rostra

The Future of Trust

University of Amsterdam
Economics & Business

SEFA

2021-2022 Edition

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Editor's Note

Letter from the Editor:

Two years ago, the world was propelled by a historical event that has managed to mold and shape us. COVID-19 has brought many trials and tribulations that have affected different sectors around the globe. It's easy to look towards statistics and calculations that reflect the numerical value of COVID's impact. But the world equally runs on emotion and not only numbers.

Sometimes we must walk blind into situations and hope that all will fall into place. This intuitive idea of trust has been driving the world during the pandemic. We were frequently told to trust our healthcare systems, governments, economy, and elected people in power.

Trust has always been a powerful motivator that develops stable relationships between individuals or organizations. Never has the world been as connected as in the 21st Century, and if we can summarize one lesson that has been learned, there is no way to predict what the future has in store. With this Rostra Edition, we decided to look more at The Future of Trust. We want to go in-depth to individual people and how they have perceived politics, business, the economy, and much more.

Much like economists, politicians, and statistics, we can predict what will happen, but there will always be unaccounted-for variables. That leaves us to wonder what could happen to our established institutions when emotions start to play a higher role than numbers.

From the entire committee of Rostra Economica, we wish you, dear reader, a fruitful year. And never forget, you are what you read. Enjoy.

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COLOPHON

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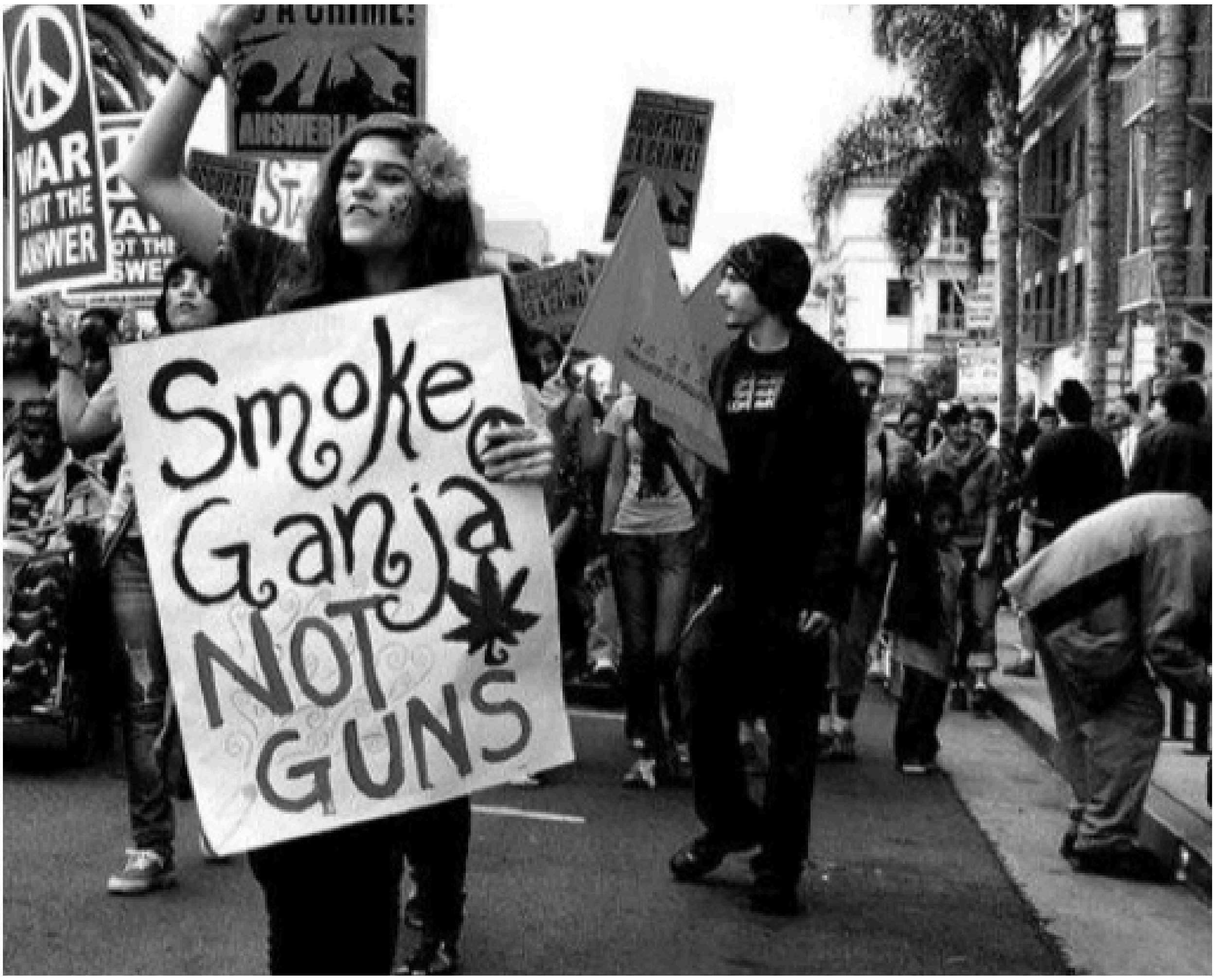
Our History

Rostra Economica was founded in May 1953 as the new magazine of the faculty study association (SEF) of the faculty of economics at the University of Amsterdam. Its formal purpose was to provide current information and to publish, mostly, academic articles. However, the magazine also served as a means for students to reflect on the faculty. Through contributions by professors it connected the academic community at the faculty. Over time, Rostra Economica became an important part of the SEF, and a burden on the budget of the association. At one point, Rostra Economica represented over 90% of its budget.

To make the magazine financially sustainable, economics students of the University of Amsterdam and the VU University Amsterdam decided to cooperate. In 1965, at its 52nd edition, the magazine was renamed Rostra Economica Amstelodamensis, now published for both universities in Amsterdam. The marriage did not last long. In 1968, the magazine was discontinued after an argument between the SEF and the editorial board on the future cooperation with the VU. An attempt to start over was funded by the University of Amsterdam. The magazine, now called Rostra, started publishing again in 1970. It was a short magazine, hardly four pages long, and not at all appealing to students at the faculty. It seemed the magazine had lost its right of existence.

The new editorial board of 1972 did not agree with that notion. With a new layout and renewed enthusiasm to be more than an announcement bulletin for the SEF, the magazine gained new life. Topics were increasingly less academic and focused more on current affairs in economics and at the university. In 1981, the magazine celebrated its 100th edition. The magazine was again named Rostra Economica in 1986, a name it has retained until now. Under its new (and old) name, the magazine pushed on towards its 200th edition in 1994 and its 50th birthday in 2003. The magazine featured more and more interviews with key figures in economics and politics, from Nout Wellink to Mark Rutte.

Rostra Economica adheres to the Chicago principles regarding free speech. We believe that the ability to freely express one's opinion is fundamental to the functioning of a free society. Only by challenging ideas in an open forum are we able to come closer to fundamental truths.



Source: NYTimes

Trust in Drug Policy

In 1971, President Nixon declared, “America's public enemy number one in the United States is drug abuse”; Nixon, from the West Wing of the White house, then asserted that, “in order to fight and defeat this enemy, it is necessary to wage a new, all-out offensive”; This presidential promise had its roots in the spur in drug use in the 1960s. Two things had pushed Americans to do hard drugs: the Vietnam war and the new anti-cultural movement. Rampant addiction among soldiers and hippies – a rare bunch to group – had convinced the “Law & Order” president to establish the latest item on his agenda. Nixon aimed to cut the supply, control, and spread, and punish those who had helped it.

But it was already too late. People's willingness to pay for their addictions, the lack of help and care, and the existence of a black market seemed to create a fantastic business venture for criminal activity. This chance was seized in developing countries that wielded weather and lack of government supervision to grow the plants and run the production of the stimulants. This was the dawn of the now famous “narcos”;. These people accumulated immense power and wealth by successfully smuggling many substances to rich countries in North America and Europe. The power this billion-dollar business gave to the mafiosos allowed them to hire private armies, wage war against their governments, bribe public officials, and use terrorism to get politicians to yield to their will. This led to the creation of the narco-state.

Drug policy from America focused then on funding and aiding the Latin-American governments to fight these criminals violently. The “war”; promise seemed to have been fulfilled. Meanwhile, inside, America's and most consuming countries' focus fell on imprisoning addicts, and dealers caught for drug possession. The unbridled drive to control drugs through force led the UN Special Rapporteur on the right to health to say “international drug control and human rights systems as behaving as if they existed in two parallel universes”

Even if the most eccentric narcos fell to their governments, and we hear less from them than before, it simply seems like they learned their lesson: stay quiet and keep selling. After all, there has been a steady increase in Colombia, Peru, and Bolivia through the 2010s in coke cultivation. Now, over a half-decade later and over an estimated trillion dollars spent by the American government on the war, illicit drug overdoses have steadily climbed since the 1990s. Funnily enough, this data comes from just after the Reagans had finished their “Just Say No” campaign. More numbers from the United Nations Office on Drugs and Crime tell a similar story. From 1998 to 2019, there has been a 33% and 58% increase in the use of Cocaine and Opiates, respectively.

More than one person has questioned if we should trust this form of controlling, addictive, and even dangerous substances. It seems that the fight against them has created a lot more havoc than the consumption of the substances themselves.

In 2011, advocates of this exact cause formed the Global Commission on Drug Policy. "Clearly, it was states, elected authorities, and their own policies that were creating harm under the guise of preserving health," they stated in their introduction. It was their first yearly report on their opinions on governmental policy concerning drugs. The panel includes former and current statesmen and women, activists, writers, and intellectuals of many nations that have suffered from the crisis.

For over ten years now, this commission has focused on a myriad of issues involving drug policy in many ways. They have pushed for concentrating resources on the victims of drug abuse instead of the perpetrators. They have called to fund recovery plans aiding addicts instead of punishing them. They have tried to dismount stigma about drug consumption and bring the conversation to the public floor. The taboo surrounding criticism of drug policy, they report in their 2021 edition, "has been well and truly broken." Since 2013, when Uruguay was the first country to legalize the recreational use of cannabis, over six countries and 18 American states have adopted the same policy. After these initial wins over the last decade, the call from the commission has been the same: regulate all drugs. Moreover, they have a simple term to guide legislators: responsible drug regulation.

Source: leafly.com

Cannabis' success might be the perfect case study to understand what the road ahead may hold. Like the case from the first American state to legalize the retail sale and consumption of recreational marihuana in 2013: Colorado. I understand that a single case in a segmented community cannot promise the same results everywhere. Yet, compared to other countries – and I push the reader to look at numbers from anywhere when it comes to cannabis – the story is almost always the same. These are some of the critical metrics that legalization caused from 2012 to 2014: arrests in certain counties decreased up to 63%, the number of felony filing decrease by 45% state wide and Colorado's violent crime rate decreased 6%. Legalization seemed to cut from the stem of the criminalization problem by simply bringing it to a regulated, controlled, and responsible framework.

Source: wanderwayer.com

However, cannabis is very unlikely to lead to a "fatal overdose". What about hard drugs like opioids or cocaine? Well, most of these hard drugs come from a plant that can be used for various purposes. As proposed by senior policy advisors to the UK government, the first step is to treat the plant and the drug separately. Regulate and create a market around the coca leaf, so tropical countries' legal and controlled growth possibilities can start. Non-cocaine coca products can, for example, help addicts with withdrawal effects. Despite being a complicated and unknown territory, the Colombian senate has begun talks to regulate the drug after over 50 years of conflict with "Perico" (slang for coke in Colombia). We must dare to have a conversation because only one thing is clear: our historical approach has failed.

So, should we trust traditional drug policy? In my opinion, unless it changes (and it is doing so), no. Drugs seem to pose a much more complex problem that involves more than just arrests and criminal prosecution. They require hard questions about society, freedom, and addiction. I believe there is one main reason for pushing against drug consumption: people think they cause suffering long-term. For this reason, people so extensively try to prevent their use in the first place or even try to cut their existence. Yet, this war seems to have caused the same amount (or even more) of suffering that it was trying to avoid. Driving countries to violence, communities to gang wars, and innocent citizens to unsafe places to satisfy their addictions with no one to rely on for safety and rehabilitation. Drugs are a part of our society; they have existed for hundreds of years and will co tinue to do so. It is a question that should involve the community instead of ostracizing those who are tangibly connected to them. Let's make the future of drugs a future that is the best for us, all of us.

Juan Felipe Gaviria
(Colombia)

Source: Shutter Stock

Trust in Multinationals: A Positive Future Ahead? *A Case of Greenwashing*

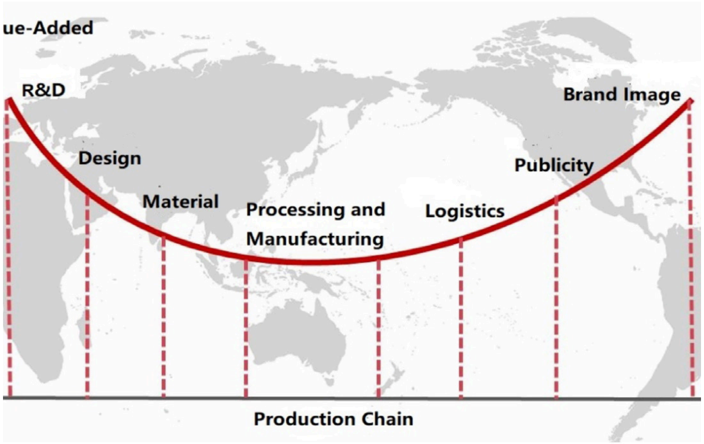
Trust in international corporations has long been under question, especially after many corporations pledged daily operations to the foremost "green" shift. The reflection of these pledges into reality is subject to debate. The apparel industry case of H&M that is often associated with greenwashing will be conecptualised in this article via the global value chain (GVC) framework, which provides insight into the future of trust in multinationals.

"Ethical branding" became a trend among corporations, especially since the 1990s. Businesses transform their operations to be more environmentally friendly by reducing resource consumption. H&M, a Swedish multinational clothing company, is one of the global pioneers of this trend. However, even though H&M rebrands itself as a "green" company, the vidence of the sourcing practices in Asia suggests the opposite.

The value chain describes the full range of activities that firms and workers perform to bring a product from its conception to end-use and beyond. The value chain includes research and development [R&D], design, production, marketing, distribution and support to the final consumer. The apparel industry value chain begins with the R&D stage, which includes research on natural, artificial and inorganic fibres and the yarn component. The design stage involves the distribution of fabric & yarn to sweatshops. Moreover, fabric design (woven, knit, nonwoven, narrow) and the beginning of finishing & coating components take place in this stage. The latter component is completed in the production stage and transformed into final products such as home & interiors, apparel hosiery accessories, geotextiles etc. The logistics stage includes the distribution of end-consumer products from wholesalers. Lastly, the marketing stage sells activities in stores such as home furnishings, apparel, and general retail.

The geographic locations of the apparel value chai activities can be summarised in the: "Smile Curve". The smile curve illustrates the approximate destinations of all value-adding activities, summarised by authors, based on multiple multinational corporations. In the case of H&M, the R&D and design processes occur in Europe, starting from the main headquarters in Sweeden; the material extraction, along with processing and manufacturing processes, takes place in Southeast Asia, followed by the distribution of the end-products on a global scale. The marketing stage, labelled as "publicity and brand image", is illustrated to take in North America, particularly in the United States, underlining the strategic geographic position of the country as the leader of the neoliberal economic system. The curve highlights that pre-production and post-production activities of the apparel value chain, such as R&D and marketing, take place in developed countries, whereas the production stage takes place in developing and underdeveloped countries.

Value Chain of Textiles & Apparel Industry (Smile Curve)

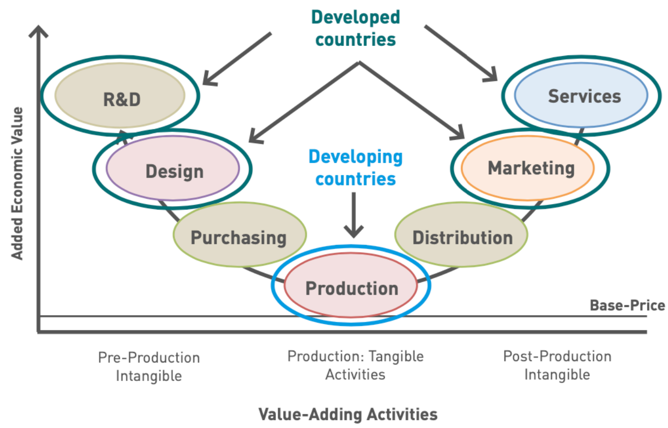


Source: Summarized by Authors

The production step of the value chain covers tangible activities such as resource extraction and usage, which contributes to the general term: "resource throughput". The data collected from numerous sources that measure the overall environmental impact of the industry indicates that the green pledges of multinational companies do not reflect in reality and are predicted not to happen soon. For example, cotton, the most common natural fibre, consists of 33% of all end-use products. Cotton requires 2,700 litres of water which is equivalent to the water consumption of a person in two and a half year on average. As a result, the Aral Sea in Central Asia has almost dried up, and garment manufacturing accounts for about 20 percent of global industrial water pollution. Based on the givendata, the outcome is the opposite of the Smile Curve, which illustrates Asian countries with the highest pollution emissions. Furthermore, apparel spending is projected to grow, especially in China and India, where millions of people entered the global middle class. The recent economic development is also supported by the industrial transformation to "fast-fashion", which increased the number of fashion seasons from 2 years to 50-100 micro seasons. As a result, the average consumer is now purchasing 60 per cent of clothing items more than twenty years ago. The outcomes of the operations of the fast fashion companies provide evidence that positions Asia as the highest polluting continent, which puts economic and social pressure on sweatshops, further enhancing the environmental injustice by justification.

These projections indicate increasing pressure on the already breached planetary boundaries in the future. Furthermore, as resources and natural systems become overextended, companies will improve supply chain risks and costs. Environmental problems can hinder the benefits of GVCs experienced by developing countries that can damage H&M operations on a global scale. Less resource availability due to over-extraction can enhance the supplier squeeze in apparel GVCs which further raises the barriers to entry, increases production requirements, narrows the margin for error and reduces unit prices for supplier firms. Higher production requirements increase the unit cost of production for local firms, which can be a discouraging factor for local firms to participate in GVCs. Reduction of unit prices will worsen the working conditions of apparel workers, which can lower productivity and, therefore, develop countries exports. Lower production in the manufacturing sector will cancel the absorption of surplus populations, which increases the unemployment rate and further deepen the uneven development by making developing countries more dependent on foreign aid. Even though increased foreign aid might seemingly be positive for H&M due to the opportunity to enhance its presence in the foreign market, the embeddedness of global buyers and foreign firms will likely decrease. This reduction can stem from further social and political factors, which in return will reflect on investment in upgrading and localisation, and hence H&M's position in the textile industry.

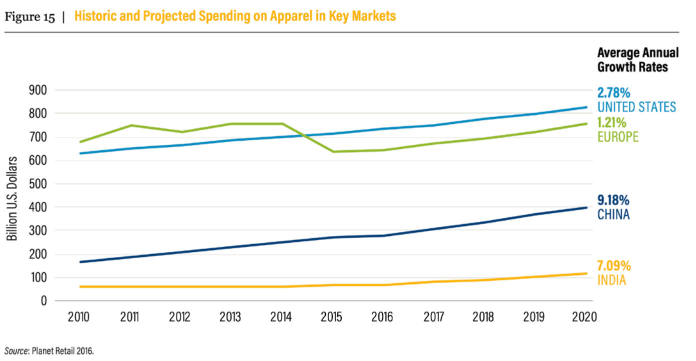
Smile Curve of High-Value Activities in Global Value Chains



Source: Authors based on Baldwin et al.

Another issue caused by H&M's sourcing practices in Asia is the inhumane labour conditions, especially in Southeast Asian countries. Apparel has an overall monetary value of 2.5 trillion dollars and an employment number of 80 million, consisting of 70 per cent of women who have low wages and poor working conditions. The existing conditions are projected to worsen due to the enhanced supplier squeeze that can reduce unit prices and, therefore, the value of labour. Arguably, labour conditions in developing countries mainly stem from the global economic system. The dual capital structure model demonstrates the unequal exchanges along the commodity chain, indicating the way hierarchy was produced in the world today. Uneven material exchanges resulted in uneven development, a classic approach to understanding how places relate to one another through transfers of "surplus" from the periphery to the centre. Uneven development as a broad concept involves dynamic sets of relations between the actors in the supply chain, which articulates firm hierarchies, heterogeneous racialised and gendered forms of labour, and political struggles over the shape of capitalist accumulation and the distribution of the social product.

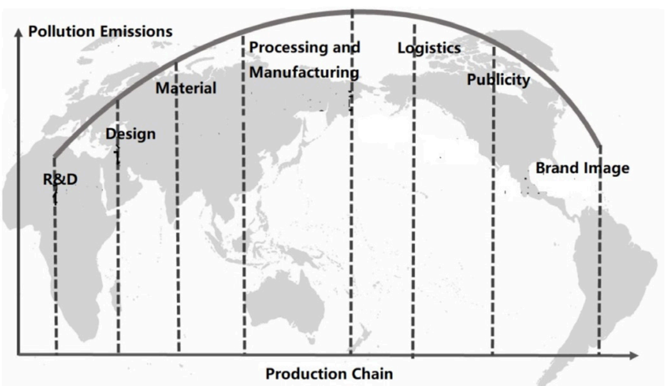
Historic and Projected Spending on Apparel in Key Markets



Source: Planet Retail 2016

Based on the analysis, the economic consequences have social and political impacts. For example, in India, the apparel factories are dominated by women, while the northern region has a more masculine presence than the South, which is a poorer region. On average, male workers have a higher pay rate compared to females. Differences in hourly wages between male and female workers emphasise the gendered formation of labour in the apparel sector. Concerning gendered patterns of labour control, commodification and exploitation cannot be disentangled. The nexus between labour commodification and exploitation shapes gendered wage differentials, influences labour discipline on the shop floor, and contributes to the social construction of women workers as highly "disposable". The myth of "disposability" is also related to the existing norms in traditional societies that dictate the gender roles which positions women lower than men—Asian countries, mainly conventional and conservative, host patriarchal norms that create imagery of gender subjugation.

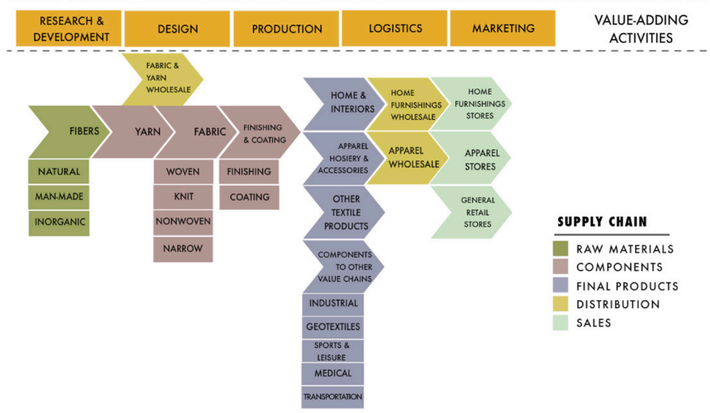
EKC Curve of Textile & Apparel Industry Production



Source: Summarized by Authors

Furthermore, the gender divide contributes to the widening class structure and causes society polarisation. Social divisions fueled by worsening economic conditions can give birth to authoritarian forms of government. Therefore, economic and environmental factors caused by the dynamics of the fast-fashion industry contributes to the global gender and political injustice, which is pioneered by brands like H&M that claims to be ethical.

Textile & Apparel Value Chain Upgrading Process



Source: Center on Globalization, Governance & Competitiveness (CGGC)

In conclusion, the case of H&M sourcing practices in Asia revealed the interdisciplinary nature of the "green" way of doing business with the GVframework. Moreover, GVC also pointed out spatial socioeconomic and political struggles fed by the linear economic system. Arguably, the regional issues in the labour market in Asia are systemic consequences. Therefore, this case revealed the mismatch between pledges and reality, hinting at greenwashing in business operations. Last but not least, the apparel industry sector, through the global value chain, the apparel industry sector emphasises a high level of power asymmetry between different actors and raises questions about the future of trust in multinational corporations like H&M.

Source: Shutter Stock

Meriç Özsüer
(Turkey)

Source: Malcolm Cook: Myth-Busting Australia's Relation with China

Trust Issues Divide China-Australia Relations

Chinese exports to Australia amounted to over 53 billion US dollars in 2020. However, despite their mutual economic interdependence, recent developments such as Beijing's approach to Covid-19 and the human rights abuses in Hong Kong and Xinjiang have left Australia re-evaluating its relationship with the 'Middle-Kingdom'. What is more, China has imposed crushing tariffs on Australian products, followed by a ban on certain imports.

Both sides claim they want a mutually beneficial relationship, although they sharply differ on what that means. With Australians' trust in China at record low levels and a deterioration in bilateral ties, the reality is that both countries seem unable to balance their shared economic interests with a divergent clash of values. How did this divergence in China-Australia relations come about, and what can be expected in the future?

FROM ECONOMIC NECESSITY TO ECONOMIC COERCION

China is Australia's biggest trading partner, accounting for nearly a third of Australia's total exports and a growing source of foreign investment. This is mainly due to China's strong demand for iron ore, coal, and liquefied natural gas. During the global financial crisis, China's demand for raw materials fuelled a mining boom, generating jobs and increasing wages. As such, Australia's exports to China, together with over a decade of budget surpluses, helped Australia endure the crisis. The historic bilateral China–Australia Free Trade Agreement came into force in 2015, reducing and removing barriers to trade in goods and services, as well as enhancing investment and delivering wealth.

Since 2012, under the leadership of Chinese President Xi Jinping, China has become more assertive and authoritarian. The increasing militarization of the South China Sea, the brutal crackdown on Uighurs and other minorities in Xinjiang, and the national security law in Hong Kong have raised the alarm in Australia and around the world.

In an effort to limit Chinese influence on Australian politics, in 2017, Australia's former prime minister Malcolm Turnbull introduced laws against foreign interference. These laws were driven by fears of surveillance by the Chinese government and security concerns about their covert activities in Australia. Additionally, grave concerns over Chinese involvement in 5G eventually led to the banning of the Chinese telecommunications giant Huawei from building 5G networks in Australia.

An iron ore processing plant in Western Australia. More than 60% of China's iron ore imports come from Australia:

Source: The Australian News

Mutual trust between Australia and China eventually collapsed in April 2020, when Australia publicly called for an independent investigation into the initial coronavirus outbreak in China, with Prime Minister Scott Morrison suggesting that the WHO needed tough and independent "weapons inspector" powers to investigate the causes. Beijing furiously stated it saw the inquiry call as "shocking" and later accused Australia of leading a political manoeuvre against China. The Chinese government's response was made clear in the actions that followed.

On May 12th 2020, Beijing banned the import of beef from four Australian beef processing firms, constituting about 35% of Australia's beef exports to China. And a few days later, on May 18th, it slapped tariffs of over 80% on Australian barley, which is used as animal feed and in the beer-making process. Australian farmers argued that the new tariffs would practically destroy trade, as barley growers send at least half of their annual exports to China.

The reality is that the massive scale of trade between both countries gives China ample opportunity to inflict pain. Toppling the beef and barley restrictions, the straw that broke the camel's back was the massive taxation of the Australian wine sector in November, with tariffs up to 212% on Australian wine imports. The 'Middle Kingdom' was, until recently, the largest market for exports of Australian wine. Escalating trade tensions further, China added Australian coal, lobsters, and sugar to its ever-growing list of targets.

There is little doubt that China's actions are in retaliation for criticism on the handling of the pandemic. Exacerbating the situation even more, in June 2020, the Chinese government accused Australia of racial discrimination and violence against Chinese people, issuing a travel warning to Australia's Chinese community and Chinese students studying in Australia.

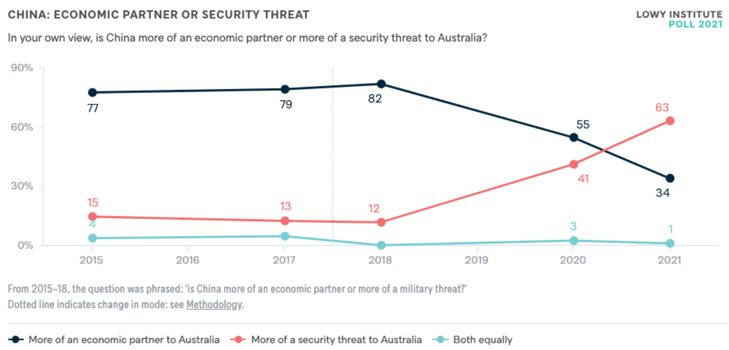
Wine exports have plummeted by 95% as a result of China's tariffs.

Source: ABC Rural

It seems strange to recall that less than a decade ago, Australia and China were in a warm embrace, signing free-trade agreements on the basis of mutual trust and cooperation. Clearly, Beijing's growing authoritarianism made the sparks fly in the Australian continent, revealing the importance of political values in international relations. As mutual trust crumbles to pieces, what are the implications for citizens and the future of the relationship?

BROKEN TRUST

In recent years, the deteriorating Australian-China relations has been mirrored in Australian public opinion. Trust, warmth, and confidence have plummeted. According to the Lowy Institute, for the first time, more Australians view China as a security threat than an economic partner, despite the country remaining Australia's biggest trading counterpart. Interestingly, most Australians are concerned about non-traditional security threats, such as the possibility of cyber-attacks (62%), climate change (61%) and Covid-19 over the next ten years.



Source: Lowy Institute

In November 2020, an anonymous Chinese diplomat even released a list of 14 grievances Beijing holds against Australia. Most of the allegations refer to past events, arguing that Australia has unfairly halted Chinese investment, falsely accused Beijing of cyber-attacks and spread disinformation about China's management of COVID-19. The document also denounces Australia's interference in Hong Kong, Taiwan, and Xinjiang. As Beijing launched the first series of trade strikes against Australia, the prime minister, Scott Morrison, emphasized that Australia would always stand up for its values in the face of "economic coercion" by China.

Some refer to Canberra's strategy as "strategic patience", with the government pushing forward the message that Australia will not be deterred by economic and political pressure from China and will remain true to its values. The secretary of the Australian Department of Foreign Affairs and Trade, Frances Adamson, has stated that China's assertive approach has undermined trust, and Australia must hold firm: "The institutions we take for granted … really are at stake now". Yet the question remains, how can Canberra rebuild trust with Beijing without giving in to its demands?

WHAT LIES AHEAD?

Chinese investment in Australia plunged to just over 1 billion Australian dollars in 2020. This amounts to a drop of 62% compared to the previous year amidst strained diplomatic relations. Some experts estimate that a full-on trade war with China would cost Australia 6% of GDP. What is more, Australia has adopted a more self-reliant, defiant attitude with Canberra's purchase of American-British nuclear submarines in the recent AUKUS partnership in 2021. The Australian government seized the opportunity to bolster its naval strength and, at the same time, allied with the US in its rivalry with China.

Australia's alliance with the US in military terms in the region comes as a bigger shock when considering the Regional Comprehensive Economic Partnership Agreement (RCEP). This pact is the world's largest free trade deal, amounting to 30% of global GDP, and was signed by 15 countries in the Indo-Pacific region in November 2020. These countries include both China and Australia (obviously), as well as the ten members of the Association of Southeast Asian Nations (ASEAN) and Japan, South Korea, and New Zealand. Essentially, the RCEP brings together nine of Australia's top trading partners into a single economic framework, accounting for nearly 60% of Australia's trade and about two-thirds of its global exports.

Perhaps the RCEP trade deal is a sign that multilateral and coordinated agreements might be the best way to redefine ties with Beijing despite a sharp turn in the tense bilateral relationship between Australia and China. The RCEP is expected to integrate value chains and provide a joint, single set of rules and procedures. As such, an international and multilateral approach may be the best possible path to bring together Australia and China's common economic interests, ensuring a mutually beneficial relationship in the future.

Julia Collado Serrano
(Spain)

Sultan Boabdil surrenders the last Muslim city to the Catholic monarchs (1492)

Source: The Surrender of Granada, by Francisco Pradilla - Museo del Prado

¡Dios, Patria y Rey!
The Future of the Spanish Monarchy in the Age of European Democracy

God, Fatherland and King! As such reads the traditional chant of the Carlists, a now largely irrelevant traditionalist political faction of Northern Spain. Although their cry is seldom used in the modern world, it unwillingly encapsulates the main challenges the Spanish Monarchy faces, which will be discussed below. How, if at all, can a monarchy sustain its institutional relevance amongst a people for whom God no longer plays a role in government? How can it survive as part of a state that, part itself of the European project, no longer feels to many as a fatherland at all? Most importantly, how can the Spanish Monarchy survive the loss of its people's trust in their king, as scandals and mismanagement plague its public image?

To accurately analyze the future of the Spanish Monarchy, it is crucial to understand the history behind the institutional position it holds today. Even though the first "Spanish" kings can be traced back to the Visigoth Kingdoms of the 5th century, it is with Queen Isabella of Castille and her Husband Ferdinand of Aragon that Spain as a nation was born. Their marriage united the two largest kingdoms in the Iberian Peninsula and helped birth the very concept of Spanishness, distinct in nature from previously held sectarian identities. They consolidated this new identity by finishing the Reconquista, by which all Muslim Iberian Kingdoms were defeated and their peoples expelled. By the time of their deaths, they had both consolidated Spain as a Catholic kingdom and paid for Christopher Columbus's journey to America, marking the beginnings of an empire that would span from the freezing lands of Groningen to the paradisaic sights of Los Angeles.

Spain remained an absolute monarchy from the 15th to 19th century, controlling most of its political and economic affairs hand in hand with the Catholic Church, to varying degrees of success. By and large, the laymen of the land trusted their monarchs due to their religious significance, alongside the tradition of loyalty which had long characterized the Spanish creed.

By 1808, Spain's empire was in an inexorable decline, and the peninsula was invaded by Napoleonic France. Even though the French were soon brutally defeated, Spain was changed by the invasion, and less than two decades later, French-inspired reform was introduced. This led to a constitutional monarchy that would endure, with some notable authoritarian exceptions, until the proclamation of the Second Republic in 1931.

As 1936 rolled around, however, the republic had failed to quell the increasing divide between the communist, socialist left and the monarchical, fascistic right. Civil war would soon break out and lead to the dictatorship of Francisco Franco, which would last until his death in 1975. The monarchy then returned to prominence, as Franco designated the largely unknown Juan Carlos, royal member of the house of Bourbon, as successor to his absolutist rule.
Imagine Spaniards' surprise when, as the army prepared to defend his rule against increasing social pressure for democratic reform, the King backed the cause of freedom, and brought about a constitutional monarchy that has endured to this day.

Unfortunately, the story does not end there. By 2011, in the midst of corruption scandals and a crippling economic crisis, public support for King Juan Carlos' reign had fallen beneath the 50% threshold. A change was needed, and fast, if the monarchy was to have any hope of regaining the goodwill it had accumulated after the arrival of democracy. The solution soon became apparent: abdication. Thus, in 2014, King Juan Carlos made way for his son and successor, King Felipe VI, who currently holds the position of Spanish head of state. The move appeared to work in restoring trust in the monarchy, as over 70% of those polled at the time by a mainstream Spanish news outlet declared favorable views towards the institution.

Nonetheless, many challenges remain for King Felipe VI. Increased calls for transparency in the face of even larger corruption scandals appear to contradict the innately separate nature of monarchy itself. Moreover, the removal of his father from the throne has not stopped the country's republican left, emboldened by the tenure of current left-wing Prime Minister Pedro Sanchez, from calling on a reform of Spain's governance, with the monarchy first up on the chopping block. Even right-wing factions traditionally invested in the defense of the monarchy are beginning to doubt their allegiance, as the internet age births a new radical right-wing youth disillusioned with the monarchy's liberal positioning. Many of these groups still have much work to do before managing to break into the mainstream, but, if they manage to combine their message with young, charismatic leadership, their work might sow seeds of discontent amongst other Spaniards historically inclined to defend the monarchy.

As such, the main allies of the Spanish monarchy appear to be those hovering around the moderate quadrants of the political spectrum. Social Democrats, Christian Democrats, and Classical liberals are not so quick to throw away the great service the monarchy has played in Spain's democratic development. If they remain in the king's corner, the monarchy might just stand a fighting chance.

Naturally, the Spanish political system does not exist in a bubble. As an active member of the European Union, Spain's monarchy stands out as one of the few in an organization filled with republics. Were the union to become more politically integrated, either in its legislative or representative branches, Spain's King may find his institutional space eradicated. At the extreme, one could hardly envision a federal European state in which monarchy is still maintained. Regardless, the monarchy has been wise not to position itself as contrarian to the European project, choosing instead to embrace the progress and wealth it has brought to the Spanish people.

Most pressing even, Spain itself is rapidly changing. Catholicism, the central pillar of Spanish society and identity for over four hundred years, has lost its prominence, with more and more Spaniards turning away from the Church. Thus, the monarchy, which both in symbology and historical structure has been closely linked to the Catholic faith, increasingly finds itself incapable of relying on its religious appeal to secure its position. Additionally, in terms of demographics, the fastest growing population group in Spain is that of Muslim faith. By 2030, it is projected that this segment of the population will make up ten percent of the country and this growth is revealing itself to be exponential. As both of these two trends converge to reshape the nation, the monarchy will have to adapt, either entirely shedding its religious shell, or, in what could be an unprecedented move in Europe's modern history, adopting the religious symbolism and traditions of Spain's new faiths.

Felipe IV during his traditional Christmas Eve speech (2021)

However, not all looks bleak for the house of Bourbon. The heir to the throne, Princess Sofia, looks poised to breathe even fresher air into the ancient institution. The future ascension of a young female monarch, daughter of a Queen from the working-class, likely more in touch with the ever-changing Spanish society, could indeed prove to be a saving grace.

Returning once more to the political realm, unseemly allies might also come to the aid of the monarchy. The main barrier to the instauration of a Spanish Republic comes from the need to amend the constitution. Since its introduction in 1978, it has seldom been touched, as doing so would trigger a national reckoning that some political parties are unwilling to initiate. Namely, regionalist and separatist parties, those most opposed to the monarchy in its unifying role, fear that a reshaping of Spain might see their territories stripped of their traditional privileges, such as the Basque peoples' right to collect their own taxes and apply their own modified civil law. As such, the monarchy, with its roots in Spain's institutional traditions and place in the constitution, may indefinitely remain locked in a cycle of mutual-salvation with those most ideologically bent on its destruction.

Ultimately, the future of the monarchy appears inseparably linked to the trust of its people. So long as the king and his successors manage to maintain and repair it, proud cries of "¡Viva el rey!" may still be echoed by generations of Spaniards to come, regardless of their creed. The very peace and prosperity of an increasingly polarized society might depend on it.

Miguel Adan Marquez
(Spain)

Source: Stock Image

Trust in the European Union

According to the the 2020 Eurobarometer, almost half (49%) of Europeans have trust in the European Union, the highest percentage since the summer of 2008. Yet, in recent decades, there has been a lot of talk concerning the legitimacy of the European Union; in particular, many wonder if the European Union is an institutions that facilitates the economy and the relationships of its different member states, or if it actually hinders them by imposin common laws which only benefit the main institutions. Some of the issues the European institutions are concerned with are LGBTQ rights, Brexit and the Covid-19 response; topics which all relate back to trust and how the different member states agree with European laws and views.

Before discussing the pros and cons of the European Union, we need to understand why the institution was born in the first place and what it stands for.

In 1951, the European Union was primarily invented as the European Coal and Steel community after the Second World War in order to prevent further conflict between France and Germany, whilst also creating a powerful block that would help to stay out of the shadows of the US and the USSR. Therefore, the reason behind the origin of the European Union is economical, which is not necessarily to be looked upon as a negative or venial motive, as what we are experiencing nowadays in terms of benefits from the European Union is definitely much more. Since the birth of the actual European Union in 1993 with the ratification of the Maastricht Treaty, many countries have joined and the EU has become a synonym with inclusivity, dialogue, and acceptance: one example of this is the Erasmus programme, which every year supports the education and mobility of European students. However, especially in recent years, in some member states, there has been a surge of movements that oppose the European Union as a whole and its activities. Far-right movements in countries such as Italy and France have been talking for years about leaving the European Union, mainly when it comes to issues relating either to money or immigration. In Italy, for instance, there has been much discu sion regarding the fact that the European Union does not offer sufficient help regarding the issue of immigrants arriving from the African continent and seeking asylum in Europe. Although this topic warrants further discussion, it is too broad to delve into in this article; nonetheless, it is worth mentioning to highlight the practice of political movements instrumentalizing it as an issue of EU legitimacy to safeguard borders.

On the other hand, Europe is known for promoting integration and placing human rights at the forefront of its agenda, thereby clashing with some of the ideas of far-right movements, especially concerning immigration. The recent rise of nationalism in many European countries contributed to many political movements, of which mainly populist movements. Nationalist movements in the different cou tries emphasised doubts about the role that the EU is playing and how it is affecting the political and economic freedoms of member states. Nationalism has shown to be prevalent and on the rise lately; this is visible starting from 2016, with the United Kingdom taking the decision of leaving the European Union via referendum. Having an independent currency was of course not the (only) reason behind the UK leaving the European Union: there were many factors at play in the United Kingdom's decision to finally leave the EU, such as the competition with some European companies, which in the end resulted in the disappearance of once prosperous British ones. Nonetheless, it goes to show that people still do trust and believe in their own nation more than they do in the supranational institution that is the European Union, which could make sense considering that the EU in its most modern and political form was only officially born in 1993.

Moreover, some countries have completely disrespected and distrusted the power of EU institutions and in particular its inherent rule of law. One of the most striking examples in this regard concerns the ongoing human rights breaches in Poland and Hungary, where the rights of LGBTQ+ people have recently been violated in the highest courts of those countries. Poland and Hungary have imposed rules that u dermine LGBTQ+ rights, something which directly opposes the stance that the European Union has taken on this matter. Furthermore, in Hungary, press freedom is marginal, which has decreased even more in 2020, when Prime Minister Viktor Orbán called off the Parliament. This decision was not received well by the European Union and there were even talks of denying membership rights to Poland and Hungary, as they had gone against the fundamental principles on which the EU was founded. In cases such as these, we r turn to talking about trust in the EU taking action towards the violation of certain rules. Taking political action in situations like these is obviously not easy given the many interests at stake, and this is something that we have to recognise; on the other hand, despite the European Commission having fined the actions of these countries, it is not necessarily right to let them behave in this way and still benefit from the advantages that come with being part of the EU.

Source: Stock Image

Especially in the case of Hungary, we find ourselves facing not only a dire violation of freedom of expression but also an attack on democracy itself. It seems only natural then that the European Union should take action when presented with these sorts of issues. As without, the reliability of the European Union as a whole could be undermined by the actions of its member states.

One of the questions regarding the theme of trust in European institutions is how powerful these institutions actually are when it comes to taking decisive and unified action against an issue. In this sense, the coronavirus pandemic has definitely highlighted the how part. Despite difficulties, the EU has been fairly successful so far in giving a unified response to the virus: the prime example of this is the QR code obtained through vaccination or recovery which works throughout the European Union. Different countries have adopted different approaches towards fighting the virus; the main differences amongst European countries in the response to Covid-19 concerned lockdowns and the vaccination campaign. One of the most recent examples is Italy's reinstation of mandatory testing when travelling to the country despite the European Union's unanimous decision of only needing proof of vaccination in order to travel within the EU. All in all though, we can argue that throughout the current pandemic, the European Union has shown to possess strength when coming together in the face of such an emergency.

There are always going to be differences amongst the dife ent EU member states and there are always going to be people who consider the institution of the European Union as something which undermines the individual freedom of their own country. Then again, the economic aspect of the EU should not be understated, as the Euro is one of the most powerful currencies in the world, without which each country's individual economy would be a lot weaker. In this field, the European Union has proven to be a huge success, thus showing that, by joining multiple forces, it is possible to suceed in being one of the leading economic forces of the world. Despite the rise in nationalist movements which cultivates doubts about European institutions, I do believe that in the future the European Union will continue to grow both economically and in terms of inclusivity.

Photo: pexels.com

Stella Botta
(Italy)

Source: News Medical Life Sciences

Vaccine Hesitancy: *A History of the Coronavirus Pandemic*

The world fundamentally changed in March of 2020. The word lockdown assumed an ever-increasing presence in our minds and vocabulary. Face masks previously unthought-of outside a medical context became a common sight. But, in this struggle against disease, a new struggle seemed to emerge. Right at the point a possible solution had come about and was delivered straight into our hands, some found it offending to the touch. When a vaccine had been developed for a disease that had already killed hundreds of thousands around the world — wreaking devastation upon countries like Brazil and the United States, the world's largest western liberal democracies — a growing, vocal opposition movement arose. Vaccine hesitancy, a previously disparate and largely ignored movement, seemed to breathe new life amidst the push for mass vaccination during the covid pandemic. So, the question remains, what's the deal with this whole thing?

VACCINATION AROUND THE WORLD

The global vaccination effort has yielded impressive albeit still insufficient results to put a stop to the pandemic. Around the world, 59,3% of the total population has received at least one dose of a Covid-19 vaccine. 9,46 Billion doses have been administered globally, with an additional 31,22 million doses being administered daily. The interests of capital have also, like the Cerberus, reared their ugly heads once more: vaccination rates are lopsided towards richer countries whose governments possess hoards of resources they can use towards purchasing and distributing vaccines. In developing countries, which have seen some of the largest death counts relating to coronavirus, only 8,9% of the population has received at least one dose. Of the 59,3% of people who have at least one vaccine, 50% are fully vaccinated and the remaining 9% are partially vaccinated.

VACCINE HESITANCY AROUND THE WORLD

According to a longitudinal peer-reviewed study of 3.439 people between August 2020 and April 2021, seven out of ten vaccine-hesitant people either said they were willing to or received a shot. Among some of the most likely to change their minds were university graduates, with only 18% of those saying they were unwilling to receive a vaccine by the end of the study. The groups most represented in vaccine hesitancy are those aged between 45-54 (41%) and those with a high school education or less (38%). In Europe, according to the IMF, 10-20% of people in the UK, 50% in Japan, and 60% in France describe themselves as reluctant to get a coronavirus vaccine.

EXPLAINING VACCINE HESITANCY

Preceding the coronavirus pandemic Scientists viewed vaccine scepticism/hesitancy largely as an education issue. In recent years, epidemiologists proposed a new explanation based on social psychology. Their research indicates a set of psychological traits to be strongly associated with vaccine scepticism. Those with a high level of concern for the "purity" of their bodies and minds were twice as likely to be vaccine-hesitant.

These individuals are likely to display disapproval towards self-described "disgusting" things. These patterns repeat in vaccine sceptics in Australia and Israel according to a large sample in a 2018 study of 24 countries. Those with higher regard for liberty, focusing on individual rights, are more likely to be vaccine-hesitant. Another interesting model created to predict the possibility of holding vaccine-hesitant beliefs called the 5Cs model has demonstrated a reliable capacity to predict vaccine hesitancy

VACCINE HESITANCY VS SCIENCE

Some vaccine-hesitant people publicly rally against the possible health effects of taking a coronavirus vaccine. Although risks exist, such as the risk of contracting myocarditis, experts maintain the risk of severe side-effects from actually contracting Covid substantially and undeniably outstrips the same risk from getting the vaccine. Experts stand behind the effectiveness of currently-developed coronavirus vaccines to stop serious illness. The coronavirus vaccines are less effective at preventing symptomatic illness when it comes to the delta variant but provide consistent protection against severe and symptomatic illness across all known variants. Hence, taking the coronavirus vaccine appears to a great portion of people to be the best way of preventing serious illness. Those who do not trust vaccines proposed a different option.

ALTERNATIVE COVID TREATMENTS

Vaccine hesitancy drove the search for alternative treatments that could prevent serious covid-related illness. Treatments have been proposed in the form of compounds such as hydroxychloroquine and ivermectin. The former's effectiveness has been evidenced by a now-defunct and retracted multinational registry analysis study published by The Lancet in May 2020 and the latter being an anti-bacterial medicine lambasted on social media as a "horse de-wormer." Moreover, human use of Ivermectin is strongly and unilaterally argued against by the FDA and received neither approval nor authorisation.

VACCINE HESITANCY IN THE MEDIA

Amidst a global pandemic, debates between those who are anti vs. pro-vaccine have risen to a fever pitch. Many online commentators deride those who are vaccine resistant with labels of unmitigated ignorance and selfishness. Specialists in medical decision-making argue that such vaccine-hesitant perspectives are developed from many complicating factors, not mere ignorance, as therefore must be carefully addressed if we are to stand any chance of reaching population-level immunity. Moreover, those on the vaccine-hesitancy side fear being confused with staunch anti-vaxxers whose conspiracy theories about 5G technology and Bill Gates have gained a strong online as well as offline presence.

BOOSTERS VS VACCINE TRUST

After the original vaccination push, and following novel variants of the coronavirus, governments and scientific organisations began speaking about the possible necessity of boosters as antibody levels in vaccinated individuals decrease over time. Several developed nations, such as the Netherlands and Germany, have already proposed and are putting underway campaigns to distribute boosters among their populations. Beginning around July 2021, boosters started being administered around the world. Around November 2021, booster administrations began to skyrocket, with the number of boosters administered per 100 people in November rising to 1,23 from 0,03 in July 2021. Researchers, among them experts from the Federal Drug Administration and the World Health Organisation, have warned that an over-emphasis on booster shots may negatively affect vaccine acceptance. They also warn that booster shot promotion may undermine confidence in vaccination and trust in public health institutions. Researchers further highlight the potential danger involved in receiving boosters too soon, or frequently: there can be "significant adverse reactions." Researchers have concerns that higher incidences of myocarditis (which happens in a rare few cases after the second dose of an mRNA vaccine) may further undermine confidence in vaccines. These researchers have argued that an effort to advocate for boosters would be better spent pushing vaccination to those not yet vaccinated. They argue that "even if [something can] be gained from boosting, it will not outweigh the harm."

CONCLUSION

Vaccine hesitancy seems to be driven not simply by ignorance but by a specific psychological profile. Furthermore, those with a distrust for authority seem to be one of the groups most prone to vaccine hesitancy. Interestingly, this distrust is so strong as to drive them away from FDA-approved vaccines into a preference for treatments of dubious scientific backing and unproven effectiveness. All of this, of course, is happening amidst an environment where tens of thousands lose their lives every single day and where vaccine hesitancy keeps vaccination rates below the necessary threshold to put a stop to the pandemic. Adding fuel into the fire, the focus on booster vaccinations debilitates trust in public institutions, meanwhile detracting from more effective strategies revolving around vaccinating the unvaccinated population. Vaccine hesitancy is a phenomenon that does demonstrable harm, but if ignorance is not the problem and education is not a solution, if a confrontation does not change minds. What can we do?

Andre Felipe Cerqueira Fontes
(Brazil)

Source: Stock Image

Bitcoin: *The Unsteady Ascension to Mass Adoption*

Following the massive success Bitcoin and the whole crypto market had in 2021. 2022 started off with a bang in the wrong direction. Crypto as a whole dropped from a 3 trillion market cap all the way down to a touch of 1.5 trillion. Bitcoin, in particular, tanked from the $50k region to the $40k region. This price action sent the whole market into fear. Although not the most promising start to 2022, Bulls(those that have a positive outlook at price action) may rejoice, as although the market is full with FUD (fear, uncertainty and doubt), there are many signs that this is just a prelude to the new heights of the industry.

"It is all manipulation", cries hopeful bulls. Although this time, they are actually correct. Bitcoin in 2022 has hit a new all-time high, not in price but hash rate. The hash rate of crypto is the volume by which it is mined. And bitcoin's hash rate has never been higher. This means more people are interested in mining for more bitcoin as they see good profitability, which means the sentiment is not dead yet, but going strong for bitcoin to reach the true heights it's always prophesied. The Chinese mining ban, which put a dent in the hash rates, has completely recovered. This signals that not only more people are mining, but Chinese miners most likely moved their base of operations out of the country into other sources for supplying their mine farm.

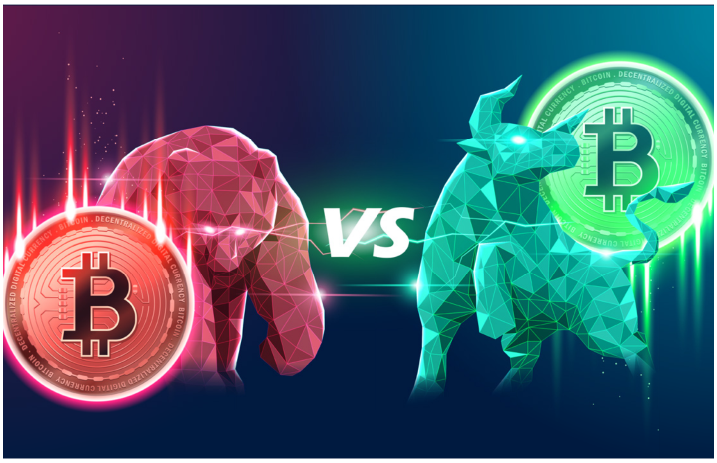
The more rampant, direct and extravagant crypto moves pulled by A-list celebrities proves the party's not over. A public endorsement from celebrities could be seen as a quick cash grab from shady organisations as it has been repeated over and over again. However, there would be no effect if the public is not interested. It's not simply just celebrities hyping up crypto. There is as much hype for NFTs as its own category. The NFT craze will evolve in 2022, from simple digital art to proof of ownership and digital ids such as concert tickets, entry fees for baseball games and many other applications that would need to prove ownership can all be done through the NFT technology.
The war in Ukraine has tanked the world economy by a good margin due to the supply chain being broken even further. Sadly, this negative sentiment spilt into the crypto market, with the first day of the invasion seeing 25% drops in value. This was, however, a short-lived fear as people began to realise that governments have the power to freeze any assets, and decentralised cryptocurrency is the solution to tyrannical centralised government systems. This was also the same period when Canada announced it would give its banks powers to freeze suspicious accounts. Thus, giving more sentiment for a decentralised currency to balance out the power.

With countries printing more and more money than ever before due to over two years of lockdowns, inflation has been rising, and the effects are being felt now. The invasion in Ukraine brought forth this issue as oil and food prices are skyrocketing. However, inflation is good for the market in the short term as it boosts the value of the assets. This is a massive bullish sign for cryptocurrency as all dots connect straight to crypto as the mother of all inflation hedges. The new interest rate raise by 25 basis points of March 2022 are reacted positively with the market as bitcoin shot up to a $41.5k peak as of writing. No one knows where it is headed, but every investor knows its direction, up.

Adoption is happening from the top. Immediately after bitcoin touched the $33k bottom of 2022, Bill Miller has openly announced that half of his assets were invested into bitcoin. Shark tank celebrity Mark Cuban is also into cryptocurrency, with a big chunk of his portfolio being in cryptocurrency. Both sides have started to slowly invest in bitcoin from old school investors to new school popular investors. Is the bull market really over if more and more high portfolio news related to bitcoin and crypto as a whole are churning out at a frighteningly fast rate? Does this 2022 dip seem more and more like a manipulation so that rich investors can get as much as possible before the natural explosion of the bitcoin price action?

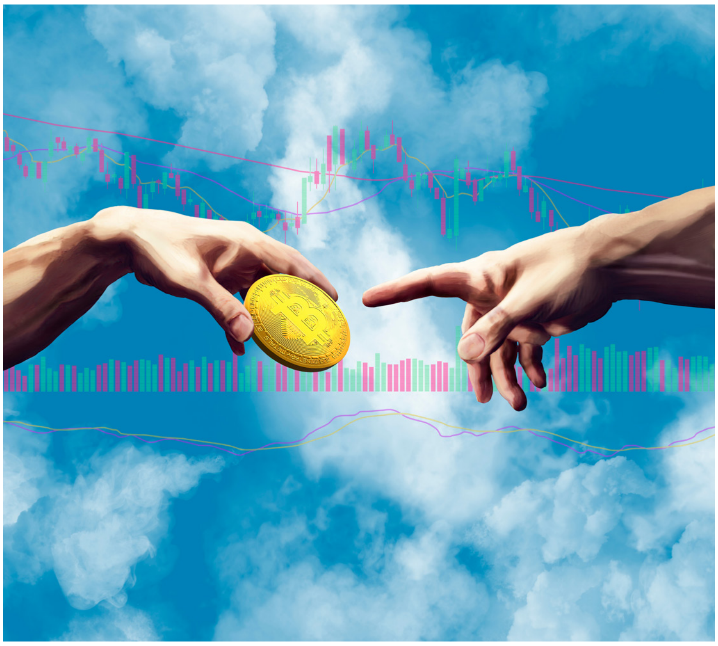
Regulations, where are they? With new government regulations slowly looming around the corner with the US openly announcing crypto regulations, crypto is moving closer and closer to being public wealth. Governments and their institutional contacts all have secret holdings of bitcoin and crypto portfolios. There is no incentive or permission for the government to step in and over-regulate crypto, which will only hurt their own portfolio and institutional friends, leading to funding issues for future partnerships and lobbying. However, heavier regulations will come only after this cycle where interested parties have cashed out and left the investment while waiting for the bubble to pop. Regulations could become the catalyst to burst the bubble or protect the public from a similar event from occurring again after.

The spot bitcoin ETF is still on its way while being rejected multiple times by the SEC. The current bitcoin ETF is based on off-price actions of Bitcoin, but the ETF itself has no impact on the price of Bitcoin. However, with the inevitable introduction of the spot ETF. With every ETF purchase, equal amounts of bitcoin must be purchased on the market. This will drive the demand up from safer investors and more institutional investors as a perfect hedging tool. This progression is not only a big driver for volume. However, it is also the sentiment that Bitcoin is becoming more and more on par with the classical investment instruments. Through all the years of Bitcoin's existence, it has been wrung, downplayed and mocked for being a toy with no intrinsic value. However, this toy has grown up to be on par with the classics such as bonds and stocks.



Source: Shutter Stock

Sponsorships in crypto are as high as ever from minute offences such as non-stop adverts on Youtube, all the way to Crypto.com buying out the Staples Centre and renaming it the Crypto.com centre. Crypto companies have enough money to throw for the sake of advertisement. In the League of Legends pro play, the organisation forbade the name change of a team name that featured FTX, a crypto exchange. In response, FTX just bought out an advert spot from the league itself. This proves how desperate the crypto companies want to get their names out there in the struggle to fight for dominance when the real adoption phase begins to have a more prominent brand image. Once again firmly proves that everyone is still bullish on the crypto market as a whole, especially with bitcoin in the lead. More users are expected to join, and market dominance is essential to snatch from the get-go.

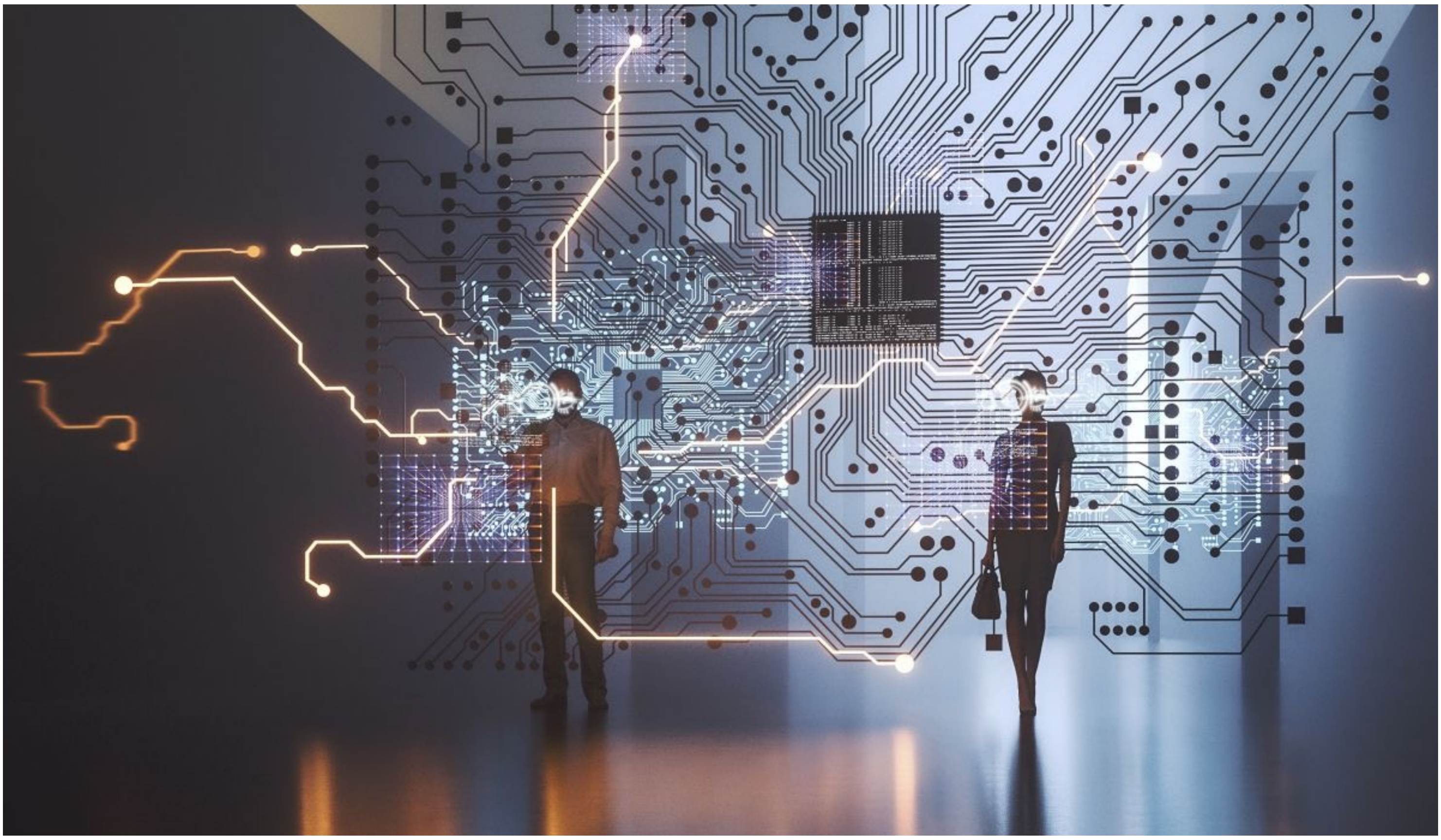


Source: Shutter Stock

Hardcore crypto fans like to base their price action predictions based off the cycle theory. The first cycle lasted 250 days, the second lasted 750 days, and the most recent cycle lasted 1050 days. We are currently just over 1200 days old with the current cycle. The theory of an extended cycle is slowly building up into what would be called the supercycle, as in it will take longer to build up the price action for bitcoin but will also have the most explosive rise and also the most devastating crash after the bubble bursts. This leaves investors questioning, “is time on our side”. The answer is yes after the failed prediction of the stock-to-flow model in November 2021 and Wyckoff Distribution Pattern along with it. It has become a new wild wild west for crypto where no one knows where it is heading. With more bullish signs emerging, the extended cycle theory will become a bullish sentiment and drive the price back up once more when all expected predetermined outcomes are shattered.

To end it off. Everyone knows that large institutions are investing in crypto. How will these institutions make a profit? By cashing out, of course. There needs to be massive liquidity for institutional level quantity to be sold off. This is why a bull run for crypto must occur for institutions to have the liquidity from new buyers to sell their crypto off. For every seller, there needs to be a buyer in a somewhat stagnant market. There needs to be new buyers, which is why there is no doubt that a rally is imminent. This can be achieved through the generation of the strongest asset, trust. We trust the media, we trust the government, we trust influencers, we trust our predecessor investors. But there is one key difference with crypto. Blockchain doesn't lie.

Georgi Krastev
(Bulgaria)



Source: GettyImages

Life in the Futuristic Unknown:
The Necessity for (Dis)trust in the Metaverse

Scanning the Code below will provide you with a small glimpse of the experience of Christian Lemmerz' virtual 3D artwork 'La Apparizione', showcasing Jesus' golden, tortured body, released from a metal cross and floating in absolute darkness – the wounds revealing flesh and blood behind the glistening, metal surface of his skin. The pulsating, levitating Jesus is coming to life through the medium of virtual reality, completely immersing the spectator into the scene. Whether one decides to stand right next to the leaking body and practically feel the tenseness of the artwork or take a step back into the dark and spectate from afar is up to oneself – the bridge between the extreme visuality and physical space is a mere virtual reality headset. La Apparizione, created in 2017, encapsulates the brilliantly disturbing potential of art in emerging virtual cyberspaces such as Decentraland, a decentralized 3-D virtual reality platform constructed on the Ethereum blockchain. When walking down Decentraland's virtual NFT gallery, one's avatar can immerse itself in the experience of a myriad of NFTs and buy virtual artworks such as the five commercial pieces of La Apparizione.

Decentraland makes big promises of "near real-life experiences", not only in the realm of the arts but also in social life, work-life, and gaming. Although roaming through Decentraland's virtual space in its current state feels more like a 2011 Sims simulation, chances are high the online world is a predecessor to the picture drawn of the Metaverse by companies like Meta and EpicGames.

The Metaverse, a term first brought into discourse by writer Neal Stephenson in his 1992 novel "Snowcrash" and later reimagined as the OASIS in the novel "Ready Player One", describes a world transcending the analogue one into a fully digital, virtual 3-D world. The Metaverse can be thought of as a connected set of immersive virtual spaces, including augmented reality (a merging of virtual and physical reality) and virtual reality, where one can create, explore, and live with other people who are not physically in the same space in real life.

The Metaverse will be more than just an extended social media platform or an online workspace, as developers stress that "we will almost be able to feel like we're with each other", stated by Jensen Huang, chief executive of Nvidia. With rapid development, innovation, and mass investment into the field of virtual technology such as the Oculus quest lens, a set of virtual glasses, and "Taste the TV", a screen that can imitate flavours, the vision of feeling a digital space identical to reality is not as utopian and futuristic as it might at first glance seem.

As William Gibson famously quoted: "The future is already here — it's just not evenly distributed." The same holds true for the Metaverse. Instead of viewing the Metaverse as a sci-fi future, reminiscent of a Black Mirror episode that we will suddenly wake up to one morning, we should start acknowledging that the Metaverse is reality right now. As such, it is in our hands to define what shape the virtual cyberspace will take on.

Whether used as an immersive learning and working platform or a complete replacement of physical reality, the Metaverse is coming – and like all new technology, it holds enormous potential for new opportunities and risks. The question is to what extent do we trust the people, corporations, and the technology behind the Metaverse with crafting the unexplored potential of the computer simulation of reality. No technological development has ever been immune from human fallibility nor malintent in use and application; the Metaverse is certainly no exception.

Without rigorous regulation strategies in the Metaverse, corporate and political manipulation tactics will likely reach new heights through the enormous power the Metaverse holds in defining one's (or more precisely one's avatar's) social status and digital acceptance. Similar trends can be observed on social media platforms such as Instagram and TikTok today, playing on the insecurities and desire for acceptance of people in order to market goods and services as necessities to fulfill such fundamental human desires. Rebranding the Internet as the Metaverse allows companies to dodge the negative baggage associated with the controversies from the internet and social media, rebranding our own understanding of personal privacy, marketplace competition, and misinformation. Pushing today's online problems off the front page by selling the Metaverse as fresh, new, and cool will not make these same problems non-existent in the Metaverse – in fact, the case is quite the opposite. The problems of the digital revolution will not be solved through the shiny modern bauble of the Metaverse; hence, we have to be careful in whose hands we place our trust.

In a similar fashion, the Metaverse, as innovative and novel as it is, provides a new platform for the malintent of users, companies, or political streams. Skeptics point out that humans will be even more vulnerable and prone to mass polarization and radicalization than on the internet. Gathering and communicating with like-minded people from all over the world will be of ease; hence, the Metaverse could turn into a breeding ground for radicalization and polarization if not properly regulated by administrators and companies behind the scenes. The virtual 3D world unfortunately can also be misused to cause new forms of attacks, chaos, and harm in the virtual and physical space.

Life in the Metaverse requires a redefinition of the boundaries and discourse of harm, harassment, and violations as a whole. Multiple cases of groping have for instance been recorded in the Metaverse; the question that is currently being posed within the legal domain, however, is to what extent perpetrators can be held accountable in the real world for their actions online. An anonymous online presence often conveys a feeling of divorce between virtual actions and physical consequences, which is further fortified in the Metaverse as compared to Web 2 due to its near real-life experience – in the positive and negative sense of the promise. Our trust in the firms and jurisdiction of the Metaverse is essential in defining the extent of acting freely and safely within the virtual space.

Source: Qi Yang Getty Images

Our trust in the Metaverse, our trust in decentralised blockchain technology, and our trust in the emerging oligarchy behind the new way of life are central to the acceptance and extent of permeability between the digital and the physical. Once established and optimized, participation in the Metaverse will be as commonplace as participation on the internet and social media platforms now.

Hence, the trust we place in firms and developers today shapes the extent of protection in our daily lives tomorrow. This is not to say a complete antitrust sentiment should be adapted towards the Metaverse. Instead, new technology brings with it the need for a reinvigoration of a redefined, new culture of trust.

The appeal behind the Metaverse is simple, yet compelling: the Metaverse is an opportunity to reshuffle the deck – it is a place for all of us to start anew, to redefine ourselves and be who we want to be in a world that we created ourselves. The Metaverse allows us to make friends and stay in touch with people all over the world (which is especially important in times of crises in the physical world); it allows us to gain knowledge and experiences in a way never seen before. The future of the Metaverse is certainly not as grim as it might seem from the skeptic's point of view. However, by placing our unimpeded trust in the same companies that are causing societal polarization and de-democratization through the spread of disinformation on the present-day internet, we are authorizing the same problems to take shape in the Metaverse and creating unknown room for an array of new ones. Every aspect of society will be affected by the incoming transition to the futuristic unknown. Without proper regulation and a healthy amount of distrust, the Metaverse could prove to be a very dangerous place, a playground for hackers and fraudsters, a place of vulnerability and manipulation to an extent never seen before.

Mina Schmidt
(Germany)

Source: Stock Photo

Should We Trust our Own Government?

Trust and Sustainability

At the dawn of 2022, humanity is facing a large environmental crisis. Scholars predict that the current trends in economic production will lead to a social and economic collapse around 2030. The large-scale depletion of scarce resources, the unnatural rate of biodiversity loss, and the huge amounts of greenhouse gas emissions make the current way of living unsustainable. Scholars and representatives of science have been raising their voices regarding this matter since the '70s and social movements and uprisings, such as Fridays for Future, are gaining increasing popularity due to the shared goal of exercising pressure on governmental bodies to take action on the environmental crisis. Although there is a common understanding that the current climate crisis is real (do not count Trump and Bolsonaro here), leaders of the world fail to act on this matter, and they do not meet the expectations of people. No wonder the average trust in governments amongst OECD citizens is only around 51%. Why do governments postpone radical, yet necessary changes in environmental policies? How should governments act instead? Why is the lack of trust a problem? And finally, how could trust be restored?

THE WELFARE STATE -- IN THEORY

Let's start with the theoretical government: what does it look like, what should it do? It is imperative to mention that the vast majority of responsibility for the drastic climate crisis we are currently experiencing lays in the hands of welfare states. The providence of economic and social wellbeing lays at the heart of welfare goverNments, which stress the principle of equality of opportunity for its citizens. The main tools to achieve this equality and socio- economic well-being are the elements of a social safety net, such as public health insurance or unemployment benefits. In general, the government in a welfare state should create a social environment where everybody has the chance to live a life that satisfies their basic needs. As such, the question is whether the environment and viability of nature can and should be seen as a basic need for citizens. Many scholars believe that yes, this is the case. Even in "peaceful" times, when there are no threatening environmental disasters, nature should be a part of humans' lives as it provides our food, water, and many other health benefits, including mental health as well. From the logic of the welfare states, it is implied that then the access to and the safety of nature should be provided and guaranteed by governments just as well as clean water and clean air, as an important factor contributing to the well-being of members of society. This would include the building of parks, increasing protected areas throughout countries, regulating pollution, and similar protective and preventive measures.

SAD REALITY

Unfortunately, what we currently see in the world is not in line with this theoretical utopia. Governments and political parties have actively sabotaged the fight against environmental destruction (let's see for instance the Bush campaign against Al Gore) and it is only recently that the topic of climate change and the importance of environmental policy is a mainstream theme in the public debate. Still, not much has been achieved in terms of concrete, radical actions. Even though the efforts of the U.S., the U.K., and the European Union should be recognized, as both green new deals commit to being net-zero until 2050, radical steps against the fossil-based economy are nowhere to be seen. Moreover, a study by the IMF shows that the fossil fuel industry received around 11 million dollars in subsidy per minute (!) in 2020, clearly proving that currently, the governments of the world are acting in favor of fossil fuels. Although this was targeted to keep consumer prices low, both the fiscal and environmental costs of this are immense. Naturally, a smooth transition from fossil fuels to renewables would be the most desirable and the gradual decrease of the subsidies could help in this case, but unfortunately, the scientific community warns that we do not have enough time for this smooth gradual change (that time was wasted 20 years ago).

People and activist groups are also calling for radical change. There are many protests, such as the Fridays for Future, flash mobs, and other similar activities to put pressure on governments and decision-making bodies. However, it seems that the lobbying power of companies is stronger than the words of citizens: the recent COP26 climate talks had more than 500 lobbyists from the fossil fuel industry, a larger delegation than any of the countries present there. There are other examples of the power of lobbying, such as the influence of the meat and soda industries on dietary guidelines: many experts say that current dietary guidelines by the U.S. government are not based on science but agreements with meat and soda industries and not taking into account the advice of the Dietary Guidelines Advisory Committee. Of course, the problem lies not with lobbying, as democracy is about serving everybody's interest as much as possible. But excessive lobbying and its results have problematic implications, which is clearly visible in the case of the fight against the environmental crisis. It seems only logical that people feel alienated and turn their backs on their governments, as nowadays, they seem to serve companies and big corporations more than their own citizens. It is not as easy as it seems, of course: firstly, political parties get a lot of funding from big companies, and that is hard to say no to. Secondly, turning against big companies may not serve the interest of people in the short run, because of rising prices or increasing unemployment.

WHY IS THIS A PROBLEM?

Governments and political parties are in a really tough situation. As described earlier, it is hard to turn against the corporate world because of short-term and financial reasons. But trying to balance between the wants of the citizens and i dustry lobbying leads to a situation where the stronger will win and that indeed is lobbying. If people start to realize that their interests are underrepresented, it will take long and arduous work to restore that trust by politicians. If this restoration does not happen, it will lead to a vicious cycle, in which people distrust their institutions and politicians are allowed to do whatever they want, emptying politics. This would cease any cooperation between the citizens and their representatives, causing a strong feeling of indifference amongst citizens and meaningless acts and promises from politicians. If this happens, even those politicians who want to bring change will be greeted with only a few quiet claps at their campaigns and nothing more than a one or two sentence article in the newspapers.

Source: Shutter Stock

HOW COULD TRUST BE RESTORED?

Well, naturally, this is a two-sided job. First of all, politicians should take the demands and needs of people seriously. If citizens want radical change and serious climate policy, then

governments should provide and strive for this with all their power and tools. Governments should also be held more accountable, limiting the unimaginable amounts of promises that come up in a political campaign. The balance between the focus on short and long-term goals should also be restored, which is a complex task and out of the scope of this article. However, citizens should also take politics more seriously. What we need is active citizenship. By taking part in local communities and activities and reading the programs before elections, citizens can prevent an epidemic of indi ference, and by organizing protests and marches, they can make their voice heard.

Politics, especially in welfare states, should be about collective decision-making to make our lives better. It is an art to govern a country, a nation, this big group of people in one direction, which is a better future for everyone. This art cannot be seen if there is no trust between governments and their citizens. Both sides should take this matter seriously since humanity faces threatening crises such as the current pandemic and particularly the looming environmental crisis. We cannot waste more time by serving the interest of little groups, because then everybody's future will be in danger.

Oliver Ujvarossy
(Hungary)

Source: Andy Kelly, Japan

Trust in Artificial Intelligence

Is Everyone Really Onboard for the Inevitable Future?

Amidst the dawn of the Artificial Intelligence revolution and the immense praise the technology has received, one aspect has remained questionable – trust. Unsurprisingly, with every notable change in our ages, especially in technology, innovations have sprouted significant distrust. From TV to the Internet, this distrust was illustrated by emphasizing the possibility of negative effects on users or exacerbating the limitations that could restrain the technology from reaching its full potential. Artificial Intelligence is no stranger to this phenomenon. Just by looking at movies, such as The Matrix and the Terminator, there is a manifold of examples that show the dark and dystopian side of AI, clearly enhancing scepticism. However, AI is already here, and in a very different shape or form than the usual robot-like human in Hollywood blockbusters. That said, it is inevitable that its potency will only increase. Yet, the success and effectiveness of it depends on whether all stakeholders buy into the future.

EVOLUTIONARY LANDSCAPE OF TRUST

For humans, trust has been a vital concept, literally. While generally, it is used to reduce the complexity of social interactions and help ourselves surround ourselves with people who are personally favourable, this was not always the case. In fact, at the start of mankind, those who distrusted their most dangerous threat, namely other humans, were more likely to stay alive longer. Simultaneously, trust, which leads to cooperation and reliance, is equally important for the social animals that we are. Such cooperation not only is imperative for our psychological health but also helps humans achieve great accomplishments, such as the launch of the James Webb Telescope, which took 25 years of collaboration between scientists.

WHAT IS AI?

In the status quo, people love showing off tech-savvy words. NFTs, Metaverse, Web 3.0, and Crypto are just some recent examples that are prevalent in every corner of your social media accounts. However, in order to understand one idea's implications, one has to understand the idea itself. Contrastingly to the terms I named, which are very recent, this year marks the 76th from the day the term 'Artificial Intelligence' was coined. In 1956, researchers examined topics such as problem-solving considering AI, which paved the way for the future. Currently, there are two types of AI – general and narrow. General AI is still mostly inaccessible, as it means that the machine could process, reason, and make decisions the same way a human could. While researchers are still aiming to create a technology indistinguishable from human intelligence, we are still miles apart from reaching this goal, and some even argue that we will never fully achieve this goal.

Conversely, narrow AI is the dominant version of AI, being designed to perform only one task and consistently improving its execution. Self-driving cars, such as Tesla, and intelligent voice assistants, such as Alexa, are primary examples of narrow AI in the real world. While it might seem simplified, such AI is incredibly capable of collecting incomprehensible amounts of data and generating highly accurate predictions that would take years for a human. Most importantly, based on previous Narrow AI, it is able to self-learn from the collected data, notice irregularities and patterns, adapt and improve the more you use it. These are some of the most often mentioned advantages of Artificial Intelligence. Yet, can AI, both general and narrow, really be trusted?

GEOGRAPHICAL DIVISION

The most intriguing distinction in the level of trust towards AI lies within developed and developing nations. While developed nations have more companies that use AI and are trying to implement it into their products and services, people in developing nations have a higher rate of trust toward AI companies. In fact, Ipsos, the third-largest market and opinion research firm in the world carried out a survey two months ago revealing that in emerging nations, such as China (76%), Saudi Arabia (73%) and India (68%), trust in AI is flourishing. Compared to developed high-income nations, such as Canada (34%), France (34%), the United States (35%), Great Britain (35%), and Australia (36%), this is an astounding difference. While there might be various factors explaining this trend, the most significant one, is the level of familiarity which is also seen in the research. For instance, reported knowledge of products and services that use AI ranges from 32% in Japan to 76% in China, and only 42% of citizens in Italy have 'a good understanding of what AI is' compared to the 75% in Russia. All this number-crunching shows that high-income nations are currently stuck in a comfort zone, with no necessity of comprehending, whilst developing nations are showing not only determination to understand AI but also reliance on AI. This stems from the many solutions that AI offers regarding development issues. For example, in India, a company named ICRISAT developed an AI-powered sowing app. It exhausts data and weathers models on the rainfall of the local crop yield to advise farmers when they should plant their seeds. This has already led to an increased yield, growing in a range from 10 to 30%. Ultimately, the rapid development of AI accompanied by the public's trust can help to create a more equal world and provide very needed advancements.

TRUST IN A.I. IS CORRELATED WITH PERCEIVED UNDERSTANDING;
BOTH ARE HIGHER IN EMERGING COUNTRIES THAN IN HIGH-INCOME COUNTRIES

Source: Ipsos

KEYS OF TRUST

What are not missing, though, are the building blocks that can pave the way for trustworthy AI. Generally, research points to five broad themes that challenge trust: transparency and explainability, accuracy and reliability, automation, anthropomorphism and embodiment and lastly, mass data extraction. These themes were also confirmed when IBM interviewed 30 AI scientists and leading thinkers. Fundamentally, it seems that transparency is the bedrock of trust. Since AI's purpose is to help humans with operations that can be automated or are too complex for a human mind to comprehend, it is imperative for every completion of a task to be objective. As IBM's Arvind Krishna, Senior Vice President of Hybrid Cloud and Director of IBM Research, notes that "Without proper care in programming AI systems, you could potentially have the bias of the programmer play a part in determining outcomes." As Krishna offers, the most effective, concurrently the most perplexing method, would be to develop a framework, working with technological organisations, governments and other industries. Without such a framework, society will suffer from knowledge asymmetry, power imbalance and possible malicious attacks. A model that ensures transparency from AI engineers will give some clarity if something goes wrong and an opportunity to learn, resulting in enormous potential social benefit

THEN, DO WE NEED TO TRUST AI?

An associate professor who works on AI, ethics, and collaborative cognition in the Department of Computing at the University of Bath, Dr. Joanna Bryson, put forward the point that nobody should trust in AI. Despite sounding negative, she adds to the previously mentioned point of accountability for creating AI transparently. AI merely is a system development technique that allows machines to compute actions or knowledge from a set of data, which are created by engineers themselves. Therefore, arguing that computing is the one that should be either trusted or distrusted. Even though one can argue that AI has some sort of autonomy, creators are still to blame for its mistakes. AI has extraordinary possibilities, tremendous reach, and automates tasks that are extremely repetitive. While a reason people fear AI may be the risk of losing jobs, AI also creates employment. In fact, the net increase of jobs by 2025 will be 2 million because of direct AI influence. The future for consumers is inevitable, and being surrounded by AI technology is slowly but surely going to become a norm. The future of trust in AI, however, rests on engineers, the tech giants, and governments and their cooperation. Only then can the idea of AI as a terminator be pushed out of one's mind.

Audrius Šaras
(Lithuania)

Image: Hidesy & GOSPHOTODESIGN

International Non-Governmental Organisations or Non-Accountable White Saviours?

Trust in NGOs

Donations are power. Kennedy said so; "Foreign aid is a method by which the United States maintains a position of influence and control around the world". Churchill said so; "It is more agreeable to have the power to give than to receive". Obama said so; "Foreign aid is a core pillar of American power". The people in charge of the finance, be it governments or international NGOs (INGOs), make the decisions about which projects the money supports. They set the standards, deciding which actors they value and which projects are valuable. As every politics student will know, decision-making and a voice in the discussion are the ultimate unseen powers, often even more so than armies and guns.

With every donation, we are giving power to an institution. The power that we provide is an immense expression of trust. It is time to rethink whom we trust and why. Large-scale Western-based international NGOs have maintained more confidence than they deserve and that the grassroots projects in local disaster areas are distrusted for entirely the wrong reasons.

PeaceDirect, an NGO working with locals to prevent violence, produced an eye-opening report in 2021, titled Time to Decolonise Aid. In the report, consultations with participants in the field revealed that racism was still a factor in employment, expertise and attitudes in foreign aid. Conversations are still too uncomfortable to be honestly held on an equal level between the local and international aid sectors. Negative assumptions about local competencies push local aid sectors out of decision-making structures. When the two types of organisations are working with different power structures, one must differentiate between them for the purposes of aid donation.

International non-governmental organisations may have been created with verifiable mission statements. However, time after time, there have been scandals surrounding aid workers, finances, transparency and funding. One of the most well-known examples is the Oxfam scandal, where the organisation protected relief staff who had exploited sex workers in Haiti. Another of many examples is the fraud and corruption uncovered in Mercy Corps in the Democratic Republic of Congo. Something that was not a scandal but perhaps should have been was the controversial anti-child labour action by the international Foul Ball Campaign in Sialkot. This action was deemed a "success" for human rights in football, but upon practical evaluation, it was found to put the children in more vulnerable positions and decrease female employment from 50% to 20%. There are endless scandals regarding the largest NGOs, and yet, their reputation seems invulnerable – no scandal seems strong enough to erase the good name and trust that Westerners have in their intentions and organisational cultures.

To add to the issues of international aid, the white saviour complex is a disturbingly common issue within INGOs. The feeling of "saving" a group defined as less powerful antagonises the aid recipient into a position of inferiority. This was an issue that repeatedly arose in the PeaceDirect report.

The reliance on the alleged superiority and officialness of the Western aid workers has resulted in the automaticity of trust by many involved stakeholders. White undergraduate summer interns are often given more funding and project leads than locals that hold a PhD. However, those aid workers are unlikely to understand the local issues and culture as well as those who have lived there for a lifetime. The trust placed on INGO employees by both foreign donors and local communities is a trust that is entirely human, but not entirely deserved and sometimes entirely misplaced.

In practice, power is never balanced if vital information is only reachable by the more Western-educated workers. This is entirely the case for the aid industry since most work regarding INGOs is in English. Specifically, INGOs have built an entire sector-specific language in which they use new jargon, alienating high-stake actors who have not had the opportunity to learn that type of English. Western education is often seen as a trustworthy qualification, but how can it be deemed a necessity when it is immensely difficult to access in the Global South? When more research resources are given to Western universities due to their higher reputations and in turn lead to more research output, the reputation-resource cycle becomes inaccessible for anyone outside the elite circles. Such a system gives no chance for the local people to acquire these organisations' confidence, nor can they trust, or even openly communicate with, those who are supposed to address their needs. In contrast, western-educated donors are much more likely to fall for the facade of jargon they have been brought up to believe is expertise.

Many aid recipients, including grassroots organisations, wrote in reports (such as the Race to Lead report) that the process of getting donations is overcomplicated at best and degrading at worst. To illustrate: A local school asks for a water supply for its pupils and instead receives: an aid-worker who does not speak the language, several overseers to report back about progress, a never-ending series of forms and documents to fill out, a request for a project proposal, foreign construction workers who may even take away opportunities for local work, a photographer and money in the donating country's currency. The main reason that the donation process is so complicated is precisely the lack of trust in the local organisations. Generally, people have an image of a Western field expert teaching the local leader skills of "developed" countries. However, logically, those who have lived their whole lives in an area and experienced the disasters themselves, have a much stronger knowledge of how to use the money. In such cases, the Western overseers and reporters are therefore entirely dispensable, if not a hindrance, to the development plan.

In order to gain a foreign NGO's trust, western fundraisers often ask for detailed spending records, project proposals, and regular reports. What such requests fail to take into account, is that the recipient country may have an entirely different scientific style and that such requests may even take longer than the project itself. Donors often start distrusting and decrease funding just they consider corruption more likely in local organisations, perhaps due to unconscious biases, or other unhelpful criteria (including, unofficially, a lack of "whiteness" and Western values). Such criteria are in no way a reflection of the ability to help a local humanitarian crisis. Due to the reputation that the global system awards Western aid, an unconventional report may discredit a local poverty NGO, whilst an INGO may barely be touched by a corruption scandal.

Undeniably, foreign aid has positively impacted many disaster-stricken areas. However, it remains a minor pavement of development aligned within the international economic infrastructure. Trade infrastructures are defined by the competitive advantage mandate. The shocking truth behind the competition incentives is that international corporations globally chase low production costs, and local manufacturers are forced to fall beneath human rights standards in an endless struggle for economic survival. It is within this global economic environment that international aid is acting – so it takes a much greater level of dedication than is currently given to work against the Western-favouring corporate and governing biases inherent in international economic systems.

A genuinely beneficial NGO would protest its own institutional structures, essentially working to eradicate its own existence. The goal should be to push for a new system in which disaster-stricken areas have economic means to become self-reliant once more. Yet, self-reliance is often considered achieved once the economic means exist when it also requires a transfer of decision-making power to the local leadership. To quote Obama once more: "foreign assistance is not an end in itself. The purpose of aid must be to create the conditions where it is no longer needed". When you contribute to a cause, you are deciding whom to trust with the power to make a country self-reliant. Local leaders should not need to prove loyalty to their countries in order to be trusted, in contrast to INGOs. The chances are that the interest of self-reliance is more closely aligned with grassroots organisations than INGOs, who rely on disasters to fix for their existence. You may only be a small drop in the ocean compared to government funds, but your decision is part of the change – so take a moment to decide which future you would like to see before donating.

Trust bravely, not blindly.

Cäcelia Hagenberg

(Germany)

Source: Fortune.com

The Hitchhiker's Guide to the Future of Predictable Unpredictability

How to make sense of the recent erratic developments and reasonably forecast what is yet to come

In one of its last articles that wrapped the year 2021, called "The new normal is already here. Get used to it", The Economist claims that the current state of chaos the world is experiencing is unfortunately likely to persist. Introducing the era of "predictable unpredictability", the story advises preparing for the new inevitable reality. With outlooks for calm waters highly unlikely, and memories of the recent traumatic events still fresh, this sounds like a valid suggestion. The pandemic, being a one-way entrance to the world of tomorrow, will certainly test the credibility of current institutional and societal arrangements and permanently change the world we live in. So, what is reasonable to expect, given the latest developments, and how to prepare for it? How to trust anyone and anything again, with many aspects of our past lives now gone, and predictions about even the closest future as tricky as reading the crystal ball? Fasten your seatbelts and get ready, this is an economic crash course done at the time we already lost control.

Despite the current situation being slightly different in every part of the world, with each region experiencing a unique combination of the ongoing issue in both timing and volume, the status quo of the economy can be described by multiple general features. Various crises the world is now experiencing, from the ongoing health crisis to troubling inflation and soaring energy prices, are nothing but glimmers of the grim future that lies ahead. Taking the claims of The Economist one step further, the following chain of predictions represents the permanent materialisation of the current disorder, aiming to serve as a recommendation of what is sensible to anticipate.

TIME TO FINALLY SPILL THE BEANS

"Transitory [inflation]. I think it's probably a good time to retire that word and try to explain more clearly what we mean", acknowledged Fed Chairman Jerome Powell in early December 2021. After months of persistent attempts to convince the public of the opposite, it was the very first time this widely suspected prediction was openly admitted. Importantly, other banking institutions have similarly altered their expectations following this statement. Now, let's put some basic economic theory into play and dive deeper into the explanation of what the central banks got wrong in the last few months.

Source: Shutter Stock

In normal times, inflation is often considered a self-fulfilling prophecy. Individual forward-looking agents try to predict the future and accurately form their expectations, given the newest set of information available. These expectations, once materialised, represent a crucial determinant of the actual rate of price increase. However, knowing the imperfect rationality of human beings, the reality of this process is often much more disappointing. If the economic parameters are not assessed well, fueled further by herd behaviour and market panic, exaggerated inflationary outlooks result in a higher price level than would have been defined by economic fundamentals.

By this logic, inflation can sometimes be excessive, or even fully arise simply because people predict it to do so, despite any real underlying causes present.

Nevertheless, until Powell's statement regarding the change of course for the economic predictions, communication of almost all central banks represented an unusual reversed mechanics. Given the reality of recent months, with almost no good or service exempt from the sudden price increase, the whole economy was soon screaming the word inflation in unison. Yet, central banks were united in their message to the public: ignore what you see and keep calm, it is not how it looks. Their strategy was straightforward – keep the people convinced of the phenomenon's transitory character, wait until temporary sources of price instability slowly disappear, and by doing so successfully maintain low fears of inflation. If this was executed well, no realisation of expectations would happen, and price level volatility would stabilise. Unfortunately, the pandemic had other plans, resulting in an economic reality of today where claims of temporary inflation are simply no longer defendable.

To make any forecast about the future economy, with pandemic developments being the core unforeseeable determinant, is certainly not an easy task for any policymaker. Nonetheless, given that the belief in temporary inflation is slowly evaporating, a professional consensus has formed that nothing stands in the way of expectations, eventually resulting in a period of prolonged higher price levels. However, according to the latest macroeconomic predictions, both the European Central Bank and the Fed still forecast modest inflation rates compared to the 2% target rate, with 3.2% and 2.6% for 2022 respectively. As we unfortunately know too well, new world developments can swiftly turn these numbers into dust and in the meantime crush our beliefs of a brighter future once again.

TAKE OUT THE BIG GUNS, WE HAVE A PROBLEM TO SOLVE

Once we admit that inflation is very real and not so transitory, the question of what to do about it naturally emerges. The weapons of choice available to central banks are obvious - raise interest rates and stop asset purchasing programmes. The reasoning goes as follows: to cool down the overheated economy and tame the rising price level, contractionary monetary policy is used to increase the costs of credit and lower demand for assets. By doing so, the amount of money in the economy is lowered, overall economic activity is hampered by a lack of investment, and a rise in prices is limited to a lower rate. Implementation of these instruments is highly awaited and can be certainly expected (if they are not in place already) in the upcoming months.

A CROSSROADS AHEAD, WITH ONE OPTION WORSE THAN THE OTHER

However, why is it so that many of these regulatory institutions have been so far hesitant to pull the trigger? An old saying states that "the cure should not be worse than the problem itself". Equivalently, the substantial costs of anti-inflation policies create an uneasy trade-off for policymakers, with the decision about what to do being not as clear-cut in the consequence.

One side of the coin is simple: the longer the current pandemic state continues, the longer the need for monetary and fiscal policy to stimulate the economy will be present. Introduction of new variants of the virus, with the next one being more infectious than the previous, forces continuation of such policies that protect employment and prevent business bankruptcies. Such a state is described best by the words of the ECB's President Christine Lagarde: "We're back from the brink, but we're not out of the woods". However, one thing has drastically changed since the start of the pandemic – the current circumstances disallow further stimulation of the struggling economy at the expense of price stability. With inflation moving up on the list of economic issues, a doomed dilemma has been created. Just like flying a burning plane with no parachute at your disposal: either you stay onboard and burn alive or you decide to escape the flames but die from the fall. Consequently, manoeuvring the economy of the future through these challenges will require a splendid job in synchronisation of all economic policies available at hand.

Undoubtedly, the return of stability and predictability into everyday life is highly awaited by all of us. However, what seems like to be most likely at the moment is that the world of tomorrow will be the exact opposite of what we wish for – full of continual chaos, mutually exclusive economic objectives, and relentless surges of additional challenges. Trust in economic stability remains, at least for the foreseeable future, just a naive wish as depicted by the three predictions. However, we can at least try to turn this difficult situation into an opportunity, and subsequently wrap this up on a more positive note. As Sir Winston Churchill claimed: "To improve is to change; to perfect is to change often". The sooner we adopt the skill of resilience and trust of our own abilities regardless of the circumstance, the less violent will be our voyage on the waves of the new era of predictable unpredictability.

Matej Vanko

(Slovakia)

Photo: Shutterstock

The New Hippocratic Oath: “Spread No Harm”

Doctors worldwide are always asked to take the Hippocratic Oath before beginning their journey in public service. One of its many promises is, “Do no harm,” followed by treating the ill to the best of their abilities, maintaining patient privacy, and teaching the following generations of medical students. As a sector, the healthcare industry has always built its establishment on the ability to relay trust between its practitioners and patients. This institution's skill to foster relationships has derived from centuries of scientific discovery, medicinal advancement, and—most importantly—trust.

According to the BBC, a Wellcome Trust survey found in 2019, “73% of the people around the world trust their doctor or a nurse for medical advice.” In the UK, this figure was as high as 90%. Of course, these figures arose before the cataclysmic COVID-19 pandemic. The Wellcome Trust survey analyzed in 2020 that although the pandemic was reacted to differently in all parts of the world, there was an interesting climb in people's trust in science and scientists. In 2018, confidence in scientists stood at 34% and increased to 43% by the end of 2020. But, despite this slight inclination, there is still much hesitancy in analyzing scientific data.

Medicine cannot exist if not for science. Scientific philosophy provides a structural foundation of relying on experiments, data, studies, and more to give the best care to patients across the globe.

This emphasis on the importance of simple topics like biology or chemistry begins establishing a solid health literacy. However, in 2016 Wellcome Trust started a longitudinal study to track the importance of science education in primary and secondary schools. As of 2019, the study found that “many young people don't see science as relevant to their everyday lives or their future plans.” Only 41% of secondary students find science important, which has declined from the 48% recorded in 2016.

Social media and the Internet are considered colossal factors that affect our everyday lives. Both are massive catalysts in which information in the form of text, audio, videos, images, and more are spread merely in a few seconds. This constant dissemination of information can create an overload of what to believe or trust in. Although there are websites that aid with medical information, such as WebMD or Mayo Clinic, many people still rely on their practitioners for sound medical advice. However, the COVID-19 pandemic created a level of uncertainty that began to shake the foundations of the healthcare industry.

Unlike other heavily researched diseases, have established diagnoses or prognoses, or are eradicated, the pandemic created a high level of uncertainty. The entire world had to learn daily what new information was being communicated. The World Health Organization announced a global pandemic on March 11, 2020, and almost instantly, the world came to a standstill. The only direction people were looking towards was the doctors, nurses, scientists, and political figures that would convey much-needed information. With an organization like healthcare having such a high level of trust, it was only natural that the world abided by the new public health guidelines from the safety of their homes.

A study by Penn Medicine showed that social media use increased over 60% during the first wave of the pandemic. This could be because of the increased free time, wanting to connect to others and be aware of new information about the pandemic. In a survey, 45% of respondents estimated they spent over half an hour a day reading only COVID-19 related material. At the beginning of the pandemic, information was not monitored by ‘fact-checking’ sites, which means there was no journalistic “watchdog” or “gatekeeper” that evaluated whether what was being displayed was factual or false. Of course, technology provided a way to connect to family, friends, and even colleagues during this isolation.

Source: Clay Banks Unsplash

Despite the many benefits of social media, it was inevitable for its dark side to rise slowly. False information regarding the pandemic began to circulate. It came in many forms, such as conspiracy theories, using household ingredients to kill the virus, mask-wearing, and most recently, creating vaccine hesitancy. Misinformation in the healthcare industry is nothing new. Even before the spread of the COVID-19 pandemic, countries have struggled with combating health misinformation. More specifically, in at least six countries in Africa, "one in 10 people place their greatest trust in 'traditional healers.'" Organizations like Africa Check were established to prevent the spread of misinformation in Nigeria regarding polio vaccines. Lee Mwiti—a member of Africa Check—said that a significant amount of work goes into debunking false information like "quack cancer cures" or "life-saving cough CPR."

However, what the pandemic caused was a massive influx of conflicting information that simply created confusion and uncertainty. For example, vaccine hesitancy has continuously been an issue for almost twenty years. February 28, 2018, is the 20th anniversary of one of the most infamous fraudulent science articles written claiming vaccines are linked to autism. This myth has circulated amongst many countries—including the USA and UK—but what is often disregarded or simply ignored is that authors were de-licensed for "their deceit and 'callous disregard' for children." According to Time magazine, it took almost twenty years for the UK immunization rates to recover from this farce.

The lasting effects are still rung today as vaccine hesitancy continues to increase in the United States. Particularly with the pandemic at hand. As of June 2020, about 24% of the US population said they would certainly not get the vaccine if it became available in September 2020. Many individuals have cited that they are either concerned about the safety, side effects, or general mistrust of the government. The healthcare industry has typically operated away from government pressure. Of course, public institutions receive public funding, but in general, public health in the United States did not become a national issue until the coronavirus. Before the pandemic, the CDC would operate locally, such as town epidemics caused by non-vaccinated children. Or foreign diseases reaching USA territory. The last two major health crises in the US were the Ebola and Zika virus warnings.

It was now that the health institution was placed in a public light. Unfortunately, 2020 was not just the COVID-19 pandemic but also the spread of mistrust. NPR shows that in the United States, by 2021, levels of trust in critical public health groups have declined over the last year. They attribute this to political interference, incomplete information, the spread of misinformation, and confusing messaging. In fact, the political interference can be seen as only 27% of Republicans greatly trust the CDC compared to the 76% of Democrats.

Before the pandemic, the level of trust between a patient and their doctor was substantially high in the USA. Now the foundations of this trust—turning to the healthcare industry—have been crippled. National public trust will take time to rebuild but starting at local levels is what healthcare providers are recommending. Nurses, physicians, and pharmacists will have to reestablish their strong relationships with their patients continuously. The Hippocratic Oath no longer only implies doing no harm, but now, physicians must understand that they need to restore the faith in their practice.

Source: Shutterstock

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