

Cognizance

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HOW MONEY DISAPPEARS

CREATING A SOCIETY FOR ALL

THE DEADLY DENGUE EPIDEMIC OF BANGLADESH PLUMMETING

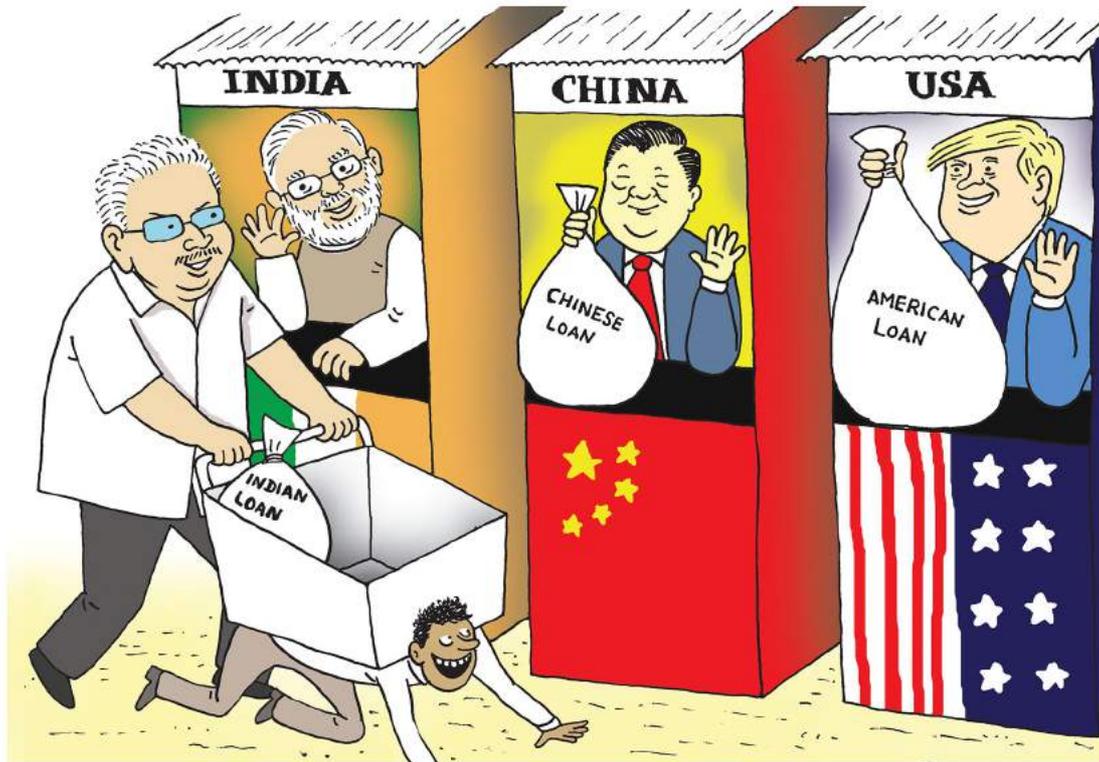
MONEY VELOCITY: IS IT REALLY CONCERNING?

IN THE WORLD OF TECHNOLOGY, DID BANGLADESH SURVIVE?

CYBERBULLYING

AGRICULTURAL SUBSIDIES IN THE WEST:

THE ABCs OF FINANCE



With rising debt from China, Russia and India, added to increase in money laundering, are we going to share the same fate as Sri Lanka?



NOTE FROM
EDITOR-IN-CHIEF

NUMA-E JANNAT

And just like that, the world is (almost) back to normal. As nations gradually ease restrictions and lift protective measures, the people are finally able to close their 6 feet distance and unite once again. After nearly two years of the world focusing solely on Covid-19, it is time to now shift our attention outwards, onto more underrated issues. That is why the team here at Cognizance has decided to bring forward an array of eye-opening topics to the centre stage. As we shine a spotlight on the lack of financial literacy, the seasonal dengue outbreak, and the rising concerns regarding internet usage, among others, we hope that all these facts, data, and statistics will help you grow into a more conscious global citizen. It is 2022, and as we step into the post-Covid era, it is now more important than ever to keep our bodies--healthy, our eyes--observant, and our minds--cognizant.

How Money Disappears

Ahmed Wafee Syed Khan

In January 2022, the inflation rate as stated by the Bangladesh Bank was 5.62% while the interest rate on safety deposits was 4.01% for the same month. Essentially this means that a Tk.100 investment might yield Tk. 104.1 but it would be worth Tk. 1.61 less as this money should be at least Tk. 105.62 to retain its original value. In essence, numerous account holders in Bangladesh are losing out on their investments, instead of gaining from them as they were promised.

Regretfully, the problem is actually worse than it looks. According to the GFI (Global Financial Integrity), Bangladesh loses approximately US\$ 8.27 billion a year because of money laundering. The money is laundered mainly via Illicit Financial Inflows (IFFs). Exports are under-invoiced which means that firms are earning more money than they officially state they are. Imports are over-invoiced which means that money going out of the country is exaggerated.

The overwhelming proof of these illegal transactions is the fact that a large amount of money is simply not found in Bangladesh whether in the stock market or any deposits. Furthermore, there are a large number of accounts opened in banks in Switzerland, Hong Kong, Cayman Islands, etc., countries that disclose very little information about account holders which means that the money could have been taken there. Numerous Bangladeshi businesses were also mentioned in the Panama Papers.

Due to IFFs, Bangladesh's balance of payments might be inaccurate, the demand for the US Dollar is more and the supply of the Bangladeshi Taka is less than officially stated so the exchange rate for taka is much higher than \$1=\$86. This, in turn, means that the export revenue, in actuality, is even larger than stated and that import expenditure is far less than stated.

As the country's currency is actually weaker than officially stated, this means that imports are also more expensive causing cost-push inflation. In essence, the inflation



rate is significantly higher than the 5.62% reported by the Bangladesh Bank which, unfortunately, implies that money in safety deposits which totaled US\$ 176.6 billion in December of 2021 is losing a large part of its value. To make

matters worse, the amount of money being laundered increases every year which also means that the difference between the stated inflation rate and the actual inflation rate is only increasing. This causes consumers to lose out on more of their real incomes.

Due to the ever-increasing actual inflation rate, firms would eventually become reluctant to invest as they would lose confidence in the economy. This would also include foreign firms so foreign direct investment in Bangladesh would also fall. Consumers would also slowly realize that they are able to buy fewer products than before with their incomes which are

supposedly increasing. This means that consumers would lose confidence in the economy and consume less.

The difference between the actual inflation rate and the stated inflation rate and the even lower interest rate on savings accounts implies that Bangladeshi account holders, which number 124.9 million people are losing a large proportion of their income from savings which means that their real disposable income will have decreased which causes their living standards to deteriorate. 124.9 million people out of 167.4 million people in Bangladesh are poorer than they think they are, that is 75% of the country's population. Unfortunately, as the official inflation rate is extremely understated, the government has not updated its tax brackets which means that a lot of people are paying higher income taxes

than they should. This, in turn, means that their real disposable income is once again less than it should be which means that they can afford fewer products than before. This steady decrease in real incomes will eventually cause poverty rates to increase in Bangladesh

As the amount of money disappearing from Bangladesh increases, so too does the actual inflation rate skyrockets and the confidence in the economy withers away even with the ever-increasing government expenditure and the forecasted positive economic growth rates. To put it simply, Bangladesh is like a water bottle with a hole in it so no matter how much water (money) the government pours into the bottle, too much bleeds out for Bangladesh to maintain its economic development.

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Creating a Society for ALL

Raiyan Meer

Over one billion people worldwide have a disability (17% of the world population). Most live in developing countries. This number is expected to grow due to factors such as conflict, aging, stunting, and natural disasters. Persons with Disability (PwD) are much more likely to face poverty than others as they counter biases and barriers when accessing basic services and employment opportunities. When they are excluded, it becomes difficult to escape the cycle of poverty and marginalization.

Over the last few years, organizations have taken actions to make recruitment processes more inclusive globally and deliver the best candidate experience for prospective employees with disabilities, revising all job descriptions and communications with prospective candidates to use more inclusive language. Various organisations across the globe have contributed to recruiting and supporting students with disabilities. These include; EmployAbility and MyPlus Students Club in the UK; Lime Connect in the U.S., Talento Incluirr in São Paulo, Brazil; and SG-Enable, Care-ER, Accessibility Consortium of Enterprises (ACE), and the China Disabled Persons' Federation in APAC.

Companies including JP Morgan Chase, Coca-Cola, UPS, EY, IBM, Walgreens, Starbucks, and SAP are exemplars that show people with disabilities can succeed. A

major study shows that such companies have seen “28 percent higher revenue, double the net income, and 30 percent higher economic profit margins” over a four-year period. That’s because people with disabilities bring unique characteristics and talents to the workplace that benefit employers and organizations.

In Bangladesh, PwDs account for about one-tenth of the population, and this large population segment has the potential to meaningfully contribute to the country’s economy and participate in the labor force

provided their right to decent work is protected and maintained. Fortunately, Bangladesh was one of the first nations to ratify the United Nations Convention on the Rights of Persons with Disabilities. According to

the ILO, most PwDs do not need any accommodations to do their jobs, and in 55 per cent of cases, making an accommodation, such as changing work hours so an employee with a disability can access less packed transportation, does not cost anything. To support this commitment, the government has set a 5 per cent admission quota for students with disabilities at all technical and vocational training institutes.

In 2019, Masrur Ishraq founded the third eye in hopes of helping visually impaired students. So far, Third Eye has helped over 400 visually impaired students with



audiobooks, recording lectures, and stenography during exams. Third Eye also involves visually impaired individuals in their work. Currently, Third Eye offers debate, computer, and pronunciation training for the visually impaired, alongside other vocational and personal skill development projects. For his efforts, he won the Joy Bangla Youth Award for social inclusion in 2021. Today, Masur hopes for the moment when no visually impaired person will feel like an outcast in our society.

Given the unprecedented situation created by the COVID-19 pandemic and economic crisis, new ideas, new efforts, and new leadership are required to remake the economy and make it more inclusive for all. Our community has been hit hard by the pandemic and rehabilitation of the citizens, regardless of their physical limitations, need to be at the forefront of any recovery efforts.

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The Deadly Dengue Epidemic of Bangladesh

Shaheen Fatma

According to data from the CDC, Bangladesh is one of the countries where dengue is most prevalent. Being situated in a tropical monsoon climate, this is hardly a surprise as warm temperatures are the best conditions for Aedes mosquitoes, the malicious vector that spreads this disease.

Since dengue is transmitted through mosquitoes, the most effective and easy way to break the transmission cycle would be to reduce the number of mosquitoes.

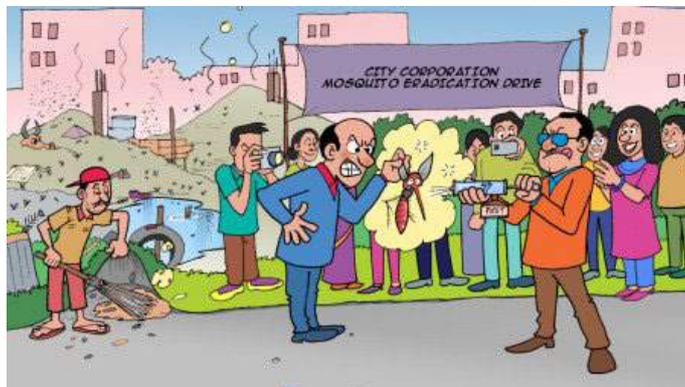
This could be done by regularly spraying insecticides and making sure the mosquitoes do not get a chance to lay eggs, but this is quite

difficult in practice. In recent years, the mosquitoes have shown a resistance to the insecticides sprayed in cities, and during the monsoon season, small puddles and pools of water are bound to form, so it is impossible to get rid of all standing water.

Furthermore, it does not help that Dhaka city is one of the most densely populated places in the world. Dengue spreads when a mosquito that has bitten an infected person takes a blood meal from a healthy person, transmitting the virus in their saliva. Due to the crowding problem, many people are forced to find very unhealthy living quarters that bring everyone into close proximity. This also makes transmission from one person to another easier.

It must also be noted that the people who live in these bad housing areas are from very low-income backgrounds. This means that if somebody falls sick, they cannot afford treatment, which in turn leads to higher chances of transmission as there are more sick people for the mosquito to bite and contract the virus from.

Dengue in Bangladesh is a seasonal problem, with massive peaks during the



monsoon season. This rise in dengue cases happens to coincide with the agricultural season as well when farmers are most busy with their fields due to the rainfall. Having to be outside frequently,

farmers are one of the groups of people who are most susceptible to contracting dengue, and covering up is not always an option due to the intense heat that they work under. Add to that the fact that they are also low-income earners who most likely cannot afford treatment, a perfect disaster presents itself.

Agriculture makes up a relatively large part of Bangladesh's GDP and is one of its major sectors. If farmers are continuously falling ill, there is a decrease in productivity and output which can prove detrimental to economic growth. Bangladesh is already not well equipped to deal with outbreaks of diseases due to a shortage of hospital beds and qualified doctors. It is estimated that in 2019, the direct and indirect cost of the

dengue epidemic incurred by Dhaka city alone was \$15.28 million. This is a huge loss for a developing country as this money could have gone towards infrastructure, education, or raising living standards.

Overall, due to scarcity of resources and a big population, preventative measures have failed and the resulting spike in dengue cases is handled poorly as access to treatment is also lacking.

Nonetheless, a new ray of hope may have presented itself in the form of biological methods to get rid of dengue. Permanent bodies of water can be stocked with fish that feed on mosquito larvae, and there is also a preparation made using the bacterium *Bacillus thuringiensis* which kills mosquito larvae without harming any other life form in the area.

The most exciting prospect of biological arms against dengue, however, is genetic engineering. Dr. Ijaz Ali, a Pakistani scientist, has been working on genetically engineered mosquitoes for the past decade. The goal is that, once released into the ecosystem, these special mosquitoes will

mate with the *Aedes* mosquitoes to produce offspring that do not survive or cause sterility, resulting in an eventual decline in their population. Successful field trials of such GM mosquitoes have already been carried out in countries such as Australia and Brazil.

Nevertheless, this solution is not without opposition. Health experts are concerned about the long-term effects these mosquitoes can have on the ecosystem as it is difficult to predict exactly what these genetic changes will result in. It is also unclear how they will interact with the new environment, so there is a possibility that we end up getting more than what we bargained for, perhaps in the form of a new disease that is worse than dengue.

Despite that, it cannot be denied that dengue is a serious problem that is in dire need of a resolution, and genetic engineering as a whole is the next big thing in technological advancements with many success stories, so the future might just be hopeful after all.

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Plummeting Money Velocity: Is It Really Concerning?

Mahmuda Akter Maya

The velocity of money which had started falling in 2000, is at its all-time lowest right now in the US and this has raised concerns about future macroeconomic conditions. Before we understand why or why not this is a concern, it is imperative to understand velocity first, as it is not a widely used term.

The velocity of money is simply how many times money has changed hands and this shows the amount of trading that has occurred in the economy for that period. This is calculated by dividing the GDP by the economy's money supply (M1 or M2) in a quarter. If we understand this mathematically, then velocity falls with low GDP or high money supply and vice-versa velocity rises with high GDP or low money supply. Hence, a high velocity indicates an expanding economy while a low velocity indicates a shrinking economy.

Now that we understand velocity, why has it been decreasing over the years? Of course, the formula tells us that the GDP has to be low or the money supply has to be high but what has caused these variables to reach this state? The first noticeable cause for a lower GDP in the present would definitely be the Covid-19 pandemic, which has increased consumers' uncertainty about the economy. Because people are uncertain about the future of the economy, they start to save more and spend less, leading to less trading which lowers output. Those that

keep up with the news, can see the Federal Reserve System (FED) increasing the US money supply continuously, in an attempt to stimulate growth, which will ultimately lead to a lower velocity. Smaller factors like regularity of payment and pattern of payment also cause fluctuations in velocity over time.

The main issue with using velocity as an indicator of an economy's performance, that

is whether it is growing or shrinking, is its lack of precision in calculations. The calculation of GDP tends to be inaccurate given that it excludes

the informal economy. The informal economy i.e., hairdressers, car repairs take up 80% of our country's labor force according to the Bangladesh Bureau of Statistics and takes up 70% of the world's labor force according to ILO. As the GDP is underestimated due to the informal economy, the velocity is underestimated too. This is proven by how inflation rises while velocity lowers when theoretically it should be the opposite.

The current economic condition may be deceiving as we see lower inflation and velocity, but this could have happened simply due to the different policies that have been used to deal with the pandemic such as quantitative easing. Moreover, the pandemic has negatively affected both formal and informal economies; in normal circumstances excluding the informal



economy hides the actual rate of velocity, which would be much higher, and that would make sense as inflation has been rising too.

The velocity of money is theoretically a good way to indicate the growth of an economy but its weakness lies in its underestimated calculation of the GDP. If the size of the informal economy was not so significant then this wouldn't really be a problem, but in most countries, the percentage of people working in the

informal economy outweighs the ones working in the formal economy. There are still chances that industries like travelling could see a high spark in demand once Covid restrictions reduce, leading to higher inflation; but this indication is not assumed by the low velocity right now but rather the policies the government has put which have suppressed the inflation.

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In the World of Technology, Did Bangladesh Survive?

Ahmad Hossain Alvi (The Aga Khan School Dhaka)

Bangladesh is a developing country led by leaders aiming for development. Technologically, Bangladesh has developed to a great extent. Especially, after 81 million dollars was stolen by North Korean Hackers in 2016. The Central Bank of Bangladesh, one of the top cyber security networks, was hacked by a group of North Korean hackers. This breach hit Bangladesh with absolute shock. After that, there was a large data theft from Teletalk, a state-owned mobile operator in this country, in November 2017, a state-owned mobile operator in Bangladesh. The field of cybersecurity is made up of intricate relationships between public and private stakeholders. The Government of Bangladesh has aligned its strategy with the five key pillars of the Global Cybersecurity Agenda, which were prepared by the International Telecommunication Union, in order to assess proper interaction among relevant actors and to monitor and implement effective governing policies to ensure up-to-date cybersecurity systems.



Later on, Bangladesh started surfacing as a digital device manufacturing country in the global technology sector. Many companies, local and international had received approval from Telecom Regularity to build hi-tech plants for manufacturing digital devices. The local brand Walton started

assembly on digital products and following them, companies like “WE”, “LG” and Transsion Holdings everyone has opened assembly factories in the industrial areas of Dhaka. Gradually after this, the government intervened to help the companies by reducing customs duty on mobile parts which were for local assembly from 36% to 1%. Meanwhile, they also discouraged handset imports by doubling the duty to 10%. This support encouraged firms to produce/assemble products in Bangladesh. This led to prices of smartphones/ digital devices decreasing as the cost of production decreased which in turn resulted in more people being able and willing to buy smartphones and be technologically engaged.

To aid this even more, there was an Access to Information Project, which was a one-stop Digital Center within 4km of villages. There are about 5000 Digital centers throughout the country which make sure that rural people regardless of their age, state or intellect have access to information and services. This not only increased the willingness to buy smartphones but also reduced the long journeys to go to sub-district offices and made life easier for millions of villagers. The services are mostly free, although some pay for these services using modern technology. From online training to overseas job applications, all of

the services are very available to people in rural areas.

Now for a very surprising fact that you will definitely make you jump off your seat after reading: Bangladesh has been exporting software and technological products to more than 50 countries around the entire planet. Locally developed technological services such as outsourcing and freelancing work, are being exported. They are earning about 800 million US dollars per year. As for the local population, recently the Bangladesh government has taken the initiative to register for vaccination online and the card system by a website in collaboration with the Department of ICT named Surokkha, which was developed by the ICT Division and Digital Bangladesh project. However, the website did not work at all for the first few weeks, causing a huge delay. But soon, they boosted their performance and people could finally register for the doses. Not only that but also the vaccine card process went smoothly as they developed a method where people's vaccination cards were automatically updated after vaccination.

Taking into account the international perspective, Indonesia is a quite similar country to Bangladesh, outside the Indian Subcontinent. Technologically, Indonesia is quite ahead of Bangladesh. While it was

Bangladesh's personal best to be 116th in the Global Innovation Index, Indonesia worked its way up to the 78th position. Bangladesh has worked quite hard on its development yet Indonesia has become the largest spender on IT in Southeast Asia. The internet in Indonesia contributed 2.5% to their GDP in 2016. While it was 2.64% in Bangladesh which is about 0.15% greater than Indonesia's and can be considered a substantial development.

Lastly, a practical and recent example that shows the development of ICT in Bangladesh has been consistent: a 20-year-old man, Joy Barua Lablu has developed a low-cost bionic prosthetic hand. He finished his diploma at a polytechnical institute in Chittagong. He opened a workshop "Robolife Technology". His daily work rate is 5 robotic or upper bionic limbs per day. The comparison of prices is simply mind-blowing. A bionic upper limb usually costs BDT 700,000 (\$8000), yet his bionic limbs are BDT 35,000 (\$405), which is 5% of the price it is sold at in developed countries. This clearly indicates the development of incentives in this country and encourages every IT student to contribute to this country, as after all the youth is the future of a country.

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harsh accusations. Online or in person, you can talk to a counselor, a sports coach, or your favorite teacher at your school. Look for a helpline in your country where you can chat with a certified counselor if you don't feel comfortable talking to a friend. If the bullying takes place on social media, block the bully and file a formal complaint with the platform. It is the obligation of social media companies to ensure the safety of their users.

Being online has a plethora of benefits. It does, however, come with risks that must be avoided, as with many things in life. If you've been the target of cyberbullying, you

may want to delete some apps or be offline for a while to recover.

On the other hand, turning off the computer is not a long-term solution. It may even send the bullies the wrong message, encouraging them to continue their bad behavior. One of the most important reasons to report cyberbullying is that we all want it to stop. Developing the internet we desire, however, takes more than simply opposing bullying. We must be cautious about sharing or saying anything that could harm others. Both online and offline, we must be kind to one another. It is up to each and every one of us to make a difference!

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Agricultural Subsidies in the West: A Necessity or an Antiquated Figment of the Past?

Shayor Ahmad Khan

Since 1995, the United States of America has spent, on average, 16 billion dollars per year over the last decade on agricultural subsidies. This trend of investing heavily in agriculture started in 1933, with the introduction of the “Farm Bill” that sought to ensure adequate food supply and aid farmers who were struggling due to the low prices of their crops (owing to excess supply). This move made sense. Over 25% of the US population was involved in farming in the 1930s, with over 7 million farms operating all over the country. However, that number has dwindled to just 2 million as of 2019 (a 71% decrease) as the country underwent industrialisation and modernized its economy. Thus, an appropriate question arises: what is the true purpose of these subsidies in the 21st century?

Before answering that question it is necessary to establish what a world without those subsidies would look like. It is likely that domestic production of agricultural goods will dwindle and the countries will look elsewhere to fulfil their demands. It is likely that developing countries will fit that shoe. The Global South is typically characterised as having large populations, a lot of whom don't have access to education and thus can't learn technical skills. Hence, many of these countries turn to agriculture as their primary industry; not only to satiate the necessity of food as sustenance but also to employ its masses and gain a source of income. Look no further than Bangladesh, where 70% of its land and 50% of its

population is involved in agriculture. Therefore, it is quite likely that when faced with dwindling domestic production, the Developed world will look to the Global South to import their crops. This increase in imports is crucial for the Developing World as they desperately need foreign income, and the increase in employment and industry, to grow their nations.

There are 3 reasons why this can't happen with the existence of agricultural subsidies. First, It lowers the global prices of these goods. When the US gives subsidies to increase production, the supply of a good will increase, driving down its price in the global market. This means that crops like cotton that West African countries rely on will now fetch them much lower revenue. About 3 million farms rely on Cotton as their main source of

income here, so when world prices decrease it will strip millions in the region from their main source of income.



Second, they will get out-competed by developed countries: if subsidies are given to firms that are already comparatively efficient (by virtue of being in a developed country with good infrastructure and having a highly trained labour force) and are hence capable of keeping prices low, then they can charge even lower prices without incurring a loss. Subsequently, either farmers from poor nations will need to lower their prices to compete (but they can't rely on the same subsidies and so bear a larger cost), or the demand shifts completely against their favour

driving the poor farmers out of business in the global market.

Third, domestically in these developed countries, subsidies act as an informal tariff, by making domestic goods cheaper than imported goods. This means that within countries like the US, US-made crops will be cheaper and consumers will opt for those instead of the ones from the developing world.

It is also incredibly unclear as to what utility the agriculture subsidies bring to the developed countries in question. The cost of production there tends to be astronomical with a high cost of both the labour and the land that is required for production. There tends to be a massive opportunity cost involved in allocating land for agriculture when that plot of land could have been used for, say, expanding cities and all the tertiary industries (eg. banking, tourism, etc.) found in them which is what these countries tend to profit most from anyways (banking assets were equal to 56% of the US economy as of 2021)! This is why, in recent years, most manufacturing has been outsourced to the developing world, which has fueled the growth of nations like China, which came to be known as “The World’s Factory”. Moreover, the distribution of the subsidies is often incredibly inequitable. According to the Environmental Workers Group (EWG), an American activist group that specializes in research and advocacy in areas such as

agricultural subsidies, about 10% of the top recipients of these subsidies received nearly 70% of the total amount! In fact, according to Forbes Magazine, subsidy recipients have even included several billionaires such as Paul Allen, Charles Ergen, and Leslie Wexner.

In conclusion, while agriculture subsidies may have served a purpose in the past when these countries were still heavily reliant on agriculture as the primary mode for growth and employment, it is now antiquated and has outlived its purpose. With advances in global trade routes and infrastructure (eg. operation and construction of ports, canals, etc.), there are very few reasons why agriculture can’t become another one of the many things that the West already imports. With the reduction of agricultural subsidies, massive amounts of taxpayer money would now be opened up that could be used for a myriad of other purposes such as expanding the welfare state or fostering growing industries like technology. None of this is to mention the fact that the real winners are likely to be the poor farmers from the Global South who would see an increase in revenue when they desperately need the money!

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The ABCs Of Finance

Numa-E Jannat

Kids don't need to know about money. Or so the argument goes. Parents consciously don't expose money matters in front of their children and also hide any financial problems they might be facing, all because they think this is for the betterment of children. It's quite ironic if you think about it because money will impact nearly every area of those kids' lives. How can you expect adolescents to manage their money when they become adults if they are not taught about it now, in their teenage years?

From infancy through maturity, financial education should be a continual process. Unfortunately, it appears that not many educational institutions prioritize financial literacy. They tend to believe that individuals will learn about money on their own. If you look at the stats, 1 in 5 teens lacks a basic foundation to build on for financial literacy. Meaning, that they felt they did not have the background to do basic things like building a budget. And yet, as of 2020, high schools in only 24 states of the United States of America are required to offer a Personal Finance course for the students.

One team of researchers decided to analyze the efficacy of simulations in producing a behavioral change in students. Students who took Junior Achievement's Finance Park, a simulation for middle school students where they are assigned fictitious life situations and asked to create household budgets for these roles, were split up into two groups after going through the park the first time. One group underwent financial education training while the other group did not. After 12 weeks, all the students went through the Park for a second time. Over half the students in the group that received training were able to successfully construct a budget, a statistically significant

amount over the only 1 student who was able to do so before the training.

Financial literacy is simply the ability to manage one's finances effectively, not only for everyday living but also in order to accomplish long-term financial goals, such as buying a house or investing in education. Becoming financially literate equips an individual with knowledge and skills that allow them to strategically manage, save, and invest their money to decrease stress and increase productivity. And this statement can be corroborated with a survey conducted by the American Psychological Association where it was found that 64 percent of all adults in America assert that money is a significant stressor while 63 percent of Millennials admitted to feeling anxious about their financial situation.

For many high-schoolers, the only reference they get before just diving into the independence brought by the college is economics class, and clearly, based on the stats, that isn't working out too well. Some may argue that having high-schoolers simply do internships, jobs, volunteer work, whatnot, teaches them financial skills naturally. Again, not working out too well, is it? This is why it is crucial for high schools, all over the globe, to introduce a mandatory finance course that goes into depth about taxes, insurance, budgeting, types of banking, loans, securities, real estate/commercial investments, etc.

With the rise of student loan debt, there is concern that student borrowers are not fully informed when making decisions about how much to borrow and from where. Can state-required financial education in high school provide the necessary tools to make a more informed decision? Yes— results show that

when students receive financial education, they borrow more sensibly, shifting from high-cost to low-cost financing. Financial education graduation requirements increase applications for aid, the likelihood of receiving a grant, and acceptance of federal loans, which are all low-interest means of borrowing. At the same time, education of this sort decreases the likelihood of holding credit card balances and reduces higher-cost private loan amounts for borrowers. For students from lower-income families, these courses reduce their need to work while enrolled, which likely increases their probability of graduation.

Many Americans have money problems because of financial illiteracy, and the issue persists globally. Worldwide, two-thirds of people lack the understanding of basic financial topics and so, it shouldn't come off as a surprise that about 4 in 7 Americans are financially illiterate and report being unable to manage their finances. Overdraft fees trend up, while income remains steady. Without a clear understanding of financial knowledge on a community level, personal financial skills are impacted, and – on a national scale – the economy suffers.



Financial illiteracy cost each American about \$1,600 on average in 2020 and \$415 billion nationally. South Asia, and Bangladesh specifically, has one of the lowest financial literacy rates among adults with only 25 percent and 19 percent, respectively.

Without an understanding of basic financial concepts, people are not well equipped to make decisions related to financial management. People who are financially literate have the ability to make informed financial choices regarding saving, investing, borrowing, and more. All in all, financial literacy is an important life skill to have, and learning to prioritize it from a young age will only bring benefits along. The skill is applicable to every job or career choice, which is all the more reason it should be a stressed subject. Money can't buy you happiness, sure, but debt, high-interest rates, risk of bankruptcy, etc definitely won't lead you to happiness either. Financial security is important and accepting that from a young age benefits you for the rest of your life.

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The Cognizance Team:

Numa-E Jannat - Editors-in-Chief

Ahmed Wafee Syed Khan - Writer

Raiyan Meer - Writer

Shaheen Fatma - Writer

Mahmuda Akter Maya - Writer

Ahmad Hossain Alvi - Writer

Umme Afia Ibnat Masud - Writer

DPS Faculty:

Shegufta H. Khan - Head of Department (Economics)

Niaz Mahmud - Teacher-in-charge

Cognizance is always looking for enthusiastic writers and designers who can express their views with a bold statement. If you think you have what it takes to be part of our team, feel free to contact us at cognizance@dpsstdhaka.org. You can also contact Mr. Niaz Mahmud at niaz.mahmud@dpsstdhaka.org for any issues or reviews regarding Cognizance.

Finally, thank you for reading Cognizance. We hope this newsletter has helped you learn a lot more about our world from the perspective of an economist.