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BUSINESS TALK WITH SYLVIE GOULARD

AVOCADO PRODUCTION IN MICHOACAN: GREEN GOLD OR GREEN POISON?

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Underground economy

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Editorial's Note

Dear readers,

On behalf of the whole team, we wish you a happy new year 2022! May the coming year be full of opportunities and achievements.

A new TSEconomist team was formed this first semester without which this 29th edition wouldn't have been possible. Thus, I would like to thank all the members for their participation and also the readers for their support and feedback.

This issue focuses on underground economy. The authors were thrilled about this topic since most of the articles of the issue are in the spotlight section. You can read about addiction, prostitution but also avocado production and Nuevo León's informal economy. In the academic section can be found two business talk summaries: we had the chance to welcome Sylvie Goulard, Deputy Governor of the Banque de France, and Shruti Sinha, working for Amazon. If you want to read about women in sciences and the matilda effect I invite you to read the No Economics section. The French Corner section contains an article wondering if Airbnb can displace traditional forms of holiday accommodation.

The choice to take a gap year is coming soon, hence you can find testimonies of two students who did a gap year in the professional section. We hope they will help you with your choice. One of them spent half a year in Italy in a university and then did an internship, and the other one did an exchange year in Germany for her Master 1 and then a gap year to do internships.

This issue's on campus investigation is about internships. Finding an internship can be very stressful and can take time. We surveyed students to know more about how they got their internship(s) so we could give you some advice.

The return to normal enabled us to organize our first coffee talk of the 2021-2022 academic year, and we hope to continue in this way with another coffee talk this semester and a public lecture.

As always, we are very pleased to get any feedback, new ideas, and to integrate new members so don't hesitate.

Enjoy the reading!

Marie Philippe
Editor-in-Chief

Business talk with Sylvie Goulard

by Marie Philippe, Naemi Ress, Marta Siebel, and Simon Upton

On September 21st 2021, TSE welcomed Sylvie Goulard, Deputy Governor of the Banque de France, and former government minister. She spoke on the importance of united action against climate change and shed light on the monetary policy instruments the Banque de France is using for this aim. Beyond this, the Deputy Governor encouraged us to take up our role, as economists and students, in the transition against climate change.

1. Why do central banks care?

Climate change is a global threat with macroeconomics consequences on financial and price stability, states Sylvie Goulard. Even if the role of the central bank within the climate transition is a point of contention, Sylvie Goulard did not stay away from this discussion, always welcoming questions on the topic. "We spent months thinking about this question", she says on the decision to engage in climate action within the Banque de France. By strongly tying the impacts of climate change to the issues within the central bank's mandate, protecting price and financial stability, she put forward a strong case in support for central bank action.

We must reduce emissions in quite a short period if we want to be consistent with the commitments taken in Paris in 2015, explains Sylvie Goulard. Global warming is likely to increase by three degrees Celsius if we do not do anything. Life would then be impossible on several parts of the earth and unpleasant in our regions.

Global fairness is also one of the main issues. Indeed, some countries produce more CO2 than others. The production of CO2 is changing, especially with the quite recent rise of China. However, the message at the G20 coming from India, Brazil, China and low-income countries is that we should take responsibility for the amount of emissions we created. "It doesn't mean it isn't a global issue we have to tackle all together" specifies Sylvie Goulard

2. What do central banks do?

After the United States' withdrawal from the Paris Agreement in 2017, the French president organized the One Planet Summit to reaffirm the necessity to stick to the commitments. The creation of the Network for Greening the Financial System (NGFS), an exchange forum, was one of the main initiatives taken. It was the decision of eight central banks, among them China, Morocco, Singapore, Mexico, and several Europeans. Nowadays there are 95 members covering five continents and more than 80% of global greenhouse gas emissions.

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) in 2017. The first set of recommendations given to companies is to have a governance of climate change to make sure people are in charge, a net-zero strategy and to look at data. Breaching the data gap is another key issue Central Banks are facing. Actually, the data gap questions the reliability and the consistency of the data and how we can conceive a series of data looking forward.

Sylvie Goulard also clearly underlined the limitations of the Central Banks' role in the climate transition as governments are the main actors and, importantly, democratically accountable institutions. Central banks are not substitutes to the action of governments, but they can complement it. While being convinced of the role of central banks and European governments in the climate transition, she also recognised the need for global coordinated action.

3. The three fronts of central banks

Central banks are acting on three fronts. The first one is the supervision of banks and insurance companies. The Banque de France is, for instance, running climate-risk stress tests to understand the threat climate change is posing to the stability of banks. When dealing with climate, we need to be humble and learn by doing. Sylvie Goulard declares the global impact of France is small and adds "we need to take our responsibilities but at the end the only solutions are the global ones".

The second front is to green their own monetary portfolio (23 billion euros). Doing so, Central Banks prove their involvement in the fight against climate change. Indeed, when investing in green start-ups or funds, not all the usual criteria are met. Together with other banks (Dutch, Italian…), the Banque de France even managed to convince the European Central Bank (ECB) to go green for their own monetary portfolio.

Finally, the last front is their monetary policy. They try to incorporate climate change in the monetary policy framework to expend the analytical capacity and above all the modelling and how climate change is integrated in all the presentations. The key is to change the monetary policies from a practical point of view.

4. Beyond climate

Taking us beyond the typical framework of climate discussions, Sylvie Goulard discussed the complex interconnections between climate change, health and the crucial role that loss of biodiversity plays. Through the loss of natural habitats and biodiversity, we have much closer contact between humans and animals that brings new diseases onto the world stage – from Covid, to Ebola and Sars. "Life is very fragile and precious and is something we should protect". This transition, she said, is about more than just reducing our carbon footprint. "The real challenge is to invest in greening. To change the way society is functioning, the economy is functioning."

Central Banks are not alone. Last year the European Investment Bank (EIB) transformed completely their action to go green. However, the EIB is not well known by economists and not present enough in the debate. Moreover, many countries are committed to the United Nations Sustainable Development Goals which include climate action, protection of life, clean water… etc. It was important for Sylvie Goulard to show that decisions are not only taken by banks, but by the whole society.

5. What is the role of economists/economics?

Sylvie Goulard finished her speech with a rallying cry to us young economists. Going beyond labour and capital, she stressed the importance of acknowledging that nature is also providing vital services. These should be included within our economics models, she says. "We need to redefine the concepts we use in economic analysis to ensure we can cope with the issues facing our generation."

"We need to redefine the concepts we use in economic analysis to ensure we can cope with the issues facing our generation."

Moreover, there needs to be more action, more research, more data and also more humility. Through the fastidiousness and attention she paid to questions, one was left with a sense that we are the ones who must act. "Don't lose time getting sad about the planet. Engage wherever you are." ■

"Don't lose time getting sad about the planet. Engage wherever you are."

Business talk with Shruti Sinha

by Léa Redlinger and Naemi Ress

On Thursday, 14th of October, Shruti Sinha was welcomed to the TSE Business Talk to speak about her experience as an economist at Amazon. Sinha received her PhD in Economics from Northwestern University (United States) and held a position as assistant professor at TSE for six years before joining Amazon. She explained the role of economists and science at Amazon.

1. Amazon as an organisation

All of us are aware that Amazon is a huge institution – but do we really know how big? Sinha made students realize that Amazon is much more than package deliveries and a movie platform. Amazon enables people to buy things on the internet from most brands and to receive orders on the same day, you could even get a haircut from an Amazon store in London.

Amazon is active in more than 20 different marketplaces and could be considered - from a production point of view - as a country itself. It has 1.3 million employees and a recorded revenue which is twice as big as New Zealand's GDP.

Amazon is a decentralised organisation with specialized teams in different regions worldwide. Sinha for example works as an economist in the London office which is responsible for Amazon markets in the European Union.

2. Science and economics at Amazon

Amazon has its own scientific worldwide network. Sinha describes a very vibrant science community at Amazon with internal journals, many summits and a strong sense of collaboration and exchange of ideas. She also highlights the fact that Amazon has several influential economists that work on improving Amazon's services. Further, scientists in other fields such as data scientists work closely with economists at Amazon. Amazon scientists are either embedded scientists or work in a central science team. Embedded scientists work on specific business-related issues such as pricing of products. The central science teams conduct external consulting to Amazon business teams.

3. Data scientists versus economists

It was important for Sinha to emphasize the difference between a data scientist and an economist. Today, most scientists increasingly work with large databases and thus may be considered as some sort of "data scientists". Amazon, however, insists on the differentiation between scientists who work with data and data scientists who work with data on a much bigger scale.

Sinha explained to students the difference in skill sets and working conditions for economists and data scientists. For example, the entry conditions differ: economists that start at Amazon must have a PhD degree, for data scientists on the other hand a master's degree is sufficient. More importantly they do not tackle the same issues: economists like Sinha work early on at projects, frame a research question and possibly conduct prototypes with sample data. Data scientists then conduct data analysis on a bigger scale. It goes without saying that data scientists and economists have to work very closely together at Amazon.

Sinha explained to the students the three key specialisations of economists at Amazon. First, economists that conduct causal analysis. Second, structural economists specialized in empirical industrial organisation, specifically modelling supply and demand. Last, economists conducting time series analysis (forecasting).

4.Economists at the intersection

Sinha described that economics is the intersection of science and business. Economists must be adaptable and be capable of communicating with business carrying people and other scientists. Particularly, economists have to find scientific opportunities in problems that businesses are facing and further must be able to state a precise scientific question describing this problem. For instance, Sinha is currently modelling how to price children's toys. This includes understanding how customers perceive Amazon. To this aim, economists framed the problem and designed a survey for consumers. In the end, thanks to this Business Talk, Shruti Sinha gave a concrete example of what students can do as economists in large private companies. ■

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Every contribution, even small, is welcomed !

SPOTLIGHT


MOULIN Rouge
EROTIC nightclub
MOULIN Rouge
LIVE SEX theater

Addiction is a choice

by Fikrat Valehli

Over the last 20 years, drug-related overdose deaths more than tripled in the USA. There is an ongoing opioid epidemic, and overdose cases due to the use of synthetic opioids exhibited exponential growth over the last years. Considering the adverse consequences of drug addiction, it is easy to conclude that it is not rational to compulsively consume psychoactive substances, and the decision-making process of drug users is not under their control. Bickel et al (2007) stress the perplexing aspect of drug usage by asking why would someone repeatedly make the choice that leads to negative consequences.

In this sense, it is useful to employ the tools of behavioral economics to investigate the decision-making process behind drug usage. Behavioral economics, which is a discipline that hybridizes economics and psychology, applies an economic framework to understand the choices that humans make. It is very counterintuitive to view compulsive drug usage as a result of rational decision-making. Standard economic modeling of human behavior would assume that humans are rational. According to economic models, a rational person would set their consumption choice over many time periods in a way that their objective function, the utility of the consumption, is maximized with respect to the constraints of the consumption costs. Given that drug addiction carries adverse consequences on one's life in contrast to the relatively brief utility of feeling good, it is hard to conclude that the choice of drug usage maximizes the intertemporal utility of an individual. Therefore, we may get suspicious that drug usage cannot be a rational choice.

However, Lee Robins' study on the heroin consumption of the US soldiers shows that although 20% of the soldiers showed heroin dependence symptoms while serving in Vietnam, only 1% of them became re-addicted when they came back to the US. The study shows that the surrounding behavior is a significant explanatory variable behind drug usage and humans can exert control over the consumption of highly addictive substances. Once the surrounding conditions are extremely adverse, choosing brief satisfaction of highly addictive substances may be worth its costs. Nonetheless, the circumstances during the Vietnam war are not representative of the environment that many drug users are surrounded with. Hence, what explains the addictive behavior of the individuals who live in significantly less traumatic environments?

"[...] the surrounding behavior is a significant explanatory variable behind drug usage and humans can exert control over the consumption of highly addictive substances."

The concept of hyperbolic discounting in economics may help us to understand compulsive drug usage under less extreme circumstances. The individuals tend to consider the costs and benefits of their actions intertemporally (over many periods). When we maximize the total utility of many periods that we have yet to live, we discount the costs and benefits of later periods. The value of consuming a good today versus tomorrow is different, as it is assumed that the rational individual in

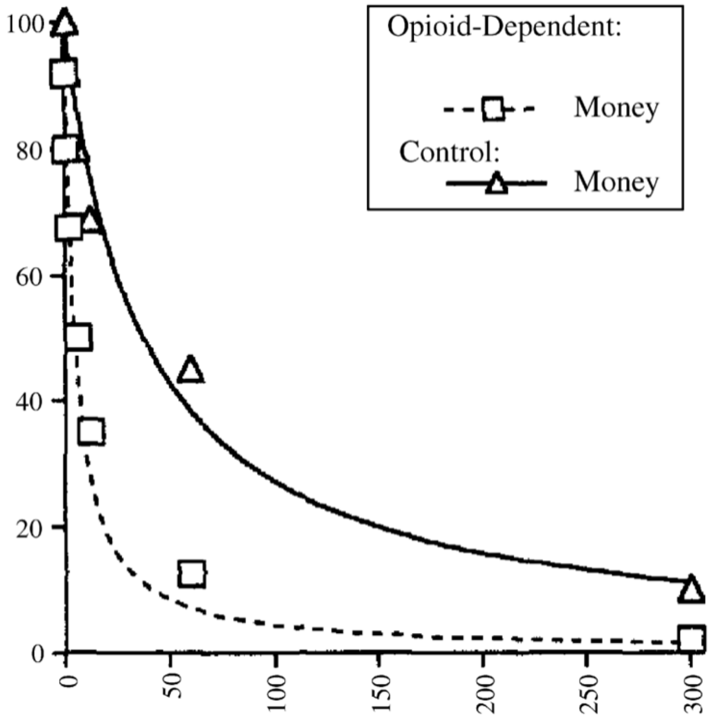

Figure 1: Graphs of hyperbolic discount functions of opioid-dependent and control groups (Bickel et al. 2014)

our model would give less value to consuming the same good tomorrow concerning consuming it today. The discount function would capture the behavior of giving less value to future consequences of today's actions, and it does not have to be linear. Humans may discount the medium-run consequences of their actions much more than short-run ones. The hyperbolic discounting functions illustrate the varying rate of discounting through time. An individual whose behavior matches the hyperbolic form of discounting may make decisions that are very costly in the future as the short-term benefits would offset the extremely discounted future costs.

Figure 1 compares the parameters of the discount functions of opioid-dependent and non-dependent groups. We can observe that opioid-dependent group members tend to discount the future more than non-dependent people by giving significantly less value to the utility they are going to get from receiving money in the future. However, control groups care more about their future selves. This gives them more control over their desire to consume today. In contrast, substance-dependent people achieve more intertemporally cumulated utility by consuming addictive substances today since the costs are discounted.

Note that individuals do not necessarily discount the costs and benefits of the future because of mere impatience. When there is an increase in uncertainty about the individual's existence in future periods, it is sensible to increase the discount rate of the future outcomes. The high rate of heroin use among the US soldiers in Vietnam may also be related to the change in their discount functions. As the soldiers face adverse war circumstances, the decreased life expectancy may have forced them to discount the costs of heroin usage that they will encounter in the future. Furthermore, the drastic drop in the drug re-addiction among the soldiers who came back to the US can be related to their increased optimism about their existence in future periods.

"Consequently, we may argue that the pathological consumption of psychoactive substances is not necessarily an exogenous behavior to human decision-making."

Consequently, we may argue that the pathological consumption of psychoactive ion-making. Under the circumstances of decreased belief in future well-being, deteriorated patience to value the future outcomes of the action taken today, and increased social disconnectedness the drug usage can be viewed as a result of rational decision-making. The increase in the hyperbolic future discounting is one of the channels that squeeze pathological behavior into the framework of the rationality of human behavior. ■

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Lurking in the shadows: a glimpse into the underground economy of south asia

by Sampurna Dutta

A daily wage worker returns to his modest accommodation in the infamous Dharavi slums of Mumbai. A kid enters his hut, informing him that the boss is waiting for his delivery. The man gets to his kitchen shelf and removes two big bags of the white powder, "cocaine", satisfied that he will not have to worry about rent for the next three months. Whether it is a drug dealer selling drugs, a sex worker providing her services, a factory worker driving an illegal taxi at night, or a gang leader collecting protection fees from the local community; all of them have one thing in common: they are getting paid in cash and evading the local taxes. All these people are participating in what can be defined as the underground or shadow economy. The nature of their activities can be legal or illegal and the International Monetary Fund (IMF) estimates that worldwide trillions of dollars are made every year through these activities.

Social scientists have tried to describe the gap between observed and actual numbers in public accounting records of an economy for a very long time. They came up with the concept of underground or shadow economy to explain the hidden economic actions, which cause this gap and exist in every country. The underground economy can be referred to as an economic system where transactions and production of goods or services are not visible to government officials and are carried out under the nose of the tax authorities. These activities are often considered illegal by governments. They mostly consist of gambling, trafficking, prostitution, drug smuggling, arms smuggling, etc.

In South Asia for example, the underground economy has been and continuously is a dominating force. In the financial capital of India, Mumbai, the shadow economy is so rampant that it is impossible to imagine the city functioning without it. Indians are too familiar with conmen illegally exchanging foreign currencies on the streets, dance bars running successful prostitution rings, bribe-taking government officers, and rich Indians unlawfully holding money in foreign countries. It was reported by a study conducted in 2016, titled 'Emerging from the shadows: The shadow economy to 2025', that the underground economy accounted for 17.22 percent of the total GDP of the country. Authors like Arun Kumar, believe that the underground economy of India is exactly half of its official GDP.

> **"[...] the shadow economy is so rampant that it is impossible to imagine the city functioning without it."**

The size of the underground economy in India has increased dramatically since the 1970s. This can be explained through the fact that all over the world, government activities increased in that period. In emerging countries like India, taxes started to increase to fund mass infrastructure projects. To avoid these excessive taxations, regulations, and to escape other institutional issues, more and more people started participating in the underground economy.

In neighbouring Bangladesh, the underground economy accounts for 30 percent of the total GDP of the country according to the 2018 study conducted by the IMF. A good example of the popularity of the underground economy is that when a person in Bangladesh buys a house, he or she pays most of the amount by cheque, while a small percentage of the price is paid in the form of so-called black or untaxed money. It is mostly requested by the home seller to maintain a reserve of undocumented and untaxed money to participate in the underground economy. In Bangladesh, whitening of black money has also become a practice. Whitening of black money happens when the government makes your untaxed money reserve legal by registering it. In 2021, historic amounts of whitening of black money were carried out to deal with financial hardships related to the COVID 19 pandemic.

In Pakistan, the underground economy accounts for around a staggering 56 percent of the country's GDP. It is believed that this is a sign of failure of the central government to include the underground economy in the formal economy and governance. Pakistanis are dealing with a large bureaucratic system with long queues for registration of businesses, which drives people to the underground economy. The underground economy is even the driving force of the economy and it is estimated that it employs 73 percent of the labour force of the country.

In Nepal, the numbers are slightly better. The underground economy accounts for

37.5 percent of the country's economy. A few experts argue that India is one of the reasons for the thriving black market in Nepal. India has a long border with Nepal and there is free movement of people across the borders. This fact makes it harder for Nepali authorities to control smuggling and other activities contributing to the hidden economic activities.

The underground economy has been shrinking over the years in Bangladesh and India. It is predicted to diminish by 13.6 percent until 2025, according to reports of the Association of Chartered Certified Accountants (ACCA). Sajid Khan, Head of International Development at ACCA, believes that the reduction in the shadow economy signals towards the improvement of the overall economy. As unemployment decreases, less people move towards the shadow economy as they can more easily find regular jobs.

"Underground economy and crime go hand in hand."

Underground economy and crime go hand in hand. In most developed and developing countries except for India and Bangladesh there is a rise in the shadow economy. It is difficult to access the real size of the underground economy in a country. Most governments are concerned by their rise and have been trying to control it, because of the serious consequences they cause. It is difficult to get official economic statistics that are used for policymaking by governments if the percentage of the underground is high. A rising underground economy can cause lower tax collection and ultimately affect the financial health of a country.

Participation in the underground economy by the labour force has increased over the years. It can be more profitable and can be an extra source of income when the economy is bad. Countries which have lower taxes, fewer regulations, and established laws have a lower percentage of underground economies. The growth of the underground economy is fuelled by increased taxation, lower wages, increased cost of living, increased regulation to enter the job market, and an increased burden of social security payments. Millions of families in South Asia and the world depend on the underground economies to feed their families. Therefore, simply crushing it may not be the solution to this problem. Governments all over the world need to design policies to lure back shadow laborers in the official economy of their countries. Getting these labourers out of the shadows may be a very big challenge for economically vulnerable countries of South Asia. ■

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Prostitution and policy relevance in France

by Nathan Aubry

A variety of attitudes towards the exchange of sexual services for money are displayed all around the globe, from total prohibition through partial-legalization to complete acceptance. In France, selling sex services is legal while purchasing those services is illegal. However, no country has found the perfect policy to make a prostitution market without social stigma, rape, STIs, or human-trafficking. The common thread of those externalities is violence against women. Many view prostitution policy as a means to combat it. Is prohibiting prostitution desirable or even possible? Should total legalization and regulation be implemented?

Prostitution in the economic litterature

Prostitution can be defined as the practice of engaging in sexual activity with someone for payment, with or without actual penetration taking place. Prostitution happens in different contexts: brothels, strip clubs, massage parlors — paid sex occurring under the pretence of selling another product such as a body massage or saunas — and street prostitution. This broad definition doesn't take into account the gender or sexual orientation of the seller or the client of sexual services.

In reality, the economic analysis of sex work is nearly entirely focused on females offering sexual services to males clients. There is little evidence of females consuming sexual services by either male or women, but more for male consuming from male. Male prostitution is not the direct analog of its female counterpart as the market has different features; namely the division of sexual orientation — many male prostitutes and clients do not identify as homosexual — and sexual behavior between male sellers and clients. Thus, in this article, female prostitution will be the only type taken into consideration.

An important feature of sex work is the choice — or not— to enter the market as a seller. Prostitution can be a voluntary, profit-oriented choice of profession not driven by necessity or a lack of adequate alternatives. It also can be involuntary, if forced into by violence, usually by pimps.

Prostitution, a traditional market

Prostitution has all the features of a traditional market: prices, supply and demand factors, externalities and policy relevance.

Prostitutes are demanded by men that may be currently in a romantic relationship. Consumption of sex services by men in a relationship is motivated by a range of factors: a need to satisfy a higher frequency of sexual contact than one's relationship partner is willing to make; a need for variety; or a need to engage in specific sexual activities (Cameron and Collins, 2003). Prostitution can satisfy those needs without having to engage in any emotional complications. As for single men, these factors may differ. They can include a dislike of emotional contact or a low self-esteem in social gatherings (Cameron and Collins, 2003). The demand for paid sex also depends positively on religious beliefs — namely, when the community is against pre-marital sexual intercourse. In addition, according to Cunningham and Shah, the demand depends positively on male income.

"Prostitution has all the features of a traditional market: prices, supply and demand factors, externalities and policy relevance."

Clear variation in price is found in analytical analysis depending on the type of sex acts prostitutes engage in with the client. Sex workers providing only oral sex receive the lowest price compared to other practices (Monto, 2000). Previous research studies have found that men tend to pay more when condoms are not used during any sexual encounter (Rao and al., 2003). Edlund and Korn attest that prostitutes earn more than women working in other industries with similar characteristics (age, race, education). Furthermore, according to Cunningham and Shah, younger sex workers (or youthful looking) earn significantly more than their older counterparts, except for escorts (high-price segment) and massage parlors workers.

Intermediaries, violence and externalities

Even though selling sexual services is legal in France, intermediary activity (such as pimping) is illegal (as in the UK, Italy, Brazil). Despite this, pimps are still key actors in the market and have a significant impact. According to Farmer and Horowitz, they lower prostitutes' security cost — by protecting them from the clients — and may regulate supply to increase market power. However, rare are the prostitutes who attest their willingness to find a pimp. As written above, pimps often force women using violence to enter the market and work for their own profit.

Being vulnerable, prostitutes, whether voluntary or involuntary, are subject to different forms of violence including kicks, slaps, rapes by different sources (clients, pimps or cops). Prostitutes are at a higher risk to contract STIs such as HIV due to their numerous (un)protected sexual practices. The homicide rate is higher in prostitution than in any other occupation: it has been estimated that street prostitutes are 60 to 100 times more likely to be murdered than non-prostitute women (Salfati and al., 2008).

Online reviews

The partial-legalization of prostitution in France fails to provide incentives for improving customer-behaviour and service-quality. In lieu of this, the internet is making space for such incentive mechanisms.. Forums or social-review sites, allowing for a credible threat of a bad review from the client of the seller (and its effect on their future income), facilitate transactions and increase the incentive to provide a higher quality sex work. In fact, street prostitutes who do not advertise earn significantly less than sex workers advertising on Craigslist (Cunningham and Shah, 2016). These websites also incentivise the client to be well-behaved to avoid risking damaging their reputation on these forums - thus making it harder to access sex services. The creation of this reputational mechanism helps enforce those informal contracts, thus alleviates adverse selection. By extension, it can allow prostitutes to have a more secure environment.

Policy relevance

The question of how to deal with the prostitution emerged in the French political arena in 2003 through the implementation of a law that extended the penalty for soliciting (racolage) from a fine to an offense. Criminalization of sex workers reduces quantity, exposes prostitutes to violence from cops and increases the average level of violence by clients against

prostitutes (Cunningham and Shah, 2016).

"In reality, what is most detrimental to access to care for prostitutes today is the offense of passive soliciting […]. This offense must be abolished, as it pushes prostitution back into areas that are not easily accessible for associations and, ultimately, results in less access to care and social services for prostitutes." — François Hollande - 19th March 2012.

Hence, since 2016, a new law that aimed at strengthening the fight against the abuse of the prostitutional system and supporting prostitutes was passed. French law prohibits the use of the services of a person who prostitutes themself as well as any intermediary who encourages or benefits from prostitution. Now, the French government criminalize the clients instead of the sex workers. Criminalization of clients increases the average level of violence by clients against prostitutes (Cunningham and Shah, 2016). In addition, prices and quantity sold decrease — as fewer clients are willing to take the risk to get caught — which harms the prostitutes.

> **"Moreover, a system that makes it illegal to buy sex but not to sell it (like in France) is more effective than criminalising the selling of sex at reducing quantity."**

In their work, Lee and Persson (2018) find that criminalizing prostitutes or clients has an ambiguous effect on the level of involuntary prostitution. Both types of criminalization deter voluntary prostitutes' entry more than involuntary ones, making it more profitable for pimps to continue their activity. Moreover, a system that makes it illegal to buy sex but not to sell it (like in France) is more effective than criminalising the selling of sex at reducing quantity (Immordino and Russo, 2015). One solution would be to criminalize pimps, instead of criminalizing clients or sex workers. Nonetheless, according to Cunningham and Shah it would expose prostitutes to more violence from clients — as fewer pimps stay in the market — and increases the average level of violence by pimps against prostitutes.

An alternative policy to prohibition is regulation, where legalizing prostitution and establishing legal brothels helps empower sex workers, leading to less involuntary prostitution. By increasing the fixed cost of the prostitutes (via taxation), prices increase and total quantity exchanged reduces. However, Cho and al. (2013) conclude that the inflows of trafficked individuals are higher in countries with legalized prostitution.

Finally, Immordino and Russo (2015) concludes that criminalization is preferable if a government wants to minimize quantity (only if a high expected fine is feasible); while regulation is best to minimize harm (health shock).

An optimal policy

Lee and Persson (2015) propose a theoretical alternative to those policies by combining elements of legalization and criminalization to discriminate between the two types of prostitution (voluntary and involuntary). First, this policy creates a "safe harbor" that empowers voluntary prostitutes, where they are admitted only if they pass a background check, including registration, licensing — and keeps involuntary prostitutes out of the market. It allows health-infected prostitutes to work, limiting the propagation of STIs such as HIV. Second, the policy prohibits the purchase of sex outside the "safe harbor": criminalization of clients who buy sex from non-licensed prostitutes. Clients who would still demand involuntary prostitutes, propose a lower price, as they take risk into account., As those clients want to avoid the risk of a fine, they will go towards voluntary prostitutes. Hence, the policy pushes all the demand into voluntary regulated prostitutes, and allows to eliminate all demand for involuntary prostitutes, thus suppressing pimps and violence made by them.

To conclude, no existing implemented policy allows for both voluntary prostitutes to exercise their work without violence, and involuntary ones to get out the market. The proposition of Lee and Persson, which is legalizing prostitution, might help empower sex workers by making them more visible to the public authorities. A lot of non-profit organizations such as STRASS fight for the welfare of sex workers — asking for total decriminalization of prostitution and for the recognition of all forms of sex work. Prostitution is not going away any time soon, so we should include those organizations in the political discussions regarding their own life. ■

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Avocado production in Michoacan: Green gold or green poison?

by Marie Desjeux and Eloise Passaga

In January 2020, the Parisian "Marlett cafés" decided to stop offering avocado-based dishes following the discovery of the ecological disaster caused by avocado production on the American continent. Indeed, avocado plantations require a significant quantity of water and particular climatic conditions. In the regions of South and Central America where avocados grow - such as Peru and Mexico - scientists have observed significant ecological damage like droughts, or even loss of biodiversity as a result of deforestation to expand avocado farms. This ecological disaster is aggravated by the growing popularity of avocados since the 90's, as it is considered a super nutrient, excellent for health. In addition, its consumption is popularized by events such as the Super Bowl: guacamole is one of the most popular dishes eaten during the game. Café Marlette's choice reflects rising consumer awareness about the environmentally unfriendly consequences of avocado production. Beyond the environmental impacts, the avocado industry is plagued by Mexican cartels. The latter infiltrate production lines in order to profit from the avocado trade. The cartels' interest in the avocado market is rooted in a combination of two simultaneous events in 2006: the drug war launched by President Felipe Calderon and the drop in poppy prices. As the drug trade began to lose traction, the avocado market, on the contrary, took off.

"[...] the avocado industry is plagued by Mexican cartels."

Avocado plantations have spread in Michoacan for a long time, as the state's weather conditions are very favorable. In 2018, there were between "17,000 and 22,000 avocado producers in Michoacán, cultivating approximately 125,000 hectares" of land (Ornelas, 2018). Consequently, according to the United States Department of Agriculture, in 2019, the state of Michoacan ranked first in per state production.

In order to control the avocado market in Michoacan, cartels mainly use threats and violence. Violence takes several forms such as threats, kidnappings and murders. In 2000, the rate of kidnapping per 100,000 inhabitants was just above 0.5%. Then, with the advent of the drug war in 2006, rates reached 4.50% per 100,000 inhabitants in Michoacan, while the national rate almost hit 1.5%. This outbreak of violence partly emerges from avocado producers' resistance.

Cartels try to instigate a system of extortion. They demand money in exchange for a good or a service, for instance protection or security, or even a permit for exporting avocados. In the case of Michoacan, several journalists explained that avocado producers initially welcomed the services offered by cartels. Indeed, as the Mexican government could not ensure security and safety, producers were in need of "guardians" for themselves and their agricultural plots. Cartels were able to provide "safety" in exchange for a sum of money. However, many oppose the fact that producers voluntarily began to work with cartels. They instead describe a pro-violence system where producers are forced to accept the presence of cartels. In this case, cartels intimidate and threaten producers to coerce them into compliance. But sometimes, intimidation is not enough and cartels resort to kidnapping, hurting or killing members of the producer's family or the producer himself.

Beyond the violence induced by exchanges with cartels, avocado producers and

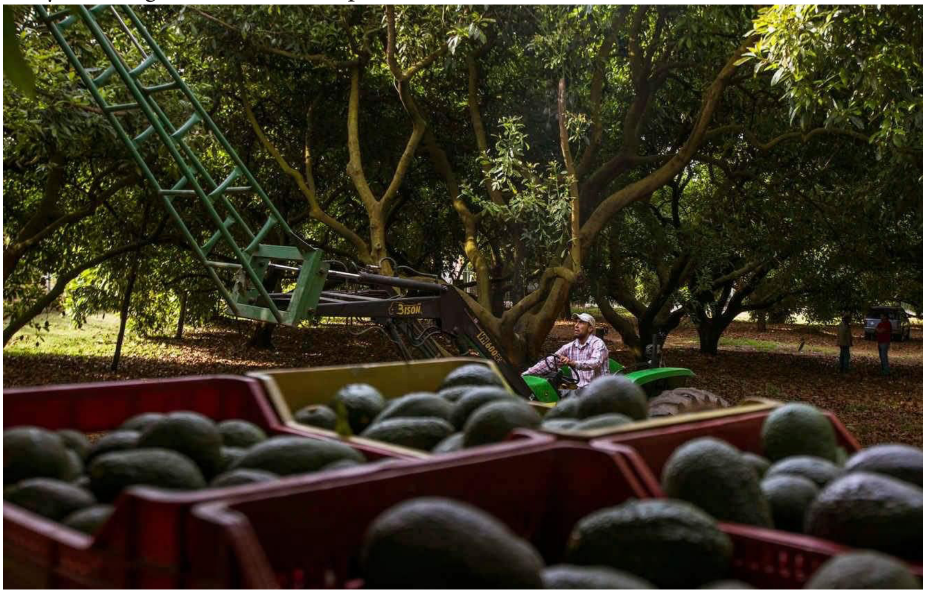
more generally the entire population of Michoacan suffers from the consequences of cartel wars. Since 2005, many cartels have arrived in the state of Michoacan, lured by the flourishing avocado trade. While, in 1999, only Los Zetas and Los Valencias were present, in 2019, five more cartels were active in Michoacan. Consequently, competition for the control of the avocado market increased between these groups. This tension often provokes widespread violence that harms not only cartel members but also producers and Mexican citizens.

This global insecurity - induced by the extortion system as well as by wars between cartels - is mostly due to the Mexican government's inability to enforce the law. As corruption among politicians and policemen is common in Mexico, citizens cannot rely on them to ensure their security.

"[...] 3,000 avocado producers of the state of Michoacan "armed themselves against cartels"."

As a consequence, they create their own advocacy groups. For instance, in 2021, it was reported that 3,000 avocado producers of the state of Michoacan "armed themselves against cartels", creating a parallel authority called "Pueblos Unidos". They justify their choice by pointing to the authorities' lack of response to extortions. They explain that "it's cheaper to buy a rifle than to pay extortion". These informal advocacy groups are, however, seriously challenged. The Mexican president Andres Manuel Lopez Obrador recently stated that "Autodefensas shouldn't exist, because the responsibility for security corresponds to the state. I'm not in favor of people arming themselves and forming groups to confront crime because that doesn't yield results". He also added that self-defence groups are used to hide or shelter criminals : "They disguise themselves as people fed up with violence."

The presence of organized crime in the avocado industry negatively impacts Michoacan's economy. Crime discourages investments, reduces the competitiveness of the firms, and reallocates resources haphazardly, creating uncertainty and inefficiency (Detotto and al, 2010). For instance, organised crime groups have an adverse impact on economic performance by over-investing in so-called 'destructive' activities, such as rent-seeking, at the expense of 'productive' activities. Moreover, the presence of organised crime groups indirectly affects the economy by reducing the accumulation of human capital through education (Brown and Velásquez, 2017). For children, the early exposure to instability and violence leads to non-negligible education gaps, which will have long-term harmful consequences on the global economic situation. For example, as violent gangs severely decrease the perception of safety, parents may decide to discontinue their children's education. But even when children are enrolled, teacher absenteeism and poor administration reduce the quality of schooling. Monterio and Rocha (2015) showed that in areas affected by cartel violence, teacher absenteeism increases due to harder working conditions. The presence of organised crime groups also disrupts the labor market. This decrease in labor market opportunities leads parents to seek new sources of income. One solution is to further suspend their children's schooling, so they can contribute to the family income. Moreover, children and young adults become easy targets for gangs to recruit. About 30,000 children and young adults across the country were estimated to have been recruited (Montalvo, 2012).



Hence, the presence of organised crime groups in the avocado industry exacerbates economic, social and environmental problems in the state of Michoacan. From direct assaults, such as extortion and kidnappings, to indirect threats to socio-economic development, cartels create a vicious circle from which the population has not yet found a way out.

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Nuevo León's informal economy: the revenue statistics don't tell you about

by César Manuel Martínez Soto

Up until 2021's second trimester, Mexico's GDP —the sum of the 32 federal states' own GDP that constitute the country— was valued at an estimated 311,457 million US dollars, making it the 15th largest economy in the world. While this is basic knowledge for any Mexican high school student, it should be added that states do not possess an equally distributed national GDP partition and that it does not account precisely for every single economic activity. Worldwide, there are several economic activities which are not formally registered by any government institution and whose income is not regulated by any national income index either. The rising number of these so-called "underground" activities in the past 40 years across the world has demanded multinational efforts to come up with strategies to better understand and reduce this phenomenon, leading to the birth of the concept of informal economy.

Among the various income sources for any given country's economy, one of these results from informal activities which, due to its irregular and uncertain status, can only be estimated in government economic reports. Take a look at Nuevo León, Mexico's industry-leading state with the third largest state GDP: 7.6% of its national counterpart. Just 10 years ago, around one out of four regiomontanos carried out some form of informal economic activity. In other words, almost 25% of Nuevo León's GDP in 2011 was in fact estimated given the lack of economic information to perform accurate measurements. Macroeconomic inaccuracy issues are only one set of consequences informal economic activities may trigger over States' development agendas if they are not properly registered by their governments. It is due to these reasons that this article will focus on presenting the informal economic sector, its causes and effects on the targeted economy, with Nuevo León, Mexico as the selected case study to better visualize the subsequent arguments.

Globalization arrived in Latin America around the 1990s and gave access to a larger range of market options for already established companies and individual entrepreneurs to sell their products. The economic policies that came with it, however, did not offer any favorable conditions for unemployed individuals to execute a professional, formal economic activity. As a result, poverty, educational backwardness, and technological underdevelopment forced these people to look for other immediate income sources requiring little or no education. Mexico's main national statistics institution, INEGI, points out three main economic sectors whose informal economic activities have represented more than half of the estimated informal revenue within the Mexican economy since 2003: construction, industrial manufacturing, and retail trade. This is a crucial point considering that 56% of Nuevo León's GDP comes precisely from manufacturing, commerce, and construction. Adding the most recent economic informality index statistic as of 2021's second trimester of 37.7%, the state's GDP being equivalent to 23.7 billion USD, gives out a grand total of almost 9 billion USD whose origin cannot be but speculated, such as unauthorized car wash services, alms collection, piracy content producers, irregular bricklayer jobs, among several other activities.

"[...] a grand total of almost 9 billion USD whose origin cannot be but speculated."

As observed, the informal economy has a negative effect on official statistics' trustiness as well as that of the government. From there, another notorious consequence triggered by this type of economy is the State's need to focus on constantly combating these types of activities in order to guarantee both a more formalized economy within their territory, and

opportunities for former irregular workers to professionalize their practices and become eligible for governments' grants and aids. For instance, only between May and July 2019 in Nuevo León's capital city, Monterrey, 1,515 fines were delivered to informal retailers who lacked the necessary authorizations to perform their commercial activities in public roads. However, the absence of regularity of these supervisations along with factors such as the economic impact caused by the COVID-19 pandemic increased informal commerce 61% in relation with the achieved reduced percentage back in 2019. This brief example ultimately comes to demonstrate an important policy making principle : without regular updates on any given socio-economic policy, results will be dependent on unpredictable external factors, such as a global pandemic or an economic crisis. Reducing informal economic activity in Nuevo León has also become such an important challenge in recent years that it is often seen as one of the main promises from candidates looking for a public service position. Local politician Francisco Cienfuegos promised that, if chosen as Monterrey's 2021 - 2024 mayor, he would guarantee the transition from a large portion of the existing informal workers and businesses towards their corresponding formal counterpart.

"[...] the informal economy has a negative effect on official statistics' trustiness as well as that of the government."

When it comes to the informal economy, it does not only take a toll on Nuevo León's government. It naturally (and largely) affects the people themselves and forces them to stand up and defend the few revenue sources they possess from State's policies that paradoxically attempt to improve their entrepreneurial status in the long run. In the midst of the COVID-19 pandemic in May 2020, hundreds of merchants walked across several of Monterrey's main streets and expressed their disagreement towards the several health measurements that prevented them from selling their products. One of the informal merchants stated how May was their second month deprived from their only economic activities and just how much that was affecting their living conditions. Testimonies like this one come to show that for the informal workers, it is not about rejecting government strategies, but about the fact that they cannot afford such a large waiting period until they can recover their commercial regularity. A new set of possibilities must be then thought of by public authorities to solve the issue. On June 6th, 2021, the people of Nuevo León went out on election day and chose citizen Samuel García to become the state's governor until 2027. Based on the points previously discussed in this article, Mr. García and his team have as an urgent task to propose solutions to the informal economy affair while guaranteeing economic stability of those who will undergo these transitions. A collective effort between individuals and the state of Nuevo León will then be needed to keep those policies running effectively and achieve a systematic reduction of informal economic activities in exchange for properly regulated and validated professions. ■

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Women in STEM and the Matilda effect:

a story about forgetting and fighting

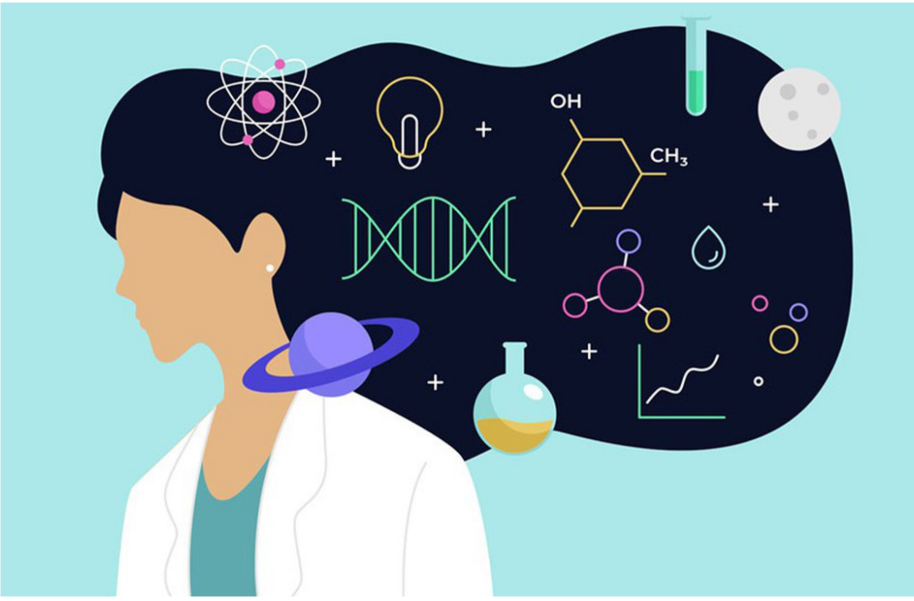
by Eva Clergue and Hélène Lechêne

How many famous mathematicians do you know? Among them, how many are women? If your answer tends to zero, it explains why women in STEM (science, technology, engineering, and mathematics) need more recognition.

An invisibilisation of women's work

As a striking example, during the French revolution period, Sophie Germain (1776-1831) discovered and studied mathematics as a self-taught person, reading books day and night. To participate actively in the expansion of this science, she decided to join the most important mathematics centre of that time, the famous Ecole Polytechnique. Since this centre was reserved to men, she impersonated a scientist who left the establishment: Antoine Auguste Le Blanc. Under the name Le Blanc, she exchanged letters with famous mathematicians like Carl Friedrich Gauss and Joseph-Louis Lagrange. She proposed several new methods and tools to demonstrate theorems, especially problems around the Fermat theorem. When Joseph-Louis Lagrange finally met Sophie Germain, he was very surprised that a woman would make mathematical contributions of this level.

Sophie Germain was the winner of a competition launched by Napoleon for her works on elasticity of materials, but they were not published by the Academy of Sciences, as she was a woman. Her findings on this subject inspired partly the scientists in charge of the Eiffel tower construction. However, her name never appeared on the monument next to those of 72 congratulated male scientists.



In 1993, Margaret Rossiter, historian of sciences, published in the review Social Studies of Science the founding article of the Matilda effect: "The ~~Matthew~~ Matilda Effect in Science". The name "Matthew" is crossed out intentionally, as a reference to an article published in 1968 by the sociologist Robert King Merton. He highlighted that already renowned scientists, universities, and enterprises are favoured in research, which reinforce their domination and their reputation ("the rich get richer, and the poor get poorer"). The Matilda effect is an extension and opposition to the Matthew one, to denounce the denial and the recurrent minimization of women scientists in research. Why Matthew? In reference to a verse from the gospel of Matthew: "For to him who has will more be given; and from him who has not, even what he has will be taken away". And why Matilda? In reference to an American feminist in the 19th century, Matilda Joslyn Gage, who articulated and experienced that a minority of men tended to monopolize the intellectual thought of women.

In her article, Margaret Rossiter gives different examples to illustrate this effect, the first in history dating from medieval times. Trota of Salerno was an Italian woman doctor and surgeon in the 11th century. Her writings most focused on women's health and were translated in several languages as references in their domain. The signature of these writings has been a controversial subject: the writings were attributed to men, assuming that such an accomplished person must have been a man (Rossiter, 1993). Since the Middle-Age, the position of women in science has fortunately considerably improved, but the Matilda effect seems persistent in the entire history of sciences.

"The writings were attributed to men, assuming that such an accomplished person must have been a man."

Another aspect of the Matilda effect in the signatures of articles or publications and research works in general, is the consideration and recognition of women for their participation in research teams. One woman (among many others) who suffered from this phenomenon is Nettie Stevens, an American geneticist (1861-1912). She found in 1903, as part of her research at Carnegie Institute, that the sex is determined by the presence of a Y chromosome, which is an important discovery in genetics and science in general. She published her results in a book in 1905 but her findings remained in the shadows of works of male geneticists, especially by one of her mentors,

Thomas Morgan (awarded by the Nobel Prize in Physiology or Medicine in 1933 for the chromosomal theory of heredity), and Edmund Wilson who made a similar discovery as Nettie Stevens at the same time as her.

Gender discrimination and scientific education

This invisibilisation is surely due to gender discrimination: women were considered unable to understand sciences and thus deprived the right to be educated. In France, it was in the second half of the 19th century, in 1863, that a woman graduated from the scientific baccalaureate for the first time: Emma Chenu. She was an exception: the baccalaureate (and not only the scientific one) was established officially in 1919 for women, 1808 for men. The Ecole Polytechnique waited until 1972 to allow women within its ranks. To illustrate the attitude of the society towards women, one can have a look at the French philosopher Jean Jacques Rousseau writings. Back in 1762, in Emilius; Or an Essay on Education, one can read "the art of thinking is not foreign to women, but they ought only to skim the sciences of reasoning". This aptly named book is a treaty on education, the enlightened author explains how women and men should be educated and why. Indeed, he explains that "the quest for abstract and speculative truths, principles and axioms in the sciences, for everything that tends to generalize ideas, is not within the competence of women. Their study should concern practical things". In the end, he adds that "the whole education of women ought to be relative to men". This discrimination, as many others, seems to find its source in pride and in prejudice. Pride leads to this discrimination in the sense that men would lose their social superiority if women became independent thanks to education. As well as these prejudices about the feminine nature: women are not made for sciences but rather for "practical things". Not to particularly put the blame on Rousseau here, he is one example of a common thinking of his era. Therefore, women's access to the scientific domain (and research) before the 20th century was not evident but it was rather a struggle to impose themselves in the male world of science. The position of women in science has been built, in most countries, outside the institutions, which were restricted to men.

This discrimination generates a vicious cycle where women do not have access to sciences and then are considered less talented than men in this field. This underestimation of women's ability in STEM seems to still have some impact nowadays. Theoretically, at least in France, women are allowed to pursue scientific studies, yet they represented only 28,1% of students in French engineering schools and 18% of the students of Polytechnique in 2015-2016 according to the French Ministry of the Education. This underrepresentation may partly be due to this lack of representation of feminine scientific authorities and to the late admission of women to these schools.

"They represented only 28,1% of students in French engineering schools and 18% of the students of Polytechnique in 2015-2016."

To conclude, women affirmation in scientific research was and is a difficult and long process. From an interdiction to a minimisation of their works, women had to adapt themselves to avoid obstacles of their contribution to science. Only a few examples of women scientists have been cited in this short article, but the Matilda effect has been experienced by a lot of women in research. Almost thirty years after the first article about the concept of "the Matilda effect", the recognition and the affirmation of women in sciences need to improve further. ■

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Quick lunch:

Camurria

Sicilian restaurant where you can eat a pizza but also eat other specialities like delicious arancini and cannoli. It is located Rue Pargaminière so not very far from the Manufacture. They offer some free sicilian granita and if you have the teasy card, you will get very a nice discount of 20%.

€€€€
40 Rue Pargaminières,
31000 Toulouse

Orto

Orto is an italian restaurant as well but of italian panini that are very different from the usual panini we know (that we can buy at the cafeteria for instance). The panini are made with an excellent foccacia bread, salted meats and cheeses.

€€€€
6 Rue Peyras,
31000 Toulouse

A night out:

Les Tricheurs

Bar vere you can play board games. They have plenty of different games. The staff is very nice and always helps find some games and can explain them. They organise weekly some quiz nights, blind tests, loup garou, card games... While playing you can enjoy very good and original cocktails.

€€€€
34 Rue des Blanchers,
31000 Toulouse

La Friche Gourmande

This huge place isn't in the center of Toulouse but it is really worth going. There are 2 bars and foods trucks where you can eat pizzas, bagels, burger or a raclette. You can play curling, pétanque and many others games there. Most of all, if you like the atmosphere of ski resorts, you can book an "igloo" or gondola to eat outside (but in the warm).

€€€€
10 Imp. Didier Daurat,
31400 Toulouse

Events

Quai des Savoirs
39 All. Jules Guesde, 31000 Toulouse

There is a new exposition, “Esprit Critique”, since the end of December. The aim of this exposition is to sharpen your critical thinking skills in a fun and interactive way. The exposition takes place in the form of a game: you get a connected bracelet and have to face challenges to test your brain.

Date: 26-12-2021 until 06-11-2022

Price: Students/Teachers 5€, normal price 7€

Halles de la Machine
3 Av. de l'Aérodrome de Montaudran, 31400 Toulouse

La Machine is a street theatre company founded in 1999 and directed by François Delaroziere. Machines are used for their shows and when not used they are stored in the Halles de la machine. This museum invites you to travel through the tales and legends of extraordinary machines. A Horse-Dragon, Long Ma, will also be exhibited for 3 months. There will be performances on April 16th and 17th on the Giant's Trail, where Long Ma will venture alongside the Minotaur and the Spider.

Date: 19-02-2022 until 08-05-2022 (Exhibition of the Horse-Dragon)

Price to visit the museum: Students 7€, normal price 9.5€

Festival des Lanternes
4 Av. du Parc, 31700 Blagnac

10 hectares of almost 2500 giant lanterns to be marveled. You will see pandas, dragons, dinosaurs... Even though it is in Blagnac it is easily accessible with the tramway T1.

Date: 01-12-2021 until 01-02-202 from 18h until 23h

Price: Students 13€, normal price 16€

Wordsearch Puzzle

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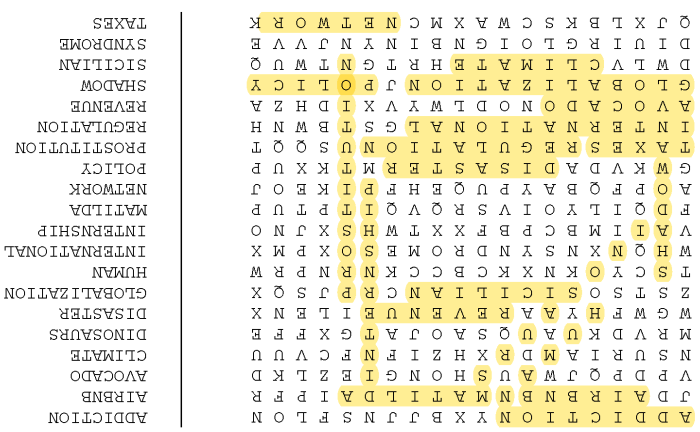
PROSTITUTION
REGULATION
REVENUE
SHADOW
SICILIAN
SYNDROME
TAXES

Answer:



La plateforme Airbnb peut-elle *déloger* les formes traditionnelles de logement de vacances ?

par Romane Soler

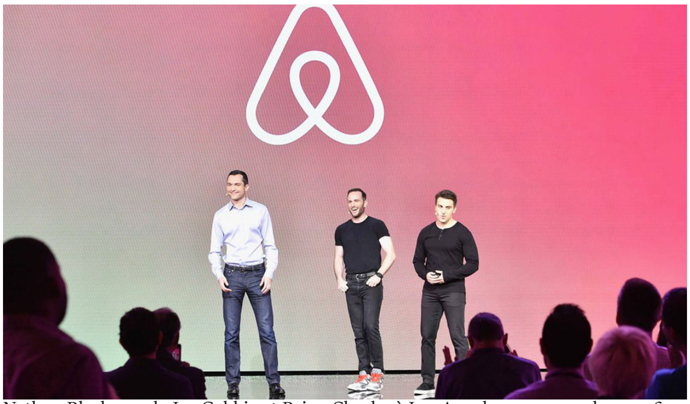
En France en 2021, en moyenne 28% du budget des vacances estivales était consacré au logement, d'après l'institut de sondages Ipsos. Bien plus qu'un simple lieu pour dormir, le choix du logement détermine la qualité du séjour et ce, le groupe Airbnb l'a bien compris et intégré. Avec plus de 5,6 millions d'annonces réparties dans 192 pays, l'entreprise qui, pour certains, est devenue le premier hôtelier du monde, ne cesse de surprendre.

Avant de commencer, un rapide détour par l'histoire de la création d'Airbnb s'impose. En 2007, Brian Chesky et Joe Gebbia, deux colocataires de San Francisco, peinent à payer le loyer de leur appartement. Afin de disposer d'une source de revenu supplémentaire, ils décident de créer un site Internet - Airbedandbreakfast.com - dont le but est de proposer un logement éphémère à des voyageurs. Ils ont, pour cela, installé un matelas pneumatique dans leur salon. Le succès de leur plateforme très rapidement rencontré, ils recrutent alors leur ami Nathan Blecharczyk pour améliorer l'ergonomie du site Internet. Une quinzaine d'années plus tard, Brian, Joe et Nathan se retrouvent désormais à la tête d'un empire qui compte plus de 4 millions d'hôtes à travers le monde.

> **"Un empire qui compte plus de 4 millions d'hôtes à travers le monde."**

En quoi Airbnb change la donne ?

A l'inverse d'un type de logement traditionnel, Airbnb a l'avantage de proposer une kyrielle d'habitats différents et à des prix satisfaisant tous les porte-monnaie : appartements, chambres, maisons, yachts, cabanes, chalets, et bien d'autres encore. De cette manière, les vacanciers ont davantage l'impression d'immersion



Nathan Blecharczyk, Joe Gebbia et Brian Chesky à Los Angeles, en novembre 2016

dans le pays. Francesca Artioli, maîtresse de conférences en aménagement et urbanisme à l'université Paris-Est Créteil, met l'accent sur ce point : « le but est de proposer aux touristes de "vivre comme un local", loin des circuits organisés et des flux, en dormant chez l'habitant ». En un mot, l'effet mis en avant et prôné par Airbnb est l'authenticité.

Un autre avantage d'Airbnb est la souplesse non négligeable que la plateforme offre à ses utilisateurs. Alors que les réservations du samedi au samedi étaient de coutume dans les hôtels clubs ou les campings, Airbnb met fin à cette contrainte. A cette souplesse s'ajoute la facilité de réservation. En quelques clics sur son smartphone, le vacancier a réservé son séjour : fini donc les difficultés liées à la barrière de la langue ou au décalage horaire lors d'une réservation téléphonique.

Souplesse et facilité d'utilisation sont les symboles de l'ubérisation, déclenchée (entre autres) par Airbnb. L'ubérisation est définie par le dictionnaire Larousse comme la « remise en cause du modèle économique d'une entreprise ou d'un secteur d'activité par l'arrivée d'un nouvel acteur proposant les mêmes services à des prix moindres, effectués par des indépendants plutôt que des salariés, le plus souvent via des plateformes de réservation sur

Manifestation anti-Airbnb à New York City en janvier 2015

Internet ». Bien que révolutionnaire, l'ubérisation s'accompagne d'effets pervers conséquents. Avec pour principe le travail à la tâche (dont la rémunération se base sur le nombre d'opérations exécutées par le travailleur), cette économie s'oppose au salariat, fixe et réglementé. Elle met en danger les entreprises initialement présentes sur le marché, ainsi que leurs travailleurs, sans toutefois employer de nouvelles personnes. Alors qu'un hôtel comme Accord emploie 180 000 personnes à travers le monde, Airbnb n'en emploie que 3 000. Le secteur du logement n'est pas le seul à connaître de telles mutations : Uber pour le transport, ou VraimentPro pour le bâtiment témoignent de l'ascension de cette même ubérisation.

La face cachée d'Airbnb

Airbnb englobe-t-il tous les profils de vacanciers et de vacances ? La réponse semble négative. Intéressons-nous d'abord au type de vacances. En 2017 en France, la majorité des 400 000 logements disponibles étaient localisés dans des grandes villes. Bien que cette tendance semble évoluer peu à peu, Airbnb offre à ses utilisateurs un mode de vacances plus urbain, à l'inverse des villages vacances, campings, ou encore gîtes et chambres d'hôtes. Attardons-nous désormais sur le profil des vacanciers Airbnb, notamment à leur âge. En 2016, leur âge moyen était de 35 ans. Plus encore, d'après Stratos Jet Charters, seuls 5% des utilisateurs Airbnb ont plus de 65 ans. Airbnb, en tant que plateforme numérique, exclut indéniablement certains voyageurs de ses logements : les personnes âgées ou encore toute personne ne disposant pas d'ordinateur ou de smartphone. Cet effet ne s'applique pas, ou beaucoup moins, aux moyens traditionnels de logement, où l'appel téléphonique reste majoritairement utilisé pour les réservations.

“La majorité des 400 000 logements disponibles étaient localisés dans des grandes villes.”

Le principal problème que pose Airbnb se répercute finalement au sein-même de sa zone de jeu : les villes. L'omniprésence des touristes dans les centres-villes crée de nombreux effets pervers. En plus de la concurrence sans merci avec les hôtels, de la pénurie de logements dans les villes et de la hausse des loyers, certains habitants locaux sont tout simplement exaspérés des mouvements sans fin au sein de leur immeuble. En 2017, Barcelone a ainsi connu des manifestations anti-touristes. La capitale allemande, quant à elle, a officialisé cette exaspération : entre 2016 et 2018, Berlin a partiellement interdit les plateformes de location temporaires comme Airbnb.

La révolution Airbnb suit son cours depuis une quinzaine d'années dans le monde, au point de devenir le « premier hôtelier mondial », pour reprendre une expression communément employée. Pourtant, l'entreprise est également victime de son succès. C'est dans ce contexte qu'en 2020, 22 villes européennes ont formé une coalition appelant la législation européenne à « passer à l'action ». Celles-ci demandent que la transmission aux collectivités locales des données des plateformes de logements de courte durée se fasse de manière automatique. Cette pratique aiderait les autorités locales à vérifier le respect des réglementations existantes par les hôtes (fiscalité, nombre de jours de location…). ■

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Exchange and gap year

Raphaëlle Vinches

1. Why did you choose to do an exchange year and a gap year?

I chose to do an Erasmus year followed by a gap year to discover the world and to discover the opportunities that my studies would lead to after graduation. When you go on a graduating Erasmus exchange with TSE it is not mandatory to find an internship to validate your master 1, depending on the destination you choose you will not be able to do one as the academic calendars are different. For example, I finished my exams at Ludwig and Maximilian university of Munich (LMU) in August, so, I wouldn't have been able to do an internship before going back to school at TSE in september. For me, doing a gap year after my master 1 was the opportunity to do internships and put into practice what I have been learning at school for four years. It also allowed me to discover different areas of the economy and to find in which field I was really interested to work in.

It was also very important for me to discover a new culture during my studies, as finding an internship abroad can be a bit tricky, doing an Erasmus year was the best choice to have this experience.

2. How did you choose your host university?

I chose my host university depending on my personal preferences. I have always been interested in German culture. I also wanted to go to a European country. LMU is the best German university in Economics with great professors. In addition, Munich is a very dynamic city with a lot to discover. Munich is located in Bavaria which is a very beautiful region with breathtaking mountain lake views. Munich is a big city and a lot of culture to discover (theater, castles and the very famous oktoberfest!!) but it is also very close to nature to escape for the week-end (hiking, skiing, biking…).

3. What were the main differences between TSE and your host university?

The biggest difference between TSE and LMU was the way of working. In Munich there was more personal work than in Toulouse. At LMU you have blocked courses, that is, you have

four hours courses each week over a period of two months. Therefore the schedule is very light and you have to work on your own the rest of the week (finding more exercise in books, learning the course, preparing the course for next week…). One of the biggest challenges in adjusting to a German university was to prepare the course in advance rather than discovering the subject in class. Concerning the exams, in every course it was only based on a final exam which can be stressful. The professors do not communicate about the past exams so it is a bit hard to understand what they expect from the students. On a more practical aspect, LMU expects its students to be independent with the administratives procedures. For example, you have to register yourself for the exams.

4. How was your experience adapting to student life in the host university?

Adapting to the student life was very easy in comparison to adapting to a new way of working. There were students from all over the world in my class. The German students are very nice and helpful with the administrative procedures.

There are Erasmus student groups that organize events to meet new people and to discover the town and its surrounding. Therefore it is very easy to meet new people and international students like yourself.

5. Where did you do your internships and what was your role?

After my exchange year in Munich I took a gap year in which I did two internships. My first internship was at Edater in Montpellier as a consultant in public policies and development. My role was to assist in the design and evaluation of the public policies made in place with European funds. After that, I did a second internship at RBB Economics in the Paris office as a consultant in competition economics. My role was to assist in the elaboration of economics reports on competition economics matters (data work and market research).

6. How did your studies / courses at TSE help you during the internships?

At TSE and LMU I learned discipline and perseverance which are the qualities that were the most useful in my internships. In an internship you will face tasks that you are unfamiliar with but with enough motivation and work you will overcome your struggle successfully. On a more practical aspect, knowing how to process data was very useful.

7. How did you find your internships? What advice would you give to students to find a similar internship?

I found my first internship through the school network. I found my second internship through the company's internet website. I applied and passed each step of the recruitment process. I was highly interested in this sector and I targeted a firm that worked in it. I would advise students to be curious and talk with TSE Alumni to know more about the opportunities that exist after graduation. I would also go to the BND and talk with the professionals that came and learn about their career path.

"I would advise students to be curious and talk with TSE Alumni."

8. Would you recommend an exchange year followed by a gap year ?

Doing an Erasmus year followed by a gap year was an enriching experience. Both years were complementary to each other. Through the Erasmus year I learned about different cultures and how to adapt to a new and unfamiliar environment. Then, following my erasmus year, the gap year allowed me to discover different sectors of the economy which I was interested in and helped me to choose my specialization in master 2. ■

Gap year

Amine

1. What did you do during your gap year?

It started with a 6-month internship at Shippingbo doing time series analysis and sales forecasting. I then went to Pavia in Italy for an Erasmus with courses in economics, mathematics and machine learning (and Italian).

2. What have you learnt from those experiences?

During my internship, I learnt a lot about impostor syndrome and how to deal with it. For those who never heard of this, it translates to a feeling of inadequacy and incompetence. One feels as if they have tricked their employer into thinking they are qualified enough for the job, while always fearing the day when one's boss will finally figure the ruse out.

One solution which helped me significantly was talking about my feelings, getting it in the open. My internship tutor for example was highly qualified, with a PhD in computer science and several published papers. After opening up to him about this syndrome, he admitted he also felt it at times. His testimony made me realize even the most qualified people we know have the same fears and doubts we have, which greatly eased mine. Today, I still encounter this syndrome at times, being at a top-notch school like TSE with highly qualified professors and students. It is, however, more bearable and you learn how to cope with it!

A small word about the Erasmus: apart from learning Italian at a B1 level which was the main reason for my exchange, I feel like it has helped me better choose my friends. During the semester, I have had the chance to meet and befriend loads of people, some great and some trash. However, since I only had 6 months to spend with them, I wanted to hang out with only the crème de la crème of people. Hence, my patience decreased (A, LOT) when dealing with people I did not like, which, I admit, is not always ideal.

3. Did you do a gap year …? Why so ?

My gap year took place between the M1 and M2. I think this timing is best because it gives us time to think about which specialization to pick for the M2. A gap year means less time studying and more free time to think and explore possibilities. At least in my experience, I was able to figure out which Master
2 to follow. I was in M1 Economics and now I enrolled in the M2 - Data Science for Social Sciences. Furthermore, people might scare you by saying that employers will not appreciate a gap year in a resume. However, in every job interview I have had, none were ever surprised or shocked when I brought up my experience. Be ready for questions about it, but do not fear any judgement.

4. Recommendations or advice for tse students about the gap year

If you have the means to do a gap year, then I am certain you will not regret it. I was able to enjoy mine even with COVID so you guys have an even higher chance of experiencing one of the best years of your life. Doing two internships is best if you want more professional experience and prefer focusing on your career. In my opinion, internship and Erasmus is a good balance in order to focus on other aspects of your life.

One last word about the Erasmus: surprisingly (and luckily), TSE is a rather small school but has a high number of partnerships. This means you have close to no competition when applying for an exchange, compared to people in Law at UT1 for example. Therefore, I highly encourage you to do an exchange because you will be able to attend courses in high ranked universities. Keep in mind that you are only paying a few hundreds of euros (for most students) compared to the tens of thousands of euros in the school you will do an exchange at (you can check the fees for Luigi Bocconi in Milan if you want to have a laugh!). ■

On Campus investigation: finding an internship

by Nassab Abdallah, Hélène Lechêne, and Marie Philippe

Finding an internship can be very stressful, especially in Master 1 since it is often students' first internship. The TSEconomist team then decided to survey TSE students on their internship experience to give you advice on how to find one. Please note that TSE careers is always available in case you have questions related to internships.

Almost all the answers are from Master 2 students who did an internship as part of their Master 1. 49 students answered our survey. Most of the internships were done in France in the field of Economics or Mathematics and Statistics.

Many platforms are available to find an internship:
-TSE alumni website
-Company/Institution's websites
-Linkedin, Indeed, Glassdoor…

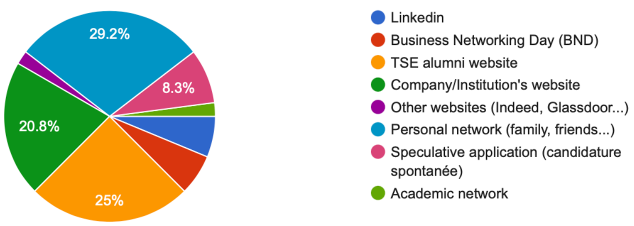

Figure 1: Answers to the question "How did you find your last or most relevant internship?"

Maybe some of you already found an internship thanks to the Business Networking Day or your personal network. However, if you are still looking for one you can check the above websites. Most of the students, 29%, found their internship thanks to their personal network so don't hesitate to ask around you if anyone is looking for an intern. 25% of the students found their internship with the TSE alumni website. It isn't surprising as many positions are offered by TSE alumni that know the value of TSE students. Companies/Institutions websites also seem to be a good way to find an internship. Indeed, 21% applied directly on this kind of website to get their internship. In case you know a company could be interested in your profile, you can also make a spontaneous application. Before applying, prepare well your CV and cover letter. It can also be useful to have a Linkedin profile that you can show to recruiters and with which you can apply directly on Linkedin offers.

Don't feel hopeless if you don't find an internship in one day. It is absolutely normal! 45% of the students sent more than 10 applications and it took more than 2 months for 55% of the students to find their internship.

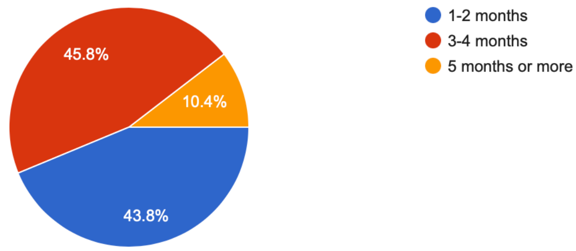

Figure 2: Answers to the question "For how long did you look for this internship?"

Once one has sent some applications the next step is the interviews. Most of the time, there is more than one interview within the same company (HR, manager, team…) and they can be of different types. 95% of the students had a classic interview (introduce yourself and the company), 50% had a technical interview (theoretical questions, role playing…), and only 35% had a practical interview (coding, writing an essay, case study…).

If you don't know what kind of internship you would like to do, you can check the magazine's professional section where students talk about their internship experiences. The excel file provided by the TSE careers with all the internships done can also give you some ideas. A little tip in case you hesitate between writing a master's thesis and doing an internship is to look for research assistant positions. Don't hesitate to contact professors or researchers from TSE and elsewhere!

One of the main difficulties students encountered was having difficult tasks to undertake. However, 96% of the students still enjoyed their internship. But actually, only 77% of them would want to work in the company where they did their internship. Thus, doing an internship is a great opportunity to figure out what kind of job you would like and in which kind of company you would like to work in (for instance, public or private).

The whole team wishes you good luck in your research, and don't forget to persevere! ■

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Participate to the Throwback Thursday, as one of our members !

Contact us: the.tseconomist@gmail.com