



ECHOES BY
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Breaking the Myths of Investment

I
An addition to the present stock of capital, in a particular period (usually per annum), is defined as an “investment”. If you have done an elementary course in Economics, you may have come across this definition. You may have also solved mathematical problems, and compared investment prospects of two projects to see which one is profitable, and more.

However, where did the investment come from? Who created it, and how?

Classrooms, by nature, are claustrophobic. Outside, in the real world, is where one learns investment and other concepts the classroom fails to make you experience.

II
At a new job, you decide to save a percentage of your monthly salary. Gradually, you have savings. This is how you added to your stock of capital that was zero before you received your first salary.

What do you do now? If you save in the bank, it will grow in your current account, or in a fixed deposit. That is a safe exit.

You can also use your saved investment somewhere else. Are you thinking of investing in the stock market? If so, then let me break two myths.

First, the stock market reflects the performance of the stocks that are exchanged



in it, and not the performance of the economy, as many would like to think. Second, investing in a market requires a particular skill set. Are you confident you have those skills?

Let me break another myth: the difference between “investing” and “gambling.” A successful gamble depends a lot on chance, and less on strategy. A successful investment is a calculated risk that depends on strategy more, like the throw of a dice.

Once you are confident enough to in-

vest, and you can also take calculated risks, you are now in the river swimming. Will you keep on swimming or stop?

III
Your investment is growing. Now, can you manage a large investment project? This is the test for temptation.

As an investment becomes larger, it becomes more complex. Different organisational complexities start to emerge that require different approaches in management.

If you can evolve, you can keep holding your investment. If not, then it will be wise to sell your investment and move on. Many successful startups are sold off to large corporations not because they fail, but the internal management no longer has the skills to run a larger project.

IV
The actor Omar Sharif was famous for gambling. He could win or lose a million dollars in one night. One fine morning, he decided to quit. His logic was simple. When he was earning money, he knew he could earn back the losses. When his earnings started to wane, he knew it was time to stop.

It is easy to become tempted to keep moving on while you are successful in investing. It is more important to know how much you can handle, and if it is time to move on to something else.

This is probably the biggest myth of investment no Economics text will ever tell you.

Asrar Chowdhury teaches Economics in classrooms. Outside, he watches Test cricket, plays the flute and listens to music and radio podcasts. Email: asrarul@juniv.edu or asrarul@gmail.com

How Does the Bundesliga Attract Young Footballers?

SYED MD. RAKEEN

In the last decade, a number of young footballers, primarily from England and the USA, have joined the youth ranks of Bundesliga clubs. Teams like Borussia Dortmund, and RB Leipzig have led the way in signing promising talents from different leagues on a cheap to sell them for mammoth fees to bigger clubs.

Bundesliga's track record of producing world-class talents certainly raised eyebrows among young players. Most recently, Jadon Sancho, Christian Pulisic, and Weston McKennie have stood out as examples of players developing relatively faster in the top German league.

As more up-and-coming talents are shifting to Bundesliga, let's revise three key factors that influence young footballers to pick Germany as their destination.

IMMIGRANT LAWS

Stringent immigrant laws have prevented transfers in the past, especially in England. Notably, two high-profile players – Yaya Toure, and Ángel Di Maria – missed out on moves to Arsenal when they were young due to denial of a work permit. The duo was eventually granted work permits in

their 20s in England, however, much later.

Conversely, Bundesliga remains lax in terms of work permit rules, allowing diversity in their youth setup. This paved the way for many players like Giovanni Reyna, Jude Bellingham, and Jamal Musiala to join German clubs.

MEDIA PRESSURE

Modern footballers face an uphill battle of trying to shrug off media scrutiny. Youngsters, in particular, get overwhelmed at times with the online abuses getting into their heads. Poor performances or off-field incidents would lead to them dominating headlines for all the wrong reasons.

The media pressure is relatively lesser in Bundesliga compared to other top leagues. It allows managers to give more minutes to youngsters while playing them through bad form. This decision soon pays dividends when they mature themselves into top players.

TACTICAL DEVELOPMENT

Several clubs incorporate training drills that build a tactical foundation for the youngsters, leading them to be more versatile as a player. Dortmund created their youth system to have their academy players play in multiple formations before

joining the senior team.

This trendsetting of youngsters plying their trade in Germany can also be attributed to the sporting directors of Bundesliga clubs. Former RB Leipzig sporting director Ralf Rangnick laid the groundwork for the club by signing the likes of Emil Forsberg, Timo Werner, and Naby Keita. The club's meteoric rise in European football is a strong indication of his magnificent work.

Additionally, Dortmund's sporting director, Michael Zorc, exemplifies how feeder clubs should operate. He brought in many youngsters at a low transfer fee, hired the right managers to nurture them, and later sold them at their peaks to top clubs.

Despite all the stories of youngsters flourishing in Bundesliga, it still doesn't guarantee success as few players like Reece Oxford and Ademola Lookman failed to develop into sought-after players. Then again, Bundesliga is miles ahead of most leagues in terms of producing global superstars and is probably a youngster's best bet at reaching the top.

Syed Md. Rakeen thinks Bundesliga won't be a one-horse race this season. Share your opinions at fb.com/rafsan.isnayeen

