

THE PROGRESS REPORT

The Olympics

By Fred E. Foldvary

The Winter Olympics being held at Salt Lake City, Utah, are a wonderful arena for global good will. Sports show that competition and cooperation are complementary. The opening ceremonies were dazzling and grand.

The economist in me, however, also feels compelled to look at the cost. The U.S. federal government has poured hundreds of millions of dollars into the preparation and activities, including paying for highways, development of sports facilities, and security. While the security can be regarded as a proper federal role, one could question why the federal government should subsidize the freeways, which mostly the local people will benefit from afterwards. The local landowners will benefit the most, since they will charge higher rents to the extent that the federal subsidies have improved the productivity of the local economy, and they are not being required to pay back that value added.

However, I won't dwell on the cost side, since I don't wish to detract from anyone's enjoyment of the games. Instead, I want to dwell on the Olympics themselves. As we know, the Olympic games go back to ancient Greece. The Greeks competed in races and other sports naked. The Greeks happily exercised nude in their gymnasiums, seeing no reason to encumber the body with non-functional textiles.

We live in a different world today, one that lost touch with nature long ago. Our environment, diet, and even thinking today is increasingly commercial and statist. The Olympics today are arenas not just for individual athletic prowess but for nationalistic esteem. Folks cheer for their national team, and people keep count of how many medals their country wins. In some countries, it goes so far as to become a national shame if their team loses.

The trend over the decades has been to expand the range of sports and games played in the Olympics. Figure skating, for example, is an art form as well as a sport, and one of the most popular events. But now the games are spreading to non-sport areas such as the card game of Bridge. Why put these in the Olympics rather than leave them in their own international arenas? Because the word "Olympic" is only supposed to be used under the official Olympic rubric. One may not call some competition "Olympic" unless it has official sponsorship. My fascist spell checker does not want me to write "Olympic" unless it is capitalized.

If we are going to expand the range of Olympic competition, why not also to scholarly activity? Let us have, for example, an Economics Olympics. Let the competition be open to anyone, not just academic economists. The meets would consist of questions to solve, such as:

- * What is the most efficient way to reduce pollution and other environmental damage?
- * What is the most effective way to extirpate poverty?

- * What is the best way to obtain government revenue?
- * How can we reduce or eliminate the boom and bust cycle?
- * Can we have both greater economic equality and more productivity? How?

We would have local economic competitions, with the winners going on to regional, national, and then the international Olympic Economics Competition. The final winner would have an Olympic Gold Medal in Economics. The world would then pay great attention to economic solutions, as the winner would give a speech about his solutions before a global audience.

The problem here is how to select the jury. We would need informed panel members, but unfortunately, most who learn economics learn conventional theory that does not have the most effective answers and solutions. Conventional economics texts, for example, say there is an inevitable trade-off between more equality and more efficiency, whereas the truth is that we can have more of both, relative to today. Just shift taxes from wages to rent, that's all.

Unfortunately, if we had well-informed judges, then we would not need the Economics Olympics in the first place. But maybe it's worth trying anyway. Somewhere along the road to the international arena, the economics athletes who have the better ideas just might persuade the jurors that their ideas make more sense. Just maybe, the international economics gold medal Winner would be the one who really did have the best solutions for economic troubles.

Economics Olympics? Why not?