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My Economics Adventure in Barcelona, Spain

Spain is a beautiful country, full of history and rich cultural traditions. Furthermore, it is fascinating from an economic perspective. With the Franco Era, the “Spanish Miracle,” and its European integration, Spain’s economic history is one of a kind. While Spanish colonial past is rich and full of events, history of Spain of the 20th century is abundant with impressive developments that I find truly fascinating. Even though many countries have transitioned from one economy to another, I find Spain’s example unique as its politics and culture appear to be closely intertwined in its economy. For example, even today most businesses close for siesta hours (roughly from 2 to 5 pm). While from an economic standpoint of an individual business the decision to close for 3 hours appears irrational and leads to loss of potential customers, it turns out that when applied on a large scale, this business model actually attracts more people during the hours that the business is open than it loses during the closed hours, increasing overall sales. There are many examples of culture influencing economics in Spain.

Prior to embarking on my trip, I’ve connected with a student, Berta Pla, from the international economics department at the University of Barcelona and discussed this *Adventure in Economics* opportunity with her. She has been very supportive and talked to one of her professors about the program. With her help, I got approval for attending a research workshop at the university, as well as joining Berta in her international business class (taught in English, just like most courses in her international business department).

Having spent 10 days in Barcelona as part of the *Adventures in Economics* program helped me connect the material learned in my economics class with the real world. More than

that, I got the perfect opportunity to improve my Spanish with daily practice. Exploring Barcelona was incredible: I visited La Sagrada Familia, La Rambla, the Barcelona Cathedral, Park Güell, and so many other places! From the mesmerizing Barcelona beaches to the busy La Boqueria markets (and everything in between), Barcelona has been the most welcoming city I've visited.

I arrived in Barcelona on Friday, in the evening of December 13, and began my economics adventure on the next day. Unfortunately, I didn't have the opportunity to attend the research workshop as I had planned because of a change in exam schedule that moved the workshop to a new date after the holidays. This was very unfortunate as I was looking forward to learning about the research conducted by students in another country. However, I learned from Berta that each department (the University of Barcelona School of Economics and UB School of Business, for example) at her university has its own research group focused on different interesting topics.

While I didn't have the opportunity to attend the research workshop, Berta told me about the work of the research group that she was part of. The topic of the group's research was the "impact of 3D printers on operations management." Berta's group collected current data from several local businesses, as well as got access to past data, to determine how 3D printers have affected efficiency in operations management. As their group found out, the potential of 3D printing is not utilized to its full extent. During their research, they discovered a number of advantages of 3D printing. Firstly, it allows for rapid prototyping. With 3D printing, it is easy (as compared with other methods) to create and modify prototypes with an app or a program. Another advantage in prototyping is that 3D printing allows to create objects with a complex structure that is hard to achieve with other manufacturing machines, especially considering the

amount of time each method takes. Also, 3D printing allows for the shortening of supply chains. Rather than relying on a multitude of materials and suppliers, a company that utilizes 3D printing is able to control its inputs without outsourcing. While many companies use 3D printing to produce prototypes, moulds, or customized parts, few use it to create final consumer products. Furthermore, 3D printing is not utilized on a large scale or for high-volume manufacturing. However, progress is being made quickly and the capabilities of 3D printing are increasing quickly.

Attending a class at the University of Barcelona was a fascinating experience. Not only did I see how economics are taught at a university in another country, but I was also able to immerse myself in a completely different learning environment.

Interestingly, unlike most American universities, students at the University of Barcelona (and most public universities in Spain) have a fixed course track for each major. While it doesn't allow students to choose their classes freely according to their interests, it helps students form relationships with each other and work together as they take the same classes together each semester.

As I joined Berta in her international business class, I learned about national and international strategies that companies use to expand. The professor explained different European markets and gave examples of how individual companies respond to economic crises, new regulations, technological progress, etc. One example that I remember well was that of beer industry in Spain—in particular, the innovative ideas that Spanish brewers have come up with that make them stand out from the rest of the industry. One of those ideas was creating a Spanish Beer Institute with the aim of providing information to customers, creating an observatory of trends in the beer industry. This idea has been inspired by the American Beer Institute, which

was formed in 1986 and focuses on representing local legislatures and public forums throughout the country. From the perspective of Spanish beer companies, creating such an institute would not only let companies gather valuable sales data, but also help them understand consumer preferences and market trends.

Another topic that I got to read about in the international business class was “the future of the drone market.” Unsurprisingly, the drone industry has been growing rapidly in the past years and continues to do so as drones enter new markets. Recently, a number of companies (Amazon and UPS, for example) started looking into using drones for delivery. While as of now drone technology is not adequate for drones to be used in delivery on a large scale, it has enormous potential. Militarily, drones have shown to be revolutionary. Drone military industry is still developing as the government demand for surveillance and combat drones grows. As I learned, Spain is the third most crucial drone industry in Europe, with Madrid and Barcelona leading Spain’s drone market.

While exploring the library of the University of Barcelona, I discovered a number of fascinating books related to economics. Surprisingly, the main library of the University of Barcelona has a large section of books in English. Having spent more than a couple afternoons there, reading and analyzing what I read, I will talk about the subject that I found most interesting. While my Econ 101 course included macroeconomics, it left this important topic completely uncovered.

International sanctions—a topic captivating to me not only because it applies to the real world, but also because it directly applies to my home country, Russia. During the Ukrainian crisis of 2014 and after Russian intervention, the United States and the European Union (along with a number of other countries) introduced economic sanctions against Russia. The goal of the

sanctions was to cripple Russia's economy and limit its military potential. However, as I learned, international trade is beneficial for all of the countries involved (if it wasn't, why would a nation take part in it?). So when a country imposes economic sanctions against another country, it hurts itself in the process. Then the goal of sanctions becomes to hurt the country they are used against more than the country that is imposing them. Interestingly, sanctions fail to work in the long run. While in the short term they damage the economy of the country they are levied against, they act as catalysts in making the country self-sufficient in the long run. For example, as European countries banned the imports of cheese into Russia, the price of cheese in Russia shot up. With demand for cheese unchanged and no European imports, Russian cheese industry gradually filled the gap between supply and demand. Without competition from European producers, it was able to expand in a way that would have been impossible without sanctions. Similarly, while Russian economy was harmed in the short term, in the long run, it is able to become self-sufficient. This paradoxical effect of sanctions is seen often. What Iran, Cuba, and North Korea have in common is that they have been under sanctions imposed by the West. While their economic situations are far from ideal, all three of those countries are largely self-sufficient.

To summarize, my adventure was not only exciting from a touristic point of view, but also educational as it helped me see the things I learned from a second perspective. More than that, this opportunity expanded my interest in economics tremendously. Thanks to this program, I plan to choose an Economics BS (currently proposed) as my second major. Overall, this was an amazing opportunity, and I am very thankful for being able to be a part of it!