

**GOLDMAN SCHOOL OF PUBLIC POLICY
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April 2004 eDigest

This eDigest includes upcoming events and recent examples of GSPP alumni, faculty and students in the news. Summaries of the articles follow a quick reference list.

Here's the link to the latest ranking of "America's Best Graduate Schools 2005" (U.S. News & World Report), UC Berkeley's program - The Goldman School of Public Policy - is ranked #1 for Public-Policy Analysis:

http://www.usnews.com/usnews/edu/grad/rankings/pub/brief/padsp9_brief.php

eDIGEST FEATURES

**Upcoming Events
Quick Reference List
Alumni and Student Newsmakers
Faculty in the News
Recent Faculty Speaking Engagements
UCTV Listings & Archive**

Thank you for your active interest in and support of GSPP.

UPCOMING EVENTS

**1. "Will the UN Crack? International Policy Making Under Pressure"
Ambassador Kishore Mahbubani (Permanent Representative, Mission of Singapore to the United Nations)
Monday, April 12th, 2:00 p.m.
Room 105
Presented by GSPP's Executive and International Programs
Please RSVP at eip@uclink.berkeley.edu**

**2. "The Role of Management-Based Environmental Regulation"
Cary Coglianese (Harvard JFK School of Government / Irvine Visiting Professor of Law at Stanford Law School)
April 12, 5:45-7:30 p.m.
GSPP Living Room
Environmental Policy Seminar Speaker Series**

3. "Jobs, Trade, and Aging: The Problems of Advanced Economies" -- by ROBERT REICH

April 13, 12-1:00 p.m.

201 Moses Hall, UC Berkeley campus

Institute for European Studies lecture series 'Beyond The Gulf: US-European Relations After Iraq'

4. "Why a Massachusetts Liberal Will Be the Next President (and Other Amazing Prophecies)" -- Featuring ROBERT REICH in a public lecture

April 13, 2004, 6:00-7:15 p.m.

Wheeler Auditorium, UC Berkeley campus

Prior to the lecture (April 13, 4:30 - 5:30 p.m., in the GSPP Living Room) GSPP will host a reception in honor of Prof. Reich with local GSPP alumni. The School will also be recognizing major alumni donors to the school. We hope you will be able to join us. If you plan to join us, please RSVP to

"Cecille C. Cabacungan" cecille@socrates.Berkeley.EDU

5. THE 10th ANNUAL AARON WILDAVSKY FORUM FOR PUBLIC POLICY

"Theories of Bounded Rationality and Their Policy Implications"

Professor Jonathan Bendor

(Political Economist for the Graduate School of Business, Stanford University)

April 21, 2004, 7:30-9:00 p.m.

Rm. 250, GSPP

All are welcome to this public lecture. Public reception to follow.

There will be a discussion session at GSPP the next morning 9-11 a.m.

6. "Taking Politics Back" -- by ROBERT REICH

Bay Area League of Women Voters Annual Community Luncheon

April 27, 12 noon - 2:00 p.m.

Doubletree Hotel, Berkeley Marina.

7. "Modular Regulation"

Daniel A. Farber (Professor of Law, Boalt Hall - UC Berkeley)

May 3, 2004, 5:45 pm - 7:30 pm

GSPP Living Room

Environmental Policy Seminar Speaker Series

8. "The Vanishing Middle Class and Why We Should Care" -- by ROBERT REICH

Berkeley Center for the Development of Peace and Well-Being

May 4, 2004, 4:00-6:00 pm

Location TBA

9. "Future Car" in 'Scientific American Frontiers'

Premieres nationally on PBS TV May 19, 2004

Check local listing of your PBS station for exact times

Host Alan Alda investigates prospects for a quiet, fast, safe, exciting and non-polluting fuel cell car we can drive 20 years from now. He'll talk with members of the auto industry and with energy experts, including Professor DAN KAMMEN. URL <http://www.pbs.org/saf/>

10. MPP CLASS of 2004 COMMENCEMENT

ROBERT REICH will deliver Commencement Address

May 22, 2004, 10 a.m.-noon

Faculty Glade, UCB campus

QUICK REFERENCE LIST

In addition to the print media referenced below, broadcast media coverage includes numerous interviews with DEAN NACHT by KRON TV, KGO TV and KTVU, among others.

ALUMNI AND STUDENT NEWSMAKERS

1. "New York Cabs to Charge More, but You Can Put It on Plastic" (New York Times, March 31, 2004); article citing BRUCE SCHALLER (MPP 1982);
<http://www.nytimes.com/2004/03/31/nyregion/31TAXI.html?ex=1081719720&ei=1&en=2bcb63bab5e8dc45>
2. "Health care costs blamed for economy" (Contra Costa Times, Mar. 26, 2004); article citing FRANK NEUHAUSER (MPP 1993);
<http://www.contracostatimes.com/mld/cctimes/business/8283035.htm?template=contentModule/printstory.jsp>
3. "Early intervention is key to rescuing troubled youths" (Fremont Argus, March 16, 2004); op-ed by DANIEL SCHOENHOLZ (MPP 1998);
<http://www.theargusonline.com/Stories/0,1413,83%257E2007%257E2020483,00.html?search=filter>

FACULTY IN THE NEWS

1. "Ecstasy Rising: Federal Campaign to Curb Club Drug's Use Hasn't Dimmed Its Popularity" (ABCNEWS.com, April 1, 2004); article citing ROBERT MACCOUN;
http://abcnews.go.com/sections/WNT/Primetime/ecstasy_040401-1.html
2. "Berkeley teams with U.N. on tech initiative" (East Bay Business Times, March 26, 2004); article citing ROBERT REICH;
<http://eastbay.bizjournals.com/eastbay/stories/2004/03/29/story6.html?t=printable>
3. "Information Technology: The Unsung Hero of Market-Based Environmental Policies" (Resources, Fall/Winter 2004); article by BLAS PEREZ HENRIQUEZ;
http://www.rff.org/rff/Documents/RFF_Resources_152_infotech.pdf
4. "Tax breaks costing state \$30 billion. Exceptions Questioned In Light Of Budget Woes" (San Jose Mercury News, Mar. 27, 2004); article citing Prof. LEE FRIEDMAN and ELIZABETH HILL (MPP 1975);
<http://www.mercurynews.com/mld/mercurynews/news/8291421.htm?template=contentModules/printstory.jsp>
5. "Facing the challenges of a global work force. Outsourcing the future?" (Pittsburgh Post-Gazette, March 24, 2004); article citing ROBERT REICH;
<http://www.post-gazette.com/pg/04084/290572.stm>
6. "A Q&A with ROBERT REICH on outsourcing" (Pittsburgh Post-Gazette, March 21, 2004); interview with ROBERT REICH; <http://www.post-gazette.com/pg/04081/288422.stm>

7. "Legislature's own budget likely to grow" (Contra Costa Times, March 21, 2004); article citing JOHN ELLWOOD;
<http://www.contracostatimes.com/mld/cctimes/news/8240804.htm?template=contentModules/printstory.jsp>
8. "Higher Education Turns to Private Donors to Alleviate Funding Crisis." (The California Report, KQED Radio, March 19, 2004); DAVID KIRP is interviewed by host Kathryn Baron.
<http://www.kqed.org/programs/program-archive.jsp?progID=RD8&ResultStart=1&ResultCount=10&type=radio>
9. "Gay Marriage Battle to Test Constitutions" (New York Times Online [*requires registration], March 14, 2004); article citing DAVID KIRP;
<http://www.nytimes.com/aponline/national/AP-Gay-Marriage-Constitution.html?pagewanted=print&position=>
10. "Bipartisan call to scrap voting by touch-screen. Perata joins Irvine senator in post-primary call for changes" (San Francisco Chronicle, March 12, 2004); article citing HENRY BRADY;
<http://www.sfgate.com/cgi-bin/article.cgi?file=/chronicle/archive/2004/03/12/BAG1P5IKJ523.DTL&type=printable>
11. "Getting tough with China on trade isn't a good idea" (Marketplace, distributed by PRI, Public Radio International, March 10, 2004); commentary by ROBERT REICH;
http://www.marketplace.org/shows/2004/03/10_mpp.html
12. "Retraining for What?; If You're a Waiter, the Future Is Rosy" (New York Times [requires subscription], March 7, 2004); article citing ROBERT REICH.
13. "The Last Word: Vietnam Remembered" by ROBERT B. REICH (The American Prospect vol. 15 no. 3, March 1, 2004); <http://www.prospect.org/print/V15/3/reich-r.html>
14. "The Physics of Sustainable Energy" (Energy Prospects, Issue 34, February 24, 2004); DAN KAMMEN and RAEL are featured; <http://socrates.berkeley.edu/~rael/outreach.html>

ALUMNI AND STUDENT NEWSMAKERS

1. "New York Cabs to Charge More, but You Can Put It on Plastic" (New York Times, March 31, 2004); article citing BRUCE SCHALLER (MPP 1982);
<http://www.nytimes.com/2004/03/31/nyregion/31TAXI.html?ex=1081719720&ei=1&en=2bcb63bab5e8dc45>

By Michael Luo

Saying that New York City taxi drivers are underpaid, the Taxi and Limousine Commission approved a fare increase yesterday of more than 26 percent, the first in eight years.

But to soften the blow, the commission also adopted improvements for passengers, including one that could make New York one of the first major cities where all cabs accept credit and debit cards.

The measures are a result of more than a year of intense discussions to balance the interests of millions of passengers who depend on the 12,187 yellow cabs with those of the fleet owners and the drivers, most of them immigrants, who toil long hours.

But BRUCE SCHALLER, a taxi industry consultant, warned commissioners yesterday that the credit card system could be hard to put into place. What New York is attempting has not been tried anywhere else in the country, he said. The closest parallel is Chicago, which adopted a rule in 2001 that required credit card equipment in all taxicabs by 2002, but technological obstacles delayed the start-up. Now, the equipment is supposed to be installed by June 2004.

But Chicago's program does not include debit cards, he said. An existing pilot program in New York City in which about 250 cabs have credit card equipment is plagued with problems, he added. Out of 38 test trips conducted in a recent study by Mr. SCHALLER, he said, only 13 percent of transactions went through successfully. A significant problem is the time credit card transactions take to process, an average of two minutes and 20 seconds; that may be too long for drivers hurrying to their next fare and waiting in traffic.

Another question is who will pay for the additional costs for credit card transactions. All the technological improvements are expected to cost about \$1,500 per cab, and taxi fleets will have to bear those costs for their cabs, while owner-drivers will have to pay for them in their vehicles. But credit card transactions also generate a fee of \$1.15 to \$2 per transaction, Mr. SCHALLER said, a significant burden if drivers have to pay the fees, especially on smaller fares.

2. "Health care costs blamed for economy" (Contra Costa Times, Mar. 26, 2004); article citing FRANK NEUHAUSER (MPP 1993); <http://www.contracostatimes.com/mld/cctimes/business/8283035.htm?template=contentModule/printstory.jsp>

By Judy Silber, Contra Costa Times

Los Angeles - The present economic recovery has generated relatively few jobs in part because employers cannot afford the high cost of health care premiums, economists at a conference here said on Thursday....

Speakers at the conference talked about their struggles to cope with escalating health care costs as well as high payments for workers' compensation.

...For the sticky problem of workers' compensation, FRANK NEUHAUSER, PROJECT DIRECTOR FOR THE UC BERKELEY SURVEY RESEARCH COUNCIL, suggested bundling regular health care benefits with those of workers' comp.

As it stands now, employers pay separately for the two costs, with health care expenses for workers' comp costing considerably more.

NEUHAUSER said that's because employees treated through workers' comp get more care, as well as more expensive therapies than those received for similar injuries by workers off the job. Combining the health care systems could considerably bring workers' comp costs down, he said....

3. "Early intervention is key to rescuing troubled youths" (Fremont Argus, March 16, 2004);

op-ed by DANIEL SCHOENHOLZ (MPP 1998);
<http://www.theargusonline.com/Stories/0,1413,83%257E2007%257E2020483,00.html?search=filter>

[DAN SCHOENHOLZ is deputy director of the city of Fremont's Human Services Department, and serves on the Local Planning Council, an advisory body to the Alameda County Probation Department. He received his masters in public policy from the GOLDMAN SCHOOL OF PUBLIC POLICY AT UC BERKELEY.]

Recent headlines have told the disturbing story of a California Youth Authority in disarray.

But perhaps even more troubling is a proposal buried in the small print of Gov. Schwarzenegger's budget plan: the elimination of more than \$130 million in funding used to keep at-risk young people out of the juvenile justice system altogether.

All Californians should be concerned: The governor's proposal will cost us more money, make us less safe and could trap many of our youth in a system that isn't working. ...

Research studies consistently show that by intervening early and keeping youth living at home, we reduce the risk of bigger problems -- for society and for young people -- down the road. A recent American Youth Policy Forum report noted, "For the majority of youthful offenders, including many who are currently locked inside correctional youth facilities, success would be far more likely through supervision, treatment services and youth development opportunities in their own ... communities."

Not only are prevention programs successful at diverting young people from crime, but they also cost taxpayers less than does institutionalization. It's a lot cheaper to provide treatment for a kid with an anger management problem that gets him expelled from school than it is to keep a teen in "the Hall." ...

In Fremont, prevention is a key component of crime reduction and school attendance efforts. ...

This approach has contributed to Fremont's ranking as one of the safest cities in the United States.

Eliminating these prevention programs would be a mistake. The non-partisan legislative analyst's office recently confirmed what many of us who work with youth already knew -- that the governor's proposal "could result in a lower level of public safety, and increased general fund costs resulting from a greater number of youth authority commitments."

The legislative analyst's office recommended an alternative plan for cutting expenditures, one less likely to add costs in other parts of the budget.

The problems with the California Youth Authority have been big news of late. Fair enough. But let's hope that policymakers and the media don't focus so much on what's not working that they ignore the threats to what is.

FACULTY IN THE NEWS

1. "Ecstasy Rising: Federal Campaign to Curb Club Drug's Use Hasn't Dimmed Its Popularity" (ABCNEWS.com, April 1, 2004); article citing ROBERT MACCOUN; http://abcnews.go.com/sections/WNT/Primetime/ecstasy_040401-1.html

No other drug has ever spread as fast as Ecstasy.

In the 1990s, Ecstasy seemed to come out of nowhere to join marijuana, cocaine and heroin as one of the four most widely used illegal drugs in the country. If current trends continue, 1.8 million Americans will try Ecstasy for the first time in 2004; only marijuana will attract more new users.

According to Mark Kleiman, a drug policy analyst at the University of California, Los Angeles, this is a rare phenomenon. "Having a new, major drug arrive on the scene is something that happens every half-century or so," he told ABCNEWS. "This is a major event in drug history."

So how did this happen? How did an obscure compound with the chemical name MDMA, and the street name Ecstasy, earn a place among the pantheon of major, illicit drugs?

"After I used Ecstasy, I just felt like a whole new person, like it changed my life completely," said one user who preferred not to be named.

"The drug makes you feel empathy, empathy for other people, empathy for situations," said another user who also didn't want his name used. "You just look at everything in the most positive light." ...

"There is an evangelical fervor with Ecstasy," says ROBERT MACCOUN, (a professor at the GOLDMAN SCHOOL OF PUBLIC POLICY and) drug policy analyst at the UNIVERSITY OF CALIFORNIA, BERKELEY. "People who experience it tell their friends to try it." ...

2. "Berkeley teams with U.N. on tech initiative" (East Bay Business Times, March 26, 2004); article citing ROBERT REICH; <http://eastbay.bizjournals.com/eastbay/stories/2004/03/29/story6.html?t=printable>

By David Goll

When most people ponder the economic and social dilemmas plaguing Third World nations, they see deep, almost intractable, problems. Andrew Isaacs, Executive Director of UC-Berkeley's Management of Technology Program, sees a glimmer of hope.

Maybe that's because the program he heads is taking steps to make things better and has enlisted a powerful partner - the United Nations.

"This is really sort of a natural partnership," said Isaacs, who worked as a NASA scientist and then a business executive before moving into academia in 1990. "We started discussions with UNIDO over a year ago to see how we might collaborate on improving conditions in the developing world by using technology."

UNIDO is the United Nations Industrial Development Organization. It explores how marginalization of Third World countries by developed nations and their institutions affects their economies and their citizens. The agency is based in Vienna, Austria, with branch offices in Geneva and at U.N. headquarters in New York.

UC-Berkeley's Management Of Technology Program is a joint effort of the Haas School of Business, the College of Engineering and the School of Information Management and Systems. The campus's largest interdisciplinary program, it encourages its faculty and students to develop sustainable engineering solutions to thorny social and economic problems.

The first step in the new UC-U.N. collaboration is a three-day conference beginning April 1 at the Haas School of Business, titled "Bridging the Divide - Technology, Innovation and Learning in Developing Economies."

It will feature speeches and panel discussions by CEOs and other top officials. Among the companies represented will be Intel Corp., Hewlett-Packard Co., Sun Microsystems Inc., Cisco Systems Inc., Hitachi Ltd. and NEC Corp. The event will tackle such issues as expanding Internet use and advancing cancer prevention in Africa, improving health care in Southeast Asia, promoting renewable energy projects in India and bringing solar-powered lighting to rural areas of China.

Up to 500 people are expected to attend, Isaacs said, including government officials from South Africa, Serbia and other developing nations. The keynoters will include ROBERT REICH, secretary of labor during the Clinton administration. He is a VISITING DISTINGUISHED SCHOLAR (at the GOLDMAN SCHOOL OF PUBLIC POLICY) this semester at Berkeley....

The program has the enthusiastic support of other college officials.

"UC-Berkeley's emphasis on collaborating across disciplines uniquely positions the university to address the kinds of multifaceted issues that face both developing economies and their U.N. partners around the world," Haas Dean Tom Campbell said in a statement.

Richard Newton, Dean of The College Of Engineering, said the collaboration is a natural for Berkeley to be involved in.

"Not only does this important conference bring together experts from engineering and business and many other disciplines," he said, "but it also offers a rare opportunity for our students to get out in the field and make a difference in people's lives - an opportunity students should have in today's global economy."...

3. "Information Technology: The Unsung Hero of Market-Based Environmental Policies" (Resources, Fall/Winter 2004); article by BLAS PEREZ HENRIQUEZ; http://www.rff.org/rff/Documents/RFF_Resources_152_infotech.pdf

By BLAS PEREZ HENRIQUEZ

[BLAS PEREZ HENRIQUEZ is executive director of the Center For Environmental Policy in the GOLDMAN SCHOOL OF PUBLIC POLICY and assistant dean, Executive and International Programs, at the University Of California, Berkeley. His research focuses on the intersection of policy, markets, and the use of information to improve policymaking.]

Policymakers around the world are planning international environmental commodities markets intended to forestall climate change, slow biodiversity decline, and tackle other global environmental problems. The European Union, for example, is developing a regional market for carbon dioxide emissions to meet targets set under the Kyoto Protocol. Some U.S. state governments, ignoring the Bush Administration's position on climate change agreements, want

to integrate their emissions trading systems into a global market for greenhouse gases.

The proposed market strategies would create incentives for producers and consumers to make better use of natural resources. The approach gives producers flexibility to meet regulatory standards that protect human health and ecological systems. But since the road from policy prescription to actual market solution is full of pitfalls, it is useful to analyze the implementation of existing market-based programs and extract lessons for the future.

Although it receives relatively little attention, a crucial factor in the success of the U.S. sulfur dioxide trading program -- the mother of all market-based environmental policies -- turns out to be information and communication technologies and electronic monitoring systems. Information technology can reduce operational transaction costs of an emissions trading system. By handling vast amounts of information efficiently, information systems permit accurate tracking of emissions and allowance accounting to assure compliance. Furthermore, Internet access to regulatory information increases the transparency and accountability of market-based environmental management. ...

4. "Tax breaks costing state \$30 billion. Exceptions Questioned In Light Of Budget Woes" (San Jose Mercury News, Mar. 27, 2004); article citing Prof. LEE FRIEDMAN and ELIZABETH HILL (MPP 1975); <http://www.mercurynews.com/mld/mercurynews/news/8291421.htm?template=contentModules/printstory.jsp>

By Ann E. Marimow, Mercury News Sacramento Bureau

If Rhoda Grossman sold her caricatures on the streets of Marin County, her patrons would pay \$10 plus 73 cents sales tax. But when Grossman dons her silk and velvet black hat to draw at bar mitzvahs, her sketches are considered party favors and no tax changes hands....

[Carole Migden, chair of the Board of Equalization] has teamed up with Sen. Dede Alpert, a fellow Democrat from San Diego, to overhaul at least two large tax breaks for corporations which they contend provide questionable benefit to the state at a cost of hundreds of millions of dollars. They want to ensure the tax breaks are targeted to companies that produce higher-paying jobs with health benefits in California.

The legislative analyst, LIZ HILL, is also eyeing tax breaks as a new source of revenue. She has suggested generating \$190 million by eliminating a teacher-retention credit that allows teachers to reduce their income-tax bill by as much as \$1,500. And HILL is recommending a \$160 million slice from the state's research and development credit -- the most generous in the nation -- meant to encourage businesses to do research....

Mining such tax breaks for savings typically generates little more than a murmur in the annual budget debate. That is because revoking a tax break is considered a tax increase, and raising taxes requires a two-thirds vote in a polarized Legislature.

Even so, at a time when lawmakers are searching for at least \$12 billion to plug the budget shortfall, a few politicians contend it is time for tax credits to be treated like any other state expense....

"State fiscal policy is not a very powerful instrument," said LEE FRIEDMAN, A UNIVERSITY OF CALIFORNIA-BERKELEY ECONOMIST. "We are much more a part of a national economy. There's very little states can do to stimulate the whole economy of the state."...

5. "Facing the challenges of a global work force. Outsourcing the future?" (Pittsburgh Post-Gazette, March 24, 2004); article citing ROBERT REICH; <http://www.post-gazette.com/pg/04084/290572.stm>

By Jim McKay

The average starting pay for an electrical engineering graduate from Carnegie Mellon University is \$56,000. On the other side of the globe, the starting pay for a graduate with the same degree from the Indian Institute of Technology is \$10,000.

A decade ago, those two highly educated young people would rarely have competed for the same job. Today, the Internet and cheap telecommunications costs have changed all that.

The yawning salary gap between Pittsburgh and Bangalore is a stark example of the challenges facing American workers as the economy moves into a new phase of globalization -- the way in which white-collar services can be performed virtually anywhere.

The trend is in its early stages, but it's already raising questions for policy leaders about how to make U.S. knowledge and service workers more competitive, and how to help those who lose their jobs make the transition to new careers. ...

Several proposals are now circulating for how to ease the dislocation caused by outsourcing.

One is wage insurance, a government-funded program that would pay a worker a share of the difference between an old job and a new one if the new job's wages are lower. Another idea is subsidizing health insurance to ease the burden during unemployment.

Brandeis University Professor ROBERT REICH, former secretary of labor in the Clinton Administration, supports both wage insurance and portable health care benefits. He also says that job training needs to be easily accessible and the government needs to provide tax cuts to middle-class people rather than the wealthy. Middle-class families are the ones whose extra spending would best stimulate the economy, he says. ...

6. "A Q&A with ROBERT REICH on outsourcing" (Pittsburgh Post-Gazette, March 21, 2004); interview with ROBERT REICH; <http://www.post-gazette.com/pg/04081/288422.stm>

By Jim McKay

ROBERT REICH was the Secretary of Labor in the first Clinton administration, and now is a professor of social and economic policy at Brandeis University near Boston. He agreed to answer several questions from the Pittsburgh Post-Gazette about offshore outsourcing, via e-mail. Here are his thoughts.

Q: The offshore outsourcing of technology and back-office jobs to lower-cost countries including India is on the rise. What do you think the long-term trends in outsourcing will be?

A: In the next five years, outsourcing won't amount to much. At most, we're talking about a few hundred thousand jobs subtracted from an American labor market that is likely to generate 10 million new jobs. In 30 years, outsourcing will be a very big deal.

Q: In your view, how big a role has outsourcing of IT and other service-related jobs played in the current jobless recovery?

A: Outsourcing isn't to blame for the slow recovery. The jobs recovery has been anemic because there hasn't been enough demand to restart the jobs machine. President Bush gave huge tax breaks to rich people who were already spending as much as they wanted to spend (that's the definition of being rich). They didn't turn around and spend their extra money. They invested it around the world. If you want to stimulate the economy, you've got to give tax breaks to working people who will spend the additional cash.

Q: What are the advantages of outsourcing for the U.S. economy? What are the disadvantages?

A: The advantage of outsourcing services is the same as from automating services (such as ATMs instead of bank tellers, automated gas pumps instead of service station attendants, automated e-ticket kiosks at airports instead of lots of attendants). Services are cheaper.

The disadvantage is also the same. People lose their jobs and have to get new ones. When there's not enough overall demand to create lots of new jobs (as now), people who lose their jobs may have to wait a long time until they find another that pays as well as the one they lost.

Q: What do you think of the move in Congress to bar federal contracts from being outsourced to other lower-cost countries?

A: A silly political ploy.

Q: What are the best things the U.S. government can do to respond to outsourcing and what are the worst things the government could do?

A: Best: Wage insurance for people whose new job pays less than the one they lost (say, half the difference for six months, up to \$15,000). Portable health benefits, so if you lose your job you can keep your health insurance. Affordable and easily accessible job retraining and opportunities for life-long learning. Elimination of tax incentives for companies to outsource.

Worst: a ban on outsourcing.

Q: How would you advise a college student in America today to prepare for competing in the global economy?

A: Learn a broad field of knowledge rather than a specific vocation. Learn how to continuously learn on the job. Gain an understanding that in the new global, high-tech economy, there's no cruising altitude. Nobody's job is safe.

[This and other writings of ROBERT REICH were quoted from at length by Charles Grassley (R-Iowa) and John Cornyn (R-Texas) during Senate debate (shown live on C-SPAN 2, March 31, 2004) on the Democrat-sponsored proposal to extend unemployment benefits in the welfare reform reauthorization bill HR-4.]

**7. "Legislature's own budget likely to grow" (Contra Costa Times, March 21, 2004); article citing JOHN ELLWOOD;
[http://www.contracostatimes.com/mld/cctimes/news/8240804.htm?template=contentModules/pri
ntstory.jsp](http://www.contracostatimes.com/mld/cctimes/news/8240804.htm?template=contentModules/pri
ntstory.jsp)**

By Alexa H. Bluth, Sacramento Bee

Sacramento - As its members sliced spending for programs throughout state government for the past two years, the Legislature's own budget grew and is slated to rise again in Gov. Arnold Schwarzenegger's budget proposal....

Critics of the legislative spending hikes say the proposition sets a ceiling and does not prohibit lawmakers from reducing their budgets.

Legislators, however, said shrinking the budget would lower the base amount and limit the Legislature from making up the difference in future years....

A leading taxpayer advocate said that should not stop lawmakers from making more pronounced cuts, even to its base spending.

"It's important from a public perception standpoint," said Jon Coupal, executive director of the Howard Jarvis Taxpayers Association. "(Failing) to reduce their own spending sets them up for charges of hypocrisy from both liberals and conservatives."

JOHN ELLWOOD, A PROFESSOR OF PUBLIC POLICY AT UC BERKELEY, disagreed.

He said forcing lawmakers to comb through their spending to save a few million dollars distracts them from the larger problem of balancing the amount of money residents and policy makers want to spend versus the level of services they want the government to provide.

"It's not the solution to this problem," ELLWOOD said. "To the extent that they spend time and effort on this issue, it's time and effort that they don't spend on the real issue."

8. "Higher Education Turns to Private Donors to Alleviate Funding Crisis." (The California Report, KQED Radio, March 19, 2004); DAVID KIRP is interviewed by host Kathryn Baron. <http://www.kqed.org/programs/program-archive.jsp?progID=RD8&ResultStart=1&ResultCount=10&type=radio>

KB: The University of California warned that its financial problems have reached a crisis point. [During two days of meetings in San Francisco, the UC Board of Regents tried to figure out how to absorb another \$372 million in cuts.] One way colleges and universities across the country are trying to deal with this drop in public support is by raising more private funds, but that can come with strings attached. DAVID KIRP IS A PROFESSOR OF PUBLIC POLICY AT UC BERKELEY and author of "Shakespeare, Einstein, and the Bottom Line: The Marketing of Higher Education." He writes that raising money has been a main concern of colleges for centuries. I asked him what's different about it today.

DLK: Two things: one is that the demand for money is ever greater, partly because of the cost of big science; another is the competition schools feel with each other. There's a winner-take-all game, and it's an expensive game to play....

9. "Gay Marriage Battle to Test Constitutions" (New York Times Online [*requires registration], March 14, 2004); article citing DAVID KIRP; <http://www.nytimes.com/aponline/national/AP-Gay-Marriage-Constitution.html?pagewanted=print&position=>

By William McCall, Associated Press

Portland, Ore. (AP) -- There was a time in America when a man and a woman could not marry if one was white and the other black. The U.S. Supreme Court ended that practice with a firm ruling that the law cannot discriminate based on race when it came to an institution as fundamental as marriage.

Now the stage is set for a ruling on whether that argument also applies to marriage between two men or two women....

DAVID KIRP, PUBLIC POLICY PROFESSOR AT THE UNIVERSITY OF CALIFORNIA AT BERKELEY, said Oregon, like other states, could resort to a constitutional amendment banning gay marriages....

But KIRP said he doubted a proposed amendment to the U.S. Constitution would come to pass. Poll data suggest that the majority of Americans oppose gay marriage but also oppose changes in the Constitution, he said.

"It would mark the only time since Prohibition that the liberties of people have been restricted" by an amendment, Kirp said, "and we all know how successful Prohibition was."...

[This story also appeared in the San Francisco Chronicle]

10. "Bipartisan call to scrap voting by touch-screen. Perata joins Irvine senator in post-primary call for changes" (San Francisco Chronicle, March 12, 2004); article citing HENRY BRADY; <http://www.sfgate.com/cgi-bin/article.cgi?file=/chronicle/archive/2004/03/12/BAG1P5IKJ523.DTL&type=printable>

By Paul Feist, Chronicle Sacramento Bureau

Sacramento -- Two state lawmakers on Thursday called on Secretary of State Kevin Shelley to halt the use of electronic voting in the November election, citing glitches in Alameda County and Southern California during last week's primary election.

The bipartisan request from state Sens. Don Perata, D-Oakland, and Ross Johnson, R-Irvine, followed reports that voters were turned away from some polling places because of malfunctions and that confusion among poll workers in Orange County led thousands of voters to receive -- and cast -- the wrong electronic ballots....

HENRY E. BRADY, A UC BERKELEY POLITICAL SCIENCE PROFESSOR and elections expert, said it may be premature to suspend touch-screen voting based on last week's experiences. The solution to many of the problems, he said, may be as simple as making sure that computers at polling places are sufficiently charged up with power before polls open.

Using optical-scan absentee ballots in November's election, BRADY said, won't necessarily ensure perfect balloting. "It's well worth remembering that every system has problems," he said....

11. "Getting tough with China on trade isn't a good idea" (Public Radio Marketplace, distributed

by PRI, Public Radio International, March 10, 2004); commentary by ROBERT REICH;
http://www.marketplace.org/shows/2004/03/10_mpp.html

Commentator: ROBERT REICH

More than a quarter of January's whopping \$43.1 billion deficit was with China, whose goods American consumers are snapping up. During yesterday's Senate hearing on trade policy, lawmakers said they want the U.S. trade representative to get tough on China. But commentator ROBERT REICH argues the frustration's understandable -- but the blame is misplaced. Why? China and other Asian countries "have been propping up the dollar by pouring so much money into America," says REICH. "If they stopped supporting our habit, we'd have to sober up." ... "If we keep going on this way, the value of the dollar is bound to drop. The trouble is there's no 12-step program for a drunken nation like ours."

12. "Retraining for What?; If You're a Waiter, the Future Is Rosy" (New York Times [requires subscription], March 7, 2004); article citing ROBERT REICH.

By Steven Greenhouse

No sooner had the Labor Department announced that the growth in jobs remained anemic in January, a mere increase of 21,000, than the Democrats held a series of news conferences on Friday to highlight a favorite campaign tactic: attacking the corporate outsourcing of jobs overseas.

This plays on the fears of both white-collar and blue-collar voters, because now even highly skilled jobs, like those in accounting, architecture and software development, are moving abroad. A consulting firm, Forrester Research, predicts that 3.3 million white-collar jobs will be shipped to other countries by 2015.

While acknowledging that this shift is painful, many government officials, economists and business leaders say there is little reason to worry so long as workers laid off in this latest wave of globalization follow one piece of advice: upgrade education and skills to make sure that they -- and the nation -- keep the jobs at the top of the global economic pyramid.

[They] could point to recent Bureau of Labor Statistics projections for 2002 to 2012 indicating a 57 percent increase in the number of jobs (up by 106,000) for network systems and data communications analysts and a 46 percent rise (up by 179,000) in positions for software engineers in applications. ...

But according to forecasts issued last month by the Bureau of Labor Statistics, 7 of the 10 occupations with the greatest growth through 2012 will be in low-wage, service fields requiring little education: retail salesperson, customer service representative, food-service worker, cashier, janitor, waiter and nursing aide and hospital orderly. Many of these jobs pay less than \$18,000 a year. Forecasting an increase of 21 million jobs from 2002 to 2012, the bureau predicted 596,000 more retail sales jobs, 454,000 more food-service jobs and 454,000 more cashier positions.

Forecasts like these raise fears that many Americans will end up disappointed after spending years and hundreds of thousands of dollars on college degrees. "The education-and-training solution, while it sounds good, is simply too facile," said Jared Bernstein, senior economist at the Economic Policy Institute, a liberal research group. He noted that the number of Americans with college degrees who are unemployed for more than six months has quadrupled in three

years. ...

Some experts point out that even if the going will be tough, there is no alternative to a good education. "There will be good jobs even for higher skilled professionals who lose their jobs to outsourcing," said ROBERT REICH, labor secretary in the Clinton administration and a professor of economic and social policy at Brandeis University. "The pay premium for getting a college education continues to rise relative to workers without college educations, and that suggests that the demand for college-educated workers will continue to increase relative to supply."

13. "The Last Word: Vietnam Remembered" by ROBERT B. REICH (The American Prospect vol. 15 no. 3, March 1, 2004); <http://www.prospect.org/print/V15/3/reich-r.html>

By ROBERT B. REICH

John Kerry perfectly reflects the contradictions in how most Americans want to remember the Vietnam War. It was a heroic effort demanding great courage from hundreds of thousands of young Americans. It was also a tragic mistake that ended because of the courageous stand against it taken by hundreds of thousands of young Americans. Kerry represents both sides of this awkward equation. He won five decorations for injury and heroism, but then became its antithesis as spokesman for the Vietnam Veterans Against the War.

George W. Bush perfectly reflects how most Americans don't want to remember the Vietnam War. For one thing, it exposed the dark underbelly of the nation's class structure. Most young college graduates or scions of the wealthy and well-connected did not serve -- or if they did, they stayed far out of harm's way. Through family connections, young W. got a coveted position in the National Guard, making it unlikely he'd ever be near a fighting front. Others in his administration or brain trust -- Dick Cheney, Paul Wolfowitz, Richard Perle, Robert Kagan, William Kristol -- avoided service altogether. (Cheney received at least four separate deferments, later explaining that he "had other priorities in the '60s than military service.")

In Bush's case, there's also the touchy little matter of what happened after April 1972, when he seemed to have disappeared, with two years of his Guard duty still to go. ...

Why did he disappear? Did he assume no one would mind if he quietly stopped attending training sessions? Did he simply lose interest? Or did he want to avoid being tested for drugs? (The Air Force initiated a new drug-testing program, coincidentally, in April of 1972.)

Should we care? Unequivocally, yes. Presidential elections are mostly about character, not ideology. That Bush used family connections to get into the National Guard and then apparently left when it suited him suggests a pattern of evasion or indifference that would repeat itself in later years.

Which brings us to the second aspect of Vietnam that most Americans would prefer to forget, but which Bush perfectly exemplifies. Beginning about 40 years ago, the U.S. government lied repeatedly to Americans about the danger North Vietnam and the Vietcong posed to American security, trumping up a casus belli in the Gulf of Tonkin. Vietnam thus marked the beginning of a four-decade-long plunge in Americans' trust of our government.

As president, Bush has replicated this sordid history. He lied about the danger Saddam Hussein posed to American security and came up with his own trumped up "weapons of mass destruction." Invading Iraq to stop global terrorism has been as disconnected from the goal as

sending Americans to Vietnam to stop global communism. As it did in Vietnam, the war in Iraq drags on without a clear vision of what we ultimately want to achieve there. We don't have the slightest idea how to establish a democracy that will ally itself with the United States in years ahead; we don't even know how to extricate ourselves from the morass without unleashing a vicious tribal war. And as was the case 40 years ago, much of the rest of the world is appalled by America's shoot-first, ask-questions-later belligerence. ...

14. "The Physics of Sustainable Energy" (Energy Prospects, Issue 34, February 24, 2004); DAN KAMMEN and RAEL are featured; <http://socrates.berkeley.edu/~rael/outreach.html>

With three degrees in physics, including a doctorate from Cal Tech, DANIEL KAMMEN has advanced his career as academician and researcher in a hybrid mix - part laboratory research, part applied technology and part public policy advocacy. Unabashedly, he is out to advance what he considers an under-served part of the economy: energy and system analysis.

"My role is very much to 'all of the above' and that is why our lab [Renewable And Appropriate Energy Laboratory or RAEL] has grown so large," says PROFESSOR KAMMEN, a faculty member in the Energy and Resources Group (ERG) at the University of California, Berkeley.

KAMMEN came to Berkeley from Princeton in 1998 with the proviso that he would be able to establish RAEL and foster his wide-ranging, interdisciplinary approach to attacking society's broad energy problems. Today, the lab, as one of its kind in the United States and the world, has affiliations with the ERG, the PUBLIC POLICY SCHOOL and the nuclear engineering department on the Berkeley campus.

"Energy is the single largest sector of the global economy when you add up the dollars, materials, transport across the international borders," KAMMEN says. "It is not clear that we do enough high-level thinking about what are the best ways to do that. Most of the analysis you see along those lines is very strongly driven by the ideology of the people doing the analysis. I would like to see more good solid tools developed, such as life-cycle effects, environmental economics and a whole variety of things that we can use to make those assessments. Everyone may not agree with them, they would be more understandable. We do a lot of work [at RAEL] on developing and using those types of tools." ...

RECENT FACULTY SPEAKING ENGAGEMENTS and EVENTS

March 15 DAVID KIRP discussed the marketing of higher education on KQED Radio's Forum. DAVID L. KIRP, PROFESSOR OF PUBLIC POLICY AT UNIVERSITY OF CALIFORNIA AT BERKELEY. Author of many books, including "Almost Home: America's Love-Hate Relationship with Community," and, most recently, "Shakespeare, Einstein, and the Bottom Line: The Marketing of Higher Education."
<http://www.kqed.org/programs/program-archive.jsp?progID=RD19&ResultStart=11&ResultCount=10&type=radio>

March 19 Asian Leadership Conference: Frontiers Of Discovery--Solutions For The Global Community, Singapore. DAN KAMMEN spoke at this conference, which brought together leading UC Berkeley professors and conference participants from around the world to discuss cutting-edge research addressing some of our most pressing global issues.

March 24 Prof. DAVID VOGEL was featured on KQED Radio's Forum, speaking on "NAFTA & the Environment: Assessing the environmental consequences of current NAFTA regulations." A recipient of the GOLDMAN ENVIRONMENTAL PRIZE, Rodolfo Montiel Flores, was cited in discussion of Mexico. <http://www.goldmanprize.org/recipients/recipients.html>

<http://www.kqed.org/programs/program-archive.jsp?progID=RD19&ResultStart=1&ResultCount=10&type=radio>

UC TV LISTINGS

GSPP programs air on primetime UCTV. UCTV is available to almost 12 million households nationwide via satellite (Dish Network, Channel 9412) and on local cable throughout California. UCTV broadcasts during specified times in the Bay Area on the following channels:

**Berkeley, Channels 33 & 28 (Comcast)
San Francisco, Channel 27 (Comcast)**

UCTV's programming schedule can be found at: <http://www.uctv.tv/schedule.asp>

**Programs that have been encoded to watch over the internet are located here:
<http://www.uctv.tv/library.asp> Specific programs from GSPP that are available in UCTV's Video on Demand library are listed below:**

**A Year and a Half After 'Black September': Problems and Prospects of International Anti-terrorist Coalition
<http://www.uctv.tv/library-test.asp?showID=7612>**

**An Update on the War on Terrorism and Iraq with Dean Michael Nacht
<http://www.uctv.tv/library-test.asp?showID=7055>**

**Daniel Ellsberg: "Secrecy, Freedom and Empire" - Lessons for Today from Vietnam and the Pentagon Papers
<http://www.uctv.tv/library-test.asp?showID=7041>**

**Dr. Marion Nestle: Food, Politics and the Obesity Epidemic: How the Food Industry Influences Diet and Health
<http://www.uctv.tv/library-test.asp?showID=7606>**

**Goldman School of Public Policy Conversations: Kirp & Thompson
<http://www.uctv.tv/library-test.asp?showID=7604>**

**Harmat Karzai, the First Secretary to the Embassy of Afghanistan in Washington, DC: Planting the Roots of Peace in Afghanistan
<http://www.uctv.tv/library-test.asp?showID=7602>**

Alexey Arbatov, Deputy Chairman, Committee on Defense for the Russian State Duma: Superterrorism - Implications for a New Common Security Strategy

<http://www.uctv.tv/library-test.asp?showID=7614>

Programs premiered in March 2004 on local cable TV:

"Young, Beautiful and Dead: Growing Up with Disease and Democracy in South Africa" (#8466)
DAVID HARRISON (MP 2000), CEO of loveLife, South Africa's national HIV prevention campaign for teenagers, discusses the dilemmas facing post-Mandela youth, the implications for HIV prevention in South Africa, and the real prospects of reversing the epidemic over the next five to ten years. First primetime airing: March 8, 2004, 6:00 p.m. and 9:00 p.m.

"The Truth About Medical Marijuana" (#8463)
A panel of legal and medical experts (featuring ROBERT J. MACCOUN) join author Ed Rosenthal in a discussion on the impact of state laws allowing medical marijuana versus federal efforts to override all decriminalization statutes in this forum sponsored by the Independent Institute, Harper's Magazine and the RICHARD & RHODA GOLDMAN SCHOOL OF PUBLIC POLICY at UC Berkeley. First primetime airing: March 22, 2004, 6:00 p.m. and 9:00 p.m.

If you would like further information about any of the above, or hard copies of cited articles, we'd be happy to provide them.

Sincerely,

Annette Doornbos
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Richard & Rhoda Goldman School of Public Policy
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(This digest was edited by Theresa Wong)