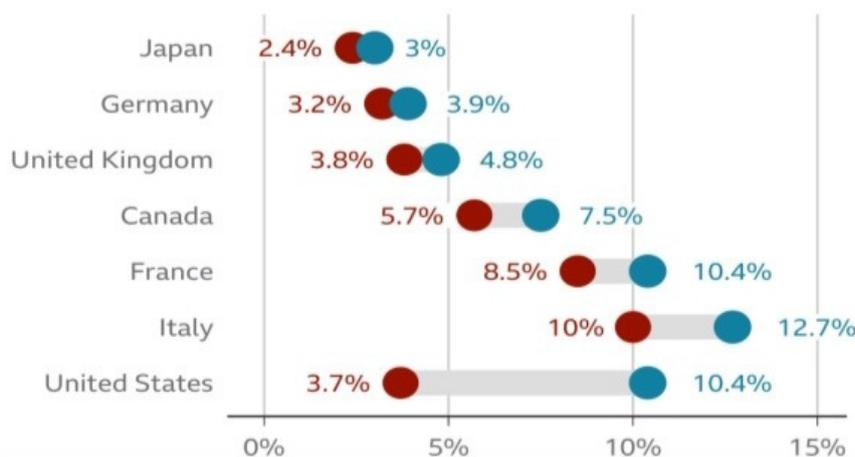
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How has Covid-19 affected major world economies?

Ever since Covid-19 has spread through the world, many communities and families have been affected severely. This global pandemic has affected a variety of aspects of our lives such as our education, health, social connections as well as overall environment. Economies around the world have also declined to some extent. How has Covid-19 affected major world economies? For economic growth, the flow of money and population must move quickly and smoothly. However, because of the pandemic, that essential flow in different societies is interrupted. The shutdown of many facilities and companies caused millions of workers to be furloughed or unemployed. The graph below is a graphic representation of the increase of some countries' unemployment rates over the year of 2019-2020.

World economies struggling with rising unemployment

Yearly unemployment rate change, 2019-2020



Source: IMF, 29 June 2020, 12:00 BST

BBC



Tourism, being a huge aspect of economic growth, has also declined this year due to the pandemic. Travel industries had to cut or lessen flights. Many people have also cancelled business, personal or holiday trips. Despite the travel restrictions implemented to assure the safety of the passengers, many travelers still did not feel confident enough to fly and travel. As different stores, restaurants, and companies start to open back up again, many of us still choose to stay in quarantine for their protection. This means many consumers are staying at home, making it more difficult for entrepreneurs to bring their businesses back to life again. As we all face the unprecedented effects of Covid-19, it is crucial that we all work together to support each other and to be more conscious of our surroundings.



CAN PSYCHOLOGISTS READ MINDS?

Can I read minds
if I know
psychological
tools?

Mind reading is not
possible, even for a
psychologist.

But then, why do
we go to
psychologists?

While psychologists
cannot read people's
minds, they are trained to
identify small cues in a
person's behavior.



You could see a person who is slouching in their chair. This could possibly mean they have low self-esteem. Furthermore, crossing one's legs could be a sign of anger or defensiveness.

What sort of cues?

So you mean that we can learn reliable information about someone through small social gestures and idiosyncrasies?

Yes, and no. Yes, we can learn about someone. But no, that information is not reliable. Not always.

A person slouching in their chair may mean low self-esteem. But this may not always be the case. A person could be slouching because they are sleepy, or tired, or are just upset?

The bottom line is, psychological tools like social cues can give us a glimpse into another person's mind and heart. Still, it cannot show us the whole picture. .

BITCOIN MINING

A bitcoin is a type of digital currency that runs free from governmental control. It allows users to make transactions using units of 'bitcoin.' Just like any other currency, the value of a bitcoin fluctuates. One day it may be 50 dollars, the other it may be 45. So, now that we know what bitcoins are, let's discuss how they are 'mined.'

When a person makes a transaction, it gets recorded in a ledger, which is a record of all financial transactions. Since there is no government or central authority maintaining the ledger, anyone who uses the bitcoin system can update it.



To update the ledger, you have to guess the answer to a math problem.



After you (or more commonly, your computer) guesses the solution, you are given the chance to select the next group of transactions that will be made.



These transactions are then put in a sort of box, called a block, and are sent to others for validation.

Once you have made the transactions and they have been validated, the system generates a set number of bitcoins. Some of these bitcoins are given to you as a reward for the time and effort you put into solving the math problem. Furthermore, every time a transaction is made, you earn a 'transaction fee.' This means that by solving one math problem in time, you can earn many many bitcoins!

Why isn't everyone mining bitcoins?

In a nutshell, people don't mine bitcoin because it's not easy. It isn't as simple as it sounds. Since computers solve the math problems, the type of computer one uses can alter the number of guesses they can make per second. This affects their chances of winning and getting the chance to update the ledger.

Furthermore, the more mining power a system has, the harder the math problem is. The more miners there are, the harder it will be to 'mine,' that is, solve the math problem. Statistically speaking, it is highly unlikely that the same 'miner' will succeed in guessing the solution every time.



Why do we dream, and how does it work?

Did you know that everyone dreams at least 3 to 6 times per night? Dreams are believed to be beneficial to an individual. Dreaming helps with learning and developing your long-term memory. It can help with the processing of our emotions and inner thoughts, solving problems in real life and integrating memories. A person's dream varies- it can either be something positive or negative. Dreams that are dark and bleak are referred to as nightmares. Some of the aspects that impact our dreams at night resulting in nightmares are the following:

- Stress
- Conflict and feelings of fear and sadness
- Trauma
- Medication
- Illnesses



There are five stages before a person falls deep into their sleep:

The Five Stages of Sleep

STAGE 1 Drowsy

First 5-10 minutes of sleep cycle. This is the transition between wakefulness and sleep where the brain produces theta waves.



STAGE 2 Light Sleep



Lasts about 20 minutes and your brain starts to produce rhythmic brain waves known as sleep spindles. Body temperature starts to decrease and heart rate slows down.



STAGE 3 Moderate Sleep

Brain starts to produce deep and slower brain waves called delta waves.



STAGE 4 Deep Sleep

A very deep sleep that lasts about 30 minutes. If prone to sleepwalking, it would occur during the end of this stage.

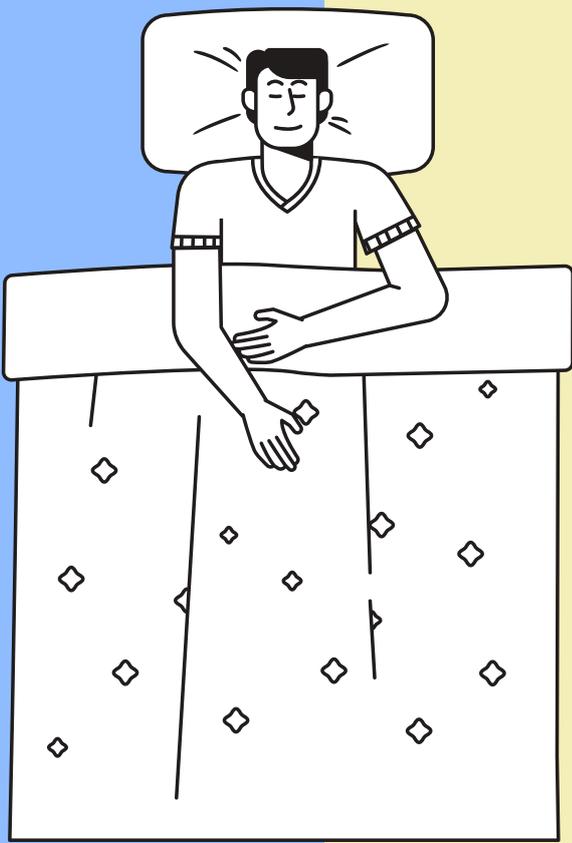


STAGE 5 Rapid Eye Movement (REM) Sleep

Muscles become more relaxed while brain system is more active. Dreaming occurs during stage five because of the increase in brain activity and the temporary paralysis of voluntary muscles.



When a person reaches the phase of REM also known as rapid eye movement, dreams become more vivid and in depth. During REM, the person or the so-called dreamer reduced their control over the content of their dream. However, in some cases a person can become fully aware that they are in a state of sleep and are dreaming. This occurrence is called lucid dreaming. When a person lucid dreams, they are able to influence what is happening in their dream and what is yet to happen!



Why is Economics important to know for everyone?

Before understanding the importance of economics to our day to day life, we must first understand what it is. So, what is economics? Economics is a social science that involves the behavior of a country's economy, also known as macroeconomics, and the connection of it to individuals and businesses. Economic regards production, distribution and consumption of resources and services. Why is it important for a person like you to understand the concept of it? Economics affects everyone in the world daily from the food they eat, how much they spend, healthcare, housing and any other type of public or private services we receive. Economics also addresses the concept of scarcity, which is when the supply of goods and services reach its limits. Having the knowledge of economics is crucial for a person because it provides a self-awareness to how much they consume, produce and contribute to their daily lives.



As human beings, we are naturally inclined to meet our needs and the needs of the people we love for survival. Our survival is connected to our environment and what is happening around us. Majority of the world problems we face today involve economics, from global warming to world poverty to political corruption and interference. To be able to participate in the discussions of ideas, and help solve such problems, understanding of economics is very important.



To be a good citizen, it is also important that you vote intelligently based on regulations and budgets—with this the knowledge of economics comes in handy again. Not only when you vote, but also during political debates. As politicians are talking about economic resources and public services, you will be able to understand and distinguish easily what is accurate and reasonable from what is completely nonsense!



The US Presidential Election 2020 (Analyzing Economic Policies)



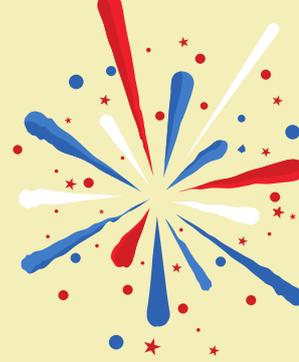
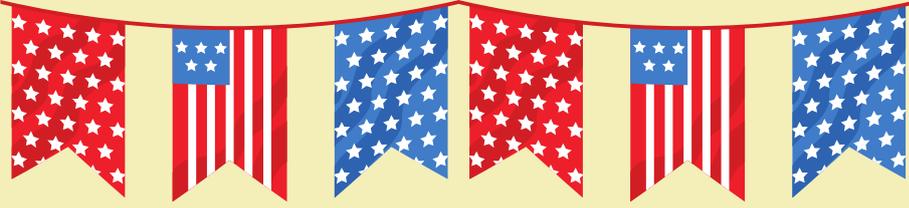
One of the most heated debates recently has been on who would win the presidential elections and what each of the candidates' policies are. Even though, we are at this point where we know the outcome of the election, there is no harm in analyzing the Economic policies of president Trump and President-elect Joe Biden.



JOE BIDEN

- Reshape economy to make it more sustainable
- Rollback tax cuts, apply payroll tax to those making over \$400,000
- Raise the minimum wage to \$15
- Increase taxes on rich and reduce taxes on poor (75% of Biden's tax hike will be borne by top 1%)
- Utilize the pandemic to restore, revive the economy
- Create jobs through infrastructure investments





DONALD TRUMP

- U.S. would withdraw from the Paris Climate Agreement
- Seek to reduce the U.S. trade deficit. His first action was the U.S. withdrawal from further negotiations on the Trans-Pacific Partnership
- To lower drug prices, Trump signed a 2020 executive order requiring health centers to pass any discounts on insulin and epinephrine to their patients
- Immigration policies focus on restricting legal immigration, completing the wall along the border with Mexico, and reducing the number of refugees and asylum seekers by making the application process difficult.



How does our mental health impact economics?



One of the factors that plays an important role in economics is decision-making which is an aspect of behaviour. Psychology is a science that explains behaviour of people. As you can see, this decision-making process is highly linked to human behaviour which ultimately depends on one's mental health. This could work in two ways, the economic processes impact one's mental health or one's mental health impacts the decision-making which leads to these processes. Mental health is just not the absence of any mental disorders but includes overall well-being and productivity.

Positive mental health is a state of well-being where one is aware of her/his abilities, can cope up with daily life stresses and can work productively. Severe mental disorders are often found in adolescents or young adults and the loss of productivity can be long-lasting. Work involves high cognitive and emotional demands so mental health plays a really important role here.

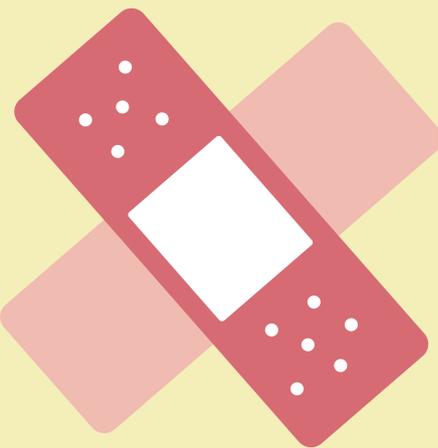


Now that we are aware of how mental health can affect economics, a question arises of how to maintain a good and positive mental health.

Feeling valued and supported, feeling loved and having a positive relationship with peers contribute a lot to positive mental health. One's mental health is affected when there is too much work pressure and the guilt of not getting it done on time. Receiving severe criticism from peers makes one feel less appreciated. One must make sure that they don't put too much pressure on themselves for getting things done as everyone has their own pace.



The overall productivity gets affected when there's too much pressure as deadlines are a contribution to stress. It's just not important to take care of your own mental health but also of others, this includes always being kind to others and appreciating them for their work so that they feel valued. Not being too much into work is also important, little breaks are necessary or one can get drained out and it can affect one's thinking and decision-making capacity. Just know that it's okay not getting things done on time.



*Remember:
You're doing your best!*

WHAT IS GDP? WHAT ARE ITS LIMITATIONS?



GDP (Gross Domestic Product) in the most simple terms is the total value of goods and services produced in a country. Thus, it can rightly be reasoned that the GDP is the measure of output and economic activity.

The GDP is calculated quarterly. When a particular country experiences several quarters of positive GDP growth, it's economy is considered to be expanding. GDP per capita is used as a measure of a country's standard of living.



The GDP measure is different from the Gross National Product.

The GNP also includes services produced by a country's residents irrespective of whether the service production is domestic or international.

LIMITATIONS



Failure to indicate whether the nation's rate of growth is sustainable or not.



Failure to account for degree of inequality in society



Exclusion of non-market transactions



Does not measure social factors such as political freedom, social justice, equality etc.



It is not a measure of human well-being.

Acknowledgements

Writers

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- How has Covid-19 affected major world economies?
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- What is GDP? What are its limitations?

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- Bitcoin Mining

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Formatting & Designing of this newsletter

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