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THE EMERGENCE OF PADEL

A GLOBAL SPORTING PHENOMENON

VINTED BOOMS FASHION FLOURISHES

THE IMPORTANCE OF SECOND-HAND FASHION TO THE GLOBAL ECONOMY

UKRAINE: AN ECONOMY AT WAR

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FOREWORD

When people hear the word economics, they often think of shares, stocks and complicated terms, in reality, economics is much broader than that. That's why us students, of the Manwood's Economics Journal, have attempted to form a journal which conveys what economics truly is - a social science that analyses how individuals, businesses, and governments allocate limited resources to satisfy unlimited wants and needs. We achieved this by including multiple articles that cover a variety of topics, ensuring there is something to interest every reader.

Economics helps people understand the past, explain current affairs and prepare for the future. By covering such a diverse range of topics, we hope the journal has the same effect and teaches all ages that economics is more than a subject you can take in class, but a topic that shapes almost every aspect of our daily lives.

ACKNOWLEDGEMENTS

This journal would not have been possible without the dedication, creativity, and hard work of everyone involved in its production.

Firstly, I would like to thank the Co –Editor, Daniel Watkins, for working alongside me throughout the editorial process. We would also like to extend our sincere thanks to Finley Divito, India Norris, Louis Reading, Edward Wisbey, James Brown, Freddie Bennett and Harry Robinson for their outstanding contributions to the research and writing of the articles featured in this edition. Their insight, commitment, and attention to detail have helped ensure that every piece is both informative and engaging.

Finally, thank you to our teacher, Miss Parfitt, who helped guide and support us throughout this process.

Chief Editor
Eshal Shahbaz

Students of The Manwood's Economics

THE EMERGENCE OF PADEL

Written By Finley Divito

Creative Beginnings

In 1969 Acapulco, a Mexican businessman Enrique Corcuera decided to merge two of the greatest racquet sports, tennis and squash, by adding glass walls and a metallic mesh on the side of nets. By doing this he created a fast paced, dynamic racquet sport that requires strategy, reflexes and team chemistry, making it accessible for beginners and thrilling for experts.

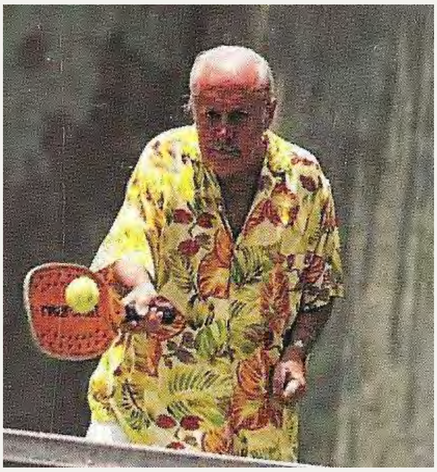


Figure 1
Enrique Corcuera playing with the first palas

It was then discovered by the Spanish in 1971, where it was first played at the Marbella Club. This successfully provided the affluent with a fun and easy leisure activity. Throughout the 1970s, the sport continued to expand across Spain, with private clubs and facilities playing a key role in its growth in cities including Madrid and Barcelona. At this point "tennis with walls" had little popularity, and demand was driven by social and leisure factors among the top earners marketing it as a luxury good.

Argentina Acknowledges

In 1975, padel arrived in La Albiceleste through Argentinians and Spaniards returning from travels and introducing the sport. Investment and funding by many businessmen helped the sport grow, showing its potential as a global racquet sport. Throughout the 1980s, there was an increase in popularity in all income levels. This was primarily due to the first ever public court opening at the San Juan Tennis Club in Buenos Aires in Argentina. Soon after, in 1988 Argentina started playing formal competitions in domestic leagues, initiating the rise of this social phenomenon. However, Argentina followed a similar pattern to the Spanish. Although investments into padel increased, it was still considered a very niche sport primarily played by the wealthy, highlighting the social inequality within the sport.

Competitive Spirits Arising

On July 12th 1991, the International Padel Federation (FIP) was established by Spain, Uruguay and Argentina which outlined new rules and regulations regarding padel. Examples of this would be establishing a scoring system identical to tennis and using special gear like a padel racquet which is smaller but much thicker than a tennis or squash racquet. In 1992 it was declared that the inaugural Padel World Championships would begin, which led to huge increases in popularity. Spain saw an explosion in club memberships due to demonstrated rising consumer demand which had much lower barriers to entry compared to tennis. This created higher economies of scale for operators, enabling investors to increase production with a lower average cost increasing profitability. This allowed padel business owners to reinvest these profits into creating more padel

courts, creating over 3000 courts in the mid 90s. These events led to Latin American nations like Brazil and Chile to adopt padel. As demand for padel tennis rose it directly increased investment in infrastructure, helping to create padel courts enabling them to start domestic padel leagues. This demonstrated that padel was gaining global recognition, increasing international competition and demand for specialised equipment, such as racquets and balls etc.

Padel Goes Pro

The first ever pro padel tour, Padel Pro Tour (PFT), was created in 2005, creating the first professional product for sponsors and allowing for it to be sold on a global level. By this point, Spain had already surpassed 1000 padel clubs proving padel made more revenue per square foot compared to tennis. By replacing one underperforming tennis court with 3 padel courts, operators saw a 300% increase in potential rental income from the same land.

In 2011, padel entered the UK market through the David Lloyds Leisure Centre, which signalled the beginning of padel expansion into high income Northern European countries.

Figure 3
Padel Court at David Lloyd Clubs

In 2012, the World Padel Tour replaced the Pro Padel Tour, introducing more opportunities for an improved commercial model, with better broadcasting and International sponsorship potential, allowing for padel to become more marketable across the world. The launch of these professional tours made paddle into a tradable media product which facilitated over $100 million dollars worth of injections into padel as brands gained more business confidence and could finally quantify the size and demographic of their consumer base.

Industrial Growth and Digitalisation

From 2013 to 2016, The World Padel Tour began to expand into countries such as Dubai and Singapore, while court manufacturing costs began to stabilize. Thus it was easier for investors to calculate their ROI, providing them more confidence in future prospects of demand for padel and potential increased investment in the sport.

In 2017, the Global Player Base reached 10 million creating a smaller submarket for equipment in order to play padel: shoes, apparel and racquets. This created a perfect opportunity for start-up companies, like Playtomic- a booking app, to dominate and fill the gaps in the market. This was possible as they collected the data of the player's habits, allowing investors to identify high-demand locations for new clubs. By 2024 the equipment market changed from niche to mass, reaching an estimated value of $1.2 billion with 10% annual growth rate.

The Venture Capital and Infrastructure Boom

After the pandemic, padel became a top tier target for private equity and real estate developers as they looked for high footfall assets that had high likelihood of success. This was driven by the global economic cycle transitioning from a recession to a recovery phase where goods with positive income elasticities of demand would succeed.

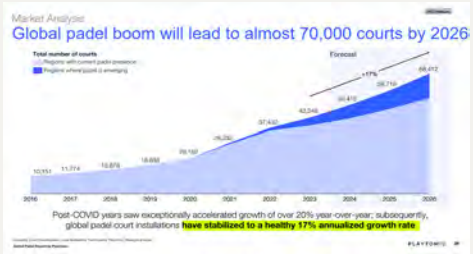


Figure 4
The 2024 Global Padel Report by Playtomic forecasts a rapid growth of the number of padel courts.

In 2021, Sweden's market reached a peak of 4100 courts, which was a 310% increase from 2019. This rapid expansion led to the market bubble to burst within the economy due to an oversupply. As Sweden's padel market experienced saturation due to lots of speculative investment, it resulted in major excess supply ultimately leading to crash in prices.

Premier Padel was launched in 2022, with the backing from Qatar Sports Investments, injecting substantial funding into the professional padel circuit and increasing prize money by over 1000%. This increased the quality of padel whilst improving the financial incentive for players to work harder and become good enough to achieve the top earnings. By 2023, the global padel market was now valued at $2 billion, by becoming a more accessible game for all demographics compared to its substitutes like tennis and badminton.

Present Day

Currently in 2026, the global market is estimated at $6 billion with the global player base surpassing 30 million people. The sport is now firmly associated with the hospitality and leisure landscape, using the courts as key anchors for shopping centres and residential developments. The increase in investment on infrastructure and padel courts has led to the production of over 10000 permanent jobs worldwide through: facility management, coaching and event logistics. This has allowed for the unemployment rate in the leisure and sports sector to fall, while improving equality and living standards improving. As a result, padel has evolved beyond being a sport, but rather a lifestyle, helping to grow global communities.

Future Challenges

However, it's not all good news in the world of padel. Despite being one of the fastest growing and dynamic markets in the world, padel may experience future problems with excess amounts of demand in the economy. This is because it heavily relies on the investment from the private sector, meaning any changes in producer confidence may heavily affect the sport and impact its competitiveness against other racquet sports. Another issue is that there is inequitable access to padel courts, driven by high costs of booking and membership fees. In consequence, low income households will struggle to participate in such activities, emphasising the higher barriers for entry. In addition, rising inflation rates will worsen accessibility as time goes on.

Why Is Padel Where It Is Today?

Padel is able to compete among the best racquet sports in the world due to the much lower infrastructure costs meaning more can be made available for public use. High social engagement arises due to padel tennis being a doubles-based sport. It boosts communication and partnership, whilst helping to develop a strong sense of camaraderie between teammates, thereby increasing customer retention. Finally, strong media commercialisation has allowed padel to survive in this extremely competitive market. A market base has developed over the recent years with social media platforms such as TikTok, accelerating the global exposure at minimal marketing cost. As a result, this has increased International consumer awareness and reduced barriers to marketing expansion, establishing padel as a global sporting phenomenon shaped by connectivity and modern culture.

WEIGHT LOSS INJECTIONS

Written By Harry Robinson

In recent years, the rise of weight loss injections - commonly referred to as ‘fat-jabs’ - has introduced a potentially transformative force in the UK economy. These injections are a long-term prescription for weight loss, which contain medication such as Wegovy or Mounjaro, which mimic the hormones in your body that are released after eating. They are successful in reducing an individual’s appetite which thus induces weight loss.

Obesity is an illness which has become a large economic burden in the UK. This is because the disease can result in high levels of absenteeism and reduced efficiency since energy levels of individuals with it are often lower than those without. It is estimated that around £126 billion are lost annually due to obesity and £31 billion of this comes from a reduction in productivity from those who are obese. Weight-loss jabs directly target this issue as they help people lose weight. They are able to improve the overall health of individuals and reduce many obesity-related illnesses from shaping their life. This represents a positive supply-side shock as it results in an increase in the effectiveness of the labour force thus improving productivity. The government has also explored policies to prescribe these drugs to the unemployed with obesity to aim for them to rejoin the labour force. Success would mean that the reported £325 billion in welfare payments would reduce and the unemployment rate (5.2% in the UK) would also start to fall. If these drugs were to be consistently used to treat the illness, it is predicted that it could boost the UK economy annually by around £4.5 billion. This is due to an increase in productivity, a decrease in the reported ‘sick days’ and an outward shift of the PPF curve by increasing labour resources; these all illustrate the direct link between health improvement and economic output.

More recently, the demand for the injections both in the UK and worldwide has had major consequences. It has resulted in extraordinary growth for pharmaceutical companies such as Eli Lilly and Novo Nordisk, who saw their revenues and market valuations soar. For example, the NYSE had Eli Lilly's shares valued at $625.65 on 8th August 2025 nearly doubled in only 6 months with a valuation of $1107.12 on 4th February 2026. The global demand for their jabs drove this growth so heavily that it currently outstrips the supply. As a result, this huge growth has made it difficult for investors to predict which companies are next to boom in the economy. It has become clear that the needs and wants of consumers have such a significant impact on this. However, this surge in private sector growth presents a significant challenge for the NHS in the UK. This is because policymakers must weigh the high upfront cost of providing these injections- estimated at £180-330 per month per individual- against the potential long-term saving from reducing the rate of obesity-related illnesses and the associated healthcare expenditure. Over time, considerable savings could be made from the use of these drugs since they can lower the prevalence of long-term health conditions. Moreover, the question of who deserves the injections more is prominent because it can question our morals and even lead some individuals to delve into the black market to purchase weight-loss drugs. The black market for drugs in the UK is estimated to be worth £9.4 billion annually which can already limit the taxes that the government receives as well as the consumer base for many firms who work legally.

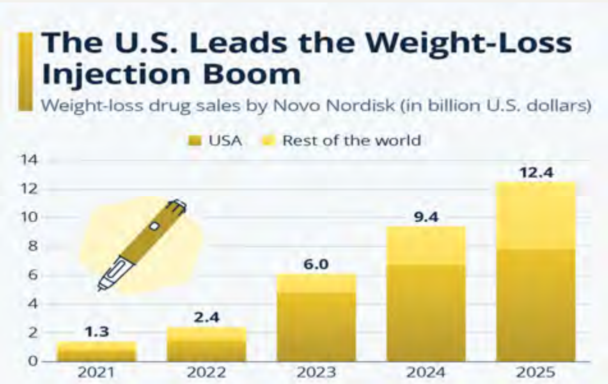


Figure 1
Source; Novo Nordisk

As a result of the high demand of these drugs, retail supermarkets are suffering. This is because by compressing the diets of individuals who normally purchase their weekly shop at a retail supermarket they no longer have a need to buy as much. It is estimated that £780 million are now no longer being spent on groceries in the UK as a result of the jabs being used. This is especially due to the decline of sales of everyday 'snacks' such as chocolate and crisps. Since supermarkets do rely on the changing trends in consumers, there have been many changes into what they now sell. For example, brands such as Ocado and M&S have started to release nutrient dense, high protein products which are designed for smaller appetites. This is in order for them to continue to try to raise the same revenue as before the use of the jabs.

Figure 2
M&S: On January 5, the 20-product line-up was released and was aimed to pack a nutritional punch into every bite.

We can argue that, as a result of the jabs, many supermarkets can no longer afford to sell more unhealthy products which can result in many individuals purchasing healthier alternatives. This then raises a healthier population within the economy, allowing for less strain on the NHS for cases of obesity and diabetes. A positive for supermarkets is that many jabs have side effects, such as: dry mouth and bad breath - frequently referred to as 'Ozempic mouth'. As a result, there was a surge in spending on mouthwash (20%) and chewing gum (24%). This then increases the oral health of many and provides supermarkets with increased revenue.

Since the drugs mean that people do in fact lose weight, many companies such as airlines benefit from this. This is because with an overall 'lighter' intake of individuals on a plane, this allows for the plane to use less fuel when flying from A to B. Studies by Jeffries Financial Group show that a decrease in average weight of passengers by 10% results in a total cut in aircraft weight by 2%. This weight reduction has then meant roughly 1.5% less

less fuel is being burnt by the airlines - saving major airlines up to £450 million per annum. We can see that as a result of the weight-loss drug, the amount of carbon dioxide emissions decreases. This is a positive consumption externality of the use of the drug. Although this does not mean that the entirety of emissions are cut, there is still a large impact on the environment. With many countries trying to reduce their emissions, this is a great start to do so. Fuel for airlines is equivalent to 20% of their overall costs. This means that with the reduction in fuel costs, many airlines can now charge more competitive pricing in regards to their air fares. This will mean that more individuals will be able to afford to go on holiday and the airlines can gain a larger profit despite the cut in prices. A surge in demand due to lower costs may even result in excess demand. Thus, the low prices may not last too long if airlines can see how competitive individuals are for the flight prices.

In conclusion, we can see how the 'fat jab' has impacted the UK and international economy in many ways. It has allowed for the productivity of the workforce to increase, as well as decreases the level of absenteeism. This can provide the UK with an increase in real GDP since more individuals can work and make an income. As well as this, we can see how beneficial this drug has been for major pharmaceutical companies, their share prices have skyrocketed allowing for them to expand and produce even more of the drug to match demand. It has also affected the retail market as supermarkets have to become flexible in order to deal with the change in wants and needs of the consumers. In order to still make a profit they must figure out the new trends.
Finally, the impacts the drug has on airlines. The saving in fuel costs as a result of less weight on board can result in a decrease in air fares for everyone. This can increase the amount of holidays we go on as well as decrease emissions let out when flying. This demonstrates how the drug has impacted the economy so widely. In many cases it has allowed for positive consumptions, however, for some this is not the case. The drug is still being used daily by many and so the impacts are still going to grow at a larger scale.

"Obesity is a chronic disease, not a failure of willpower."

– Professor Sir Stephen Powis, NHS England

VINTED BOOMS FASHION FLOURISHES

Written By India Norris

Vinted is one of the largest online marketplaces in Europe for second-hand fashion, and it has fundamentally changed how people buy and sell clothing. The platform allows individuals to buy and sell clothes, shoes and accessories directly with each other, with little to no interference from Vinted itself. Vinted was founded in 2008 and had little growth in the early years but changing consumer preferences began to reshape the fashion retail industry.

A key reason for Vinted's rise is the changing economic climate. The cost of living crisis in 2022, caused by the war between Ukraine and Russia had severe consequences across Europe, and the UK suffered high inflation of around 11.1%. This significantly reduced household disposable income due to a significant fall in the purchasing power of the pound. Households moved away from high street fashion stores as these retailers became increasingly unaffordable, leading consumers to seek cheaper, more sustainable clothing options such as Vinted. As a result, Vinted grew rapidly and now competes with major second-hand retailers such as eBay.

One of the biggest turning points in Vinted's rise was its pricing strategy. There are no selling fees, so sellers keep 100% of the revenue, and buyers only pay a small protection fee on top of the price of the item's price, which covers them if the item is damaged or never arrives. This gave individuals a strong incentive to join Vinted, increasing the supply of second-hand goods. With more people wanting to sell and more people wanting to buy cheap second-hand clothing, prices on Vinted stayed low, as sellers kept prices down to attract buyers and sell items quickly. This is what made Vinted so affordable, giving buyers the chance to shop for what they want at a low price. Vinted is therefore a good example of how supply and demand interact to set prices in a competitive market.

Vinted's success wasn't only down to the economic environment. Another major factor behind its growth has been the shift in consumer attitudes towards sustainability. Households are becoming more aware about the environmental impacts of using fast fashion and therefore are moving to Vinted as a sustainable alternative. Vinted helps extend the life cycle of clothing, which reduces the amount that ends up in landfill, a major externality in the fashion industry. This creates a positive externality for society, as third parties benefit from less landfill pollution and fewer harmful gases, even though it is buyers and sellers who gain directly. By using Vinted, consumers hope to reduce the environmental impact caused by fast fashion.

In 2023, the platform helped avoid 678,691 tonnes of CO2 emissions by allowing users to buy second-hand instead of new, with 40% of purchases replacing new items. This emphasises the overall benefits of using a digital marketplace such as Vinted. In addition, many users reuse packaging when shipping items, which reduces paper and plastic waste and aids in lowering environmental costs.

Overall, the rise of Vinted demonstrates how economic conditions, changing tastes and preferences, and marketing strategies can lead to growth for a platform that wasn't doing well previously. Vinted's growth indicates that second hand fashion may become an important part of the future global economy and has started to change the fashion and retail industry.

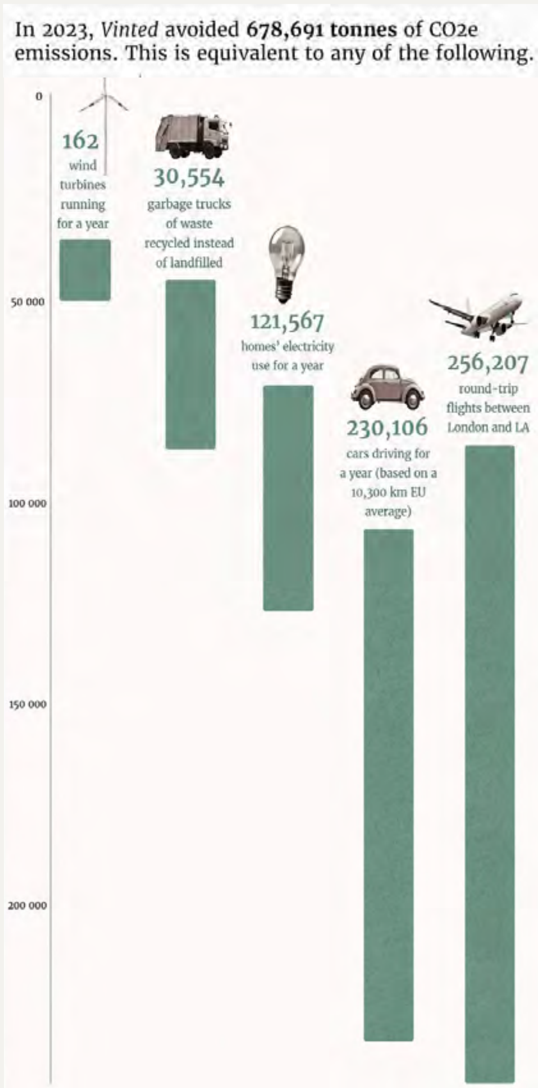


Figure 2
Source: Vinted Impact Report 2023, U.S Environmental Protection Agency

NARCO-ECONOMICS

The Escobar Era in Colombia

Written By Louis Reading

Pablo Escobar is still one of the most significant and influential criminals of the twentieth century. While leading the Medellín Cartel during the 1970s and 1980s, Escobar generated billions of dollars of revenue by forming a huge underground economy throughout the world whilst controlling around 80% of global cocaine trade. Many reports focus on Escobar's wealth and influence, however economists prefer to study the effects of his activity on international trade, institutions, and economic development.

The rise of his empire provides an interesting economic case study of how illegal markets can create opportunities such as job creation for low-income individuals and the generation of a high level of income, as well as drawbacks such as violence, significant welfare loss, corruption, and market failure as a result of the impact on government policy, growth and global economic stability. The effects of the Medellín Cartel continue to influence international anti-drug policies and Colombia's development today.

Economics of the Cocaine Market

During the 1970s and 1980s, there was a dramatic increase in demand for cocaine in the United States of America, incentivising the emergence of the Medellín Cartel. As a result of rising demand combined with limited legal supply, an extremely profitable black market was created. The production of cocaine in Colombia displayed characteristics of a high-profit industry as a result of low production cost due to weak law enforcement, low labour costs and favourable geographical conditions. However, retail prices were extraordinarily high due to the risk premium involved with these illegal activities. This led to Medellín's profits exceeding those typically found elsewhere in competitive markets, with the cartel raking in approximately $420 million per week at their peak. Escobar exploited these conditions in the market by developing a vertically integrated enterprise which controlled the production, logistics and sale of his goods. The cartel possessed significant power in the market, with the ability to influence prices, operating similarly to a monopoly. Incentives such as expected returns dwarfing those available in legitimate sectors, such as manufacturing, generated enormous economic incentives for participation in the drug trade.

Short Term Economic Benefits

Despite the illegality of the Medellín Cartel, their operation created several short-term economic benefits.
Firstly, jobs such as cultivation of coca plants, processing and transportation of cocaine, security and money laundering created tens of thousands of direct and indirect employment opportunities. This was especially

beneficial in areas with limited job availability, with the drug industry acting as a source of income, reducing short-term unemployment.
Secondly, Escobar invested huge amounts of money in local infrastructure, such as football facilities and housing projects. Through the multiplier effect, this expenditure increased economic activity as people receiving income raised their own consumption, leading to a rise in aggregate demand.
In addition, the disposable income of those involved in the drug trade rose significantly which led to a significant increase in their spending on goods and services.
These statistics show that some economic indicators improved due to the activity of the cartel, however these were only temporary. This demonstrates a classic example of short run gains being outweighed by long run drawbacks.

Market Failure and Negative Externalities

Escobar's activities caused frequent events of market failure, making it an effective way to explain the most significant economic consequences.
The cocaine industry created considerable negative externalities. A negative externality occurs when third parties bear costs from economic activities which they weren't directly involved in. The violence caused by the Medellín Cartel imposed behemothic costs on the society of Colombia.

During the peak of the cartel's activity, immensely violent acts such as terrorist attacks, kidnappings and assassinations were common. As a result, huge costs were imposed on households, businesses and the government as resources were diverted towards security and law enforcement while the homicide rate rose from 25 per 100,000 people in the 1970s to 380 per 100,000 people in the 1990s (Medellín), instead of being used for productive investment.
As a result of this, the deadweight loss to society of the cocaine trade far exceeded any private benefits generated by drug profits. Consequently, this led to allocative inefficiency. Furthermore, high levels of stress were experienced by the healthcare sector of Colombia resulting from injuries related to drug activity. This caused a further decrease in overall social welfare.

Corruption and Institutional Failure

Arguably, institutions were the worst affected by Escobar's empire. Strong institutions are essential in an economy due to the fact that they enforce contracts, provide jobs and promote investment by ensuring stakeholders are confident in them. However, Escobar undermined these foundations through boundless corruption.
Due to the cartel possessing enormous financial resources, they were able to bribe officials such as police officers, politicians and judges. Escobar's infamous strategy of "plato o plomo" (silver or lead) offered people the choice between accepting bribes in return for aiding the cartel in its operations, or facing the consequences, which were often violent.
From an economic perspective, corruption represents a form of government failure as resources are allocated in relation to bribery instead of productivity, reducing efficiency within an economy. It also increased costs of production for firms which leads to uncertainty.
As a result of this, institutions start to become unreliable which could lead to entrepreneurs avoiding investment because they cannot fall back on legal protection. Consequently, economic growth suffers from a decrease in productivity.

Impact on Foreign Direct Investment

Foreign Direct Investment (FDI) is investment made by a firm or individual in one country, into business interests in another country, often involving ownership or control of a company. It is an important source of capital and it can lead to economic development. However, investors often prefer stable countries with predictable legal systems.
Political instability and weak governance as a result of Escobar's empire led to Colombia being unattractive to investors as many perceived the country as a high-risk environment, since drug-related activities were estimated

to have accounted for 5-10% of their GDP during the peak years. In the cases where investment was provided, an increased rate of return was demanded by investors which led to many multinational corporations choosing to locate themselves in more stable countries where people had an increased willingness to invest.
There are several disadvantages to reduced FDI, including limitations to advancements in technology and slower formation of capital as expenditure is lowered, meaning that productivity growth is forced to decline. This shows how changes in investor confidence as a result of illegal activity can indirectly affect economic performance.

Misallocation of Resources

The inflow of billions of dollars through cocaine exports by the Medellín Cartel led to incentives being altered throughout the economy. Many high-skilled workers and talented entrepreneurs were drawn to the highly profitable drug trade instead of working in a legitimate and legal sector.
Consequently, many producers, such as those who work in agriculture, struggled to compete with the illegal economy for resources. As a result, factors of production weren't employed to the socially optimum level, leading to resource misallocation.

In terms of long run economics, this reduced productive capacity as many of these businesses were forced to reduce their supply of goods and services as they were simply unable to find sufficient resources.

Fiscal Consequences for the Colombian Government

All governments rely on tax revenue in order to fund projects and public goods. Since the activities of the Medellín Cartel operated within the hidden economy, very little tax was paid to the government, consequently, potential revenue was lost.
As a result of the horrific violence caused by the cartel, the Colombian government decided to increase its spending on public services, such as policing, anti-cartel campaigns and military operations, which led to a significant rise in public expenditure.
The combination of reduced tax revenue and increased government spending placed pressure on Colombia's finances. The Colombian government's increased spending on law enforcement resulted in an opportunity cost, as finite fiscal resources were reallocated away from human capital investment, including healthcare and education, potentially reducing long run economic growth.

Global Economic Impacts

The effects of Escobar certainly weren't limited to Colombia, and were experienced by the whole world. The global cocaine trade generated transnational flows of people, goods and money.
One of the biggest economic issues caused by the trade was money laundering since it distorts financial markets as those involved become motivated by concealment rather than investment, reducing transparency which can erode confidence in financial institutions such as banks.
Furthermore, international governments attempted to prevent Escobar's operation entering their country by tightening border security, and attempting to combat existing drug gangs within their societies by increasing spending on law enforcement. In turn, these expenditures represented serious opportunity costs throughout the world as resources were misallocated.
In addition, drug consumption led to a loss in productivity in many countries. Addiction can increase healthcare costs, and reduce labour productivity as people are being treated in hospital instead of participating in work. As a result, the economic burden of the cocaine trade extended much wider than Colombia, and was felt worldwide in a range of different ways.

Economic Recovery

Since Escobar's death by fatal gunshot in 1993, when his net worth was estimated to be between $25-$30 billion, Colombia has attempted to - and succeeded in - improving economic performance by strengthening institutions.
Economic growth has improved due to Colombia diversifying its economy by integrating more with global markets, and investment has increased as a result of greater political stability.
The effects of the Medellín Cartel demonstrate how important strong, trusted institutions are for economic growth. It doesn't rely solely on capital and labour, but also on the rule of law and effective governance.

The cartel showed how criminal enterprises are able to generate short-term economic activity while seriously undermining the foundations required for sustainable development of a country.

Conclusion

Pablo Escobar's empire was one of the largest illegal economic operations in history. While there were many benefits to the activity of the cartel, such as creating employment and generating income, they were completely overshadowed by the colossal long-term costs. The cartel encouraged corruption, distorted resource allocation, creating severe negative externalities which reduced foreign direct investment, imposing major fiscal burdens on the Colombian government. Globally, it increased spending on law enforcement, led to never-before-seen levels of money laundering, and - arguably most importantly - significantly reduced economic welfare through the social costs of drug consumption and addiction.

From an economic perspective, Escobar's empire illustrates the unintended consequences of highly profitable black markets, including vast instances of market failure. It demonstrates how sustainable economic development doesn't just rely on wealth creation, but many other factors play a part, such as the rule of law and the quality of institutions.

Ultimately, the damage inflicted on economies around the world by the Medellín Cartel serves as a powerful example of how criminal enterprises can undermine the prosperity of whole nations, and alter the economic stability of countries on the other side of the planet.

THE SPACE INDUSTRY

Written By James Brown

HOW IT AFFECTS THE ECONOMY

What is the Space Industry?

The space industry includes all government agencies and privately owned companies involved in satellite manufacturing, launch services, space exploration, communications, and earth observation. It has a large and extremely fast-growing impact on the global economy in some ways you would not expect. This could be from internet to weather forecasts and even insurance. This article will cover every way in which this high-tech industry affects the average person.

In the UK alone, the government reported that 18% of the GDP (£454 bn) is dependent on the space industry. The government also mentions how every £1 invested into the UK and European space industry returns £7.49. NASA predicts the space industry can be directly as large as $1 trillion by 2040 driven by satellite communications, launch services, and commercial spaceflight.

Effects on Insurance

Insurance is one of the largest sectors affected by the growth of the space industry, creating a significant spillover effect that can influence prices for consumers. Satellites launched into orbit carry advanced sensors that monitor weather patterns, climate conditions, land use, and environmental risks. Many insurance markets suffer from information asymmetry because insurers cannot accurately assess the true risk profile of each customer. Satellite technology reduces this information gap by providing high-resolution flood-risk maps, wildfire heat-risk data, storm-tracking information, and soil-moisture measurements for agriculture. This improves allocative efficiency and reduces one party taking advantage of superior information in insurance markets.

As the space industry expands, the cost of launching satellites is falling due to technological progress, reusability, and economies of scale. At the same time, satellite reliability and lifespan are increasing, which lowers the probability of failure and therefore reduces risk pricing for insurers. Because insurers pay less for satellite-derived data and face lower expected losses, these savings can be passed on to consumers in the form of lower premiums. This is already visible with private companies such as SpaceX, whose reusable rockets have significantly reduced launch costs and increased reliability, lowering the cost of satellite deployment and the data that insurers depend on.

Effects on Internet and Communications

The space industry has also widened the availability for internet and communications. This is due to the same reasons as above; it allows earth to have more satellites than ever before, approximately 12,900. This substantial number of satellites can create an efficient web of communication systems that reaches the most remote places on the planet. This in turn can support globalisation across the world.

How is the industry changing?

Ever since the launch of Sputnik 1 in 1957, (the Soviet Union's and the world's first ever satellite) the uses for satellites has increased massively. Over the next few years, the USA launched many more satellites that would go on to relay communications, transmit television and radio around the world changing the global economy forever. More than ever before it was easier for firms to communicate and arrange deals leading to rapid globalisation, as well as the use of e-commerce using the internet.

In the past, the space industry was run publicly by governments such as the USA's NASA, or the Soviet Union's space program. However, not long after the launch of the first satellite, several companies saw an opportunity for global commercial satellite communications, such as in 1962 AT&T helped fund the Telstar 1 program. Launched in 1962 it was the world's first commercial communications satellite. It was able to replace copper ocean-bottom cables as these were much more costly to maintain. But it was also significantly faster than copper cables and allowed for real-time transatlantic communications and broadcasts. For the first time, news could be broadcasted globally, severely reducing information gaps for firms around the world which allowed for better decision making. Not only this, but the Telstar project signified the first-time private firms were able to use satellite for profit, which jumpstarted the space industry. This was the key to unlocking globalisation and creating a more interconnected world and economy.

However, the use of satellites for the internet didn't last long, due to the invention of fibre optic cables in the early 1970s, which were then used commercially in the late 1970s.

Figure 1
Telstar 1 program

Modern Commercialisation

The space industry has continued its trajectory of privatisation finding new ways of generating revenue with famous examples such as Space x, Blue Origin, and Virgin Galactic. These are well known for their various launches and rockets as well as SpaceX's star link satellites, they have revolutionised the cost of placing satellites in space by landing their own boosters and as a result, they are placing satellites in space at a much greater rate than ever before. There are thousands of low earth orbit satellites used for extremely fast direct network connectivity in rural areas. In fact, they orbit so low you can see them with the naked eye! Whilst a big part of these space companies' profits is via selling vital weather information and internet through satellite launches, another big stream of revenue is the contracts they secure for NASA.

New Financing Models

More recently the space industry has found new ways to finance their operations with SpaceX's IPO being the largest in history. It launched with a share price of $135 and 555.6 million shares, bringing its valuation to approximately $1.77 trillion. This made Elon Musk the world's first trillionaire. This will allow SpaceX to scale up their operations, leading to new technologies being developed for space travel, which could be more efficient and bring down the prices for launching satellites even more.

Conclusion

The space industry has quietly become one of the most influential sectors in the global economy. What began in 1957 as a geopolitical race between superpowers has evolved into a commercial ecosystem that underpins communication, navigation, insurance, security, and international trade. Modern satellites reduce information gaps, improve risk assessment, expand internet access, and support law‑enforcement operations, creating positive spillover effects that benefit consumers and firms worldwide. Falling launch costs and rapid technological progress, driven by private companies, have made space more accessible than ever, accelerating innovation and strengthening globalisation. As investment continues to rise and new commercial models emerge, the space industry is set to play an even larger role in shaping economic growth, digital connectivity, and technological development. Its impact is no longer confined to rockets and exploration; it is woven into the everyday functioning of the global economy.

UKRAINE: AN ECONOMY AT WAR

Written By Edward Wisbey

Growth grinds on, but the ceiling is lower than hoped

Four and a half years into Russia's full-scale invasion, Ukraine's economy has settled into an uneasy rhythm. It is no longer facing the immediate danger of collapse that marked the early stages of the war, yet neither is it experiencing anything that could reasonably be called recovery. Instead, growth has slowed and expectations have become steadily more cautious.

Economic forecasts have been revised down throughout 2026, with international institutions pointing to familiar problems: labour shortages, repeated attacks on infrastructure, and ongoing disruptions to energy supplies and transport networks. The precise forecasts differ, but the overall picture is largely the same. Ukraine's economy is still growing, just far more slowly than many policymakers had hoped at the start of the year.

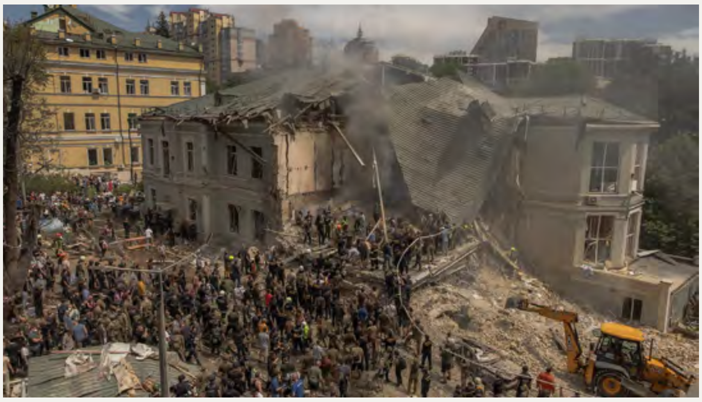
That growing caution reflects how finely balanced the situation has become. At the beginning of 2026, the economy suffered its first contraction for several years following renewed Russian strikes on energy infrastructure, the setback served as a reminder that resilience should not be mistaken for immunity. Ukraine has adapted remarkably well to wartime conditions, but it remains deeply vulnerable to developments on the battlefield.

A recovery built on a smaller base

The context is important. The initial impact of the invasion was catastrophic, producing one of the sharpest economic contractions seen in Europe since the Second World War. Major industrial centres were destroyed or occupied, agricultural production was disrupted, and the energy grid came under sustained attack.

Yet, the economy proved more adaptable than many expected. Growth returned in the years that followed as agricultural exports found new routes to international markets, domestic defence production expanded, and Western financial support provided stability. Those years of growth helped restore confidence, but the pace has weakened as the immediate rebound from the wartime collapse has faded.

This has created something of a statistical illusion. Ukraine's economy today appears larger in nominal terms than it did before the invasion, but those headline figures mask a harsher reality. Once inflation and wartime distortions are taken into account, economic output remains significantly below pre-war levels. Living standards have also struggled to recover at the same pace suggested by some of the headline indicators.



The State Survives on other People's Money

If there is one fact that defines Ukraine's wartime economy, it is its dependence on foreign support. External financing remains essential for maintaining public services, paying state employees, and funding the enormous costs associated with the war effort.
The government continues to run one of the largest budget deficits in the world relative to the size of its economy. Those shortfalls are manageable only because international partners have committed substantial financial assistance. Recent European support packages have provided a degree of certainty for the next several years and eased fears of an immediate funding crisis.
Even so, the broader reality remains uncomfortable. Much of the state's financial stability depends on external funds arriving on time and in the expected amounts. The war effort consumes resources on a scale that would be impossible for Ukraine to sustain alone. Without consistent assistance from Western governments and institutions, the fiscal position would quickly become far more difficult.

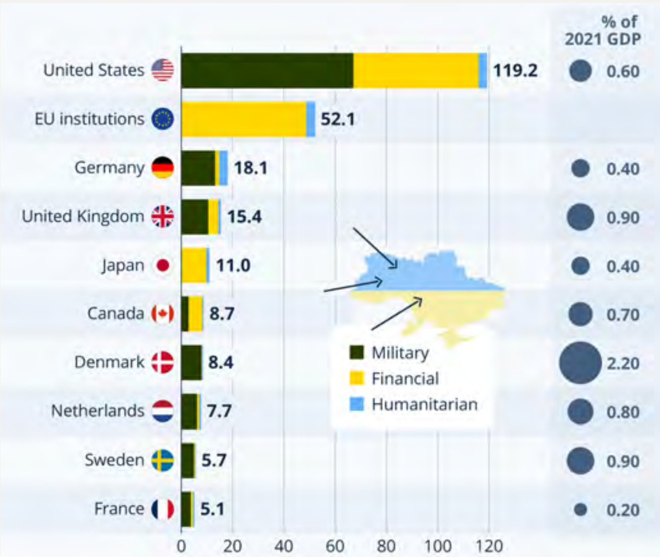


Figure 1
The Countries Sending the Most to Ukraine

Where The Growth is Coming From

Beneath the headline figures, certain sectors have emerged as unexpected success stories. The technology industry has been particularly resilient, maintaining a strong export presence despite the disruption caused by war. Software firms and technology services continue to generate foreign currency earnings, providing one of the few genuinely dynamic areas of the economy.
Consumer spending has also remained more robust than many analysts anticipated. Labour shortages have pushed wages higher in some sectors, supporting household incomes and helping sustain demand. After years of war, many Ukrainians have adapted to difficult conditions and continue to spend where they are able.
Other sectors face a much tougher environment. Agriculture remains an important source of export earnings but must contend with logistical challenges and ongoing security risks. The energy sector continues to suffer from repeated attacks on infrastructure, forcing Ukraine to rely heavily on imported electricity even as it seeks to expand domestic generation whenever possible.

Inflation cools, then creeps back

The fight against inflation has produced mixed results. Price growth slowed significantly after a period of tighter monetary policy and greater exchange-rate stability, offering some relief to households and businesses.
That progress, however, has proved fragile. Rising global energy prices and continuing wartime pressures have pushed inflation higher once again. While the situation remains far more stable than many feared earlier in the conflict, price pressures have not disappeared and continue to place strain on consumers.
For policymakers, the challenge is balancing support for economic activity with the need to preserve financial stability. That task becomes more difficult whenever new shocks, whether military or international, feed into domestic prices.

The reconstruction bill waiting in the wings

Looming behind every discussion of Ukraine's economy is the question of reconstruction. Estimates of the eventual rebuilding effort run into the hundreds of billions of dollars, with transport networks, housing, energy infrastructure, industry and agriculture all requiring extensive investment.
For now, much of that reconstruction remains a future challenge. Large-scale rebuilding cannot begin properly while active fighting continues and infrastructure remains vulnerable to attack. The longer the war drags on, the larger the eventual bill is likely to become.

This is why so many economic forecasts contain an important caveat. Current projections generally assume the conflict continues in some form. A genuine peace settlement or durable ceasefire would likely transform the economic outlook, unlocking reconstruction spending, encouraging investment and accelerating growth. The difference between continued war and peace is not merely a matter of a few percentage points of GDP growth; it would fundamentally alter the direction of the economy.

The Bottom Line

Ukraine's economy in 2026 is ultimately a story of survival rather than recovery. The state continues to function, businesses have adapted with remarkable flexibility, and key sectors such as technology have shown considerable resilience. Inflation remains under control compared with the worst-case scenarios imagined at the start of the war, and public services continue to operate. Yet beneath those successes lies a harsher reality. Economic output remains well below its pre-war level, enormous resources are devoted to sustaining the war effort, and the country's financial stability relies heavily on support from abroad. Ukraine has demonstrated an extraordinary ability to endure, but endurance is not the same thing as prosperity.

For now, the economy remains in a holding pattern: resilient enough to survive, but unable to fully recover until the war itself comes to an end.

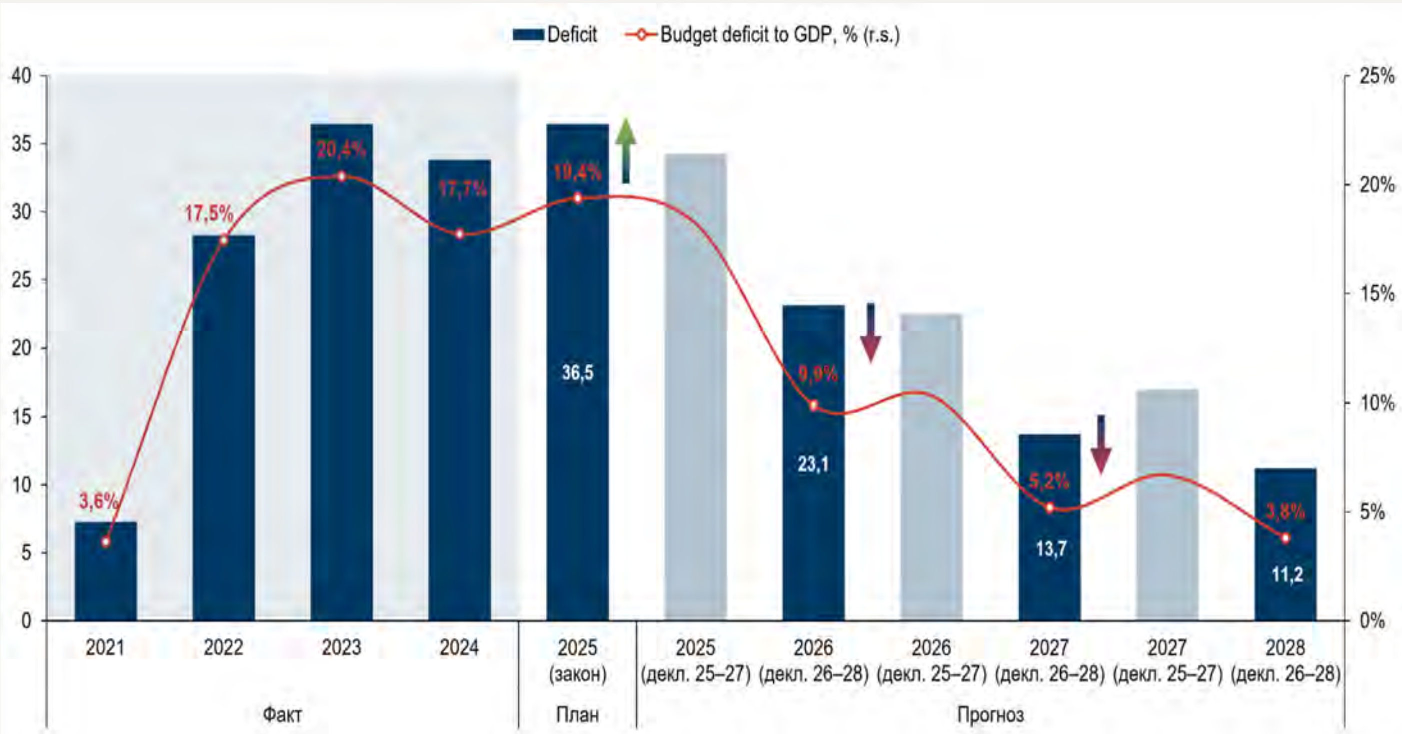


Figure 2
Source: Budget Declaration for 2025–2027, Budget Declaration for 2026–2028, Law of Ukraine On the State Budget for 2025, Open Budget portal

PLAYING THE LONG GAME

How Golf Tourism and Real Estate Drive Local Economies

Written By Freddie Bennett

A decade ago, the golf industry was showing signs of terminal decline. This was evident by the contraction in the participation rates (in the UK alone participation rates fell by 27% between 2008 and 2015 (England Golf)), an ageing demographic and courses all around the world closing down; the golf market suffered a severe contraction in total revenue. This was until 2020 when the pandemic hit. Many people at home were looking for a way to go outside; golf was the perfect activity for this and so the participation rates skyrocketed, (the R&A state that there was an increase of 2 million participants between 2019-2022 from 3.7 million to 5.7 million in GB&I).

However, the sector has executed an excellent economic pivot, from slowly failing to becoming one of the fastest growing sports ecosystems in the world. This turnaround can be viewed through two distinct economic drivers, the first one being the technological driver. This is where the innovation of technology like Trackman (the ball flight monitor) shifts the consumers preferences unlocking incredible pricing power for firms. Since the introduction of Trackman technology, the 4 major manufacturers, Titleist, TaylorMade, Callaway and Ping have been able to greatly improve their R&D investments. This has led to a drastic increase in competition within the golf manufacturing oligopoly. For example, TaylorMade's investment of an estimated $30 million into R&D allowed them to release 45 new drivers between 2003-2009 under a relentless innovation strategy according to Medium, clearly highlighting that the competition on the oligopoly is not price focused but rather performance focused. The other economic driver is the regional driver, regional development funded by high yield tourism and luxury real estate premiumisation (resort golf courses that are funded by the profits from the resorts real estate whilst the golf course increases the price of the properties as it’s a premium).

A study by EY Parthenon uncovered that the golf sector's total contribution to the Portuguese economy surged by 57.4% between 2019 and 2023, driven largely by the Algarve. Savills research found that the southern coastal region of

Portugal saw 92% growth in prime residential pricing between 2019 and 2024 with golfing and lifestyle developments being the major pull factors. The research performed by both EY Parthenon and Savills can be backed by direct evidence of golf's real estate premium: at Quinta do Lago, one of the finest golf resorts in Europe, properties with golf course views were worth 25-30% more than those without. According to The Golf Wire, the golf industry in the Algarve contributed €760.5 million to Portugal's economy and created over 800 full-time jobs each year.

The Integration of Trackman technology has reduced market failure in the golf industry. Historically, golfers faced a high degree of information asymmetry when purchasing equipment; consumers were forced to rely on marketing claims to justify premium prices. Now, with launch monitor technology, consumers can see real-time data on their ball speed, spin rates and launch angles meaning consumers are more comfortable making purchases they know will benefit their golf game. When the consumers can clearly see the impacts that a change in shaft or a change in club head can make, they are more likely to make a purchase. This has allowed courses worldwide to increase revenue greatly as consumers are choosing the £500 shaft over the £150 shaft. Launch monitor technology is the primary catalyst that pushed the global golf equipment market to an estimated $8.9 billion globally. According to the Evolution of Custom Fitting Study from Golf Datatech, a Circana company, 80% of serious golfers have been custom fit for clubs at some point, including 30% in the past year. Custom fitting now accounts for an estimated 30% to 50% of premium club sales. According to Circana's executive the normalisation of custom fittings among serious golfers reflects improved technology, greater consumer awareness of product performance, and supports the idea that golfers are now choosing the more expensive option when getting fitted due to the difference that the two products have on the golfer's performance.

Figure 1
Trackman 4, the ultimate golf launch monitor with dual radar and camera technology delivering 40+ club and ball data parameters. Improve performance with unmatched accuracy, real-time feedback, and indoor/outdoor versatility.

The manufacturing sector in the golf industry is heavily dominated by a few big names (Callaway, TaylorMade, Acushnet (Titleist), Ping); they operate together as a tight oligopoly. These firms avoid disastrous price wars and instead compete aggressively in the quality of their products. This is primarily achieved through research and development. Manufacturers leverage the aggregate data from the launch monitors to make scientifically backed design tweaks to improve the performance of their products. These tweaks lead to the creation of brand new and more forgiving clubs. These clubs reduce the skill barrier of golf for daily participants because they make the game easier and therefore more accessible to those who may have struggled greatly and given up.

Launch monitor technology reducing the frustration barrier to golf means more engaged, higher spending golfers who have already invested £1000+ and take the game seriously. These higher spending serious golfers are the exact demographic that book golf trips. The increased demand for golf trips as a result of the technological driver creating more serious/ higher spending golfers means that golf resorts like the Algarve are attracting more visitors, therefore stimulating the regional driver. According to GolfBreaks the cost for a multinight resort package containing green fees and board per visitor ranges from £145-£1000+; therefore, the technological drivers impact of increasing tourism creates a huge opportunity for the regional driver to take effect and grow areas such as the south coast of Portugal and Portugal's economy.

In conclusion, golf's incredible economic recovery has been driven by, firstly, a change in efficiency where launch monitors data reduced information asymmetry and let manufacturers raise prices through legitimate visible performance improvements rather than marketing claims. Secondly, by a regional shift where golf tourism and real estate bundling increased the value of golf's amenities, leading to increased land value. Technology like Trackman increases the player base of golf. This base fuels the demand for golf tourism around the world. The resort's profits from tourism driven real estate is used to fund course infrastructure. Improvements in the infrastructure of the resort's course can lead to the attraction of tour events or professional golfers who will use the same technology at these resorts as the tourists do, therefore greatly increasing the tourists trust in the technology; additionally tour pros and tour events being at the courses increases their exposure and therefore greatly improves the tourist numbers to that location which can lead to areas greatly benefitting as well as entire economies. However, it is almost impossible to interpret whether or not the technological and regional drivers are responsible or if there was another primary reason. This is because at the exact same time there was the covid lockdown era boom in golf's participation rates which will have also played a big role. A point to support my pricing power claim is Acushnet's average selling price and R&D trends from their public SEC filings which show that in the fiscal year 2024, Titleist's revenue growth was partly due to "higher average selling prices across all club categories" alongside a $67.8 million R&D investment. Although this confirms the claim that manufacturers have improved pricing power, it does not directly attribute the cause of the pricing power rise to launch monitor technology.

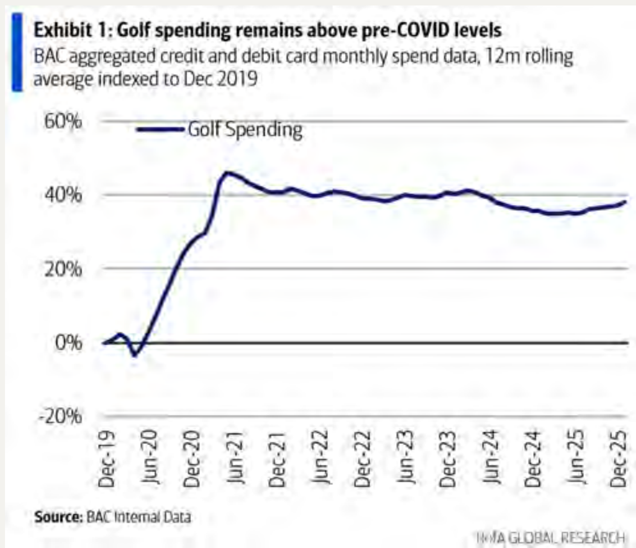


Figure 2
This line chart displays a surge in "Golf Spending" in 2020 and 2021, followed by a plateau through December 2025, staying well above pre-COVID level spending.
Source: BAC Internal Data

ECONOMIC SABOTAGE OF UGANDA

To conclude this year's edition of our economic journal, we wanted to do something a little different. For this year's edition, we have decided to showcase an outstanding piece of student writing submitted to the Julia Wood History Essay Competition, run by St Hugh's College, Oxford. The competition invited students to discuss any historical event of their choice.

Harry Robinson, the writer of this article decided to explore the economic sabotage of Uganda. This topic provided the opportunity to examine not only a significant historical event, but also its political and economic consequences. Through researching and writing this essay, Harry has developed a deeper understanding of how economic theories and political ideologies can be applied to Uganda's historical experience.

ECONOMIC SABOTAGE OF UGANDA

Written By Harry Robinson

The expulsion of Uganda's Asian community in 1972 represents one of the most controversial examples of economic nationalism in postcolonial Africa. While Idi Amin attempted to reverse colonial economic inequality, historians have questioned whether the policy represented genuine economic liberation or political scapegoating. Amin claimed that the 80,000 Asians, who were living in Uganda during this time, were sabotaging the economy, leaving the native people in less fortunate financial positions. As a result of this, an expulsion order was put in place whereby anyone of Indian or Pakistani descent had to leave the country immediately. They were only allowed to take $120 with them and very little in personal belongings - most of which was stolen by the Ugandan military. Amin's regime consisted of a nationalist ideology for he believed that success was measured on how his ethnic population within Uganda lived. At this time, the economy relied on the Asian community to grow significantly with GDP growth bolting from $423 million to $2.94 billion from 1960-1977. The expulsion had devastating consequences for many families - individuals had to evacuate their homes and flee into unknown territories to find a new place to try and make a living. Lives were changed instantaneously and young children were not given the peace they deserved. To be able to explain the challenges faced by the Asian community in Uganda at this time, as well as the political and economic models which aided the anti-colonialist president to expel them, is vital in analysing the extent to which the 1972 expulsion of Uganda's Asian community was a product of colonialism.

In the late 1800s, Uganda and India were under British colonial rule which sparked the migration of many Asian families to move to Uganda. This was because at this time the Ugandan Railway was being built and skilled workers were needed. The Ugandan Railway was a £5 million project that was made to help gain political control of the Nile River's source - this was vital since Uganda is a landlocked country. Furthermore, the railway was able to promote economic trade amongst other African countries. A direct, fast way to export cotton was the main goal because at this time cotton sales were crucial. In Western Africa the cotton market was booming because the world turned to other sources for these resources since America was experiencing a civil war. Cotton is also a cash crop, this is where an agricultural good is produced in a country with its only purpose is to be sold for a profit. Cash crop economies can be highly profitable and can boost rural development for farmers. For the British, they wanted this to be the driving force of the Ugandan economy; their trading links at this time made it so this would be a success. Not only this, the project helped create jobs within Uganda. This was beneficial because it meant more individuals could make an income to then spend in the economy, increasing consumption. This then helped Uganda in being able to pay the colonial taxation which the British seized. Although this did add political and military security to the country it did require many to find a cash-paying job to be able to align with the cost of living. However, this colonial foundation within the country can be argued to have created an extractive economy that was too heavily focused on exports than sustainable growth. Walter Rodney argued that the reason for why many African countries are under developed is due to colonialism. Therefore, these countries had to follow the Marxist way of thinking; this included a socialist approach where communal efforts were made over individualistic success. His view was claimed that Africa developed Europe at the exact same rate that Europe underdeveloped Africa. To follow, he warned of neocolonialism, this was because freedom was not granted just because a country was no longer under reign. Political elites still had a huge influence into what many African countries would follow, which is why Western dominance was still often seen. Therefore, colonialism can be seen as having created many inequalities within Uganda, especially financially. This is because only those on higher levels of income would have benefitted from the colonialism that took place. This also successfully aligns with economic Dependency Theory[5]. This explains that within the global economy, developing countries depend on the developed countries for economic growth. Being under British rule for so long will have meant that after independence, Uganda will not have had strong knowledge on how to succeed economically. Therefore, this will have led them into internal conflict of what the best way to rule the country would be. This demonstrates that the expulsion, through a high level of resentment, was due to the pre-colonial state that the country was put in.

Post-independence for Uganda initially involved the rule of Milton Obote who enforced nationalism and democratic socialism as a result of many anti-colonialist movements within the country. He heavily believed in state-led economic control which was shown through his abolishment of the monarchies followed by his 'Move to the Left' policy. This sought to redistribute wealth with the government nationalising around 60% of private banks and major corporations. His socio-economic ideology was supported by the native Ugandan population and so the levels of inequality within could start to decrease. He passed the 1967 Constitution to officially publish an executive presidency near the end of his reign. However, he was not successful in being able to economically reform the country. He did begin to try and implement socialist reforms demonstrating he did recognise the level of inequality within was substantial and needed to be improved. The growth from cash -crops was successful, but there was little input from Obote to evidence how he impacted any economic growth. Ingham wrote of how he believed that Obote was actually an incredibly successful ruler of Uganda and that he is not given enough credit. This is because he saw his political reforms after independence as pragmatic and successful in making a foundation for a society that is seen as equal as well as understanding ethnic divisions. The task to rule Uganda so supremely after being colonised for so long, Ingham saw as impossible and that Amin overthrowing him was a result of individuals not putting enough belief in him to rule. Shortly following him was Idi Amin who, as previously mentioned, did acclaim an 'economic war' within Uganda, due to the Asian community. Amin had a strict nationalist ideology, as well, and wanted the native people of Uganda to thrive. However, he saw the Asian community as economic 'bloodsuckers'. Many families, after the construction of the railway, did not migrate back to south Asia and instead built up financially successful lives within the country. They heavily contributed to the growth in GDP - 90% of businesses in 1972 were Asian owned - and to the building of the agricultural and banking markets. This then helped improve overall living standards. Amin saw this as Asians deliberately sabotaging the economy by hoarding wealth, extracting resources and fostering widespread corruption. This then, in his opinion, led to high levels of inequality nationwide and limited the amount of trade that could occur. His driving force for this was the fact that he saw the Asians as colonial 'middlemen'. The British, employing a large number of Asians into Uganda and granting them privileges that marginalised native Ugandans was not fair. However, this does not support the brutality of the expulsion that he ordered. The native Ugandans, by expelling the Asians, were able to secure much of the private sector back to their control, as such, and could then benefit more from what they produced for the economy. This included employment and rural economic growth. A goal of Amin's for the native Ugandans was to give them the 'freedom' from control and so his militarised project to expel the Asian community sought to do this. This being said, his expulsion did include the murders of many Asians. His actions never needed to result in murder in order to restore what he wanted for the country. Therefore, the argument that he acted irrationally in order to gain the most financially is evident here. The belief that he and the native people would economically benefit from this expulsion was what drove him into these brutalities. However, major economic forces such as the UK and India condemned his actions and cut all trades with Uganda at this time. This ended up stunting growth since exports worsened which then worsened net trade of their economy. The strength of GDP within Uganda at this time fell drastically; the loss of skilled workers from the expulsion alongside tension with western countries added to this. This fall ended up worsening living conditions. We can see then that the political ideologies presented aided the decision to expel the Asian community for they were integrated into the country due to colonialism. The impact of colonialism did cause political and economic tensions within Uganda and Amin did exploit them, however, the choice to transform these in ethnic expulsion was a consequence of Amin's authoritarian nationalisation.

When analysing the actions of these two Ugandan leaders, we can initially see their political ideologies were incredibly similar. Though, their results did end in arguably worse economic circumstances for the country as well as difficult political views for the people of Uganda. This is because their corruption, which they consistently streamlined into the minds of the native Ugandans, did not leave the country any better than without them. Yes, there may have been inequality amongst the population, however this inequality still allowed for the country's economy to grow. It has been claimed that Amin's regime was a military patronage rather than a formal political structure. This is because he seized assets from minority groups and promoted ethnic populations of whom he favoured - this was so his power stayed strong. By gaining the power of the military, there was little that anyone else could do without getting killed; the military operated as the primary patronage network for him, which he rewarded with legal immunity. Therefore, crimes such as tax evasion started growing. This meant that the government and members in power no longer received the same funds in tax to then spend on the public sector. The Ugandan rule was tyrannical and the high levels of tax evasion which occurred would have been large, however this only impacted those from lower socio-economic backgrounds. They would not have been given the same opportunities within the country than before when government expenditure would have been higher. This is not the case for the leaders who were well off. Not only this, there was a constant misallocation of the public funds. The public sector is all the government owned businesses and infrastructure. By not allocating funds efficiently, this could have led to government failure which would result in the population lacking in basic needs such as funding for schools or public transport. In addition to this, this misallocation will have caused major disruption in the trust between the government and the public. This lack of trust will have weakened the level of investment that firms will have injected into the economy, because they must make sure the financial market is not too volatile before making a large investment.

This historical event has been given its name the 'economic sabotage' due to the leader Idi Amin and how he perceived the actions of the Asian community due to colonialism. However, Mamdani wrote about the post-independence of Uganda and claimed that this title was only given to be used as a political tool for scapegoating to justify the expulsion policies. As well as this, Mamdani identified that the root cause of the proclaimed economic crimes were to aid in distributing wealth to the African petit bourgeoisie. This group required a political rallying to mask their own financial struggles. An example which Mamdani found was that Asian business owners often bought raw materials in bulk and stored them to create an artificial scarcity to then eventually sell them at monopoly prices. This is a common market behaviour which was legal, however, the state claimed it was sabotaging the economy against a racial group in order to gain public support for the expulsion. He then went on to conclude that the expulsion did in fact leave the country in a much worse economic condition than before. This was because the Asian community had many skilled workers who created successful businesses. By expelling them, the skilled workforce was decimated and individuals who now owned these businesses had no knowledge of how to continue to succeed. From the work of historian Mamdani it is evident that the expulsion was not beneficial to Uganda and was a calculated movement intending to provide the native citizens with economic 'freedom' - this was not the outcome. The government did not realise the extent to which the Asian community did help boom the economy. Brutally expelling them from their jobs and homes was purely out of spite from the result of being middlemen in the colonial past of the country. This was not the fault of the Asians though yet they received no mercy.

Marxism is an economic theory which can be used to explain why economic inequality was prominent in post-colonial Uganda. Marx believed that economic exploitation in the form of small businesses extracting surplus value from rural labourers was highly prominent in the world. This then led to a concentration of wealth for business owners. Wealth was limited to those who did exploit workers and so levels of inequality could arise resulting in living standards decreasing and poverty rates increasing. In regards to Uganda and the historical economic sabotage we can see how the ideology of Marx can be applied incredibly well to this situation. To begin with, Obote's rule, which involved the introduction of the Nakivubo Pronouncement, was used to implement major socialist policies which aligned with Marxism. It mandated 60% state ownership over major corporations within markets such as banking, oil and import-export markets. This was his idea of regaining control over the Ugandan economy. Amin then continued to integrate policies such as the nationalisation of foreign owned assets. While Amin was not a proclaimed Marxist, many of his policies aligned with radical populist and Marxist theories. Additionally, he became increasingly aggressive towards western powers and publicly aligned Uganda with the Soviet Union and many Arab socialist states. This cut all ties with the UK immediately - this can be argued as a way of showing how they wanted to establish separation from colonialism. The huge levels of wealth that the Asian community had at this time would have put them in a spotlight when it came to redistribution. Amin's expulsion could be due to the fact the imbalance of economic success between the Asians and native Ugandans was so huge. Thus the extent to which it was down to colonialism alone can be argued against.

The neoliberalist approach of Ugandan President Museveni, post-expulsion, allowed for a free-market capitalist insight to Uganda as it prioritised individual liberty and free trade within the economy. Much of their economy was now not owned by the government and in fact privatised. This is to stimulate economic activity within the economy in hopes to see changes in the rate of growth - Uganda needed this as GDP was currently stagnant. Museveni demonstrated that for economic growth to succeed in this country it was not about removing minorities but instead rebuilding markets and institutions. The economy had to run smoothly with a want for firms and countries to trade with them. This being said, they did face many economical challenges from the impacts of globalisation. These included profit repatriation where the profits made by the foreign owned companies are taken back into their home country. Therefore, Uganda saw little to no benefit from the impact of multinational corporations being introduced into the country. However, this may depend on the exchange rate between the home and host country and whether this leads to a profitable outcome for the company. In addition to this, they heavily depended on commodity dependence whereby Uganda had to rely on international companies and trade in order to provide. This, again, links to Dependency Theory and that the economic success of Uganda was highly based on the leading economies in the world. The occurrence of globalisation thus can be argued as more of a challenge for Uganda than an opportunity. This demonstrates how, in regards to the Asian community, their expulsion was initially due to the fact that they occupied an incredibly influential position in the economy, however, Museveni was able to see more as to how they did this so successfully and thus integrated more capitalist approaches. Challenges faced such as profit repatriation and debt of the country however did outweigh the opportunities they were given. This poor economic standpoint that Uganda was put in resulted from the expulsion of the Asian community as well as the fact that they had been under colonial rule for so long that they had not had to worry about leading the country until this point. Although we can see how the expulsion was a product of colonialism, it did not end up positively affecting their economy.

In summary, we can see how colonialism was the foundation for the expulsion, but Amin was the catalyst. We have explored how the economy of Uganda has been impacted as a result of nationalist beliefs which were strictly implemented. The result of being part of the British Empire has impacted their ability to act as a major economic powerhouse within the world. Post-expulsion, the government has tried to govern the country to promote economic trade through a more liberalist approach which has been mildly successful. There are strong institutions, more transparency to the public so that development is able to continue to occur. Many Asians have now migrated back to Uganda to continue to thrive which has also helped in sparking economic growth once again. The Amin ideology has been dropped, allowing for freedom for them within the country. To understand that the Economic Sabotage of Uganda was a historical event whereby 80,000 Asians had to evacuate the country in only 90 days is especially important when they were only scrutinised because they were associated with a colonial superior. The hatred from the political leaders in Uganda grew and they were able to implement this mindset that the Asian community had created an economic war. Their opinions were rooted by the fact Uganda was once colonised by the British Empire; they now wanted universal freedom from this and that meant rule over the private sector. However, this does not mean it was the only reason for the expulsion. Amin having a nationalist approach when he ruled could have also provided him with the belief that they needed to be expelled from the country. His focus was on providing native citizens the same economic opportunities that they saw the Asians had. Therefore, the expulsion was a product of not solely the fact that the country was a victim of colonialism but the fact that Amin ruled with an authoritarian nationalist ideology. Colonialism created the conditions allowing for resentment which Amin then transformed into ethnic persecution.