Economics

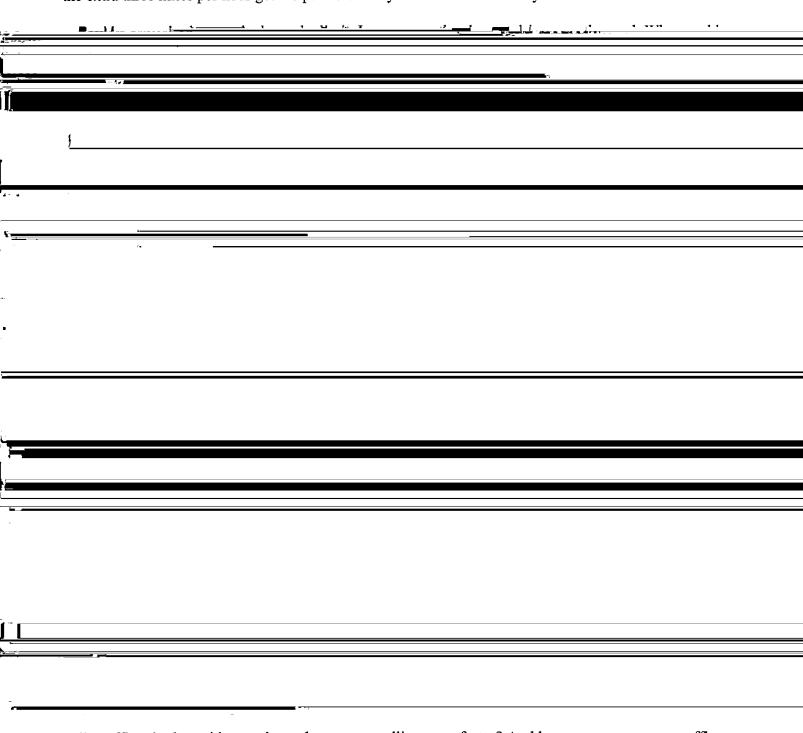
Department Alumni Newsletter	Department	Alumni	News	letter
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Indiana, PA 15705 (724) 357-2640 Issue #33, Fall 2000 Bob Stonebraker, editor

Students are great	
Usually. Do they always stay awake in class? Do they always appreciate the true beauty of profit-maximization graphs? Do they always set their priorities as we would like? Of course not. But, neither	
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And, they keep us on our toes.	

Safety in Numbers?

Like all hot-blooded American males, I speed. Not too much. Cruise control keeps me close, but I do speed. Whizzing along a highway posted at 65 miles per hour, I set my cruise at 68 miles per hour. Will the extra three miles per hour get me pulled over by the local constabulary? Not so far.



police officer bother with me when others are travelling even faster? And how many cars can an officer stop? There is safety in numbers.

Speeding is not the sole example. As a pedestrian, I am reluctant to cross against a light except when in New York City. In New York, no one pays attention to DO NOT WALK signs. Neither do I. They

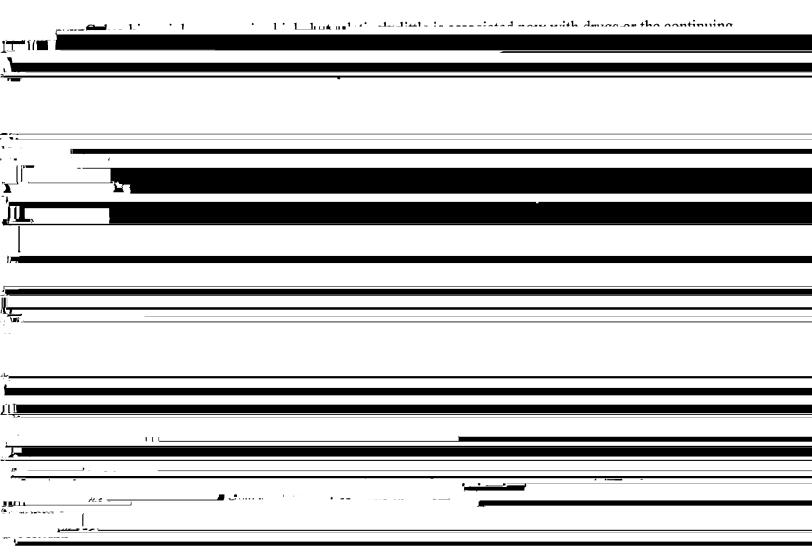
Bloody murder

Yes, murder. Murder as in bang, bang, you're dead. If New York's reputation for jaywalking is poor, it is even worse for such violent crimes as murder. The Big Apple homicide rate is three times that of the U.S. in general. Why? Perhaps it is because the justice system is congested with jaywalkers. Or, maybe it is just too much spicy food.

Colombia is worse. No matter how daunting a dark dash through Central Park may seem, compared to one in the country of Colombia, it is like a Sunday afternoon stroll down main street Mayberry. Homicide rates in Colombia, generally considered the world's most violent country, are quadruple the NYC level and are some 50 times higher than those generally found in Europe. Colombian rates for carjackings, kidnappings and thefts are similarly high.

Until the late 1970s Colombia was relatively peaceful. It was democratic with few racial or religious tensions to fuel violent conflicts. Do you remember the television commercials of Juan Valdez and his burro ambling through mountain fields, carefully picking only ripest coffee beans for your morning brew? Juan's modern counterparts are likely to be toting automatic weapons.

Why? What happened? The easy answer is cocaine. After a right-wing military coup drove drug traffickers from Chile in the 1970s, the displaced dealers shifted operations to Colombia. Violence erupted as rival firms vied for market share. Bullets to the brain proved a quick and effective way to eliminate both competitors and uncooperative government officials. However, once cartel power became firmly established, drug violence subsided. With all competitive threats literally buried, the market stabilized.



spending. Spending begets more spending.

The policy message is clear To avoid spiraling crime nin it in the hud. Hit it hard. Hit it early. Swift Cipente manak? Marsha not Tha day after drafting this article I found mygalf driving in downtown

pharmaceutical firms for health-care R&D spending for 1999. These statistics however do not tell the entire story. Companies must bear a great deal of risk and is very sensitive to policies that will adversely affect revenue and profitability, thereby impacting the ability to put resources into R&D.

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	Economics in the Wo	ods
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	Dr. James J. Jozefowicz	
narrow wooded path up a hi in tow. As we walk, we ima and other cargo from Franks	Radell, Yaw Asamoah, Stephanie Bre ll on a beautiful sunny July afternoon gine traders from the Delaware and Sestown to Kittanning along this same parankstown-Kittanning Path, of course!	wer and myself tripping along a with a gaggle of high school students neca and Shawnee tribes carrying furs th one thousand years ago. Where are
Wait a minute. Economis	ts in the woods? Economists in the wo	ods with high school students? What's
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	hot dogs, hamburgers, and cold hard cash are a winning combination with high school students.
	The students thoroughly enjoyed their time with us and we enjoyed them. In the words of one
7	raticipant "I laved learning chant economics. It was now to me when I came here but I found it very
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	interesting."
	The program has proved to be a very successful recruitment tool for IUP. Eleven students involved in
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ourselves.	
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