

Article – Round-up

March-April 2008

ECONOMIC SECURITY (ES)

1. Putting Your Money Where Your Mouth Is: How Expensive Is Food, Really?

Sharon Astyk, Grist, posted April 14, 2008.

The author, a farmer and writer on food, energy and sustainability issues, notes that skyrocketing food prices are creating widespread hardship, with many low-wage households spending half their income on food. In earlier agrarian societies, it was commonplace to spend a lot of money on food; the low food prices of the past half century are an anomaly generated by large-scale agriculture requiring massive energy and fertilizer inputs. However, Astyk notes that we cannot regard food prices in isolation from society as a whole; while food prices may have been low in recent times, the cost of housing has skyrocketed, and people must work long hours to pay for all the dependencies created by the modern industrial economy. Large-scale urbanization has meant that the price of land has become divorced from the value of what it can produce. Low food prices have meant low compensation for farmers only a small number of massive agribusinesses are able to survive. The rise in food prices that has resulted from increased energy costs will eventually require a return to localized agriculture, which will benefit farmers and will mean that land and house prices will have to return to a level at which they are tied to the value of the soil beneath them. Available online at <http://gristmill.grist.org/story/2008/4/13/1412/53386>

2. The Micromagic of Microcredit

Karol Boudreaux, Tyler Cowen, *Wilson Quarterly*, vol. 32, no. 1, Winter 2008, pp. 27-31.

Is microcredit the solution to poverty in the world? No, say the authors, both with George Mason University. Although microcredit is undeniably making people's lives better around the world, it is not pulling them out of poverty. "It is hard to find entrepreneurs who start with these tiny loans and graduate to run commercial empires," they write. Many lenders refuse to extend microcredit to start-ups. "The more modest truth is that microcredit may help some people, perhaps earning \$2 a day, to earn something like \$2.50 a day," the authors say. Not a dramatic improvement, but definitely a step forward to poor people in many third-world countries. An important advantage to microcredit is that unlike many charitable services, microcredit is capable of paying for itself. "The future of microcredit lies in the commercial sector, not in unsustainable aid programs," the authors say. Available online at http://www.wilsoncenter.org/index.cfm?fuseaction=wq.essay&essay_id=361250

3. Law and Transnational Corruption: The Need for Lincoln's Law Abroad

Paul Carrington, *Law and Contemporary Problems*, vol. 70, no. 4, Autumn 2007, pp. 109-138.

The author, a professor of law at Duke University, believes that the endemic corruption of weak governments in poor nations is a major impediment to the development of world trade. The World Bank reports that bribes totaling a trillion dollars were paid in 2002, while the larger share of that amount was undoubtedly paid by firms that extract and export natural resources for sale in the developed world. Bribery is endemic in many oil-producing developing nations, in which oil revenues have been appropriated by a small group of government officials. Now these same institutions have been invited to enact legislation or to ratify a treaty establishing the means for effective private

enforcement of international laws forbidding corrupt practices. Such legislation is rooted in recognition of the frailties of government and the limits of what can be asked of government lawyers in a fragmented social order. When developing nations are forced to rely on their public prosecutors to impose criminal punishment, corrupt practices can flourish. This reality is now widely acknowledged, but the responses of developed nations have not been adequate to address it.

4. The Clean Energy Scam

Michael Grunwald, *Time*, vol. 171, no. 14, April 7, 2008, pp. 40-45.

Ethanol and biofuels have been touted as the environmentally benign alternative to fossil fuels. Far from it, writes the author in this cover story of the April 7 issue of *Time*. Production of biofuels is responsible for widespread deforestation, topsoil depletion, accelerated greenhouse gas emissions and skyrocketing food prices as a result of converting grains into fuel. Deforestation accounts for twenty percent of current global carbon emissions. Most of the so-called “green fuels” are net carbon emitters; the fuel crops do not sequester as much carbon as the vegetation they replace, and the fertilizer, farm equipment fuel and fermentation plant process heat require large amounts of fossil fuel energy, frequently from coal or natural gas. Even if the entire U.S. corn and soybean crops were turned into ethanol or biofuels, it would offset only twenty percent of the country’s vehicular fuel consumption, but ethanol and biofuels have political support as a result of pressure by the powerful agribusiness lobby. Grunwald writes that “the world is going to be fighting an uphill battle [against global warming] until it realizes that biofuels aren’t part of the solution at all – they’re part of the problem.”

5. The Economist Has No Clothes

Scientific American, vol. 298, no. 3, March 2008.

The author, who teaches environmental science and public policy at George Mason University, notes that the nineteenth-century creators of neoclassical economics, the field whose theories underpin the modern market economy, developed their theories by adapting equations from nineteenth-century physics that themselves became obsolete. Says Nadeau, “it is clear that neoclassical economics has become outdated ... [It] is based on unscientific assumptions that are hindering the implementation of viable economic solutions for global warming and other menacing environmental problems.” Among the assumptions of neoclassical economics: that natural resources exist in a domain separate from the closed market system; that the value of these resources can only be determined by the market system; that environmental damage is a cost external to the market system; and that there are no physical limits to the growth of market systems. The present-day global environmental crisis means that “this theory can no longer be regarded as useful ... because neoclassical economics does not even acknowledge the costs of environmental problems and the limits to economic growth, it constitutes one of the greatest barriers to combating climate change and other threats to the planet.” Currently available online at <http://www.sciam.com/article.cfm?id=the-economist-has-no-clothes>

6. What Went Wrong

Economist, vol. 386, no. 8572, March 22, 2008, pp. 79-88.

In this special report, the *Economist* examines how close Wall Street came to a systemic collapse and how the financial system will change as a result. They note that the origins of this crisis were in the 1980s, when the financial services industry began a pattern of growth that may only now have come to an end. Financial services’ share of total corporate profits grew from ten percent in the early 1980s to forty percent last year but account for only fifteen percent of corporate America’s gross value and only five percent of private-sector jobs. After the “dotcom” crash in 2001, America’s GDP growth has been

the lowest in half a century; yet, even as the ground beneath it fell away, the financial services industry has “defied gravity” by using debt, securitization and proprietary trading to boost fees and profits, made possible by cheap money and low consumer-price inflation.

7. Worried about a Recession? Don’t blame Free Trade

Daniel Griswold, Director, Center for Trade Policy Studies Cato Institute, No. 34, March 2008, 3 pages.

The author argues that the pain of recession will be real for millions of American households, but raising barriers to foreign trade and investment will provide no relief for most of workers. In fact, reverting to protectionalism would only reduce the capacity of American economy to regain its footing and resume its long-term pattern of growth.

INTERNATIONAL SECURITY (IS)

8. The Military and Society Beyond the Postmodern Era

John Allen Williams, *Orbis*, vol. 52, no. 2, Spring 2008, pp. 199-216.

Williams, a political science professor at Loyola University Chicago, asserts that there are new security challenges following the Sept. 11 attacks and there is a renewed focus on the military's role in defending U.S. interests and territory. As a result, military forces in the U.S. (and perhaps in the West generally) are evolving from their Cold War and immediate post-Cold War perspectives to confront transnational and sub-national non-state dangers. These changes have significant implications for military professionalism and the relations between the military and society. The author puts these changes into a wider theoretical context of the “Postmodern Military” model evolving into the “Hybrid” model.

9. China’s Energy-driven ‘Soft Power’

Toshi Yoshihara; James R. Holmes, *Orbis*, vol. 52, no. 1, Winter 2008, pp. 123-137.

Yoshihara and Holmes, associate professors at the U.S. Naval War College, assert that energy security has prompted China to turn its strategic gaze to the seas for the first time in six centuries. For now, Taiwan remains Beijing’s uppermost priority, but there are signs that the Chinese leadership is already contemplating the “day after” in the Taiwan Strait to resolve them to their satisfaction. The authors believe that in the meantime, China is attempting to shape the diplomatic environment in vital regions such as Southeast and South Asia using “soft power.” By invoking the voyages of Zhen He, the Ming Dynasty’s “eunuch admiral,” the authors say Beijing sends the message that it is a trustworthy guarantor of Asian maritime security.

10. Using American Power Smartly: Advice to the Next U.S. President

Joseph S. Nye. *Issues & Insights*, February 2008, 21 pages.

A successful foreign policy vision is one that combines inspiration with feasibility. However, it is not clear that the U.S. has that combination right. The author argues that a key skill for the next president -- whether Democrat or Republican -- will be contextual intelligence, or rather, an ability to understand the current context of American foreign policy and where America stands in the world. The author opines that the next president should learn from past lessons and exercise “smart power” -- a combination of American soft and hard policies.

11. What Should the World Expect from America after Bush?

Thomas Carothers and Robert Kagan. *Carnegie Endowment*, March 04, 2008, 24 pages.

With a new occupant coming to the White House in January 2009, expectations are running high across the world for a major shift in U.S. foreign policy and a renewal of the transatlantic partnership. But how much change is likely? On what foreign policy choices can a politically divided America agree and what significant divergences will remain? The authors discuss what post-Bush U.S. foreign policy will likely mean for the world and where the presidential candidates differ with regard to their policies on the Middle East, climate change, trade, the war on terror, and the U.S. role in the world.

12. The New E-spionage Threat

Brian Grow, Keith Epstein and Chi-Chi Tschang, *BusinessWeek*, April 21, 2008, pages 33-41. The U.S. military created the Internet. Now the Web may be turning against its maker. As America fights to protect itself, we uncover startling new instances of cyber-spies targeting the government and trace the path of a pernicious attack aimed at defense consultant Booz Allen.

DEMOCRACY & GLOBAL ISSUES (DGI)

13. 5 'Truths' about Women Voters

Melinda Henneberger. *Politics (Campaigns & Elections)*, January 2008, 4 pages.

Women may like the idea of a female president, but that does not mean support for a female candidate is a given. This article presents facts about women voters in the United States, based on a study of women across all ages, races, tax brackets and points of view in various states.

14. The Incredible Shrinking Amazon Rainforest

Tim Hirsch, *Worldwatch*, Volume 21, No. 3, May/June 2008, pp. 12-17.

New satellite monitoring data released by the Brazilian National Space Research Agency (INPE) in early 2008 showed an increasing rate of rainforest destruction, in contrast to data from the last several years that showed a steady decline in the rate of deforestation. The data elicited sharp reactions from all quarters in Brazil, even though its reliability and meaning were somewhat suspect, because it was produced by a new monitoring system. Nonetheless, Brazilian President Lula da Silva issued a decree affecting the municipalities where the most deforestation has been occurring over the past several years. The measures include a ban on new forest-clearing licenses and a requirement that landowners re-register their land to prevent deforestation carried out by holders of fraudulent land claims. Hirsch writes that the government could go so far as to shut down credit for landowners deemed to be among the worst offenders. Still, as President Lula takes these steps, he will be urging the developed world to set up a voluntary fund to support forest protection in the tropics.

15. Energy Resources and Our Future

Energy Bulletin, December 2, 2006.

On May 14, 1957, Navy Rear Admiral Hyman Rickover, considered the Father of the Nuclear Submarine, gave a speech to the Minnesota State Medical Association about a subject which he acknowledged "had no medical connotations" -- the rapidly growing consumption of fossil fuels in modern society. He noted that our technological base depends on enormous amounts of energy, adding, "What assurance do we then have that our energy needs will continue to be supplied by fossil fuels? The answer is -- in the long run -- none ... Fossil fuels are not renewable. In this respect our energy base differs from that of all earlier civilizations. They could have maintained their energy supply by careful cultivation. We cannot." Rickover warned that fossil fuel reserves will start to shrink in the early twenty-first century, and that biofuels will not be the answer, as land would be needed to grow food

rather than fuel. He urged his audience to “think soberly about our responsibilities to our descendants -- those who will ring out the Fossil Fuel Age.” While dated in a few minor respects, Rickover’s speech, given at the beginning of America’s modern consumption boom, is eerily prescient of our current energy predicament, and sheds important light on a debate that is only just starting to take place in the U.S. today.

A copy of the speech came to light not long ago, and is available online at <http://www.energybulletin.net/23151.html>

16. The Growing Food Cost Crisis

Kent Garber. U.S. News & World Report, March 17, 2008, 2 pages.

According to the article, the combination of high food prices and social unrest is bound to stir up edgy memories of the early 1970s, when food prices were being pushed up by high energy costs and decreased supplies. The current wave of food troubles is the most significant since then, and arguably more troublesome too. The article examines the sharp rise in the cost of food, how it is hurting the poor, and how it has become the cause of violence and political instability around the world.

17. Water and Sustainability: A Reappraisal

Malin Falkenmark. Environment, March/April 2008, 14 pages.

According to the author, water can be divided into two categories. Green water, derived from rainwater and soil moisture, is what vegetation needs to survive naturally, while blue water, which is accessible for human use including irrigation, is in rivers and aquifers. The need for water is growing not only because of population growth and agricultural expansion, but also because of biofuel expansion. The sustainability of global water resources is discussed in this article.

18. Car-Sharing Business Grows Quickly in U.S. Cities

By Burton Bollag, Special Correspondent, Bureau of International Information Programs, U.S. Department of State, Sat 3/22/2008, 2 pages.

Maintaining a car is expensive, and finding parking on crowded city streets can be a nightmare. Two women looked at this problem and saw a business opportunity, as well as a way to help the planet.

19. The Future of the Internet

Testimony of Professor of Law Stanford Law School Lawrence Lessig before State Committee on Commerce, Science and Transportation on April 22, 2008.

According to Professor Lawrence Lessig, the internet was the great economic surprise of the 20th century. However, policymakers have yet to learn just why it was a success. Any policy that weakens competition will weaken the prospects for Internet and economic growth.

U.S. SOCIETY & VALUES (SV)

20. Riding The Waves of Today’s Online Web Tools

Edward Metz, Online, vol. 32, no. 1, January/February 2008, pp. 18-21.

The author, a librarian in Fort Leavenworth, Kansas, finds that the days of Web surfing, when the user went from site to site to check on the latest content updates, are long gone, replaced by RSS feeds and

online news aggregators. Now, as more productivity tools become available online and Web 2.0 social networking tools proliferate, it would certainly be helpful to have just one single platform to host and organize all of these services. The great wealth of gadgetry to choose from adds to iGoogle's attraction. The iGoogle content directory stores an impressive array of some 25,000 content modules or gadgets, as these mini Web applications are called. For many, if not most, of their users, Google is the search engine of choice. People are also drawn to Google for its other search and productivity tools. iGoogle makes it easy to create some very simple gadgets through several templates for things like a framed photo, a personal list, or even a YouTube video channel.

21. College for All?

Anthony Carnevale, *Change*, vol. 40, no. 1, January/February 2008, pp. 23-29.

The American belief in “college for all” stems from our egalitarian nature, and is rooted in parents’ desire for their children’s upward mobility. The author notes that a post-secondary education makes a significant difference in salary of a worker; between 1979 and 1999, the earnings differential between a high-school diploma and a college degree rose from 43% to 73%. The lower the education level of the worker, the lower the proportion of jobs available to those job seekers. Carnevale writes that the popularity of post-secondary education in America is that it “has become our workforce-development system, in part because it has taken on a strong occupational and professional profile.” College in America is increasingly moving away from a purely liberal arts education and is more focused on giving graduates specific skills that can be used in their future careers. Yet, Carnevale notes, “a liberal-arts degree topped off with a graduate or professional degree still brings the highest returns, especially when both degrees come from the most-selective postsecondary institutions.” The challenge for the United States now is, in the face of the increasing expense of post-secondary institutions, to develop the “college for all” promise into a reality.

22. Democracy and Education: Empowering Students to Make Sense of Their World

William H Garrison. *Phi Delta Kappan*, January 2008, 2 pages.

It is a fundamental belief under American system of governance that education is necessary for democracy. Looking closely at the relationship between democracy and education reveals a common foundation in a learning mechanism that is as important for classroom practice as it is for a democratic society. Less recognized is the equally important principle that democracy is necessary for education. The author discusses the importance of a democratic approach to public education in the United States.

23. Just the Tree of Us

Jerry Adler, *Newsweek* April 14, 2008, pages 43-44, 48.

Americans want to address global warming, and this year’s presidential hopefuls take it seriously. Who would do it best? The answer is not as clear-cut as you might think.

24. A Man at Home in the World

Richard Wolffe and Michael Hirsh, *Newsweek Campaign* 2008, pages 22-26.

Barack Obama’s foreign-policy experience is a lot more bottom-up than what you’d find on a typical presidential résumé. The authors note that Obama says he knows the globe better than his rivals and wonder, does he know it too well?

25. Why Thinking Like an Economist Can Be Harmful to the Community

Challenge/March-April 2008, Interview with Stephen Marglin, pages 13-26.

Mainstream economic thinking is coming under serious attack from many quarters. But Professor Stephen Marglin of Harvard Department of Economics, raises some of the most fundamental questions about both its assumptions and its consequences. Community, he argues, is essential to life. But maximizing the individualistic variables that economic mainstreamers believe matter most can often destroy community relationships. We should know the consequences, he contends.

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