

THE

OPTIMAL

BUNDLE

THE PENN STATE ECONOMICS ASSOCIATION
THE OPTIMAL BUNDLE

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October 11, 2016
Fall 2016: Volume 21

optimalbundle.org
psuea.org

First Debate: Trump also failed ECON 304

The first presidential debate on September 26 did not go without leaving a mark on this election season. In this highly anticipated event at Hofstra University, Democratic and Republican candidates Hillary Clinton and Donald Trump challenged each other on a plethora of topics. The economy has become a focal issue for both party platforms, and their nominees defended their intricate and sometimes paradoxical arguments. On trade, both candidates have reacted negatively toward the Trans-Pacific Partnership, with rhetoric that caters toward the blue collar sector of the electorate. In fiscal terms, Clinton now seeks to gain votes from original Sanders supporters by proposing an increase in taxes for the corporate class. As far as monetary policy, Trump reiterated his unprecedented hostility toward Fed chair Janet Yellen, implying that she and the Board of Governors have been coordinating politically motivated policies favoring the President. While Clinton was praised as the victor, the undisputed winners of the debates were the television networks, which took advantage of a record 84 million viewers, the most in history. — NG

Sources: <http://bit.ly/2dPGrJV>



Peace Plan Gets FARCed Up



After fifty-two years of bloodshed, peace almost reached the Colombian people. Last week, Colombians rejected a peace agreement with the FARC rebels in a referendum. The vote came down to a tight margin with 50.2% opposed and 49.8% in favor. After four years of negotiations in Havana, Cuba, between FARC and the Colombian government that ended with both sides committing to maintain the current ceasefire, analysts had expected an affirmative outcome from the October 2nd vote. Even former President Alvaro Uribe, an outspoken critic of the proposed agreement, expected the 'Yes' vote to win. To many that voted 'No,' the agreement's reparations against FARC—a far-leftist guerrilla organization that heavily traffics narcotics—were too lenient after decades of horrific violence. Although President Santos has been awarded the Nobel Peace Prize for the negotiations, crisis talks are still being held in Havana and Colombia's financial markets have slowed, concerned that the referendum result will affect the implementation of new tax reforms. — HL

Sources: <http://nyti.ms/2dAej9L>, <http://bbc.in/2dChWRV>, <http://reut.rs/2dqHvSW>

Announcements

- RSVP by next Monday for the NYC Careers in Business, Law, and More Trek on Friday, October 28th here: <http://bit.ly/2dHdu1i>
- Interested in graduate school? Speak with representatives from dozens of law and professional programs in the HUB on October 18th and 20th. More information: <http://careerfairs.psu.edu/gpweek/>
- Find jobs and internships with the branch banks of the Federal Reserve here: <http://bit.ly/2doYfle>
- Sign up here for more information on the upcoming Third Annual Kohl's Invitational Case Competition: <http://bit.ly/2dCfOY3>
- Join EA's new LinkedIn group here: <http://bit.ly/2e5ERER>

Trump-Pence: “Build a Trade Fence”

OP-ED In last week’s highly anticipated and publicized presidential debate, the issue of the NAFTA trade agreement took front stage as the front-running Republican candidate, Donald Trump, declared it as “certainly the worst trade deal ever signed in this country.” Throughout his entire campaign, he has promised to terminate the American role in NAFTA if he is elected the country’s chief executive.

Trump frequently denounces the trade agreement as single-handedly ravaging the American manufacturing industry. Does this perspective have a truth to it? Let’s take a closer look.

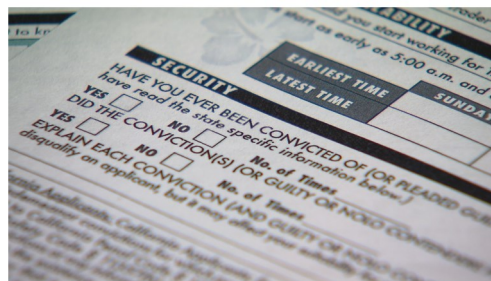
According to the New York Times, since 1993, “overall manufacturing employment in the United States is down 27 percent.” The Republican nominee often references this fact when discussing the recent downfall of the American auto industry. While this is certainly an eye-opener, is this all at fault of this one single trade agreement, and is the idea of trading with neighbors an international dispute, or more just an American domestic issue?

In the German auto industry, which is consistently praised for its engineering and production output, it is well known that lower value car components—such as seats and plastic bumpers—and laborers come from their neighboring “lower wage” countries like Poland and Hungary. Sound familiar? This type of trade is a crucial aspect in the increasingly global economy that we live in. Taking away these options for manufacturers would cause the price of these goods to rise.

So here we have it: the much-envied German auto industry constantly and successfully uses other countries’ lower-wage capital and labor to its advantage.

Box or no Box, that is the Question

Should a criminal record affect potential employment? From city councils all the way to the White House, there seems to be one resounding answer: no. “Ban-the-box” policies have been enacted across the country to stop discrimination against past offenders. These new policies eliminate the “criminal record” category on job applications, giving many the chance to be looked at as something other than a criminal. Although at first the policy seemed a plausible way to lower labor market entry barriers, companies have decided to take a much less ethical route.



In reality, NAFTA has continuously achieved its objective for improving trilateral economic relations in the western hemisphere. The much-criticized agreement has increased trade by over \$800 billion and economic growth by 0.5% per year, reduced government spending, created over 5 million jobs in the U.S., and one could argue most importantly, lowered prices for the everyday consumer for food, oil, clothing, and scores of more goods for the everyday consumer.

Ultimately, NAFTA has done what it was created to do, but has been put to blame for the loss of jobs in many regions of the US. The days of the assembly line work environment are quickly fading to black, and it is on us to decide if NAFTA, or forces well beyond our control, are to blame. — AC

Sources: <http://nyti.ms/2dU0neP>, <http://bit.ly/2e5BmOF>

Professors at Rutgers and the University of Michigan conducted a study that sent out 15,000 fake job applications with “racially distinctive” names to test “statistical discrimination” against racial communities thought to have higher crime rates. The results showed that even though more people with criminal records were able to get their foot in the door, it could be at the expense of people of color getting these opportunities. It appears that, contrary to its intent, ‘banning the box’ may give economic chances to some, only to take them away from others. — MW
Sources: <http://on.wsj.com/2dENfvm>