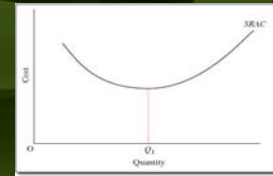


The Short Run



Student News & Views from the Humboldt State Economics Department

TSR News – Welcome (and farewell) ✌

On behalf of the Economics Department of Humboldt State University, The Short Run (TSR) welcomes back returning students as well as transfers and incoming freshmen. Many students enjoy the econ department at HSU because of the low teacher/student ratios, others like it because of the tremendous courses in leading edge economics areas like development and sustainability. In these trying economic times, HSU is being hard hit by cutbacks – fortunately our department was highly ranked during the Prioritization process and will hopefully be minimally effected by the cuts. This doesn't mean there haven't been changes. TSR wants to extend our best wishes to a beloved professor; Dr. Danny Ihara (see Vol.1 issue 2 for profile), who has retired. Dr. Ihara was well known for his vast knowledge and his gentle manner. He will be missed. We also would like to extend a warm welcome to Dr. Edward Birdyshaw (profile on Page 3), who comes to us from the Economics Department at Fresno State. So, welcome and let's get it on! -KR

🌿🌿🌿 Feature 🌿🌿🌿

Economics is Evil ?

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In a recent anthropology course I was astonished to find the teacher lecturing for three weeks on economics based solely on the free market fundamentalism characterized by the Washington Consensus of the 1980's. Focusing on the evils of the World Bank and the International Money Fund in dealing with Third World economic failures, these lectures portrayed economics as nothing more than a system for the wealthy to line their own pockets. Where does this disparaging attitude toward economics come from? Economics is a social science, though treated as an unwanted step-sister by the non-math based schools. I suspect it arises from the Marxist perspective of social science academia in generally seeing economics as simply a tool of capitalists, making money for The Man. Having had little experience with the breadth of economic concerns at the time, I was too ignorant to offer a meaningful challenge to these prejudiced and presumptuous lectures. Since then I have had the edifying pleasure to take Dr. Wilson's course on *Economics of the Developing World* and Dr. Hackett's course on *Economics of a Sustainable Society* and discovered great evolution in economic thinking since the Washington Consensus. I wonder how the Anthropology Department would feel if economics professors used the famous Margaret Mead as representative of anthropological methodology. Indeed, Mead's methods are universally discredited by the American Anthropological Association in that they typically fail the fundamentally important function of cultural relativity.

***We are here to serve you
within the scope of this
newsletter and any
comments, suggestions,
or submissions are
welcome.***

In his book Environmental and Natural Resource Economics Dr. Hackett observes the need for a greater interdisciplinary approach to problem-solving – economists working hand-in-hand with the range of social engineers. An important step to be sure, but how can this come to pass? Even in the many fields of anthropology (for example) there is little co-operation, even within any single field there's much divisiveness and contention. Yet, there are undoubtedly many sociologists who would be willing to work with economists for common cause. In fact, there's the American Journal of Economics and Sociology, founded in 1941 "to provide a forum for continuing discussion of issues emphasized by the American political economist, social philosopher, and activist." So why the continuing chasm between the social sciences and its calculator toting peer? Maybe they just don't like pseudo-math geeks, but more likely it's rooted in cultural stereotypes – economists just aren't seen as sympathetic or benevolent (inherent qualities of a *real* social scientist).

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So what can we do? We know economists are an important part of social planning at virtually every level and lasting success requires interdisciplinary problem solving. I suggest a simple formula: economics programs begin to offer additional social science pathways – crowd out the other departments until they are compelled to take economics seriously. - KR

Economic News – Slow Recovery 📌 📌

“[I] was astonished to find the teacher lecturing for three weeks on economics based solely on the free market fundamentalism characterized by the Washington Consensus of the 1980’s. Focusing on the evils of the World Bank and the International Money Fund in dealing with Third World economic failures, these lectures portrayed economists as the willful agents of insidious powers seeking to make the world subservient to their own financial interests.”

As of October 2009, The Bureau of Labor Statistics lists unemployment in the US in at 10.2%, in California it's at 12.5%, and is expected to continue to rise. While some surprise at the rising numbers, it's a truism that declines in unemployment lag behind economic growth and with a tepid recovery we may see rising unemployment for awhile. In addition to the unemployment figures, there has been a decline in real income as salaries are cut and workers seek underemployment, such as part-time jobs. The National Association of Home Builders projects slow grow in their industry through 2011. With massive government spending, high inflation is a concern for many, but it doesn't appear to be on the horizon - yet. Forbes notes that it's bad luck to graduate in a recession and offers some tips. For example: Hone your job hunting skills; you may have over ten jobs in your life, the experience will give you an edge. Spend a little more time plotting a career path. That doesn't mean you carve it in stone, but that you develop alternative paths and options. Work on developing your personal networks, people you can rely on - there's nothing like hard times to bring people together. TSR wishes you the best of success and maybe in the future you'll let us know how you're doing (you just saw yourself as successful, didn't you!) -KR

Editorial - I Can Feel the Warmth Already

Note: Editorial views do not necessarily represent the views of The Economics Department

When I first heard about global warming, a friend was explaining how bovine flatulence was contributing to the greenhouse effect. He went on to point out that, in addition, the energy used to raise a cow for consumption was far greater than the energy to raise the same edible volume of grains or vegetables. Having been raised in Minnesota, I wasn't bothered by the prospect of global warming nor was my conscience necessarily perturbed by the thought of devouring our nicely marbled 3rd cousins. In the following years the term "global warming" became a rallying cry for environmentalists and in the years since, we have all been exposed to extreme fear mongering in the name of saving the planet. How convenient.

Since then it seems the term "global warming" is falling out of favor in preference of "climate change." I have to suspect the well-heeled propaganda machine of environmentalism determined that the original term had the unfortunate side-effect of conveying a warm, fuzzy feeling ... quite the opposite of the intended purpose. The new term is starker, invoking what we know to be the hardest thing ... change. I don't know if they went far enough though, based on the worst-case scenarios so often trotted out; I think they might want to go with something like "hellfire and damnation." Yeah, that sounds more accurate: Industry is imposing hellfire and damnation on a complacent world. Be very afraid.

I was delighted to find that one of the great names in science, Freeman Dyson, had finally weighed in on the matter. Dyson recently told the New York Times Magazine, March 25, 2009, "all the fuss about global warming is grossly exaggerated."

Like myself, Dyson suspects the issue is more political than it is scientific and the recent scandal with the hacked emails from the Climatic Research Unit of the University of East Anglia only lend credence to this suspicion. One of the issues raised in the emails was how to sell the idea of global warming when temperatures have been fairly stable for the last 10 years.

Give Dyson's ideas a read if you dare, he makes a lot of sense.

NYT: <http://www.nytimes.com/2009/03/29/magazine/29Dyson-t.html>

Yale: <http://www.e360.yale.edu/content/feature.msp?id=2151> -KR

Student Poll:

TSR asked 5 students from the Econ and Business Depts:

How would you rate President Obama's performance thus far?

| | |
|--|---|
|  | I think he's doing a fairly good job. |
| Nancy Cruz – Econ Major Environmental Ethics Minor | |
|  | He's made some promises he hasn't followed through with, he's hasn't yet met expectations but I think he's doing a better job than what McCain would have done. |
| Casey O'Neill – Math/Econ Major | |
|  | I would say he's doing a good job, but it seems he's trying to compromise too much. One thing that concerns me is his change of position regarding the investigation of CIA agents. |
| Theodore Williamson – Econ Major Spanish Minor | |
|  | I think it's still too early to rate, probably give it another year or two. |
| Brian Smead – Business Major | |



Professor Interview: Dr. Edward Birdyshaw

See Dr. Birdyshaw's bio at:
<http://www.humboldt.edu/~econ/faculty/birdyshaw.html>

Dr. Edward Birdyshaw ("Birdy") can be seen on campus wearing his trademark shorts and sandals and vigorously chewing his gum. No ordinary gum, this is 4 mg Nicorette, to help him quit his cigarette habit. He comes to us from Fresno State where he was the Director of Education for the Center for Economic Research and Education of



Central California. Raised in Ypsilanti, MI, the son school teachers, he eyed but ignored the possibility of attending the University of Michigan at Ann Arbor, instead opting for a degree at nearby Eastern Michigan University. He received his

Michigan University. He received his

doctorate from the University of Oregon in 2004 and went to the University of Fairbanks for a year of internship.

With a love of mathematics, he enjoys expounding on the subtlety of economic concepts and remains the essential two-handed economist. If you'd like to test your mettle – ask him about (Kenneth) Arrow's Impossibility Theorem. Yet, he loves the great outdoors and has twice tackled stretches of the Appalachian Trail in between partying opportunities at the local towns.

Dr. Birdyshaw suggests to students that they take things at their own pace and appreciate life on a day-to-day basis. He is currently teaching ECON 210, Principles of Economics, and ECON 345, Principles of Money & Banking.



Who is an Economist?: John F. Nash, Jr.

See Dr. Nash's autobiography at: http://nobelprize.org/nobel_prizes/economics/laureates/1994/nash-autobio.html

Not all beauty is skin deep, but still the movie about John Nash, *A Beautiful Mind* (2001), was a bit fanciful. Born to an electrical engineer and school teacher in West Virginia in 1928, Nash went on to earn a 1/3 share of the Nobel Prize in Economic Sciences in 1994. Specializing in game theory, differential geometry, and partial differential equations, his theories are still widely employed in a variety of fields. As a pioneer in game theory, he advanced our understanding with such contributions as "Non-Cooperative Games" (1951), a situation where enforceable agreements are impossible, and any agreement made is simply a consequence of self-interest. He describes his struggle with paranoid schizophrenia "... after my return to the dream-like delusional hypotheses in the later 60's I became a person of delusionally influenced thinking but of relatively



moderate behavior and thus tended to avoid hospitalization and the direct attention of psychiatrists." Though he has since regained his scientific objectivity he laments the unrestricted flights of imagination and potential insight associated with the delusional state. Regardless of what the shrinks might say, you have to admire an economist who *knows* he's been delusional!

- KR



Economics Term: 

"Ceteris Paribus"

Ceteris Paribus means "assuming all else is held constant". The author using ceteris paribus is attempting to distinguish an effect of one kind of change from any others.

source: economics.about.com

Dr. Steven Hackett ✪**Economics, Environment, Society**

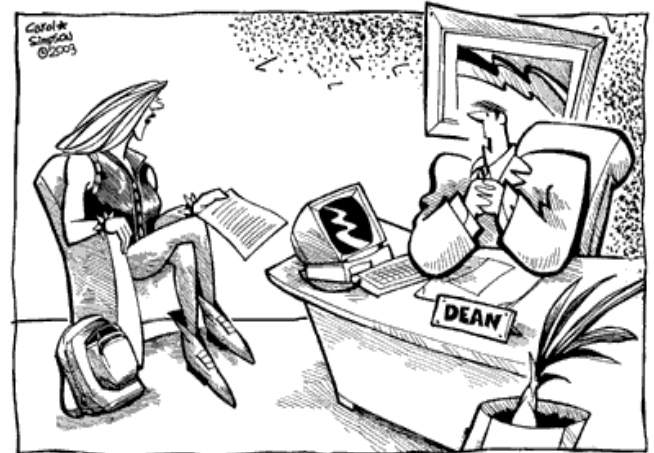
In recent years I have focused on fisheries economics and policy. My research team recently released the COFHE model for assessing economic impact in each of California's commercial marine fisheries. They are available on the CDFG's Marine Division website.



With support from the Coastal Conservancy, I recently completed the "economic and social considerations" chapter for California's white paper on wave energy development, available on the California Energy Commission (CEC) website. Through my association with HSU's Energy, Environment, and Society graduate program, Environmental Science undergraduate program, Schatz Energy Research Center, and Humboldt Energy Independence Fund, I work with an interdisciplinary group of faculty, staff, and students on energy projects linked to reducing anthropogenic greenhouse-gas emissions. I am currently working with the Schatz Energy Research Center, the Redwood Coast Energy Authority, and PG&E on a project supported by CEC's PIER program and the Headwaters Fund. We are looking at the engineering, economic, and policy requirements for creating a renewable energy secure community by managing the Humboldt micro-grid with 75 to 100 percent of energy supplies derived from renewable sources. Communities in California struggle with balancing the twin imperatives of promoting a vibrant economy and a healthy environment. I assist jurisdictions and agencies with economic analysis related to development planning and environmental impact assessment. At a national level I helped write several EIS technical reports to evaluate the impacts of USDA APHIS's proposed deregulation of GMO alfalfa cultivars for use in US agriculture. This work involved researching the possible impacts of deregulating GMO alfalfa on organic and conventional agriculture, and on downstream organic and conventional food markets. I have also supervised the technical analysis underlying economic development strategic plans for several local jurisdictions (e.g., Arcata, Fortuna, and Rio Dell).

I have been at Humboldt State University for 15 years, and came here after 5 years as a member of

the graduate faculty in the Department of Economics and the Workshop in Political Theory and Policy Analysis at Indiana University in Bloomington.

So You Say! 😊

"Put it this way Ms. Holcolm, if your grades don't improve, this college is going to be out \$25,000 a year in tuition and fees."

Economics Department Events 🔔**Scholarships:**

Homer Balabanis Scholarship (\$500)

Bob R Kittleson Scholarship (\$1000)

These scholarships are for Econ majors who will be attending HSU for the upcoming academic year and each requires a short essay along with an application. Submissions are requested early in the spring semester. Each scholarship is paid to the recipient's HSU account in two equal payments at the beginning of each semester.

International Education Week:

The week of November 16, 2009 brought International Education Week. Our own Drs. Beth Wilson and Erick Eschker gave presentations on international economic issues along with professors discussing anthropology, geology, history, and politics. This program was offered with credits, let's hope they can do it again.

Economics Forum:

When: Check with the Econ Dept for latest time

Where: Carmela's in Arcata

Topic: Check with the Econ Dept for the latest topic