



The Maine Massacre

An effect of America's weak gun legislation

by Ria Kakar

Lewiston, Maine is in the midst of a tragedy. On Wednesday, October 25, a gunman opened fire in a bowling alley resulting in eighteen deaths and thirteen wounded. For two days, authorities were on the hunt for the gunman, Robert Card, a sergeant first class in the Army Reserve who did not serve on any combat deployments. On Friday, Card was found dead from a self-inflicted wound near a recycling center in Lisbon Falls.

This shocking event marks America's deadliest mass shooting this year. With two more months left of the year, the country has faced over 560 deaths due to gun violence. In a broader view, the United States has had more gun related deaths than other developed countries. A study from the Council on Foreign Relations indicated that the United States has almost four times the number of civilian-owned guns per 100 people as compared to Canada, which has the second most internationally. The study showed that the United States faced 4.12 gun homicides per 100,000 people whereas Canada had 0.5 gun homicides per 100,00 people.

So, why is it that the country that is second behind the United States in gun ownership has significantly less gun deaths than the United States? Canada has been implementing stricter regulation on firearms. As well, after the country faced its deadliest mass shooting in 2020, Prime Minister Trudeau banned assault-style firearms and those who previously owned those types of weapons have to participate in a buyback program or a strict storage regime.



The victims of the shooting.
Source: People

If Canada changed its policies, why has America not done anything to decrease the gun violence that persists? All of the catastrophes that have occurred this year, especially school shootings, highlight an ongoing debate in the country: gun politics.

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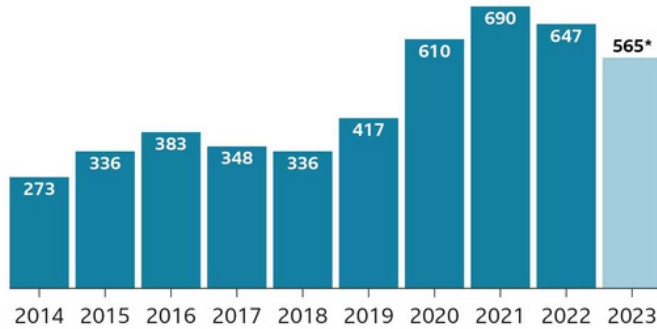
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Mass shootings in the US are on the rise

Incidents in which four or more people were killed or injured



Graph depicting the number of mass shootings yearly in the United States as of October 26, 2023.

Source: BBC

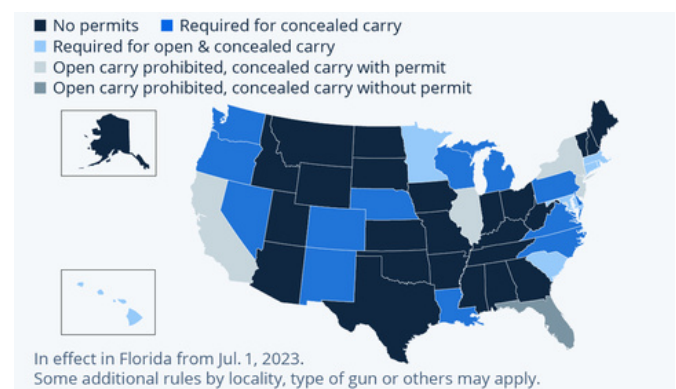
There is no doubt that America is a polarized country. On one end, citizens fight for gun control and on the other end they champion for gun rights. The United States is separated in their beliefs because of the 2nd amendment which gives citizens the right to bear arms. Some believe that gun ownership is an important and constitutional right. Others believe that citizens being protected from gun violence is more critical. Throughout the United States, citizens fall on different parts of the political spectrum.

The Biden Administration has tried to pass tougher legislation. Since Congress is very divided, passing legislation on a controversial issue has been difficult. States have the jurisdiction to implement their own rules on citizens obtaining guns. Some such as New Jersey and New York require citizens to have a permit while others such as Alabama and Texas require no permit. There is a pattern that is prevalent with the regulations: more Democratic states favor a permit while more Republican states prefer no permit. In Maine, though the state has split electoral votes, in the past few elections, it has prominently voted Democrat. But, citizens do not need to have a permit to carry a firearm.

The events in Maine also bring about the topic of background checks. In the state, background checks are not required. Robert Card bought the gun used in the massacre legally, but it should be noted that a few days later, he was admitted into a mental facility. Reports have come out stating that Card was facing mental health problems as he believed that there were people talking about him and was hearing voices. If an extensive background check was conducted on Card before he obtained his firearm, would he be allowed to purchase it in the first place?

From Sandy Hook to the Las Vegas shooting to Uvalde, gun violence is now a new normal in the United States. The Maine massacre is another catastrophe that has occurred and like the other tragedies, the questions regarding gun laws get brought up again. It leaves people wondering:

At what point and after how many citizens die will America enact stricter regulation on guns?



States that do and do not allow the permitless carrying of guns as of April 2023.

Source: Statista

Baby Fever

Hong Kong combats low birth rate with new subsidy for parents

by Hannah Rah



Chief Executive of Hong Kong John Lee unveiled the new subsidy for growing families on Oct. 25.
Source: CNN

On Oct. 25, the Chief Executive of Hong Kong John Lee announced in his Policy Address an approximately \$2,550 subsidy for new parents. As it currently stands, Hong Kong's fertility rate of 0.8 children born per woman is one of the lowest in the world. This new cash payment is just one part of the government's larger plan to encourage childbirth. Growing families also receive reduced wait times for subsidized housing and expanded financial aid for day and after school care in the future.

While it has the potential to minutely help in alleviating the financial burden of childrearing, the subsidy is likely not significant enough to convince couples previously against having children to decide to expand their family. Although prices vary, prenatal checkups alone can cost up to approximately \$1,300 in Hong Kong. That accounts for half of the total cash payment before the baby is even born.

Not only is this sum of money quickly eaten by the substantial cost of raising a child, it also acts as a Band-Aid solution to a far wider-reaching problem. Money isn't the only deterrent from having children. Hong Kong faces rising political uncertainty as China tightens its grip on the region; in 2020, for instance, Beijing passed a national security law that diminished free speech and pro-democracy protest. Thus, more than half of Hong Kong's professionals were considering leaving in 2022, so to expect citizens to feel faithful enough in their futures to raise children in the city because of a small subsidy is likely a long shot.

Hong Kong isn't alone in its struggle with fertility. The low birth rate that triggered the creation of this subsidy speaks to larger East Asian cultural trends. South Korea, for instance, grapples with the same issue, maintaining a birth rate of 0.78 babies born per woman, the lowest in the world.



Hong Kong has a fertility rate of 0.8 children born per woman.
Source: WSJ

There are a couple common denominators when comparing these two cultures. One is the continued patriarchal association of women with being the primary family caretakers. This means encouraging more women to have children is arguably synonymous with pushing them to give up their careers. Employees in South Korea and Hong Kong typically endure long work weeks complemented by competitive, productivity-driven office environments. Given that women are already at a disadvantage in the workplace, from substantially lower pay than men to a measly percentage of authority positions being filled by women, asking them to give up what they've worked to achieve to instead fulfill traditional gender norms is a tall order.

Low fertility in Hong Kong and South Korea can arguably also be attributed to the larger East Asian cultural tendency towards competition. Not only are workplaces notably competitive, as previously mentioned, East Asian academic standards for children are notoriously high. In South Korea, this arguably translates into a high student suicide rate. Asking couples who have already ruled out having children to reconsider, therefore, doesn't just raise a financial question; it forces them to debate the validity of subjecting their offspring to cutthroat educational pressure.

Overall, Lee's subsidy is arguably unlikely to see success, as it attempts to throw money at a problem with political implications and roots in larger East Asian cultural norms.

Germany's New Deal

Germany's Scholz travels to Nigeria to discuss energy, cooperation, and migration

by Ashley Ye



German Chancellor Olaf Scholz at Africa's largest geothermal plant.

Source: DW

On October 29th, German Chancellor Olaf Scholz commenced his tour of West Africa, meeting with Nigerian President Bola Tinubu. Sunday's visit was Scholz's third trip to Africa since taking office in 2021, with a focus on energy prices, trade, and migration. In addition to strengthening economic relations, the meeting between the two heads of state served to project a sense of cross-continental unity, signaling the potential for broader regional communication.

The Chancellor's trip to Nigeria played out against a backdrop of heightened global tensions and energy crises. Germany has been attempting to diversify its natural gas supply due to the Russian invasion of Ukraine in February 2022 and the halting of Nord Stream production. Since then, key German industries such as automobile manufacturing and chemical processing have been hit with high gas premiums, stunting economic growth.

Germany has also been experiencing rising unemployment, particularly in East Germany where the rate is 7.2% compared to the national rate of 5.7%. Labor shortages are also plaguing the country: With the newly passed Skilled Immigration Act, Germany hopes to encourage more migration in an effort to reinvigorate aging industries.

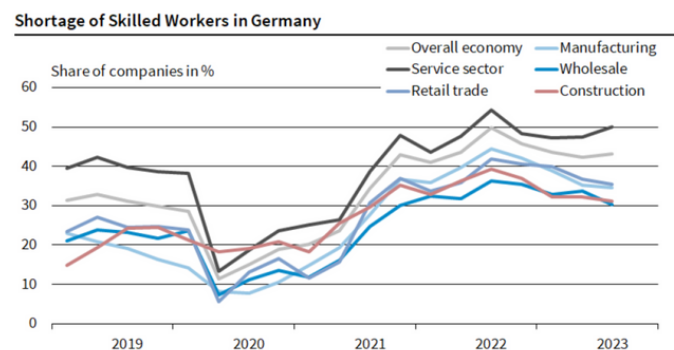
The potential trade agreement between Germany and Nigeria could have wide-reaching implications. Resource-wise Nigeria is Africa's largest oil producer and sits on some of the world's largest critical mineral deposits. By subsidizing joint ventures between German and Nigerian companies, the country would see a sharp increase in foreign direct investment, stimulating productivity and income growth. This influx would also help develop Nigeria's infant mining industry, diversifying the country's mineral extraction technology and exports. The addition of new jobs in manufacturing industries would further incentivize foreign investment from other Western countries.

From the German perspective, strengthening trade relations with Nigeria would provide a solution to high energy costs, labor shortages, and economic stagnation. Nigeria is Germany's second-largest trading partner in Africa, with a trade volume of \$158 million in 2021. As Nigeria's Liquefied Natural Gas pipeline (LNG) is slated to be finished in 2024, the country hopes to increase output by 10 billion cubic meters per year. If Germany were to secure a trade agreement, they would see a steep drop in gas prices. The closeness between the two countries could also serve to deter Chinese influence in the region. The CCP's Belt and Road Initiative has funded infrastructure projects in Western Africa but at a cost. High lending rates have led to

rising debt and local job displacement has reduced employment opportunities. German companies could helm infrastructural development with domestic workers instead.

Scholz's meeting with Tinubu also touched on Germany's commitment to relaxing Nigerian migration requirements. In a press conference held at the German-Nigerian Centre for Development in Lagos, Scholz emphasized efforts to encourage migration. These include less stringent visa requirements, vocational training centers, and aid packages for workers. However, the Chancellor also emphasized that migrants had to arrive via legal channels, and people who did not meet the requirements had to be turned back to Nigeria.

Critics of the proposed agreement between the two countries have focused on Germany's migrant and renewable energy hypocrisy. While Germany's labor shortage currently requires around 400,000 skilled immigrants, entry barriers are high and immigrants find it difficult to integrate into society. The country has also pledged to withdraw from fossil fuels and natural gas yet they are actively seeking to diversify those holdings.



Germany's labor shortage has hit the service sector especially hard, with manufacturing and retail falling closely behind.

Source: Ifo Business Survey

By incentivizing the exploitation of finite resources, Germany is indirectly contributing to more carbon emissions and environmental degradation in Africa, which would affect the region negatively in the long term.

While it remains to be seen the details of the proposed energy agreement between Germany and Nigeria, this marks a turning point in trade relations with the global south. By increasing the supply of LNGs, countries around the world could see a drop in energy prices, decreasing the influence of cartels such as OPEC. Furthermore, trade between the two countries could spill over on both sides, stimulating the economies of the EU and Western African countries. And while there are environmental concerns for the new partnership, joint-regulation initiatives could mitigate some of the damage. Collaborative efforts to implement and enforce stringent environmental standards and sustainable practices will be essential to ensure that this partnership benefits both economies while minimizing its impact on the planet. With careful planning and responsible policies, this agreement has the potential to usher in a new era of mutually beneficial trade, economic growth, and environmental responsibility.



German Chancellor Scholz meeting with Nigerian President Tinubu.
Source: Naija News

Resilience Against Recession

The U.S. economy expands amidst projections of a recession

by Mira Dasgupta

Last Thursday, on October 26th, the Commerce Department reported that the Real Gross Domestic Product of the USA had grown at an astonishing 4.9% annualized rate in the third quarter of 2023—more than double of what officials at the Federal Reserve consider standard growth rate (2%). This data now allows us to analyze the American economy and predict whether or not the widely forecasted recession might be avoided, as we also witness the Halloween season bring with it high consumer spending and less signs of an economic slowdown.

Three years into the post-covid recovery, the economy's resilience has stayed strong as Americans have acquired enough savings during the pandemic to continue spending even after the Fed increased interest rates and rendered borrowing more expensive. While this is great news for American companies, it is a source of confusion: Why is the economy growing despite the measures taken by the Fed to slow it down and what can we expect in the future? We can scrutinize the state of the economy and attribute the current upswing to the slowing down of inflation and to the strong job market. Slowing inflation boosts purchasing power which pushes consumers to continue spending even as wage growth weakens and, in turn, fuels job growth, which reflects employers' confidence in the economy.

In order to tamp down the inflation, the Fed officials have tried to slow down the economy by increasing interest rates as high as 5.25% and while inflation has reduced to 3.4%, the central bank is aiming for a 2% inflation rate. The question arises whether inflation can slow on its own for the rest of the way, even when consumer spending is high. While the current high spending numbers may not instigate a reaction from policymakers, it is expected that the holiday season spending will shape the Fed's next steps.

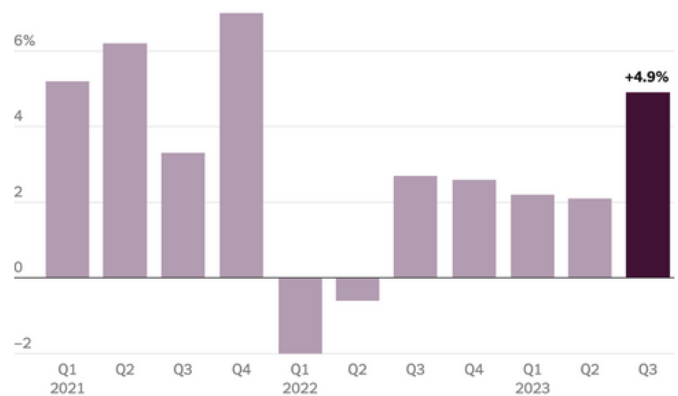
Since the back-to-school season reported extremely strong sales, as said by Walmart, it is expected that we will see high Christmas spending, which will call for further tightening of the monetary policy. The Fed may raise the interest rate even further, however this would negatively affect stock and bond prices. On the other hand, it is also possible that strong back-to-season sales don't translate to a profitable end-of-the-year season. It is important to note that different income groups spend differently hence while wealthier consumers continue to spend, there is a pull-back from the bottom tier of shoppers. Therefore, we can anticipate high-earners to fuel growth in the festive season even under pessimistic conditions.



High demand keeps consumers spending during the festive season, defying forecasts of a recession
Source: The New York Times

Economic Growth Surged in the Third Quarter

Seasonally and inflation-adjusted annual rates of growth in gross domestic product



Real GDP grew higher than forecasted at a rate of 4.9%, offering mixed signals to the Fed
Source: Bureau of Economic Analysis

In light of the data, we can expect the US economy, already an outlier in global trends of recession as seen in Europe and UK, to avoid a total recession and instead fall into a soft-landing—a sweet spot between slowing inflation and a still-growing economy. The unemployment rate remains unprecedentedly low, while consumer sentiment increased almost 3.9% year-over-year, showing that spending levels would remain high. Furthermore, inflation is on its path to decelerating to 2.0% more gradually as we forecast activity in the labor markets. The current steady inflation may also result in the Feds keeping interest rates steady, further rendering the soft-landing idea into a real possibility. However, while this soft-landing is the optimistic goal, there is a large chance that the economy may still slump into a recession as job data is uneven, the yield curve is inverted, uncertainty is growing because of the conflict in Gaza and the strict monetary policy with the ‘higher for longer’ interest rate policy will inevitably harm economic growth even if we do avoid a recession.