LEARN. LEAD.

LAFAYETTE

POLICY STUDIES PROGRAM

ANNUAL REPORT 2006
“...the people of the United States have beheld you, true to your principles, erect in every danger, and cheering, with your well-known voice, the votaries of liberty; a faithful and fearless champion, ready to shed the last drop of that blood which here you had already shed so freely and so nobly spilt in the same holy cause.”

— House Speaker Henry Clay, introducing General Lafayette to the U.S. House in 1824
“This exemplifies Lafayette’s mission to extend learning beyond the ordinary classroom setting.” —Mark Crain
LAFAYETTE

POLICY STUDIES PROGRAM

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Dwell on the abundance of volatile and dangerous conditions around the world and, with minimal imagination, one can sketch out dire scenarios about the coming decade: hair-trigger conditions in the Middle East; a desperate despot in North Korea; cataclysms in Chad and Sudan; deadly natural and artificial epidemics; mass terrorism; an arms race with China. And if these aren’t sufficient grist for goose bumps, an intergenerational rebellion looms like an avalanche as government retirement and health care commitments to an aging population impose a crushing tax burden on young families.

These and a lengthy list of other critical issues add gravity to the responsibility of higher education and other institutions to help young women and men develop the vision, skills, and virtues necessary to manage these challenges. How to meet this responsibility is no less challenging than the issues themselves, especially if we envision future leaders who are better at problem solving than we are, and they will surely need to be. This sense of purpose motivates the program in policy studies at Lafayette College.

Our mission is to cultivate leaders who are courageously committed to liberty and who are intellectually equipped to create opportunities that unleash human potential in addressing the issues and challenges of the world. The program accomplishes this mission by combining the intellectual breadth of the liberal arts with practical concerns of politics and industry to prepare young men and women to lead in a world where the rules of the game are complex and often ill-defined. Such leadership requires individuals with morals and courage, virtues exemplified by our college’s namesake and embraced by alumni who have since 1826 contributed value to all aspects of global society.

The policy studies curriculum provides a foundation for understanding the global character of industry and competition, and the crucial interaction between government and commerce in the U.S. and abroad. This is accomplished in part by offering a multidisciplinary course of study in which students bond their interest in the sciences, engineering, social sciences, or the humanities with the study of international political processes. Students engage in problem solving through policy, business, and community internships; research and consulting projects; and for qualified students, a honors thesis.

While recognizing the social transformations driven by technology and science, the program’s core principles retain the eighteenth-century wisdom of Adam Smith and the American Framers. A society with constitutional democracy and operative market arrangements, relatively free of hands-on political direction, is one of humankind’s greatest inventions. Those fortunate enough to live in a society with political and economic freedoms owe a great deal to the defenders of these institutions. They were not easily accomplished; they require continuous sacrifice, care, and maintenance. That calls for recurring generations of faithful and fearless champions.
2006 IN BRIEF

The bachelor of arts degree in policy studies was approved by the Lafayette faculty in May, and students beginning in the class of 2010 are eligible to major in policy studies. The provost appointed 18 faculty members to the policy studies advisory committee for 2007-08, and selected W. Mark Crain, William E. Simon Professor of Political Economy as chair.

The activities and events in 2006 were designed to inform students about the new major, its interdisciplinary character, and issues that policy studies majors can expect to explore. This began with a concert and reception for first-year students in September, featuring the New York-based band Bishop Allen. The policy studies program sponsored lectures by three distinguished scholars in the fall semester: Samuel McClure of Princeton University’s Center for the Study of Brain, Mind and Behavior; Francis Fukuyama of Johns Hopkins University and author of *America at the Crossroads*; and William Easterly, professor of economics at NYU and author of *The White Man’s Burden*. These well-attended lectures generated considerable discussion among students and faculty.

In November, the policy studies program sponsored a student-run live election night broadcast (ENvision), a project that involved over 150 students. The program was broadcast over the local cable channel, webcast, and shown on the jumbotron scoreboard on Fisher Field. ENvision included 19 student-produced segments, live updates of the returns, and commentary and analysis of the results.
STEERING COMMITTEE

Fred Benson ’59 (Chair)
Benson Capitol Commentary

Chris Caine ’78
Vice President, IBM Governmental Programs

Pamela Gaary Holran ’88
Attorney and Member of Lafayette Board of Trustees

Peter Holran ’87
Vice President, Dittus Communications

William Kirby ’59
Former Executive Director, Search for Common Ground in the Middle East and Former President, American Foreign Service Association

Arthur Rothkopf ’55
President Emeritus Lafayette College, and Senior Vice President and Counselor to the President, U.S. Chamber of Commerce

Riley Temple ’71
Secretary, Lafayette Board of Trustees and Partner, Halprin and Temple

“Given the many domestic and international challenges facing the United States today, gaining a knowledge of, and respect for, public policy is an extremely important part of the Lafayette experience. Regardless of the careers chosen, our graduates must understand that everything they will do is bound by a complex web of federal, state, and local laws and regulations, and by treaties among nations. The new policy studies major is a perfect approach to ensuring that our students are fully prepared to work—and thrive—in that demanding environment.”

FRED BENSON ’59
Chair, Policy Studies Steering Committee
Benson Capitol Commentary
The responsibilities of the policy studies advisory committee are to advise the chair of the program on courses that make up the program, on requirements for majors, and on other issues relating to the administration of the program.
Policy and Nation-Building

Paul Barclay, associate professor of history, has developed a new course tailored for policy studies majors, Nation-Building in Iraq, Japan, and Vietnam. The central issue explored is the relationship between policy-makers, their understanding of the past, and their prescriptions for the future. Specifically, the course probes how political leaders and their advisers extrapolate knowledge of seemingly familiar precedents to make judgments about novel challenges, new enemies, unorthodox tactics, or rapidly changing global conditions.

Nation-Building in Iraq, Japan, and Vietnam analyzes the occupation of Iraq (2003- ) in light of America’s past efforts at nation-building in Japan (1945-1952) and Vietnam (1960-1975). From the viewpoint of cognitive psychology, policy studies, and international affairs, students interrogate the utility of the oft-used “Japan” and “Vietnam” analogies as modes of analysis and justification for the occupation of Iraq. To what extent have the “lessons of history” informed or misinformed U.S. policy in Iraq, both at the level of policy making and political discourse?

The course format lends itself to participation by faculty members from several departments such as economics and business, psychology, government and law, and history, as well as guest experts. The course culminates in a mock-academic conference run by the students, which provides an opportunity for collaboration with the Instructional Technology staff or other constituencies with media expertise.

“Through my experiences in your existent policy courses, I know this program will be a great success. I’ve recently started my job here at Merrill, where I’m consistently staying updated with government policies affecting the finance industry and more closely, the hedge fund industry.”

PAUL WRAPP ’06
Senior Specialist, Merrill Lynch
Intersection of Business and Politics

W. Mark Crain, Simon Professor of Political Economy, developed a new course during the 2005 fall semester, which is one of the courses required for the policy studies major (PSTD300). The objective of Industry, Strategy, and Policy is to promote interest in, and prepare students for, careers in public policy and government affairs.

The course probes the intersection of business and politics by stressing the myriad ways that policies affect business decisions and market outcomes. It provides students a unique opportunity to learn about the major sectors of the global economy.

The course is organized around students teams, each assigned to research a major sector of the global economy including health care, finance, telecommunications, national security, information and media, information technology, manufacturing, transportation, and energy. Each team prepares a written report and a class presentation on their assigned sector. Crain invites guest commentators to provide comments and feedback to students as well as to offer their own perspective on the sector. The students then have the opportunity to debate the topic. Each team revises their report in light of the class discussion and comments.

During the fall 2005 prototype course, guest commentators included Harold Kamine ‘78, chairman of KMC Telecom and a Lafayette trustee; Shawn Coughlin ‘87, principal and COO of Capitol Health Group; William Rappolt ‘67, retired treasurer, M&T Bank; Peter Jacoby ‘81, vice president-director for congressional affairs, AT&T; Fred Benson ‘59, Benson Capitol Commentary; Susan Fox ‘88, vice president of government regulations, the Walt Disney Company; Christopher Caine ‘78, vice president of governmental programs, IBM; Roger Heumann ‘75, president, Olympia Sports Co.; and Stephen Pryor ‘71, president of ExxonMobil.

“The material I’ve been working with closely aligns with the material I’ve covered in your classes. Regulations such as Sarb-Ox....”

RYAN N. McCaughey ’06
Deloitte & Touche LLP
PROJECTS AND RESEARCH

Crains Lecture in Guatemala on Terrorism and Policy

Two policy studies faculty affiliates, Mark Crain and Nicole Crain, traveled to Guatemala in March to contribute to a dialogue on the institutions and legislation needed to promote a developing democracy. Hosted by the Universidad Francisco Marroquín (UFM), they met with scholars, business leaders, and government officials and appeared on two radio shows. *Prensa Libre*, the largest newspaper in Guatemala, interviewed the professors and published an article discussing their research.

During the weeklong visit, Mark Crain presented research titled “Institutions, Public Policy, and Economic Success in U.S. States” before the Fourth Interuniversity Seminar, which included participants from all ten Guatemala City universities. The research details the lessons that can be learned by the variations across U.S. state institutions, an expansion of the work in his recently published book *Volatile States*. Former President Francisco Flores of El Salvador was among the other speakers at the seminar.

Nicole Crain presented a lecture “How to Confront International Terrorism? The Economic and Political Impact of Terrorism,” which was followed by a panel discussion on whether public policy causes or deters terrorism and violence. Participating on the panel with her was Julio Godoy Anleu, the current Guatemalan vice-minister of security.

Nicole Crain also delivered the inaugural lecture of the security and defense course organized by the Security Council of the Ministry of Defense. She spoke on the economics of national security, discussing national security strategy and budgeting and performance measures, before roughly 70 civilian and military members of the defense community. At the conclusion of her address the Guatemalan National Ministry of Defense presented her with a Diploma de Reconocimiento from Brigadier General Edgar Sanchez.

The Crains engaged in academic discussions with members of the highly regarded Centro de Estudios Economico-Sociales, or Center for Social and Economic Research (CEES). Roberto (Bobby) Rios ’57 is the executive director of CEES, which was founded in 1959 by Manuel F. Ayau, UFM’s founding rector, and a group of friends, including Antonio Aycinena, Ernesto Rodriguez Briones, Imrich Fischmann, Enrique Matheu, Enrique Garcia Salas, and Alejandro Arenales Catalan. The current president of CEES is Giancarlo Ibarguen S.

In addition, the Crains lectured before UFM undergraduate and graduate students on strategic analysis, using empirical work to illustrate the theoretical aspects of the discussion. Throughout the week they had informal meetings with business leaders to discuss public policy, including the Central American Free Trade Agreement and potential constitutional reforms that might offer policy stability. Of particular note, the Crains met with a leading Guatemalan industrialist who has been successful in promoting public policies to discuss and advise on the institutions necessary to inhibit protectionism and the economic cost of security related to narco-trafficking.
Groundbreaking Process to Estimate Compliance Costs

During the summer of 2006, a system to estimate the cost of complying with state regulations was developed under the guidance of Mark Crain, Simon Professor of Political Economy and chair of the policy studies program. A virtual regulatory lab, created by EXCEL Scholar Stephen Discepola ’07, a double major in economics & business and history, analyzes all state regulations. While using Westlaw’s legal and regulatory database, the system transforms raw data into a format compatible with qualitative content analysis software. Crain and Discepola are the first researchers to approach state regulations from this angle.

Lafayette students who joined the EXCEL research project in fall 2006 and 20 more students in Crain’s course on regulation will be trained to use the system. The students will utilize a tutorial module to continue the process on their own.

The next segment of the project is to develop an accounting system to store the compliance costs that will allow aggregation in various ways (i.e. by industrial sector, state or region).

Due to the magnitude of the task, no one knows the total costs of complying with state regulations. These costs are significant, but a precise estimate has not been performed. This means that their findings will be a major contribution to both academic and public policy discussions.

“Globalization is integrating economics and societies. Students need to possess integrated skills, not segmented skills for whatever they choose to do. The marketplace is looking for individuals who possess multidisciplinary skills and insights. This program supports and typifies this new reality and marketplace demand. Lafayette, Mark, and the core group of alumni who have given support to this effort deserve a great deal of credit for their contemporary leadership. Now the students have the primary opportunity and responsibility to demonstrate its value.”

CHRIS CAINE ’78
Member, Policy Studies Steering Committee
Vice President of Governmental Programs, IBM
The Quality of State Legal Systems and State Tort Reforms

Recent statements represent the sentiment of numerous business and political leaders that state legal systems are a major obstacle to efficient business operations.

“The legal system in some states is badly broken and needs to be fixed.”

THOMAS J. DONOHUE
President and CEO, U.S. Chamber of Commerce

“(…the health of a state’s civil-justice system is a key indicator of its economic vitality and potential for future growth. A fair, stable, and predictable legal environment is critical to a state’s ability to attract investment, draw new businesses, and generate new jobs….In many states, unfair and outdated liability laws reward lawsuit abuse, impede job creation, and impose higher costs on everything consumers buy—from new cars to medical care.”

JOHN ENGLER
President and CEO, National Association of Manufacturers and former Governor of Michigan

They and others maintain that reforms to curb tort costs and reduce frivolous litigation would create an environment hospitable to enterprise profitability, thereby expanding investment, creating jobs, and raising living standards.

Mark Crain and Nicole Crain have been investigating this issue using two indices of state judicial quality, one produced by Harris Interactive, Inc. for the U.S. Chamber Institute for Legal Reform and the second by the Pacific Research Institute. Over the next several months, the two educators will work with economists and policy experts from the Pacific Research Institute to analyze the relative effectiveness of different tort reforms adopted in the states.

The study uses rigorous empirical methods to determine which reforms provide the biggest impact. This information will be useful for state and national lawmakers and tort-reform advocates across the country as they consider which reforms to prioritize, in addition to being of interest to the national media.

The study is using state-level data to look at the effect of tort reforms on three factors: tort insurance premiums, tort incurred losses (both insured and self-insured), and tort cases filed. These factors will be dependent variables in the statistical analysis. The independent variables will be the tort reforms enacted in the states, many of them derived from the U.S. Tort Liability Index, produced by PRI. No previous study has rigorously, comprehensively, and objectively measured the impact of reforms on premiums, losses, and litigiousness. The results of this study will greatly expand the understanding of tort reform.
PROGRAMS AND ACTIVITIES

ENvision Broadcast Makes History

From the announcement of open auditions for anchors, reporters, and commentators in early September (2006), the policy studies program, MBC Teleproductions of Allentown, and over 150 Lafayette students and faculty members began researching, writing, and producing the first live, student-run election night broadcast in Lafayette College history.

On Tuesday, November 7 the ENvision broadcast came to life in the Pfenning Alumni Center with up-to-the-minute tracking of results and predictions as well as a series of pre-recorded segments focusing on such topics as voter turnout, immigration, and expected policy changes through interviews, original research and discussions with various experts.

For over two hours, co-anchors Megan Zaroda ‘07 of Easton, Pa., Jayne Miller ‘10 of Bethel, Pa., and alumnus Jeffrey D. Robinson ‘80 provided expert commentary while Meghan Baker ‘07 of Medford, N.J., reported up-to-the-minute results.

ENvision was viewed over the College’s internal network, on the web site as a webcast, on RCN Channel 4, and on the new jumbo scoreboard at Fisher Field. To attract the attention of the students, the policy studies program and Holla Back hosted an election party on the patio outside the Wilson Room in Pfenning where students could watch the live broadcast. The event was intended to get students involved in the election process.

A review of the broadcast came unexpectedly from WPVI-TV Action News anchor Jim Gardner. “I was blown away by the quality of the effort, its seriousness of purpose, the high level of political insight, the fine production values of the program, and the scope of the presentation.”
“Time Discounting and the Brain”
September 2006: Samuel M. McClure from Princeton University

Samuel McClure from the Center for the Study of Brain, Mind, and Behavior at Princeton University presented his lecture, “Time Discounting and the Brain,” as part of a seminar co-sponsored by the policy studies program, the neuroscience program, and the department of economics and business. Professor McClure is a major contributor to the emerging interdisciplinary field of neuroeconomics.

Neuroeconomics is an interdisciplinary research program with the goal of building a biological model of decision making in economic environments. Neuroeconomists study how the embodied brain enables the mind to make economic decisions.

“America at the Crossroads”
October 2006: Francis Fukuyama from Johns Hopkins University

Professor Crain and the policy studies program worked with the department of religious studies and other departments to arrange a lecture on October 25 by Francis Fukuyama, the Bernard L. Schwartz Professor of International Political Economy at Johns Hopkins University. Professor Fukuyama’s lecture in October 2006 shared its title with his most recent book, America at the Crossroads: Democracy, Power, and the Neoconservative Legacy. Throughout the book, he asserts that the war in Iraq failed and that the Bush administration misinterpreted the neoconservative political thought on which it relied. Fukuyama believes that the U.S. is now facing unintended consequences of the war and an opportunity to redefine American foreign policy.

Fukuyama is the author of several other important books, including The End of History and the Last Man.

“Can Foreign Aid End World Poverty?”
November 2006: William Easterly from New York University

William Easterly, professor of economics at New York University, co-director of NYU’s Development Research Institute, and a faculty affiliate of Africa House at NYU, presented a lecture in November, “Can Foreign Aid End World Poverty?” The event was co-sponsored with the Gladstone T. Whitman ’49 Fund and the policy studies program.

Easterly addressed how aid agencies have advocated a program of large aid increases, and how the recent wave of attention to “make poverty history” could be problematic. He also debated how effective past foreign aid has been toward creating economic development and eliminating poverty. He believes that, despite sharply contrasting views on the effectiveness of foreign aid, there is a surprising degree of unanimity that the aid system is deeply flawed and could be much improved.

Easterly is the author of numerous works including The Elusive Quest for Economic Growth. His most recent book, The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good, won the 2006 People’s Choice Commitment to Development Award sponsored by Foreign Policy magazine and the Center for Global Development.
March 2007–Facing the Chinese Century: Prospects and Challenges

The spectacular transformation of China’s cities, technological infrastructure, and culture industry has captured the world’s attention. Yet this new super-power remains enigmatic to many, partly because it stands outside of the West, and partly because China’s one-party state resists outside scrutiny.

On March 1-2 the policy studies program will sponsor the conference “Facing the Chinese Century: Prospects and Challenges.” The conference aims to demystify this ever more important and dynamic country. Five panels of world renowned experts on Chinese affairs will speak on topics ranging from East Asian security to China’s demographic shifts.

Marilyn Kann, a reference librarian in Skillman Library, is the conference coordinator and has been integral in the planning of this conference.

For online registration and conference information, go to www.lafayette.edu, click on Facing the Chinese Century icon.

September 2007–Former President of El Salvador to Visit Lafayette

After the cancellation of his trip this past October due to an illness, former President of El Salvador Francisco Flores plans to visit Lafayette September 17-18. He will discuss economic and social policies he instituted to change El Salvador from a country identified with poverty and violence to an example of steady growth and human development.

October 2007–Visions of the Energy Future

The policy studies program will host a two-day conference featuring leaders from industry and government to discuss alternative energy sources, scenarios for the future, and the major challenges that need to be addressed.
SELECTED POLICY STUDIES ACTIVITIES

SHARON JONES, Associate Professor of Civil and Environmental Engineering and Acting Chair, A.B. Engineering Program

Publications

Conference Proceedings

Conference Presentation (no proceedings)
“Cost-Effective Use of GIS and GPS to Evaluate the Performance of Water Utility Infrastructure in Developing Communities,” with D. Jones, Urban and Regional Information Systems Association’s Third Caribbean GIS Conference, Bahamas, October 29-November 2, 2006.

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Research Grants


Funded one EXCEL Scholar focusing on a project titled Impact of the POSSE Program on First-Year Retention for Engineering Students at Lafayette College.


National Community-Based Research (CBR) Networking Project 2006-07 Learn & Serve America Grant, funded with Chawne Kimber, associate professor of mathematics, as co-principal investigator.

Students in Govt. 211, a course on state and local government, videotaped interviews with eight candidates for state legislature in Pennsylvania and New York under the direction of John Kincaid, Meyner Professor of Government and Public Service. Excerpts from two of the interviews were shown during the ENvision election-night broadcast.

“I just read about the new public policy program at Lafayette and am thrilled to hear it. I graduated from Lafayette in 1999 and then went on to get my M.P.P. at the Harris School at University of Chicago in 2003. I have been working in education policy ever since and am thrilled to see Lafayette embrace this field.”

AMANDA ALPERT KNIGHT ’99
Chicago Public Schools
Courses
The policy studies program encourages students to strengthen their foreign language skills as a foundation for understanding and participating in a globalized society. The foreign languages and literatures department (FLL) offers a number of courses that may be used as elective courses towards the major, such as Business French, German, and Spanish, and an upper-division seminar focusing on cultural policies in France and the francophone world. Other upper-division seminars offered include German 311, Spanish 313, and Spanish 314.

Technology
Students and faculty at Lafayette may avail themselves of economic, financial, and policy studies related programming from hundreds of international and domestic channels. Programs may be viewed informally in the Encounter space or at any computer workstation. Moreover, faculty and/or students can select and copy clips from the latest-breaking news, as well as documentaries, and use them to prepare courses and class presentations. The FLLRC offers the following native language channels: TV5 France, TV Africa, TV Spain, Chile, Venezuela, Mexico, Germany, Japan, and Russia. The FLLRC also receives the following domestic channels: BBC America, Bloomberg, CNN, CNBC, Free Speech TV, HITN, LinkTV.org, Northern Arizona University/University House, PBS You, Researchchannel, University of California, and the University of Washington.

W. Mark Crain
Simon Professor of Political Economy

Publications

JULIE O’BRIEN
Policy Studies Administrative Assistant

Julie O’Brien is the administrative assistant for the policy studies program working with W. Mark Crain, Simon Professor of Political Economy. Ms. O’Brien is responsible for managing the program’s events, communications, and budget.

Julie joins Lafayette from GoldenTree Asset Management, L.P., a $7 billion asset management company, where she was a senior member of the client service team. Ms. O’Brien graduated from Marymount University in Arlington, Virginia with a bachelor of arts in finance.