

# THE OPTIMAL BUNDLE.

THE PENN STATE ECONOMICS ASSOCIATION PRESENTS:  
THE OPTIMAL BUNDLE

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## Consoles Aren't Just for Gaming

In an effort to remain undetected by government monitoring, terrorists may have used an unusual form of communication to plan Friday's attack on Paris. At least one PlayStation 4 was obtained as evidence from raids aimed at finding those responsible, and authorities suspect that the terrorists communicated through the gaming console because of the challenges governments face when monitoring communication through such devices. On one hand, governments don't have the capacity to monitor all of the interactions on these gaming platforms; on the other hand, they don't possess the legislative authority to monitor gaming systems like they have with traditional forms of communication like cell phones. With 65 million active PlayStation Network users, governments face a serious challenge in detecting future threats being planned through these platforms. While communication methods continue to evolve in an increasingly dangerous world, perhaps the ability to keep people safe through government surveillance has fallen dangerously behind. – SL

## G-20 Leaders Agree to Tough Financial Stability Measures

Leaders of the G20 group of major economies have signed a communiqué agreeing to establish regulations to counter banks deemed too-big-to-fail. The plan put forward by the Financial Stability Board (FSB) of the G20 would transfer the burden of bailing out large banks from taxpayers to private sector bondholders. The FSB proposal entails forcing the world's 30 largest banks to hold a minimum of 16% of risk-weighted assets in equity by 2019 and at least 18% by 2022. The equity will come in the form of bonds issued to investors that come with certain caveats in the event of bankruptcy such as the ability to cease coupon payments. Aside from relieving taxpayers of the costs of bailouts, the FSB seeks to curb risky-lending practices like those that produced the financial crisis of 2008. Though world leaders have reached this consensus at the G20 summit in Turkey, regulations will have to overcome the hurdle of national legislations before being implemented. – FK



## Upcoming Events

Turkey Fundraiser for York County Food Bank, December 5, 11am-3pm  
Associates applications open tonight, due January 26  
Donate your textbook to other EA members  
Grad Panel moved to December 2nd more details to come!  
Write for us: education.psuea@psu.edu

## Heightened Security Concerns After Paris Attacks

On Friday, in a coordinated and brazen attack, militants infiltrated Paris and killed 129 people at six different locations. After the Islamic State released a statement claiming responsibility for the attacks, France retaliated by launching airstrikes aimed at Raqqa, Syria, the de facto capital of the Islamic State. Official

statements from the French and American authorities confirmed that the attackers acted with military training and precision, and that intercepted communications revealed that the attackers were in contact with members of the Islamic State. The shocking images of attacks in a prominent Western capital gives new credibility to threats from ISIS. What was previously declared by the Obama administration to be a contained threat now appears to be expanding its reach. The U.S. and

its allies will now have to reassess the strength of ISIS in order to combat any future attacks. – OA



## Article Spotlight

### Extinguish the Fire: End Slash-and-Burn Practices in Indonesia

Most people are aware the United States is the second-largest carbon emitter in the world. However, few realize that for several weeks between August and November each year, Indonesia -- a lower middle-income country with an economy about one-twentieth the size of the United States' -- has daily emissions exceeding those from all economic activity in the United States. This staggering truth owes to the annual forest fires in Indonesia caused by a tradition of "slash-and-burn" agriculture in the palm oil and wood products industries. Plantation companies and small farmers take advantage of loose laws, burning tropical peatlands to clear land for their crops. The resulting fires have recently reclaimed the spotlight as a particularly long and severe dry season has enabled them to spread easily with devastating impacts on human and environmental health. While the Indonesian government has dispatched resources to try to contain the disaster and made some related arrests, its response is inadequate in the long run because it does not control the incredible cost of recurring fires. It is high time the government act beyond crisis management and put a definitive end to slash-and-burn practices.

The amount of damage caused by the Indonesian fires can hardly be overstated. Since August, they have covered parts of Indonesia in a thick haze. The pollution--which has spread to neighboring countries like Malaysia, Singapore, and the Philippines -- exacerbates global greenhouse gas levels and destroys animal habitats. More alarmingly, it endangers the lives of millions and constitutes a massive threat to public health. Nineteen deaths have been reported in this year's fires, and half a million have already been treated for respiratory illness or infection. The level of government spending needed to put them out is frightening -- the Indonesia National Disaster Management Agency believes it could exhaust all \$28 million of its allocated funds without resolving the crisis. And finally, they lead to disruptions of important activities in daily life including school closures, flight cancellations, and forgone business transactions.

These high recurrent costs are in large part external to those who start the fires, making a strong case for government intervention. It's up to Indonesia to step up to the plate -- to toughen regulations on land use, and commit to enforcing them. It simply cannot afford to kick the can down the road any longer; slash-and-burn practices need to end once and for all to protect its land, people, and economy – ET.

