

CHICAGO HARRIS

THE UNIVERSITY OF CHICAGO HARRIS SCHOOL OF PUBLIC POLICY

SPRING/SUMMER 2015

Alumni Forum on
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Regulating
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The Calculus of
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**JAMES ROBINSON
ON THE RISE AND FALL
OF NATIONS**



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CHICAGO HARRIS
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CHICAGO HARRIS

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of Public Policy

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LETTER FROM THE DEAN

This spring I had the pleasure of meeting Chicago Harris alumni in cities across North America. The exchanges were invariably rich and rewarding. At each stop I shared my plans for the school and my excitement about our newest faculty hire, renowned political scientist and economist James Robinson (page 12). Our alumni, in turn, shared their insights on how Chicago Harris helped prepare them for the professional challenges they face. Among other things, the discussions confirmed my sense that our alumni are making an extraordinary impact as policy leaders.

The achievements of our alumni are apparent on almost every page of this issue, too. New Relic Chief Revenue Officer Hilarie Koplow-McAdams, winner of the 2015 Distinguished Alumni Award, is helping to shape the market for software analytics (page 9). Former White House adviser Lisa Ellman, winner of this year’s Rising Star Award, is pioneering policy to govern the use of domestic drones (page 24). From international trade (page 18) to media (page 34) to microfinance (page 35) and more, our alumni exhibit a trait that is highly prized in the policy world but refreshingly common here: a commitment to evidence-based research as the best guide for public policy.

As we gear up for the launch of Chicago Harris’ Executive Education initiative this fall, with programs on municipal finance and women in public leadership, we are poised to empower even more people who seek to develop and influence policy at the highest level. I’m looking forward to meeting the participants and welcoming them to our community. As this issue makes clear, we are diverse in terms of our backgrounds and areas of expertise, but united by the ability to determine what’s best for society and get it done.

Daniel Diermeier
DEAN, CHICAGO HARRIS

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Dean
Daniel Diermeier

Associate Dean, Communications and Marketing
Viki Conner

Director of Communications
Sarah Galer

Editor
Mark Sorkin

Associate Editor
Jake J. Smith

Design
Studio Blue

Contributors
Andy Ambrosius
Michael Blanding
Bruce Falconer
Josh Fox
Vicki Ekstrom High
Barbara Koremenos
John Liuzzi
Aimee Levitt
Jeremy Manier
Mikia Manley
Christopher Martin
Rob Mitchum
Robin I. Mordfin
Amanda Norton
Michael Quigley
Brian Wallheimer
Susan Widmer

Illustrations
Davide Bonazzi
Stuart Bradford

Photography
Lloyd DeGrane
Eli Meir Kaplan
Rob Kozloff
Michael Prince
Jason Smith
Joel Wintermantle

Publisher
The Harris School of Public Policy
1155 E. 60th Street
Chicago, IL 60637
harris.uchicago.edu
773.702.8400

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Jens Ludwig, UChicago Crime Lab director and Education Lab co-director, reviews data with research analyst Valentine Gilbert.

URBAN POLICY

CITY GUIDES

Chicago Harris faculty are spearheading research projects at four of the University’s five Urban Labs.

ON MARCH 9, the University of Chicago announced a new network of research labs that will address some of the world’s most daunting urban problems and help realize the promise of cities in an era of global urbanization. Confirming Chicago Harris’ longstanding leadership in this area, faculty from the public policy school will be at the helm of four of the University’s five Urban Labs.

The Urban Labs will design and test the most promising urban policies and programs across five key areas: crime, education, energy and the environment, health and poverty. The collaborative approach recognizes that many long-term challenges

in cities are related, and require unified responses. To make an impact on the broadest scale, Urban Labs will partner with civic leaders and practitioners in Chicago and around the world.

The initiative, which builds on the successful examples of the UChicago Crime Lab and Education Lab, was launched with \$15 million in seed funding, including a \$10 million donation from the Pritzker Foundation. The Pritzker gift will also fund pilot projects to help propel research findings into tangible community improvements.

Combining perspectives across the five labs is crucial to addressing the big

challenges that cities face, says Timothy Knowles, chairman of the Urban Education Institute and the John Dewey Clinical Professor in the Committee on Education, who has been appointed Pritzker Director of UChicago Urban Labs.

“A policy to reduce crime rates might also have a very significant impact on improving education, health, jobs and poverty,” Knowles says. “By doing this work in a unified and collaborative way, we can understand the impact of the policies in real time and implement what we learn in cities around the country and the world.”

Each of the three new Urban Labs will be led by a faculty member who is a world leader in his or her field. Marianne Bertrand, the Chris P. Dialynas Distinguished Service Professor of Economics at Chicago Booth, has been named director of the Poverty Lab. The Energy and Environment Lab will be led by Michael Greenstone, who holds a joint appointment at the Social Sciences Division and Chicago Harris, and directs the Energy Policy Institute of Chicago. Chicago Harris Associate Professor David Meltzer, who also teaches in the

Department of Medicine, heads Hospital Medicine at the University of Chicago Medicine, and directs the Center for Health and the Social Sciences, will lead the newly created Health Lab. And Jens Ludwig, the McCormick Foundation Professor of Social Service Administration, Law and Public Policy in the School of Social Service Administration and Chicago Harris, will continue as director of the Crime Lab. Knowles and Ludwig will co-direct the Education Lab.

The initiative comes at an important moment for the world’s urban areas, which are experiencing unprecedented growth. About 3.9 billion people dwell in urban centers, and that number is projected to grow to 6.4 billion by 2050. Cities are engines of innovation and job creation, but they also pose complex problems that Urban Labs can help address.

Urban Labs will open new possibilities for a distinct University of Chicago approach to these problems, using scientific methods to develop effective policy interventions. The Crime Lab and Education Lab have shown the potential for such research to help guide evidence-based policies that enhance urban life.

The Urban Labs Innovation Challenge, funded by the \$10 million donation from the Pritzker Foundation, will test promising programs in each of the labs’ topic areas. After a competitive selection process, one or more applicants will receive funding of up to \$1 million for up to two years. Working with the grant recipients, researchers will identify strategies for addressing key challenges and engage practitioners who will help build the capacity to implement interventions at large scale.

“I see a tremendous amount of opportunity for partnering with organizations on the South Side, through the city of Chicago, in organizations across the country, and across the world,” says Chicago Harris Senior Fellow Derek Douglas, who serves as vice president for civic engagement at the University of Chicago. “We can create a model for how urban research, practice and policy can be implemented.”

Success for Urban Labs will be measured in the initiative’s positive impact on lives, Ludwig believes. “For the past few years at the Crime Lab, we’ve been working much more closely with policymakers to generate evidence that is both rigorous and relevant, and can translate very rapidly into actionable policy decisions to address these important urban problems,” says Ludwig. “My hope would be that in five or 10 years, Urban Labs together have identified a collection of promising policy solutions that can improve millions of people’s lives.” – *Jeremy Manier*

ACADEMICS

THREE NEW DEGREE PROGRAMS BROADEN COURSE OFFERINGS

Expanded training opportunities in data science, energy policy and research methods.



The new MACDA program will give students a strong foundation in data-driven policy analysis.

BEGINNING THIS FALL, Chicago Harris will expand its course offerings with two new degree programs and a revamped Master of Science in Environmental Science and Policy program (MSESP).

The newly created Master of Arts in Public Policy with a Certificate in Data Analytics (MACDA), a 12-month program, will prepare students for public and private sector jobs at the intersection of public policy and data analytics. Targeted at mid-career students with backgrounds in computer science, statistics, quantitative social science, natural science or engineering, MACDA will prepare graduates to carry out state-of-the-art quantitative analysis as the basis for data-driven decision-making.

The Master of Arts in Public Policy with a Certificate in Research Methods (MACRM), a 15-month program, is designed to prepare students for top-tier PhD programs in economics and political science as well as other social sciences, policy and business. MACRM students will gain competency in research methods, economic theory, game theory, advanced econometrics and quantitative modeling. They will also gain hands-on research experience working with faculty from various departments at

the University of Chicago while acquiring the skills necessary to produce quality research writing and analysis. Graduates will be in a strong position for PhD programs in the social sciences and will likely pursue careers in academia, think tanks or other research-oriented policy work.

The revamped MSESP program will bring senior scientists and engineers from Argonne National Laboratory to Chicago Harris to teach classes, and will provide students with access to world-class applied research and internship opportunities at the UChicago-operated lab, based just outside Chicago. The new curriculum will more flexibly accommodate students with limited exposure to the sciences as well as those with more established science backgrounds.

“We believe there is an enormous appetite for training in data science, applied environmental and energy policy, and rigorous policy research,” says Jeremy Edwards, senior associate dean for academic and student affairs. “We want to ensure that Chicago Harris is leading the way in these areas, and that we are the academic destination for the world’s best and brightest.” – *Mikia Manley*

PHOTOGRAPHY BY ROB MITCHUM



The 2015 Mayor’s Office Fellows (from left): Hector Dox, Mitsue Iwata, J. P. (John) Heisel, Allison Weil, Sophie Cohen and Zach Honoroff

PUBLIC SERVICE

SIX STUDENTS CHOSEN FOR CHICAGO MAYOR’S OFFICE FELLOWSHIP

Fellows will spend the summer helping to shape the public policy agenda for the city.

IT MAY BE the mayor, aldermen or city commissioners speaking up at meetings or in front of cameras, but this summer six Chicago Harris graduate students will be hard at work behind the scenes helping to shape the future of Chicago.

Sophie Cohen, Hector Dox, J. P. (John) Heisel, Zach Honoroff, Mitsue Iwata and Allison Weil have been named Chicago Mayor’s Office Fellows for 2015. For 11 weeks starting in June, they will work alongside senior staff in Mayor Rahm Emanuel’s office and with other officials on the city’s public policy agenda.

“These students have the opportunity to come in here and work with the people whose shoes they are going to fill someday,” says Kathryn O’Connell, director of the Mayor’s Office Fellowship Program.

There are usually at least a handful of Chicago Harris students involved with the Mayor’s Office Fellowship each year. Now in its 13th year, the summer program includes 24 fellows who were selected from a pool of nearly 600 applicants nationwide.

PHOTOGRAPHY BY JAKE J. SMITH

“It just speaks to the quality of our students and the program here,” says Adam Heeg, director of Chicago Harris’ Career Development Office. “The Mayor’s Office has such a good experience with Harris students each year. They know what they’re getting.”

Heeg believes the students’ background in data-driven, quantitative research makes them attractive for the program. “It allows our students to take what they’ve learned in the classroom and put it into practice in a real policy-making setting,” he says. “Their assignments play a real role in creating policy for the city of Chicago.”

The fellows’ work will include analysis covering a wide variety of policy issues. That could mean writing white papers, building presentations or attending community engagement forums and interacting with Chicago residents. They’ll also meet with officials; hear presentations on various city departments; and tour city facilities, from water treatment plants to 911 and 311 call centers, to see the inner workings of operations necessary to run a large city.

Cara Castellana Kreisman, MPP’08, spent her 2007 summer in the program. She stayed on in the Mayor’s Office part-time for a year, then worked in the White House. After that she worked for then-U.S. Senator Barack Obama, and again for the City of Chicago, first as policy director for the Treasurer’s Office and then as an analyst on the Innovation Delivery Team. She believes the fellowship helped set her on her career path and showed her how much goes into setting policy for a city the size of Chicago.

“I learned to navigate City Hall bureaucracy and bureaucracy in general,” Kreisman says. “It also helped me make connections to get good jobs after graduation.”

Kreisman, who is now pursuing a doctorate in finance at Georgia State University, adds that the experience also taught her to appreciate even the tasks that seemed mundane. “I learned to be humble about some work assignments,” she says. “Even those not-so-interesting assignments lead to better assignments, and they all make a difference for someone.”

Zach Honoroff, a first-year student from Ridgewood, New Jersey, is interested in urban policy and urban revitalization. He is looking forward to putting his classroom learning to the test as a fellow. “This is an ideal opportunity to get experience in many facets of urban development,” Honoroff says. “We’ll be able to apply a lot of what we’re learning this year on the ground in Chicago and get applied experience.”

Sophie Cohen sees the program as a way to start giving back to her city through her policy knowledge. “I plan to stay here, and I think it’s a good way to get an understanding of the workings of city government,” Cohen said. “I hope to work on some interesting projects and make a positive contribution to the city.”

One more component of the project is the “New Ideas” forum. Fellows pitch original policy ideas backed by their own research. Those with the most promising ideas will be invited to defend them in front of city staff, who will serve as a “firing squad,” according to O’Connell, looking for weaknesses and helping the fellows evolve their proposals.

“The best of the ideas will end up in a presentation for city officials, including the mayor,” O’Connell says. “I always tell the fellows, ‘You’re not working for us for the summer. You’re working with us. You’re in the trenches working on pension reform, public safety, education.’” – *Brian Wallheimer*

To stay current on news and events at Chicago Harris, please visit our website (www.harris.uchicago.edu). You can also follow us on Facebook (www.facebook.com/chicagoharris) and on Twitter (@ChicagoHarris).

SETTING THE DOOMSDAY CLOCK

As Armageddon nears, the *Bulletin of the Atomic Scientists* sends a message of urgency – and hope.



IT'S JANUARY 22, and the *Bulletin of the Atomic Scientists*, stewards of the famous Doomsday Clock, have called a press conference in Washington, D.C. Dozens of reporters are in attendance as Kennette Benedict, outgoing publisher and executive director of the *Bulletin* and a lecturer at Chicago Harris, somberly takes the stage.

"Today, unchecked climate change and a nuclear arms race resulting from modernization of huge arsenals pose extraordinary and undeniable threats to the continued existence of humanity," proclaims Benedict. She explains that the *Bulletin's* Science and Security Board, a cadre of top scientists and policy experts, has decided to move the hands of the Doomsday Clock forward two minutes. "It is now three minutes to midnight." Cameras flash as Richard Somerville, a climate scientist at the Scripps Institution of Oceanography, pulls a placard from an easel, revealing an updated clock face with the new time: 11:57.

Over the next few days, more than 2,000 media outlets covered the announcement. The event rang in the *Bulletin's* 70th anniversary with the kind of spectacle that

Benedict, who officially retired from the *Bulletin* in February, had hoped to produce when she first came to the organization nine years ago. "I'd been very interested in finding better ways for scientists and experts to communicate to a general public," she says. Luckily, a powerful and internationally recognized symbol was sitting at her fingertips.

The *Bulletin* was founded by University of Chicago physicists who had helped develop the first nuclear weapons. Upon realizing the incredible power of these new technologies, the scientists sought to inform the public about the grave threat that nuclear proliferation posed. "They really understood the power of this, more than anybody else would," says Benedict. The Doomsday Clock icon originated in 1947, when the *Bulletin's* editors decided to make the newsletter into a magazine for the public. In need of a design for the cover, they reached out to Martyl Langsdorf, an artist married to a Manhattan Project physicist. Langsdorf wanted a visual that conveyed "the urgency that all of the scientists felt about controlling this dreadful technology,"

says Benedict. "And so the idea of a clock came to her mind."

Every few years, the Science and Security Board would quietly decide to move the hands of the clock forward or backward. Yet despite the grave problems that the clock represented, it received little media fanfare. "I thought we could use this communications instrument more intensively," Benedict recalls. Increasing the clock's visibility would become a key priority under her leadership.

This year's high-profile announcement brings the clock the closest to midnight it's been since 1984, when the United States and the Soviet Union severed contact amid an escalating arms race. Relations softened after the cold war ended, but Benedict is quick to point out that there are still 16,000 nuclear weapons in existence today, each with about 200 times the destructive power of those dropped in World War II. She doesn't mince words: "We are poised, every minute of every day, to have a nuclear war."

Further threatening human existence is climate change, which the Board began including in its deliberations in 2007. Rising temperatures and sea levels could alter weather patterns and force mass migrations, likely causing widespread hunger and conflict, and possibly leading governments to infringe upon civil liberties. "That's the end of our way of life," Benedict concludes.

It was the startling lack of progress in addressing both weapons and climate that led the Board to make its announcement – the last that Benedict would oversee as director. Rachel Bronson, formerly of the Chicago Council on Global Affairs, has since filled that role, and has quickly embraced the high stakes of her new mission. "So many events taking place in the world right now demonstrate that the *Bulletin* is not only still relevant, but vital," says Bronson.

Benedict will continue to lecture at Chicago Harris. She says that her interactions with students help keep her hopeful, despite the dire outlook. "For me to be able to teach courses that will reach people who will serve in those positions in the future – I think that gives me some sense of optimism," she explains.

"All this time, I have been inspired by the example of those first scientists," Benedict adds. The *Bulletin* was started at a time when any opposition to increasing U.S. military might was politically unpopular. "They were quite courageous – they didn't care much what their careers were going to look like, or who was going to like them or not. They did what they thought was right," she reflects. "That example sticks with me, and I hope it would stick with the next leaders of the *Bulletin*." – Jake J. Smith

QUESTIONS FOR HILARIE KOPLOW-McADAMS

The New Relic executive reflects on disruptive innovation and the need for more women leaders in Silicon Valley.

A go-to resource for innovative startups and e-commerce juggernauts, New Relic is reshaping the market for software analytics. Founded in 2008, the San Francisco-based firm helps clients monitor their web and mobile application performance in real time, offering simple and visual reports on crashes, bugs and customer preferences. Hot off the heels of a December 2014 IPO, the company is growing rapidly under the leadership of Chief Revenue Officer Hilarie Koplow-McAdams, AM '87, winner of the 2015 Chicago Harris Distinguished Alumni Award. – Andy Ambrosius



What is unique about New Relic's approach to data analytics?

Every company is rapidly transforming into a software company, so New Relic has this really interesting role to play in helping companies understand their customers and their businesses. In the old days, you had a store manager who would go in on a Saturday morning and open the front door. But in the world of e-commerce, you don't always know if your front door is open. Whether your website is up is one of the first questions New Relic answers. Think of the same scenario when someone is shopping. When customers are in your store, you don't always know what they are doing. They may be browsing, they may be comparing prices and then going elsewhere. With New Relic, you can actually figure out what they're doing online. We believe your data is telling you a story, and we are in a unique position to tell that story.

What do you think accounts for the company's success?

Our CEO, Lew Cirne, pioneered the category of application performance management. When he started New Relic, he said he wanted to build a lifestyle company for developers. He wanted it to be Apple-esque and drop-dead easy to use. So design, ease and user experience became the core principles of the product design. The success of that product design has led New Relic into a much bigger category than we ever envisioned.

When the HealthCare.gov launch went disastrously wrong, Obama administration officials called New Relic. How did you approach such a high-profile project?

Several days after the news hit that the application wasn't performing well, we got a call from the White House asking us, along with several other companies, to come to D.C. and help solve the problem. Within 48 hours, we were able to help them understand what the experience looked like for those trying to sign up for health-care benefits. The visibility that we gave the Centers for Medicaid and Medicare was absolutely unprecedented. This illustrates the power of New Relic and what we can do for companies around the globe.

New Relic raised more than \$200 million leading up to its IPO in December. What was that experience like?

It was very exciting. We weren't just pleased – we were almost overwhelmed by the support. I think the reason we were successful and

why we continue to be successful is that people recognize that software is changing the world. When we met with investors, they saw the value we're bringing to the table.

The New Relic website is plastered with the idea of "embracing the inner nerd." What's the company's culture like?

Our culture and core values are intertwined. "Data nerd" is a badge of honor for us, and we encourage our customers to wear it with pride as well.

When I think of Silicon Valley data nerds, I think of Mark Zuckerberg and a room full of guys in hoodies. What's it like being a woman leader in a male-dominated environment?

When I think about the people I work with, I think less about gender and more about profiles. Most of us are on a mission to change the world, and we see technology as the change agent. That said, I've been in the industry for almost 30 years, and there are not enough women. I think it comes down to a lack of role models.

Who was your role model?

I was in a unique situation because I had a grandmother who was way ahead of her time. She was the first female banking commissioner in the United States, in the state of Massachusetts. Prior to that, she was a state representative. She would be invited to speak at a luncheon full of male bankers, and she'd have to walk in the back door at the men's club. I remember asking as a little girl if that bothered her. She replied in her own little way, "No, dear, because I was the speaker."

How did your time at Chicago Harris prepare you for the challenges you face today?

I think it gave me confidence in my skills, a strong quantitative foundation and the ability to look at my role through the Chicago lens, which is really the lens of disruption. When I got into leadership roles, that's when the Chicago Harris education really proved to be a huge competitive advantage. If the experience has taught me anything, it's how to look at the factors to consider, and how to get to an outcome or goal. I attribute a lot of my success to Harris.

What's next for New Relic?

If we talk again in five years, we're going to talk about how New Relic is defining what the software experience looks like, and leveraging analytics to help companies predict risk and plan for success.



Chicago mayoral candidates Rahm Emanuel and Jesus “Chuy” Garcia prepare for a live televised mayoral debate co-sponsored by Chicago Harris, March 16, 2015.

New York State of Crime Improving schooling outcomes for at-risk urban youth is a critical priority in the United States. Unfortunately, interventions for low-income students in middle or high school have generated remarkably few success stories. Some argue that policymakers should instead focus on early childhood education or vocational training for at-risk youth.

Researchers at the recently launched Crime Lab New York are rigorously testing that argument. Announced in December and co-located with the New York City Mayor’s Office of Criminal Justice, Crime Lab New York seeks to apply data-driven approaches to key urban problems.

Crime Lab New York builds on the work of the existing University of Chicago Crime Lab. Through randomized controlled trials across 12 Chicago public high schools, Crime Lab and Urban Education Lab have shown that Match Education, a high-intensity math tutoring program, can boost math test scores by the equivalent of nearly one-third of the nationwide gap between black and white students’ scores. Crime Lab New York will generate new evidence about whether the program’s efficacy varies from location to location.

For Crime Lab Director Jens Ludwig, McCormick Foundation Professor of Social Service Administration, Law and Public Policy at the University of Chicago, the expansion is part of a larger agenda to reshape the relationship between urban science and policy. “Our greater aim in generating rigorous evidence about what works is to create knowledge that cities throughout the U.S. can use to scale up successful, innovative policies that keep urban residents safe from violence,” says Ludwig. – *Amanda Norton*

Competitive Policies This year, a record number of Chicago Harris teams were selected to compete in three prestigious national policy competitions. Six teams attended the Clinton Global Initiative’s National Conference in Miami, five teams moved on to the second phase of the Booth Social New Venture Challenge and one team was selected to represent Harris at the University of Pennsylvania’s Fels National Public Policy Challenge. A total of 34 University of Chicago students were involved, including Harris students and teammates from Chicago Booth, the School of Social Service Administration and the College. Proposals were chosen on the merit and uniqueness of the problem, feasibility of implementing a solution and ability to measure outcomes for success.

“These policy competitions provide students with the experience of identifying a unique social problem and solution that will be supported by key stakeholders in government, business and nonprofit sectors, in order to make a difference,” says Lecturer Ron Gibbs, who mentors the teams. “These students are indeed public policy entrepreneurs trying to bring about needed social change at the local, national and international levels,” adds Dean Daniel Diermeier. “Congratulations to them all.”

International Developers On July 1, Chicago Harris will welcome the International Innovation Corps (IIC) to its global outreach network. Launched last summer at the University of Chicago Law School, the IIC selects students to participate in 13-month fellowships, during which they work to solve social problems in India. The program is relocating to Harris in order to focus on policy issues.

“With Chicago Harris’ growing international focus and IIC’s interest in cutting-edge policy research, we have a lot of exciting synergies,” says Dean Daniel Diermeier. “I look forward to supporting IIC’s work to tackle pressing social problems alongside the Indian government.”

In the IIC’s inaugural year, 15 fellows worked hands-on improving textile production in the Vidarbha region, planning a new industrial corridor between Delhi and Mumbai and helping bring solar energy technology to rural India. “We want to do work that makes a difference in people’s lives,” explains IIC Director Anup Malani, a University of Chicago law professor. The opportunity to work directly with stakeholders is what attracted current fellow Mrinalini Penumaka, AB’13, to the program. “A lot of fellowships let you work in the sector on issues,” says Penumaka, who will enroll at Chicago Harris after her fellowship. “But what makes the IIC unique is that it lets you work with the government hand-in-hand.” – *Brian Wallheimer*

LAUNCH In March, hundreds of prospective students got the good news that their applications to Chicago Harris had been accepted. But getting in was just the beginning. That’s why admitted students flocked to campus on April 19 for an all-new event called LAUNCH – a lively opportunity for prospective students to experience student life, interact with faculty and ask questions of committed alumni.

Team Harris, the student-led ambassador program, was responsible for shaping Admitted Students Day into the new and improved LAUNCH. Team Harris leadership worked with the Admissions Office to craft the fresh student-centered programming, which included new events, panels and more. One highlight of the program was Harris Thinks Big, a speaker event modeled on the TED talks, featuring insightful presentations from faculty, staff and students. “We were excited to pilot this event and share it not just with admitted students, but with the whole Harris community,” said Team Harris event co-chair Mikia Manley.

Thinking Out Loud Last fall, as *Serial* became a surprise sensation, another radio program was also asking tough questions – not about a murder trial, but about education, health and politics. It was *Radio Harris*, the podcast featuring conversations with experts at Chicago Harris.

On each episode, a Harris faculty member shares expertise on relevant topics, guiding listeners through the hard social science beyond the headlines. Highlights from the first season included Amy Claessens making the case for a harder kindergarten and William Howell on the power dynamics behind President Obama’s approach to immigration reform. To subscribe, search “Radio Harris” on Stitcher or iTunes.



PHOTOGRAPHY BY NBC5 NEWS



First-year MPP student Dami Ooyedele sings a policy-themed pop parody at the 2015 Chicago Harris Follies performance, January 16, 2015.

Quantifying Blight At the end of 2014, Harris students and other volunteers completed an innovative citywide survey of Gary’s residential properties, a major initiative led by former Chicago mayor and Harris Distinguished Senior Fellow Richard M. Daley. Meant to assess the extent of abandonment and blight, the pioneering project paired a corps of 200 volunteers with a customized mobile app to survey 58,235 parcels over 18 months, determining that 6,900 were vacant – significantly fewer than the 10,000-15,000 predicted.

The dataset, which is now publicly available at www.garymaps.com, was critical in Gary’s successful bid for federal funds to begin demolishing dangerous structures, and will provide an ongoing wealth of information for Gary Mayor Karen Freeman-Wilson as she works with Harris students and faculty to develop creative solutions and attract additional funding. In January, Gary was one of four U.S. cities selected for the highly competitive Technical Assistance Scholarship Program (TASP) from the Center for Community Progress. In March, the Knight Foundation awarded \$650,000 to a proposal to create a culinary incubator in Gary.

The TASP will provide Gary with access to national experts who will conduct trainings and make recommendations on using data to inform strategies to combat blight and stabilize neighborhoods. The City is also using the data to pilot a program to deconstruct, rather than demolish, 12–20 homes over the next year. If successful, the fully scaled version of a deconstruction strategy would be a potential source of employment for Gary’s workers, and would provide an additional source of revenue through the sale of salvaged materials. – *Josh Fox*

PHOTOGRAPHY BY LLOYD DeGRANE AND ROB KOZLOFF

The Promise and Pitfalls of Public-Private Partnerships



From left: David Pennington, Cherian George and Patrick Sabol, February 24, 2015

EVEN IF YOU don’t know a P3 from a U2, if you’ve lived in Chicago you are probably familiar with examples of these “public-private partnerships” – the leasing of the Chicago Skyway in 2004, the leasing of the Indiana Toll Road in 2006 or the infamous privatization of Chicago’s parking meters in 2009. On February 24, the Chicago Harris Center for Municipal Finance sponsored a panel discussion focused on P3s, a rising solution for cash-strapped governments looking to complete major projects.

Moderated by Peter Skosey, AB’90, executive vice president at the Chicago-based Metropolitan Planning Council, the panel featured unique perspectives from three experts – Fitch Ratings Managing Director Cherian George, BMO Capital Markets Managing

Funny Business On January 16, Chicago Harris students took the stage for an evening of lighthearted jokes, jabs and song at the 12th Annual Harris Follies. The night followed a television theme, with skits riffing on shows like *Extreme Home Makeover* (“Extreme Harris Makeover”), *The Apprentice* (“Das Apprentice”) and *Game of Thrones* (“Game Theory of Thrones”).

Faculty and staff even got in on the fun. Assistant Professors Ben Keys, Damon Jones and Steve Cicala teamed up with Senior Associate Dean Jeremy Edwards and Director of Student Programs Maggie DeCarlo to stage a parody of the typical crisis that ensues when the first round of midterm grades are released. The show concluded with a version of Taylor Swift’s “Shake It Off,” with the rap delivered by second-year MESP student Jenny Gai, who wowed the audience with her new lyrics:

*Oh, Harrista in the gray, who has taken CBA
Won’t you come on over, baby,
Regulate, -late, -late?*

Follies is organized annually by Women in Public Policy. The proceeds support students who want to participate in public policy conferences, seminars and internships. – *Mikia Manley*

Director David Pennington and Patrick Sabol, an analyst at the Brookings Institution’s Metropolitan Policy Program.

At the heart of the discussion was a basic question: What makes a good public-private partnership? All three panelists agreed that a project lasting longer than 35 years raises red flags. In addition to the limited lifespan of things like roads and bridges, time can render projects obsolete. “Some of the earliest P3s in the U.S. were for canal systems,” Sabol pointed out. “Guess what? We got trains! I think a lot of investors lost out on those canal investments, because nobody saw the train coming. Literally.”

Sabol suggested that public engagement can build support for even mundane projects. Comparing Chicago’s meter deal to a public water project in Rialto, California, he described how Rialto’s mayor had answered residents’ questions head-on. “I think that’s one of the major complaints with the parking meters,” he said. “I don’t think citizens could feel that billion dollars improving their lives.”

In a question-and-answer session toward the end, the panelists agreed that although P3s currently make up a small sliver of public projects, their rising prominence means that the need for policy experts who understand them will also rise. “Harris students, and particularly those pursuing the Certificate in Municipal Finance, are well equipped to help shape the future of these kinds of partnerships and ensure that citizens are their true beneficiaries,” says Senior Lecturer Paula Worthington, who helped organize the panel. – *Josh Fox*



NATIONAL CAPITAL

University Professor James Robinson on the institutions that determine whether countries prosper or collapse.

By Michael Blanding Photography by Michael Prince

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arkets and States in Tropical Africa isn't the kind of title that jumps off the shelf. But it caught James Robinson's attention one day as he roamed the stacks at the Yale University library. Written by Harvard political scientist Robert Bates, it detailed first-

hand research on how the politics of different African countries affected their agricultural yields. With the discovery of this book, Robinson had finally found the first clues to help answer the question that would consume his research for the next two decades: why are some countries rich and others aren't?

Pulling books from shelves at random had been a habit of Robinson's ever since he was young. His father was an electrical engineer who traveled the world installing telecommunications systems, and the family had followed him to the Caribbean and Africa. Books on Africa lined the shelves of his childhood home, and Robinson read them voraciously. He taught himself economics from a textbook he snagged from his high school library in Kenilworth, England, and went on to study economics at the London School of Economics and the University of Warwick before coming to Yale to pursue a PhD.

By this point in his studies, he'd become frustrated by the field. "The more I learned about it, the more there was this enormous disjunction between my impulses of what I thought were the problems in poor countries and what economists said were the problems in poor countries," Robinson recalls. Seated comfortably in his book-lined Harvard office, he has clearly found a home in the highest echelon of academic economics. But he seems to have retained some of that youthful drive to push against orthodoxy. He's wearing black jeans and a black blazer, and his square chin and half-smirk give him a passing resemblance to Christopher Reeve. As he talks he waves his hands animatedly, excited by the ideas that come flowing out of him and fired up at the prospect of new discoveries.

"Why is Sierra Leone poor?" he continues. "For economists, there is only a narrow set of things that count as relevant, and they kind of chuck out vast amounts of stuff about the nature of society and people and institutions. If you live in Africa, you know African society is different from Western society: families are different, politics

is different, the way people relate to each other is different. But all of those things are irrelevant to economists."

That's what made Bates' book so irresistible. "It was what I was missing," he says. "It just coincided much more with what I was incoherently feeling had to be the right way to think about these problems. That book had a huge impact on me."

Since that day, Robinson has made a career of delving into questions mainstream economics has been afraid to touch, drawing seemingly disparate connections and finding answers in places his colleagues would never think to look. The approach has earned him wide acclaim. His bestselling 2012 book, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, co-written by MIT economics professor Daron Acemoglu, sits on a small shelf of titles that are both academically erudite and wildly popular. He lectures around the globe and has taught at some of the nation's most prestigious schools, including the University of Southern California, UC Berkeley and, since 2004, Harvard University.

All of which is to say, the February 3 announcement that Robinson is joining the Chicago Harris faculty was greeted with immense enthusiasm at the school. His appointment as University Professor is effective July 1, and he will be in residence beginning next January.

"The balance you always have to get right is between rigor and relevance," says Chicago Harris Dean Daniel Diermeier. "We believe the best guide for public policy is rigorous analysis, but it has to be founded within the particular domain in which you are operating. What's really special about Jim's work is it combines the methodological rigor of game theory and statistical analysis, but it's grounded in a deep understanding of historical and political context. That's a very powerful combination."

A conversation with Robinson is a wild ride through history and geography, cruising easily between contemporary Africa, Stuart England and Soviet Russia, frequently with visual aids grabbed from the shelves. "Actually, I can see it behind your head," he says suddenly at one point, swiveling his chair to reach for a book on the Congo from the 1970s.

"From the time I met him, he has had an encyclopedic memory of history," says Canice Prendergast, the W. Allen Wallis Professor

of Economics at Chicago Booth, who was in the same class with Robinson at Yale. "He remains extremely well read compared to most of our peers." And yet, he adds, Robinson does not come across as overly bookish or conceited. At Yale, he organized a study group with fellow students, and was just as comfortable talking at a pub or a party with glass in hand. "He has a very British sense of self-deprecation that is very appealing," Prendergast says. "There is this generosity about him; he is not a competitive guy."

"Jim is a true scholar in the sense that he is just really interested in understanding how the world works," says Nathan Nunn, a Harvard economics professor who is co-teaching a course with Robinson on cultural evolution. "Economists don't tend to be that broad. They stick to statistics and models they know."

It's not that economics is necessarily insular, Acemoglu says, but rather that specialization is the consequence of being at the top of your field in any subject. "If you are going to do game theory at a level that is going to make you faculty at Harvard or Chicago or MIT, you need to know the literature and be technically very strong - those take big investments of time," he says. "It takes exceptional talent and vision to pull off the polymath kind of thing, to have a firm basis in economics and build the same within political science, and be informed and well read on the history of dozens of countries. That is a rare trait. You don't see that often."

Robinson met Acemoglu while he was studying at Yale in 1992. When he gave a talk at his alma mater, the London School of Economics, Acemoglu was sitting in the front row. Afterward, Robinson went out to dinner at an Indian restaurant in Covent Garden with several professors and students. On the way Acemoglu struck up a chat, asking if Robinson had read a paper about England's Glorious Revolution in 1688 - the moment when England passed its Bill of Rights and became a constitutional monarchy.

The two were engrossed in the topic throughout the meal, and they continued their discussion remotely after Robinson took a

position at the University of Melbourne in Australia and Acemoglu went to MIT. It became clear in subsequent meetings that they were kindred spirits in looking beyond statistical models and demand curves toward a more inclusive view of economics. They began collaborating on papers, eventually culminating in *Economic Origins of Dictatorship and Democracy*, published by Cambridge University Press in 2006.

Before that book was even published, Robinson and Acemoglu had started on their next book, which they conceived of as an explanation of the global roots of poverty. Working on it for a year together, however, the pair became increasingly frustrated by the constraints of writing for an academic audience. "The problem isn't that academics are thinking about these problems incorrectly," says Acemoglu. "The problems are that policymakers are thinking about these things incorrectly. The majority of things written in *The New York Times* or *The Washington Post* about economic development are just wrong."

In fact, Robinson adds, the problem is that most policymakers aren't thinking about the origins of policy at all. Focused on developing solutions, they ignore the root causes of why countries are unequal. "The typical economist approach to policy is that the politicians are well meaning but don't know what to do, so we are in the business of inventing cleverer things for them to do," he says.

Trying to implement those solutions without understanding history and culture is a fool's errand, he argues. "Politicians might be doing some policy that is not so good for the economy, but maybe there is a systemic reason why they are doing it," he says. "Just explaining that a policy is not good is not going to get you anywhere." With this shared perspective, Robinson and Acemoglu set out to write a more popular book that would address the issue primarily through stories and anecdotes. They began test-driving examples through an economic history course Robinson was teaching at Harvard - and synthesized them in *Why Nations Fail*.



PHOTOGRAPH COURTESY OF JAMES ROBINSON

James Robinson and a court messenger from the Kuba Kingdom in Mushenge, the Democratic Republic of the Congo, June 2013

Written in a smart but readable style, *Why Nations Fail* drew inspiration from a wide range of disciplines, including economics, political science, history, sociology, anthropology and psychology. “Every academic discipline has this idea about what’s interesting and what’s not, and I never got that,” says Robinson. “Sometimes the most inspiring things are written by people who are just not thinking about the same questions as you are – so it’s completely fresh.”

The book begins with a compelling example of economic inequality: the city of Nogales – one half of which is in Arizona, the other half in the Mexican state of Sonora. Nogales was arbitrarily divided after the Mexican-American War, and on either side of the fence the fortunes of the population couldn’t be more different. People on the U.S. side have relatively high median income,

graduation rates, health outcomes and life expectancy; figures for those on the Mexican side are much lower across the board.

Robinson and Acemoglu use the example of Nogales to challenge long-held beliefs about the origins of poverty. “I think it is sort of ridiculous to say there is some geographical or ecological reason why the United States ended up rich and Mexico didn’t,” says Robinson. After all, here are two groups of people living in the same location, even descended from the same culture, with very different economic fortunes. So what gives?

Why Nations Fail provides a one-word answer: institutions. It’s not the sexiest explanation, to be sure. But in the authors’ hands, the theory achieves a rich vastness of scope. From Nogales, they spool backward hundreds of years to the Spanish conquest of Latin America and the English colonization of Jamestown to show how the two societies grew up in dramatically different ways.

South of the border, the Spanish set up systems of plantations that institutionalized the exploitation of the native classes for the enrichment of a small group of elite colonial governors. In the English colonies, by contrast, a lack of gold and large populations of native workers led to a more democratic framework in which the colonists were forced to work the land – as typified by Captain John Smith’s famous dictum, “Those who don’t work, don’t eat.”

Robinson and Acemoglu coin names for these two types of institutions – “extractive” and “inclusive” – and show that a country’s position on this continuum affects its ability to generate wealth and prosperity. “It’s the sheer outcome of the historical process of institution building, which had all sorts of idiosyncratic features, that led to these differences,” says Robinson.

The authors focus on these small features to show how they had outsized influence over time. In the nineteenth century, for example, the United States became the richest country in the world – in part, says Robinson, because of its inclusive patent system. “It’s all about incentives,” he says. “Anyone could pay the same fee to get a patent on an idea, and the state would protect it.” At the same time, other institutional features – such as property rights, opportunities to invest and a consistent rule of law – created a level playing field. “Emphasis on inclusion drives economic growth, innovation and technological change,” he adds.

By contrast, “extractive” institutions only benefit a small percentage of citizens, as is frequently the case in countries ruled by an elite that – through concentrated ownership or corruption – funnels most of the wealth into the hands of the few. In Robinson and Acemoglu’s account, it’s possible for extractive institutions to promote growth for a limited period of time, provided there is a strong enough central state (think of the Soviet Union under Stalin or modern-day China). But the lack of political underpinnings for broad economic participation always eventually leads to collapse.

In support of their theory, the authors marshal an impressive array of examples that span both geography and history, which Acemoglu freely attributes to Robinson’s polymathic brain. “He knows the history of pretty much every country better than I do,” says Acemoglu. “And it also helps that he is an incredibly decent and likable person, who has so many good friends around the world. If I say we should find out about the nineteenth-century history of Egypt, he will say, ‘Let me call my friend Omar and ask what the good sources are on that.’”

Much of their thesis swirls around the dramatic changes in institutions that occurred in Europe as a consequence of the Glorious Revolution of 1688 – the (relatively) bloodless coup that transferred power from the extractive Stuart dynasty to the more inclusive regime of William and Mary, setting the stage for the industrial revolution a century later. But their version of history isn’t one in which England, the United States or any other country is preordained for power. Rather, it turns on small moments they call “critical junctures” during which the scale could have tilted either way.

“If you live in Africa, you know African society is different from Western society: families are different, politics is different, the way people relate to each other is different. But all of those things are irrelevant to economists.” James Robinson

“Institutions in any society can go off the rails,” Robinson says. “It could have happened in the U.S. at the end of the Civil War, or in the 1880s. Or in the 1930s – what would have happened if Roosevelt had been able to pack the Supreme Court and turned them into a bunch of lackeys? That would have taken away a big pillar of constraints on the abuse of political power.” In general, however, Robinson is bullish on the United States, despite evidence in recent years of increasing inequality and politics driven by campaign contributions by the rich.

“People criticize the book for being too positive about the U.S., but that’s because if you spend all of your summers in Colombia or the Congo or Haiti, and you come back to the U.S., everything seems so functional,” Robinson argues. “I understand there are a lot of special interests getting favors in the political system, but if I just look at the economy, I don’t see this more extractive political system.”

Other critics have called the book too simplistic. Political scientist Francis Fukuyama (who famously labeled the post-Cold War era “the end of history”) described the terms “inclusive” and “extractive” as too imprecise to be measured. Jared Diamond, a good friend and colleague of Robinson’s and the author of the hugely ambitious book *Guns, Germs, and Steel*, took issue with the authors’ dismissal of factors he considers crucial to understanding national trajectories. Diamond allowed that institutions might help explain national differences in prosperity, but he argued that they are not the “overwhelming determinants,” citing other climate and geographical factors that burden tropical countries with disease and poor agricultural yields.

Perhaps the harshest criticism came from former Microsoft chairman Bill Gates, who called the book “vague and simplistic” and a “major disappointment.” Robinson and Acemoglu responded with a scathing article in *Foreign Policy* that took Gates to task for historical inaccuracies and questioned whether he’d even read the book.

It’s not surprising that Gates, whose philanthropic foundation has poured billions of dollars into developmental aid in Africa, would slam the book, Robinson says. “Bill Gates has this view of the world that poverty is just waiting for clever ideas and lots of money, and that will solve all of the problems,” Robinson says. It’s precisely that kind of viewpoint, he believes, that has led to decades of failed efforts by rich countries to help poor ones. Because political elites actually benefit from extractive policies, they have little incentive to change them – making any aid or development initiative they might consider just another opportunity to capture more wealth. It’s only when leaders voluntarily agree to make institutions more

inclusive that true prosperity can emerge. “From my perspective, this is not about coming up with some better policy,” Robinson says. “You have to change the political and institutional equilibrium, and that is not easy to do.”

Robinson’s current work is helping him gain more insight into how those transformations take place. He and Nathan Nunn are conducting field research in the Democratic Republic of the Congo (DRC), where they’re looking at the impact of culture on institutions. “What makes successful societies is something deeper and more fundamental than education or health or machines to make capital,” says Nunn. “We are still trying to understand how culture responds to institutions, or whether it goes the other way, that people’s cultural beliefs influence the institutions they create.”

Nunn and Robinson hypothesized that good institutions help establish cultural norms that take on a life of their own as they are internalized over successive generations. To test that supposition, they played behavioral economic games with two tribes: one the descendant of the Kuba Kingdom, which had strong institutions; the other a loose network of decentralized villages. In doing so, they found the decentralized tribes were less likely to cheat – exactly the opposite of what they predicted.

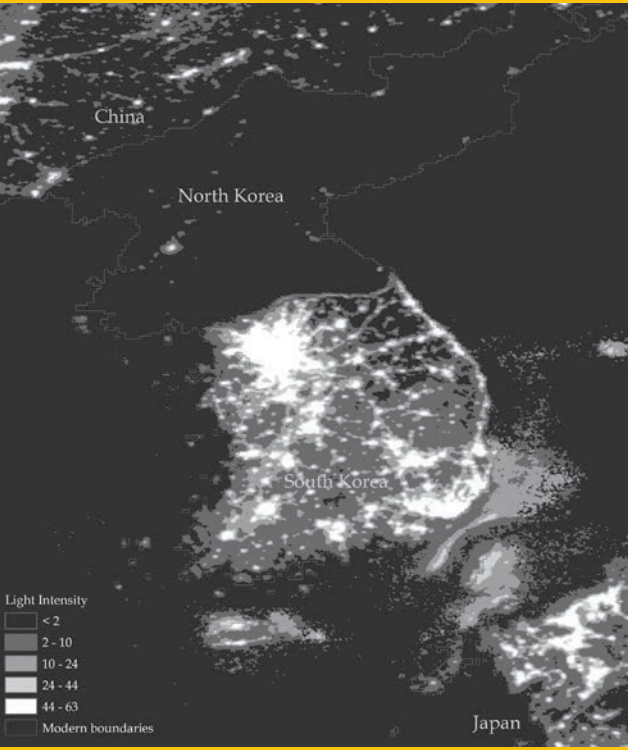
“It’s possible that formal rules and motivations can crowd out intrinsic motivations, while the people living in the small villages who determine everything by consensus are the ones who have internalized these values,” speculates Nunn. Robinson and Nunn will travel back to the DRC this summer to further test this hypothesis. The work could also feed into a new book project Robinson and Acemoglu have begun discussing that would explore the impact of state creation on economic effectiveness.

Robinson hopes that by coming to Chicago Harris and joining a culture that champions such deep inquiry and interdisciplinary scholarship, he will be able to strengthen the impact of his work and perhaps even institutionalize the kind of research he’s been focused on for the past few decades.

True to form, he is also looking forward to the serendipity that comes with new places, new colleagues and new books on the shelves. “Who knows what will happen?” he says with a smile. “When you get into a new place with new people, you start talking about new ideas.” ■

Michael Blanding is a senior fellow at the Schuster Institute for Investigative Journalism at Brandeis University and a staff writer at Harvard Business School. He writes for numerous publications and is the author, most recently, of *The Map Thief* (Gotham Books, 2014).

LIKE NIGHT AND DAY



Lights in South Korea and darkness in the North

This satellite image, depicting the intensity of light on the Korean Peninsula, illustrates the enormous economic differences between the countries separated by the 38th Parallel. In North Korea, where electricity is scarce, nighttime is nearly pitch-black. In South Korea, particularly around Seoul, social life carries on well after dark. As James Robinson and Daron Acemoglu point out in *Why Nations Fail*, a similar gap can be seen in other important measures, including living standards, life expectancy and economic growth. “These striking differences are not ancient,” the authors note, nor can they be explained by cultural differences, geography or knowledge gaps. Rather, they are the result of very different economic and political institutions that were developed after the countries divided following World War II. The contrast illustrates a central point of the book: “Countries differ in their economic success because of their different institutions, the rules influencing how the economy works, and the incentives that motivate people.”

Alumni Forum on International Trade

On April 16, congressional leaders introduced a bill granting the White House “fast-track authority” to negotiate a historic trade deal between the United States and 11 Pacific Rim nations. The bill, a rare bipartisan compromise, could smooth passage of the proposed Trans-Pacific Partnership (TPP) by allowing President

Obama to submit the pact for a simple up-or-down vote, insulating it from drawn-out debate over amendments. With parties to the deal representing 40 percent of global GDP and about one-third of world trade, the stakes are remarkably high.

With discussion about this crucial deal heating up, Chicago Harris in-

vited five distinguished alumni with expertise on trade matters to share their perspectives. The forum that follows sheds valuable light on the most important issues to consider when evaluating the TPP and other international agreements, deepening our understanding of trade policy and globalization at a pivotal moment.



MICHAEL QUIGLEY, AM'85

EXPORTING U.S. VALUES

Trade deals can help strengthen global environmental standards.



AS NEGOTIATIONS OVER the Trans-Pacific Partnership (TPP) free trade agreement are being finalized, it's important to remember that modern trade negotiations are as much about exporting U.S. products as they are about exporting U.S. standards for labor and the environment. Trade agreements can have enormous consequences on the environment, but if done right, they

can present the United States with a unique opportunity to significantly raise environmental standards around the world and shape global environmental policy for years to come.

That's why it's crucial that the U.S. lead the effort to establish robust environmental standards in the Asia-Pacific region. Other countries with long records of environmental abuse, like China, are

negotiating their own trade agreements in the region, and if the U.S. isn't writing the rules for global trade, China will. Without U.S. leadership in the region, we will likely see irreversible damage to our environment and American workers placed at an even greater disadvantage. Therefore, it is imperative that U.S. trade negotiators continue to lead on TPP and pursue environmental standards that are strong, binding and fully enforceable.

At a minimum, this means we should pursue a level of environmental protection that is consistent with the bipartisan May 10, 2007, trade framework. The May 10th Agreement represents trade principles agreed upon by Congress and the George W. Bush administration before passage of the Colombia, Panama, Peru and South Korea free trade agreements. These principles required the trade agreements to adhere to seven major multilateral environmental agreements (MEA) to which the United States was already a party. The MEAs tackle a number of environmental challenges ranging from the protection of endangered species and marine wildlife to the reduction of ozone-depleting substances.

Although the May 10th Agreement serves as an adequate baseline for negotiations, future trade agreements should build on the agreement and commit our trading partners to additional standards that address emerging environmental issues. TPP gives us the chance to require new conservation and fisheries provisions that go beyond current international agreements. It should also include new robust standards to combat wildlife trafficking and illegal logging.



SUSAN WIDMER, MPP'93

BUSINESS WITHOUT BORDERS

U.S. companies seeking markets overseas have huge growth potential.



EXPORTS HAVE BEEN a key driver in our economic comeback since the financial crisis took hold in 2009. U.S. exports hit a record \$2.35 trillion in 2014, \$762 billion above their level in 2009. The United States has posted five consecutive years of record exports, at a cumulative growth rate of 37.2 percent compared to 33.2 percent globally, and 23.4 percent across the world's advanced economies.

U.S. exporters are in places you might not expect to find them, like at our alma mater. Foreign students studying in the United States make up one of the largest services export categories, contributing more than \$27 billion to the economy in 2013-14.

Finally, while essential, establishing high environmental standards is not enough. We must learn from the mistakes made in NAFTA. Environmental standards should be subject to the full scope of enforcement mechanisms and placed on equal footing with commercial violations. If consultation and other avenues fail, then violations should be handled through the same dispute settlement procedures that apply to the other provisions in the trade agreement.

At their best, our trade agreements are an opportunity to level the playing field for American workers and broaden our environmental protection efforts. But if one of our trading partners fails to live up to its commitments, the United States should have the ability to hold it accountable.

Many Americans have expressed concern that entering into new trade agreements will hurt small businesses and middle-class families and put us in direct competition with countries that have poor environmental standards. These concerns are understandable. But by making strong, enforceable environmental protections the foundation of our trade agreements, we can raise environmental standards around the globe, giving us the ability to address global environmental problems like climate change while ensuring American workers and businesses are competing on a fair and level playing field.

Michael Quigley, AM'85, is the U.S. Representative for Illinois' 5th congressional district.

A number of federal organizations contribute to fulfilling the U.S. export strategy, with responsibilities ranging from negotiating trade treaties to financing export sales. Among these is federal support provided to U.S. exporters, including export promotion, education and advocacy.

This area of services is administered uniquely by the International Trade Administration (often referred to as the U.S. Commercial Service), a division of the Department of Commerce. With staff located both domestically and internationally (there are more than 100 domestic offices and locations in over 70 countries), the organization brings breadth and expertise to its U.S. client base, helping companies to grow export sales volumes. To do that, the Commercial Service offers specific services to U.S. clients, addressing needs related to documentation, costs, market research, local competition and introductions to potential buyers. Our website, www.export.gov, provides a variety of information for businesses, ranging from the basics of exporting to detailed market intelligence, trade/economic data, required documentation, logistics process and information about getting paid.

With only 1 percent of the roughly 30 million U.S. companies currently exporting, and 95 percent of the world's customers outside the U.S., the potential for growth is high. The Commercial Service actively recruits and helps organize matchmaking meetings and market briefs both at domestic and overseas trade shows and missions, focusing largely on assisting small and medium-sized U.S. companies, where the need for basic guidance is often more pronounced.

Exporting benefits a company by maintaining competitiveness. There is abundant evidence that international diversification has helped U.S. exporters weather economic downturns better than domestically oriented competitors. When it comes to developing sales strategies, the biggest risk is often the failure to consider the marketplace beyond U.S. borders.

Having a plan and committing enough resources to expansion is essential for a company's international success. Making it happen successfully requires understanding the foreign market, understanding which rules and regulations apply, and having a strategy for contacting and communicating with local businesses in-country. Thankfully, U.S. businesses venturing into foreign markets don't have to do it alone.

When it comes to encouraging new opportunities, new customers and new avenues of growth, my colleagues and I at the Commercial Service find truth in the old laugh-line: we're from the government, and we are here to help.

Susan Widmer, MPP'93, is the director of the Northern New Jersey Export Assistance Center in the U.S. Department of Commerce.



JOHN LIUZZI, MPP'01

HONORING COMMITMENTS

To ensure fairness, trade deals must be properly monitored and enforced.



IN FOREIGN POLICY news, trade agreements tend to be an infrequent but cyclical item, popping up when the U.S. government starts or finishes negotiating new ones. Right now, the Trans-Pacific Partnership and Trans-Atlantic Trade and Investment Partnership negotiations are taking up much of that bandwidth. But I'm

always somewhat surprised by how little attention is given to the existing agreements the United States has - how they function, what they mean for U.S. firms and what the U.S. government does when problems arise.

Trade agreements represent a fascinating application of public policy; that's one of the reasons I chose a career in this area after graduating from Chicago Harris in 2001. While trade itself is primarily a matter of economics, the agreements that govern it add a distinct public policy character.

The United States is party to many trade agreements, from the multilateral pacts of the World Trade Organization, to the regional Central American Free Trade Agreement, to bilaterals like the recent U.S.-Korea agreement. But all of them share certain traits. To grossly (but usefully) simplify, they provide U.S. exporters and investors with guarantees of access to foreign markets, fair treatment in those markets, and transparency and predictability in matters related to commerce. I think of them as replicating the U.S. marketplace in countries abroad, offering the same careful balance of regulation with openness and opportunity.

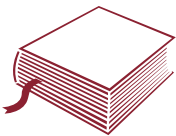
But just like in the United States, where authorities need to enforce the rules of the marketplace in order to ensure fairness, trade agreements need to be monitored and problems need to be addressed. Opaque rules, unnecessarily burdensome processes or requirements and flat-out discrimination are just some of the problems that can indicate trade agreement noncompliance. However, one factor makes solving problems in trade agreements rather complicated: each partner government has the authority to enforce compliance.

When foreign governments aren't honoring their commitments, the U.S. government first engages them to fix the problem by voluntarily bringing their behavior back into line with the agreement's obligations. That way, the commitments of the trade relationship are upheld, and trade continues to flow. But if the United States can't achieve compliance, then it can use the agreement's dispute settlement provisions to demand its rights. Dispute settlement is similar to going to court in the everyday world - it demands lots of lawyers, time and resources, and should be considered a last resort. Fortunately, most issues never reach that stage, as it's in both countries' interest to resolve the problem in a quick, low-profile manner.

The public policy angles here are manifest. Policymakers must balance the interests of the various industry and state actors involved, the connections between micro- and macro-level concerns and the operations of the World Trade Organization, to name a few factors. They can also prove complex at times, and far better minds than mine have spent careers grappling with their nuances. So I keep it simple, and frame my thinking in terms of a basic question: Is the (international) market working? Are trade agreements being honored, delivering their full benefits to U.S. exporters and investors?

With most of the world's consumers outside the United States, it's vital to our economy that our industry is able to access those markets. That's my career. But, as for any University of Chicago graduate, I always keep the big picture in mind. I think it can be fairly said that commitment to the health of the architecture of the global system is a strong feature of post-World War II U.S. foreign policy. It's thrilling to be part of that undertaking in a small way, even if it doesn't make the news.

John Liuzzi, MPP'01, is acting director for trade agreements negotiations and compliance at the U.S. Department of Commerce's International Trade Administration. These are solely the views of the author and are not necessarily those of the U.S. Government.



BARBARA KOREMENOS, MPP'93

THE COOPERATIVE IMPULSE

Trade agreement designs may vary, but they all follow a common logic.



INTERNATIONAL COOPERATION is challenging. Even though there are tremendous advantages to resolving differences peacefully and countless opportunities for realizing joint gains through cooperation, many states do not trust one another. Some fear their potential partners might cheat, and others worry about unpredictable shocks in the international environment that might alter their basic interests in cooperation.

Given these harsh political realities, one might jump to the conclusion, as some scholars and policymakers do, that international cooperation is shallow and fragile. Quite the contrary: cooperation is not only possible, but often consequential. Scholars investigating the viability of international agreements in various cases have demonstrated that international law can help states avoid conflict and cooperate for mutual benefit. Through my own work with the Continent of International Law (COIL) research program - in which I developed a dataset featuring a random sample of international agreements to test a range of hypotheses - I found a strong underlying common logic to the way states design international agreements that transcends substantive issue area. While choosing

the correct substantive provisions obviously matters greatly to the success of any cooperative agreement, I argue that design and procedural provisions matter, too.

When chosen correctly, the detailed institutional design provisions of international law help states confront problems of distribution, enforcement, commitment and various kinds of uncertainties, and thereby increase the incidence and robustness of international cooperation. In fact, even though international law exists under anarchy, it is for the most part designed rationally - in ways that make sense only if actors are seeking to solve their joint problems and to stabilize the solutions. Those negotiating do not neglect the details as they would if the law did not matter in their calculus. Nor do they simply follow a template because it is the "correct" way to make law or because they are copying without thinking. Negotiators meticulously tailor the law to their cooperation problems.

Just what kinds of design provisions are used to solve problems? Drawing on game theory and contract theory in economics, I have developed hypotheses about flexibility provisions, monitoring, dispute resolution, punishment provisions and even voting rules. Consider the first: flexibility provisions. In making the case for diplomacy over international law, George Kennan once stated, "Law is too abstract, too inflexible, too hard to adjust to the demands of the unpredictable and the unexpected." But as the COIL data show-case, the large majority of international agreements feature some kind of flexibility to adjust to the "unexpected," even though the specific kind of flexibility employed will vary according to the underlying problems being solved.

Trade agreements are no exception. In fact, trade agreements are particularly likely to have finite durations so that they can be renegotiated in response to changes in the international environment. Trade agreements, like those governing commodities, tend to be significantly longer than monetary agreements governing exchange rates. Why? The shocks to commodity agreements take longer to manifest than those in the frenzied world of international finance. Both types of agreements stand in sharp contrast to human rights agreements, which tend to be of indefinite duration and which are rarely changed, or to security or environmental agreements, which stand somewhere in the middle on this dimension.

Trade agreements are relatively more likely than other types of agreements to include escape clauses. Unlike renegotiation agreements, escape clauses do not allow adjustment of the agreement; rather, they allow states to temporarily escape cooperation and then return to an unadjusted agreement. Escape clauses are usually conceived of as responses to domestic or exogenous shocks that make these terms politically difficult. The design of these escape clauses differs significantly and in a way that can be explained by the underlying problems they are trying to solve.

Similarly, design provisions for monitoring vary according to the specific problems being solved. Centralized monitoring is necessary for certain multilateral trade agreements in which cheating would be hard to detect without it. But some bilateral trade agreements govern action that is so transparent that countries can just depend on simple reciprocity.

It is important to note that not all trade agreements are designed the same way, though they follow a common logic. The COIL research program gives scholars and policymakers a set of variables to consider when choosing the design provisions that will most likely increase the likelihood and stability of cooperation in any given situation.

Barbara Koremenos, MPP'93, is an associate professor in the Department of Political Science at the University of Michigan. Her book, The Continent of International Law: Explaining Agreement Design, is forthcoming from Cambridge University Press.



CHRISTOPHER MARTIN, MPP'06

WHO CONTROLS THE WEB?

The debate over Internet governance will affect trade in substantial ways.



IT MIGHT BE said that international trade represents not only the exchange of goods and services, but also the exchange of ideas. In this vein, the Internet has emerged over the past 25 years as the greatest marketplace for ideas the world has ever known. While it is a critical space for trade in tangible products, the Internet also plays a key role as a platform for the exchange of ideas, information, concepts and norms. It's no wonder, then, that a fight over Internet governance is underway.

In December, the United Nations General Assembly will hold a high-level meeting that may help shape how the Internet is governed and regulated at the global level. The meeting's mandate is to review the past ten years of activities since the 2005 World Summit on the Information Society (WSIS), where UN member states signed a global agreement called the Tunis Agenda. This agreement laid out "action lines" describing ways that technology can assist in international development, and ambiguously defined the roles for nation states, the private sector, the technical community and civil society in Internet governance. While the agreement solidified the concept of "multistakeholder governance," some governments have been actively seeking to strengthen the government role in controlling the Internet. This issue will be hotly debated in advance of and at the December meeting.

Russia, China and Saudi Arabia have been the most proactive in seeking a greater state role. Especially unnerving to such regimes is the way that Internet platforms could serve to foment domestic dissent as they did during the Arab Spring. These states are joined by a much broader group of countries that fear an unbridled Internet, with concerns ranging from lax cybersecurity to child exploitation to contentious online content like cartoons of the Prophet Muhammad. The June 2013 disclosures by Edward Snowden of extensive U.S. surveillance activities seemed to confirm long-simmering fears about online privacy and the power of the U.S. government and industry over the Internet.

In response to these fears and to pre-empt any attempts to drastically tilt Internet governance toward state control, the Obama administration indicated in March 2014 its intention to hand over control of the Internet Assigned Numbers Authority (IANA), a largely clerical but symbolically important function whereby the U.S. government has final say over changes to the Internet's root zone that matches domain names with IP numbers. Proposals for what entity assumes these responsibilities are currently being considered. The transition, which is supposed to occur in September, will likely be delayed due to the complicated nature of the system and the political sensitivities involved.

Who controls the Internet matters in untold ways, but the impact on trade will be substantial. A good example of how these tensions between stakeholders are playing out can be found in the trade of domain names at ICANN, the organization that manages the Internet's domain name system. ICANN is moving ahead with approving and introducing new top-level domains like .eco and .gay. Amazon, the Seattle-based company, has applied to become the registry for .amazon; the Brazilian government has objected and has pressured other governments to join its protest. Where Amazon sees a need to protect and promote its trademark, Brazil sees an obligation to protect and promote the name of an important geographic asset. French government officials are also up in arms about the allocation of .wine, which they see as a threat to longstanding protections for the names of French vintners.

The extent of government control and regulation on the Internet influences other debates around the appropriate role of governments in structuring their regulatory systems for technology products and services. A number of governments have either enacted or are considering provisions to require data on their citizens be held on computers within their countries' geographic boundaries, a concept known as "data localization." Whether these policies stem from purely mercantilist ambition to enhance local technology industries or from a genuine concern about data security and privacy, they can be viewed as a new non-tariff barrier (NTB), especially since they could upend the entire business model of cloud computing. In a more traditional NTB of import substitution, the governments of India and Indonesia are establishing policies to require technology products like smartphones to be sourced from certain percentages of local parts and labor. The implementation of such rules will drastically shift how technology products and services evolve, with significant trade and economic implications.

More than anything, the UN meeting will refine the concept of multistakeholder Internet governance, clarifying where and how stakeholders should lead and control. There are indeed areas where states must be deeply involved, such as cybercrime and taxation. But there are legitimate fears about the politicization of the technical processes that have so far successfully shepherded the Internet. Some worry that the distributed set of institutions through which the Internet is currently governed will be replaced by a committee of uninformed bureaucrats. Others question the representativeness of the private sector, civil society and other influential groups.

The WSIS review presents an important inflection point in the ongoing fight over who controls the Internet. Striking an appropriate balance among stakeholders will be difficult. Key to ensuring a positive outcome will be recognizing government grievances and identifying ways to address them without upending the pillars that have made the Internet an essential medium for trade in information and ideas. A real and global information society demands no less.

Christopher Martin, MPP'06, is a senior manager at Access Partnership, an international government affairs consultancy.

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Up in the Air

Lisa Ellman and the future of domestic drones

BY BRUCE FALCONER

PHOTOGRAPHY BY ELI MEIR KAPLAN

Last November, in an empty gymnasium in Brookline, Massachusetts, Lisa Ellman, MPP/JD'05, was rehearsing for her upcoming TEDx talk on the domestic use of unmanned aerial vehicles (UAVs), more commonly known as drones. Nearby was a small quadcopter, which at Ellman's command was to take flight and attempt to crash into her in a dramatic demonstration of its state-of-the-art collision avoidance software - one of a number of safety features under development that, Ellman says, will soon enable drones to fly among us every day, performing any number of vital tasks. But when Ellman summoned the drone, things didn't go quite as planned. "It came straight at me and was not slowing down!" she recalled later. "I dropped to the ground and screamed, and the operator was like, 'Oh, we forgot to turn on the collision avoidance software!'" Ellman laughs about it now, but the incident serves as a comic illustration of a deadly serious debate: Are drones safe enough to operate domestically? And even if the answer is yes, should they?

For the past several years, Ellman, 37, has been helping to write the rules of the road for drones. The walls and shelves of her K Street office at the Washington, D.C., law firm of McKenna Long & Aldridge are adorned with mementos from the nearly six years she spent working in the Obama administration, where, in 2013, she was tasked with helping the federal government integrate drones into national airspace. Since leaving government last year, she has continued to play an influential role as co-chair of McKenna's Unmanned Aircraft Systems (UAS) Practice Group. The firm represents clients who want to deploy drones domestically, as well as others who are concerned about protecting their privacy from all-seeing eyes hovering above.

Reconciling these opposing impulses - enthusiasm for new technology versus fears about what it might bring - is at the center of Ellman's work. The answer, she says, is to persuade policymakers and innovators to collaborate, protecting the public good while

encouraging technological advance, a concept she calls "polivation." It's a simple idea, perhaps, but a difficult one to implement. As a rule, policy is slow, innovation fast, and meeting the imperatives of both requires patience and finesse. "Innovators get really frustrated with the slow pace of policymaking," Ellman says, "and there's a tendency to want to just move forward and leave government behind.... The key is for innovators to find champions in government and for champions in government to find those innovators and then work together to really move things forward."

Ellman's instinct for policy took hold at an early age. Her father an architect, her mother a schoolteacher, she and her two brothers grew up in the leafy suburbs of Detroit. Her earliest policy document, drafted at age eight, was a Magna Carta for the Ellman household, which levied monetary penalties for, among other things, "hitting, pinching" (20 cents), "name calling" (10 cents) and "wild behavior" (10 cents). But her real political awakening came in high school, when her dad, running for the local school board, appointed her his campaign manager. "I kind of caught the political bug," she remembers, and was soon attending debates and knocking on neighbors' doors.

In 2001, a year after graduating from the University of Michigan, Ellman came to the University of Chicago to study law but soon decided to seek a dual degree from Harris. "I liked law school," she says, "but it felt like we were looking at all these cases and the laws just didn't make any sense. And I thought, why can't we just change the law? So I enrolled in the policy school." (She'll return in June to receive the Rising Star Award at the second annual Chicago Harris Alumni Awards Ceremony and Reception.) Ellman's constitutional law professor was a young state senator named Barack Obama, whose class met at 8:30 a.m., too early for most students. Around the same time, she ran unopposed for president of the Law School Democrats, for which Obama served as the faculty adviser. In 2007, Obama asked his former student and mentee to leave her

“There are already privacy laws and rules in place. The question is, are there gaps such that drones create unique privacy concerns, and if so, how do we fill those gaps?” Lisa Ellman

job at a Chicago law firm and help him run for president. “I thought for sure that I’d be coming back, partly just because what are the chances that someone you know becomes president of the United States?” she recalls. “I just assumed that it was not going to happen. It changed my life completely.”

Drones originated as weapons of war. The basic technology preceded even the Wright brothers: both sides during the American Civil War experimented with dropping bombs from hot-air balloons, and in the 1880s, the first aerial photographs were taken by an Englishman who had attached a camera to a kite. Near the end of World War I, the U.S. Army planned to deploy a fleet of pilotless biplanes that would shed their wings and strike targets with explosives, but the armistice came first. The same principle, however, later achieved deadly effect in the form of Nazi Germany’s V-1 and V-2 rockets. Decades of development, primarily by American and Israeli military technologists, ultimately gave rise to the Predators, Reapers and Global Hawks of today.

But in case you haven’t noticed, drones have already migrated from the battlefield to your local park. Quadcopters, like the four-rotor flying robot that Ellman dodged during her TEDx rehearsal, were the “It” gift last Christmas. Amazon reportedly sells 10,000 of them a month, ranging in price from \$30 to more than \$3,000. Prefer to build one yourself? *Wired*’s Chris Anderson, who co-founded 3D Robotics, a leading recreational drone manufacturer based in San Diego, says that for \$17, you can purchase a microchip that includes an accelerometer, a gyroscope, a magnetometer, a temperature gauge and a microprocessor – virtually everything you’d need for your homegrown drone.

Drones, however, are rapidly outpacing the weekend-flyer crowd. Possible applications for them abound, and not just in the imagination of technology futurists. A diverse group of interests are clamoring for Federal Aviation Administration (FAA) approval to

fly drones in the United States for a variety of purposes: inspecting pipelines and the undersides of oil platforms for energy companies; spraying crops and monitoring growth for farmers; assisting journalists with reporting; capturing unusual perspectives for filmmakers; helping high-end real estate agents to sell luxury properties; and dropping off packages for companies like Amazon and Google (drones delivering drones!).

Together, these potential uses point to the birth of a multibillion-dollar industry. In March 2013, the Association for Unmanned Vehicle Systems International predicted that the domestic drone market will be valued at more than \$82.1 billion by 2025. Further, drones will have created at least 100,000 new jobs, many of them in the manufacturing sector, which will employ college graduates with technical know-how at relatively high salaries. Meanwhile, an estimated \$482 million in taxes will flow into state coffers.

All that stands in the way is federal law. Commercial drone flights remain illegal without special permission from the FAA. “If I use a drone in a park and take a picture of myself, and I post it on Facebook, that’s totally OK,” Ellman explains. “But if I want to sell that photo for \$10 because it’s just such a great picture, then it was an illegal flight.” As developments in drone technology have accelerated, so too have efforts by industry lobbyists to change the law. According to OpenSecrets.org, which tracks the influence of Washington lobbyists, spending by groups pushing for drone legalization has exploded from \$35 million in 2011 to \$184 million last year. Recreational drones are already subject to the same restrictions that have governed model airplanes since the 1980s – remain below 400 feet, don’t fly in public areas and stay at least five miles away from airports. But commercial drones pose different risks and will therefore require a new set of regulations. “They have been begging for rules!” says Melissa Rudinger, vice president for government affairs at the Aircraft Owners and Pilots Association. “I’ve been a lobbyist for aviation for more than 20 years, and I’ve never seen an industry lobby to be regulated the way they have.... They don’t want to see a bad accident taint their industry just as it’s getting off the ground.”

Before Ellman left the White House, the FAA wrote the proposed rules for the integration into national airspace of drones weighing 55 pounds or less – they were released for public comment this past February. (A separate set of rules for large drones is also in the works.) The FAA would limit small drones to daytime flights at an altitude of 500 feet or less and a maximum speed of 100 miles per hour. Operators would have to be at least 17 years old; they would also have to pass a written exam every two years and pay a \$200 registration fee. Even more significantly for potential commercial users like Amazon, drones would be prohibited from flying near people not directly related to their operation and would have to remain within the operator’s line of sight. Ellman expects these last two limitations to ease over time, but for now, at least, Amazon’s envisioned fleet of autonomous delivery drones has been grounded.

American skies play host to some 70,000 flights every day, and already reports of encounters between drones and commercial aircraft have risen dramatically. According to a June 2014 report in *The Washington Post*, drones came dangerously close to passenger planes on at least 15 occasions in the past two years, with several pilots sighting them at altitudes in excess of 5,000 feet. Adam Gibson of Venice Beach, California-based Ctrl.Me Robotics, which trains drone operators, chalks these incidents up to human error. In all likelihood, these are cases in which operators failed to calibrate their equipment correctly, he says, and had “something that just flew away from them.” You need look no further than the numerous drone-crash compilations on YouTube for visual confirmation of the ineptitude of many amateur drone operators. Quadcopters don’t weigh very much and carry no combustible fuel, so crashes rarely amount to more than simple embarrassment. But a collision with a piloted aircraft at altitude could be a much more serious matter. “If it goes through an engine or a windshield, you have the potential for major damage and the potential for fatalities,” says Rudinger. “We are very concerned. We don’t want rogue operators out there who haven’t taken the time to go and educate themselves, and who are willing to flaunt the rules.”

Also concerned are privacy advocates, who take a grim view of the world that the widespread presence of drones could inaugurate. After all, the risks drones pose to physical safety are roughly equivalent to those of model airplanes – not a particularly controversial technology. The difference lies in how drones are used. Already, according to the Electronic Privacy Information Center (EPIC), drones are being outfitted with cameras, thermal imaging, license plate readers and laser radar – and facial recognition and biometric tracking based on height, gender and skin color may be just around the corner. Combine these capabilities with the abundance of low-cost drones available online, and you have what some privacy groups see as the beginning of an era of unprecedented intrusion into our personal lives. “There are no longer the economic and technical barriers to aerial surveillance that there once were, making the prospect of constant aerial surveillance of the public possible,” says EPIC’s Jeramie Scott. “The implications for the use of drones in the national airspace with respect to privacy are pretty clear, raising the risk to privacy in a way that clearly needs to be addressed.”

Despite pressure from privacy groups, the FAA has so far declined to incorporate their concerns into its proposed drone regulations. “There are federal, state and common law protections for individual privacy” already on the books, says an FAA spokesperson, and “those laws may provide recourse for a person whose privacy may be affected.” But such assurances fail to appease groups like EPIC, which continues to push for privacy rules specifically designed for the use of drones.

As with aviation safety, Ellman has played an integral role in the privacy debate. While working in the Obama administration, she

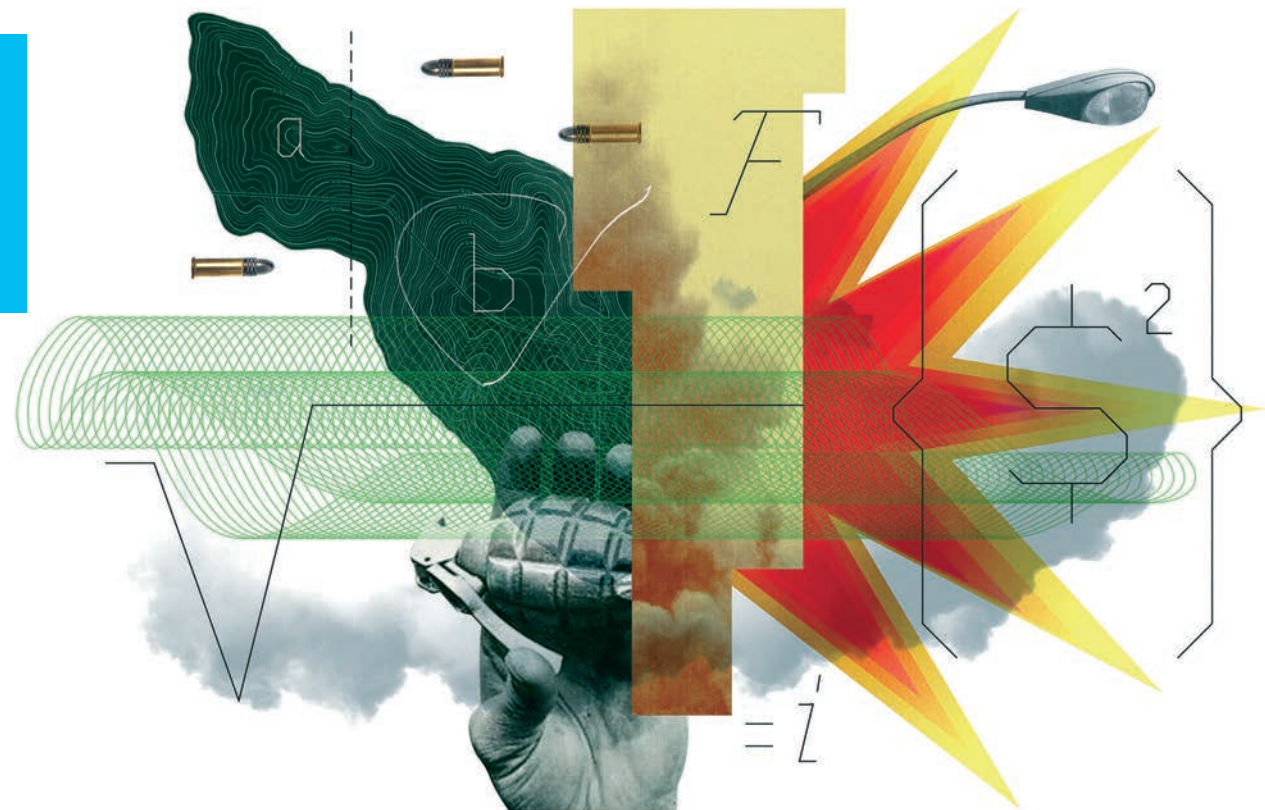


President Barack Obama talks with White House adviser Lisa Ellman in the Oval Office, July 18, 2014.

helped draft a presidential memorandum, released along with the FAA’s proposed rules in February, that directly addresses privacy concerns. It requires federal agencies to make public their drone-use policies and to disclose how those drones have been deployed and what steps have been taken to safeguard the information they obtained. In addition, the memorandum mandates the establishment of a “multi-stakeholder engagement process” that will bring together representatives from government and private industry to come up with voluntary guidelines for the protection of privacy – Ellman’s “polivation” in action. “There are already privacy laws and rules in place,” she says. “The question is, are there gaps such that drones create unique privacy concerns, and if so, how do we fill those gaps? That will be the conversation.”

What the end result may be is anyone’s guess, but whatever happens, bet on Ellman playing a significant role. It may be several years before the FAA approves the commercial use of small drones, and perhaps a decade or more before large drones begin operating domestically. But make no mistake, drones are here to stay, and the question of how to integrate them into our skies and into our lives is one that will require careful consideration. “I think I will be working in this area for a long time,” Ellman says. “This is a hugely growing industry, and we’ve just hit the tip of the iceberg in terms of seeing what the capabilities of drones are.... There’s a use for them in pretty much every industry.” ■

Bruce Falconer is the senior editor at *The American Scholar*. He has written for numerous publications, including *The Atlantic Monthly*, *Mother Jones*, *Pacific Standard* and *National Journal*.



CONFLICT STUDIES

WAR GAMES

There's a calculus to conflict, and it's challenging the conventional wisdom about violence.

ON THE STREETS of Chicago, two rival gangs find themselves on the verge of battle. Gang A has possession over a territory - a lucrative drug market - that Gang B is interested in seizing. Gang A wonders whether its rivals will attempt to capture the area. Gang B wonders how long the defenders could hold out in a turf war.

The battle lines are set. So will there be violence? And if so, what will it look like?

But the gangs don't have to be gangs, necessarily. They could be oil cartels, or militant groups - any factions that seek to profit from a given region. And it doesn't matter whether that region is in Chicago or Cairo, just so long as it's on the perimeter of a circle, near five other regions the same size. Why? Because this scenario is playing out in the mind of Ethan Bueno de Mesquita, professor and deputy dean for research and strategic initiatives at Chicago Harris. It's an iteration of his newest game theory model, a dynamic mathematical machine that's shedding new light on the shadowy world of factional violence.

"I wanted to write down a model that included the idea of geography, that included the idea of territories from which factions were extracting economic profits and that included the idea that factions might fight over control of that territory," Bueno de Mesquita explains. The result was his newest paper, "Factional Conflict and Territorial Rents," in which he uses game theory to see how changing conditions might cause more or less conflict over a particular territory. Abstract as it sounds, this model adds a very real strategic dimension to our understanding of violence.

The motivations behind violence can seem simple. When more groups are involved, or when there's more to be gained from the territory in question (from oil production, drug sales, etc.), then we typically expect to see violence escalate.

At least, those were the ideas that Bueno de Mesquita saw repeated time after time in news reports about gangs in Chicago. "The story in the press was that this run-up in violence was the result of increased factionalization - that you had a change in the

structure of Chicago street gangs, from a few very large gangs to a lot of little gangs, each of which controlled a very small amount of territory - and that this was inevitably going to lead to an increase in homicides that we then saw," he recalls. "I was interested in probing that intuition and thinking about, 'Well, why should that be true?'"

He began working on a sophisticated model of conflict that would let him tweak a wide range of parameters. When markets grew, more factions were involved or nearby territories traded hands, he would adjust the model accordingly, and it would spit out a formula estimating the potential payoff for each faction. Based on those payoffs, Bueno de Mesquita could predict how much each faction would invest in conquering or defending the vulnerable territory. "In the case of a Chicago street gang, I literally am making a choice: do I want to buy more guns? Do I want to send my people away from selling drugs and off to take another territory, knowing they might be killed, knowing they might be arrested?" It can seem bizarre to think of gang fights as investments, Bueno de Mesquita concedes, "but what it looks like in the world is buying guns and using them." A conflict breaks out when two or more factions decide to make such an investment.

According to the model, conventional expectations about violence often miss the mark. For example, take the basic turf war, one of a dozen scenarios that Bueno de Mesquita fed into his mathematical contraption. He found, to his surprise, that

Gang A will often cede the territory without a fight, particularly if the stakes are high. It's a matter of expectations, he explains. If Gang A and Gang B both control large areas, then they face little competition, and can extract large profits. That means the coveted territory is extremely valuable to whoever has possession. It also means that each side has immense resources at its disposal, so any conflict would be quite costly for both gangs, and both gangs know it.

As Gang B begins piling up guns for a fight, Gang A, wary of an arms race, will likely back down - what Bueno de Mesquita calls the "scare-off" effect. "When I really, really want something, and the other guy knows I really, really want it, sometimes he runs away," he says.

Bueno de Mesquita also looked at changing numbers of factions and found that contrary to the media's portrayal, total violence does *not* always increase when more factions get involved. In fact, every additional faction further divides the market, meaning there's less profit to be earned - and less incentive to invest heavily in conflict. "When you've got a bazillion little factions, every territory is not so valuable," says Bueno de Mesquita. The resulting violence is more frequent but less intense.

The author didn't expect his findings to differ so radically from the conventional wisdom. "I changed my intuitions a surprising amount in the exercise of doing this model," he admits, "which is not always the case."

Bueno de Mesquita hopes the paper will have the same effect on fellow scholars. For instance, his model shows that shocks to the economy of a territory spill over into neighboring territories, which presents a problem to empirical researchers, who typically draw region-to-region comparisons. "That's the hope with this paper, that one of the things it'll do - besides giving intuitions about how things like gangs work - is say to empirical researchers, 'Let's use this theoretical model to help us think about how to avoid the next set of problems.'"

These results offer a fresh perspective on today's geopolitical landscape, and have already helped the author to make sense of otherwise confusing current events. "I started working on this paper at the same time that ISIS had its first territorial expansion," he recalls. "When ISIS first started taking big cities in Iraq, when people thought the Iraqi army would head them off, you had these amazing cases where the opposition simply melted away. ISIS showed up ready to fight, and there was nobody there to fight. They completely walked away from the cities and ceded the territory."

"We think 'No, everybody always stands and fights for things that are valuable!'" he says, "but that's not right." - *Jake J. Smith*

EDUCATION

ATTENTION, PLEASE

Contrary to popular belief, there is no association between behavior and classroom achievement.

IN THE FIELDS of education and child development it has long been accepted that children who do not achieve in school will develop behavioral problems, and that children with behavioral issues will not achieve as much as their better comport-ed peers. When Chicago Harris Assistant Professor Amy Claessens decided to test these assumptions, what she found came as a surprise: there's very little connection between achievement and behavior. Instead, she determined, what really correlates to achievement is attention.

"We found that across kindergarten and first grade, improvements in attention have lasting effects on achievement in both math and reading all the way through third grade," Claessens explains. "What we don't see is any association between behavior and achievement."

Claessens and her research partner, Chantelle Dowsett of the University of Kansas, examined the Early Childhood Longitudinal Study - Kindergarten (ECLS-K), a nationally representative study that followed 16,260 kindergarteners through fifth grade. Limited data have long forced researchers to lump attention issues in with behavioral issues - but the ECLS-K collected data for both, allowing Claessens to parse out the effects of behavior and attention separately.

"Attention skills are distinct from behavior - they are correlated, but they are different things. Once you are able to capture both and look at their associations with achievement, you can see that most of the learning issues operate through attention," Claessens says. "However, there has been so much discussion of problems with behavior correlating with problems with learning that there are a lot of people attempting to find solutions to the wrong problem."

The data show a clear connection between attention problems and achievement, a notion that is rather new in this arena. Claessens and Dowsett point to several reasons why behavior may be less of a problem than attention for student achievement. First, teachers are used to handling standard behavior problems in the classroom. Plus, while bad behavior



Inability to focus in class can cost young students valuable learning time.

such as hitting a classmate or yelling out in class is disruptive, it is relatively short term. On the other hand, if a student is staring out the window, or unable to sit still and work on a task for long periods, valuable learning time is lost.

The current paper is part of a larger body of work Claessens is developing that looks at what types of early interventions can help students reach their potential, as well as when those interventions should take place. She is currently creating a pre-school intervention that revolves around attention and math skills. Claessens wants to identify math activities that can be tweaked to demand more of the students' attention, so that they're forced to practice more. These activities will not only make it easier for them to learn harder material later on, she says, but will also improve attention spans.

"The idea that poor behavior leads to poor achievement does not exist in our data," Claessens points out. "This assumption that behavior and achievement are limited comes from a number of limited studies over many years. We find that the problem is attention, and if we focus on improving attention we can likely improve student achievement." - *Robin I. Mordfin*



The World Health Organization ranks New Delhi as the most polluted city in the world.

ENERGY

INDIA’S EMISSIONS EMERGENCY

High pollution cuts most Indian lives short by three years, a new study finds.

INDIA’S AIR POLLUTION, ranked among the world’s worst, is reducing the life expectancy of over half of the country’s population by more than three years, according to a new study by Chicago Harris Professor Michael Greenstone and his co-authors.

Researchers from the University of Chicago, Harvard and Yale wrote in the February 21 issue of *Economic & Political Weekly* that more than 660 million Indians live in areas where fine-particulate matter pollution exceeds levels considered safe by Indian standards. If India reversed this trend to meet standards, those people would gain about 3.2 years onto their lives – saving a total of 2.1 billion life-years.

“India’s focus is necessarily on growth. However, for too long, the conventional definition of growth has ignored the health consequences of air pollution,” says Greenstone, the Milton Friedman Professor in Economics and the College and director of the Energy Policy Institute at the University of Chicago. “This study demonstrates that air pollution retards growth by causing people to die prematurely. Other studies have also shown that air pollution reduces productivity at work,

increases the incidence of sick days and raises health-care expenses that could be devoted to other goods.”

The new figures come after World Health Organization estimates showed 13 of the 20 most polluted cities in the world are in India, including the worst-ranked city, New Delhi. India has the highest rate of death caused by chronic respiratory diseases anywhere in the world.

The study draws on an earlier study that Greenstone conducted in China, in which he and his co-authors compared pollution in northern China (where a policy subsidized coal use for home heating) to that in southern China. In this study, he was able to isolate the effect of pollution in order to reveal an important metric: every additional 100 micrograms of total suspended particulate matter per cubic meter in the atmosphere lowers life expectancy at birth by three years. That metric was then applied to the Indian data to produce the staggering 2.1 billion life-year estimate.

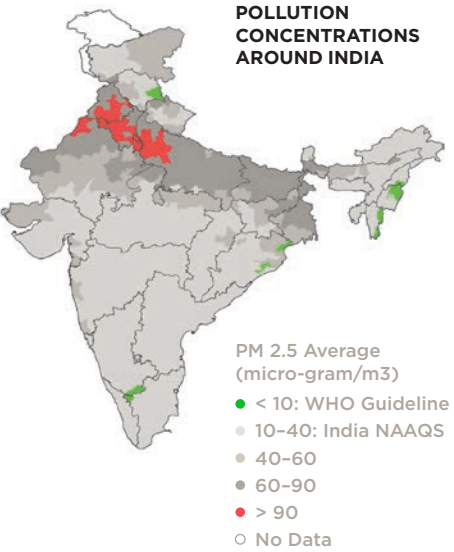
“The loss of more than 2 billion life years is a substantial price to pay for air pollution,” said Rohini Pande, a study co-author and co-director of the

Evidence for Policy Design Initiative at the Harvard Kennedy School. “It is in India’s power to change this in cost-effective ways that allow hundreds of millions of its citizens to live longer, healthier and more productive lives. Reforms of the current form of regulation would allow for health improvements that lead to increased growth.”

In the study, Greenstone, Pande and their co-authors offer three cost-effective policy solutions to the growing problem. The first, they suggest, is for India to take advantage of new technology that allows for real-time pollution monitoring. Intermittent sampling of plants taken once or twice a year is not enough to identify violators, the authors write. They argue that increased monitoring would put more pressure on polluters to comply with existing regulations, acknowledging that, while the government has taken important steps to improve monitoring, there is room for further expansion.

A second solution would be to rely on civil rather than criminal penalties, the authors argue, which would instill a “polluter pays” system, offering polluters an incentive to reduce their polluting behaviors. India’s flagship environmental laws are built on an outdated criminal system with draconian penalties such as imprisonment or industry closure. Because these penalties are so severe, they are difficult to enforce.

Beyond more rigorous monitoring and financial penalties, Greenstone and his co-authors also suggest that India adopt a market-based approach toward regulating emissions, such as an emissions trading system. This approach has been proven to reduce pollution at the lowest possible cost, they explain, making it compatible with the strong economic growth that India so clearly wants to sustain. – Vicki Ekstrom High



PHOTOGRAPH COURTESY OF WAYNE MAY VIA FLICKR

HOUSEHOLD FINANCE

THE \$20 BILLION EQUALIZER

Government mortgage giants have been quietly redistributing risk and cash on a massive scale.

THE GREAT RECESSION had extremely diverse impacts across the country. In areas hit hardest, taxes went down, and more residents signed up for food stamps and unemployment insurance. Those services were financed by people in regions with better economies, where residents saw their taxes increase.

Most Americans understand how the tax system supports these kinds of equalizers. What they don’t know is that their mortgages are doing the same thing.

In a recent paper, Assistant Professor Benjamin Keys looked at the operations of Fannie Mae and Freddie Mac, the two government-sponsored enterprises that buy and sell mortgages. Fannie and Freddie, he found, don’t price risk the same way that the private market does. Rather than adjusting interest rates by the amount of risk in a given area, they offer the same rates all across the country. According to Keys, this worked like an incidental equalizer through the recession, forcing healthier economies like Kansas and Oklahoma to support housing markets in depressed areas like Detroit and Las Vegas.

“If interest rates in a recession state really reflected the local risk, interest would be much higher in places that have low property values and low incomes,” Keys explains. “However, since the risk is valued the same way everywhere in the United States, individuals in places with very low risk are paying higher interest and really too much for their mortgages. This is how the risk is shared throughout the country and how it evens out.”

According to Keys and his co-authors, Erik Hurst, Amit Seru and Joseph Vavra of the Chicago Booth School of Business, this shared risk is something that must be examined as part of the reformation of Freddie Mac and Fannie Mae, a discussion that has been underway since the two entities were taken into government conservatorship in 2008.

The researchers studied two data sets, one a sample of Freddie and Fannie mortgages and the other a sample of jumbo loans (those worth more than \$417,000 that are sold by the private market). Comparing the different loans, they concluded that the private mortgage industry began to

price risk by region back before the recession. Fannie and Freddie, on the other hand, aren’t able to account for regional risk in pricing, likely due to pressures from the powerful housing lobby.

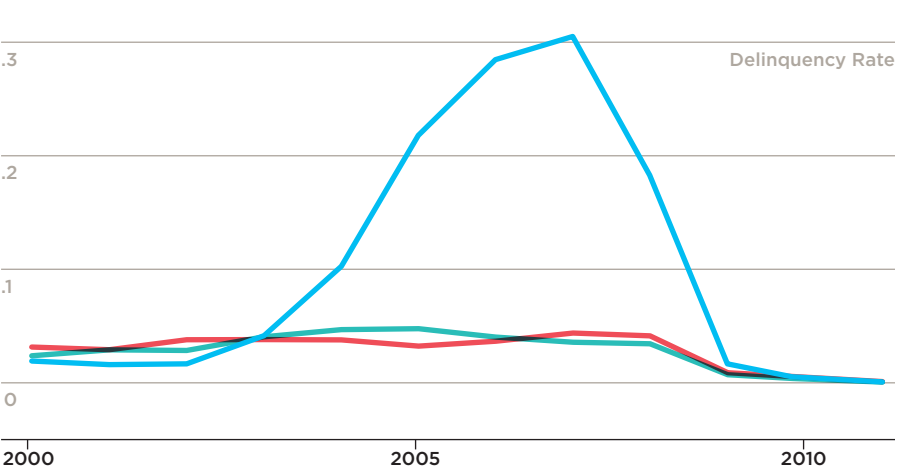
To determine how accounting for risk by region would affect borrowers, the team built a rigorous model that simulated how households might behave in two scenarios. In the first simulation, these households borrow against their homes with a

constant interest rate; in the other, they procure a loan with a regionally varying interest rate.

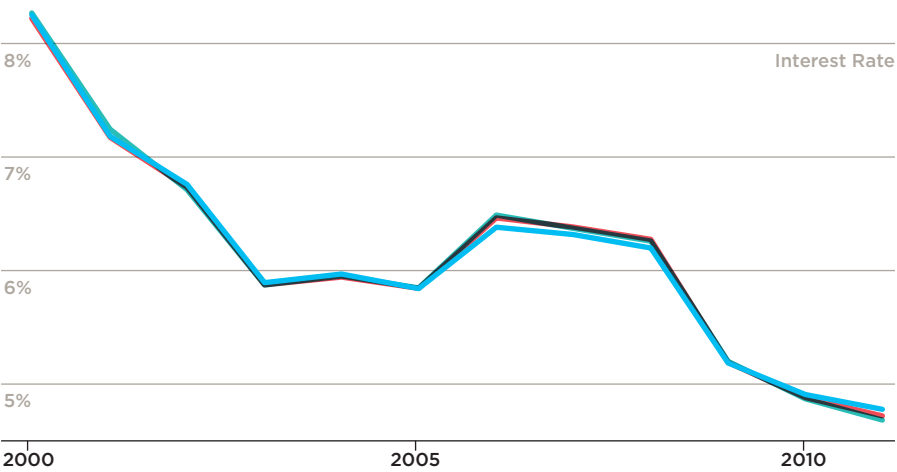
“We show that regionally varying interest rates are very bad for homes in hard-hit areas,” Keys says. Constant interest rates, on the other hand, serve as an equalizer. The model shows that a constant interest rate essentially taxes homes in healthy regions about \$1,000, while subsidizing homes in worse-performing regions by about \$800, for a total transfer value of \$1,800. “Aggregated over the whole housing market,” says Keys, “that is worth about \$20 billion in transfers.”

As the discussion of reform of Freddie Mac and Fannie Mae continues, the authors emphasize the need to consider what role the government should play in the housing market. “The question is,” says Keys, “exactly what form does that backstop take?” – Robin I. Mordfin

DELINQUENCY RATES, BY STATE
Fannie Mae Loans, 2000–2011



AVERAGE INTEREST RATES, BY STATE
Fannie Mae Loans, 2000–2011





STUDENT
VIEWS

PUBLIC FINANCE

THE HIGH COST OF A LATE BUDGET

Passing the state budget on time is key to keeping market conditions stable.

IN RECENT YEARS, fewer and fewer government budgets have been passed on time. The period during which the federal government relies on continuing resolutions to provide interim funding steadily increases each year. The result, inevitably, is panic about a government shutdown. The impact of a federal government shutdown on the national and global economies is not unknown. However, a shutdown has pervasive consequences at the state and local levels as well.

In “The Impact of Late Budgets on State Government Borrowing Costs,” published in the *Journal of Public Economics*, Asger Lau Andersen, David Dreyer Lassen and Lasse Holbøll Westh Nielsen measure the detriment to the economy of passing a budget after the start of the fiscal year. The authors find that enacting a budget late affects general obligation bond yield spreads issued by states. An increase in the yield spread subjects investors to greater risks, such as the issuer defaulting on future

payments. While the bond yield spread may not be as visible to the general public as a government shutdown, the cumulative impact of late budgets may result in restricted government borrowing for future public expenditures.

Existing literature finds that budgets are often passed late due to a divided government and changes in the state unemployment rate. The authors set out to examine the impact of this type of fiscal governance on the state’s fiscal health. To measure that impact, the authors count how many days after the start of the fiscal year the budget is enacted. They then measure fiscal health by collecting data on the state’s borrowing costs, with the assumption that a late premium on state bonds signals that the state is facing solvency issues, fiscal imbalances or a divisive government. The study uses the Chubb survey data on government bond yield spreads, which consists of bond yield estimates for 20-year general obligation bonds across 39 states

relative to comparable bonds issued by the state of New Jersey.

The effect of late enactment of the state budget on bond yield spreads is positive and highly significant for several key variables. If a budget is enacted late and there are changes in the unemployment rate within the state, then the effect on the bond yield spread increases from 0.14 to 0.21. Interestingly, if the late budget occurs under a Democratic governor, then the effect on the bond yield spread increases from 0.072 to 0.183. This may be more of an indication of investor confidence – that is, expectations of how a Democratic governor plans to pass the budget, possibly with tradeoffs between financing public services and supporting bondholders – rather than a signal about market conditions within the state.

The authors show that a budget enacted after the fiscal deadline under a unified government decreases the bond yield spread from 0.682 to 0.143. This may signal that a unified government is more equipped to mitigate budget issues. However, the overall change in the yield spread only indicates how investors perceive the risk – not that a unified government necessarily produces a stronger market.

The authors find that a one-time, 30-day budget delay causes the bond yield spread to rise by approximately 10 basis points. Disturbingly, this impact is still persistent three years after the late budget, though at about half the size of the initial shock. The authors estimate that it takes about 10 years to recover from the effects of the full shock. Moreover, different socioeconomic factors inflate or deflate this effect.

Significant factors that lower the effect of the yield spread include strong credit ratings and high end-of-year balances, signaling solvency and stability. The authors note that even though the rule of thumb for state governance is that end-of-year reserves should exceed the combined general fund and budget stabilization fund by 5 percent, investors’ standards can be stricter.

Given these results, it is crucial that state governments understand the repercussions of enacting budgets after the new fiscal year starts. While the impacts to bond yield spreads are not glaring, the impact to the economy, especially when late budgets occur in periods of fiscal stress, is far-reaching. State government officials must take fiscal governance seriously because of the pervasive and compounding effects it can have on individuals and institutions. By eradicating the current tendency to consider the new fiscal year a “soft deadline,” states can better serve their economies and improve confidence in market conditions. – *Shaun Edwards, MPP’15*

PHOTOGRAPH COURTESY OF STEVEN PEACOCK VIA FLICKR

CRIME

BEYOND AYOTZINAPA

Crime mars Mexican life.

ON SEPTEMBER 26, 43 students from the Normalist School of Ayotzinapa were handed over to the “Guerreros Unidos” crime syndicate. The students were killed, burned and tossed into the river.

Few issues concern ordinary Mexicans more than the widespread violence of the past decade. The rampant killings pose a major political crisis for the president, undermining his claims of progress in the war against narcotics-related violence.

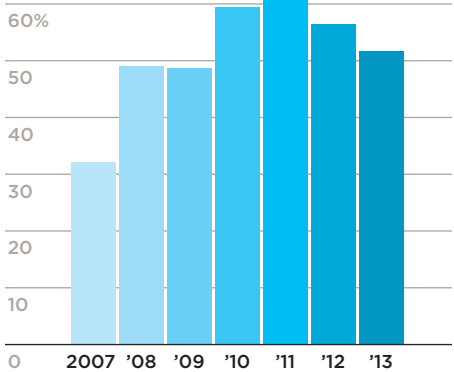
Ayotzinapa is not an isolated case. In fact, the current crisis is dwarfed by historical trends, with 22,000 missing persons reported from 2006 to 2014. Certainly Mexico is not complete without its 43 missing students – but their story could be the breaking point needed to foster a new era of institutional development. – *Alvaro Bellolio, MPP’16*

HOMICIDE, KIDNAPPING AND EXTORTION IN MEXICO, January–September 2014. Each figure represents approximately 167 Mexicans.

● Homicide ● Kidnapping ● Extortion



PERCENTAGE OF HOMICIDES ATTRIBUTED TO ORGANIZED CRIME, 2007–2013



PHOTOGRAPH COURTESY OF UNHCR/SALAH MALKAWI



HUMAN RIGHTS

BAKING AMENDS

The simple act of breaking bread could help Syrian refugees heal social tensions in Lebanon.

MILLIONS OF SYRIANS left their country seeking refuge as a result of the current crisis. Lebanon is currently the country with the highest per capita concentration of refugees worldwide, with more than a million refugees from Syria. However, the country has not set up formal camps for these newcomers. They have had to resettle within local communities, constructing informal tented settlements, occupying empty buildings and renting apartments. The influx of Syrian refugees has added to the already strained infrastructure of the country. This, in addition to political and religious divides, has led to increasing tensions between Lebanese and Syrian populations, which sometimes escalate to violence.

In March, I presented a proposal at the Clinton Global Initiative University. My project, Peacemaking Through Bread-Breaking, aims to bring Syrian refugees and their host communities closer by empowering women as effective peace-builders. Women and children constitute a majority of Syrian refugees, and although women have limited

roles in public affairs of the region, the solution to this problem lies in their hands.

Once a month, women from both communities will get together to prepare and share a meal under one roof. These monthly meetings will provide an opportunity to start a dialogue that can help demolish barriers to communication. The conversation will help members of the communities to overcome prejudice and enable them to replace conflict with cooperation. It will have an across-the-board effect on the development projects taking place in the country, and eliminate the psychological and emotional burdens that those tensions bring.

The project will start in Beirut and Bekaa Valley, in the towns and villages that witnessed the highest number of incidents of violence and discrimination. Then, gradually, the project will extend to other areas where Syrian refugees have relocated. Eventually, the project aims to expand all over the country, reaching all Syrian refugees and their host communities everywhere in Lebanon. – *Besher Al-Makhlouf, MPP’16*



PROFILE

EQUALITY, YOU'RE ON THE AIR

Alisa Miller is on a mission to give women a louder voice, and an audience to go with it.

ALISA MILLER, MPP/MBA'99, has always been interested in how media, technology and storytelling help people make decisions about their lives. So when she finished the Chicago Harris/Chicago Booth dual-degree program, it seemed natural that she would go to work in public broadcasting. After running a media startup, she moved to *Sesame Street* and then Public Radio International, where she became president and CEO in 2006, the youngest person and first woman to assume such a role at a major public radio network.

There have been a lot of changes in radio during Miller's tenure at the helm of PRI. For one, radio isn't just about broadcasts anymore. It's also about building websites, producing podcasts and finding listeners via social media. But for Miller, these changes haven't been obstacles so much as opportunities - a way to change not only the way PRI's listeners get their news, but how they think about and respond to the information they've received.

Now, instead of a radio network, Miller runs a multimedia content provider that reaches nearly 20 million people each month. And she's started to rethink PRI's approach to the news. Instead of viewing it as a series of separate beats, like business or health or sports, she wants to examine the way different subjects - what she calls

"driving forces" - affect these different areas. "Because the digital world has evolved," she says, "the way we think can be more fluid and networked."

In time, Miller wants PRI to explore climate change, immigration and the role of millennials. But she decided to start with a series called *Across Women's Lives*, which examines the status of women in society.

"*Across Women's Lives* comes from the premise of three important realizations," she says. "One, women are not being covered in the news media. Two, when women are covered, the stories are stereotypical, with the major emphasis on us as objects or victims. And three, the news media has a perception about how serious women are about news. The hard news stories are more male-oriented. There's a perception that women aren't interested in wars or major policy debates or economics or science."

Miller based these conclusions not just on anecdotal evidence but on hard data. A study by the Global Media Reporting Project shows that women appear in just 24 percent of news stories across the world. In the United States, they appear in 34 percent.

The project also tracks media portrayals, finding that women come off worst in the Middle East, followed by Africa. The United States is third. "It's like, 'We suck less,'" Miller

says. "I took a look and thought, We need to do something."

Miller wants to create what she calls a "drumbeat of coverage" to tell women's stories, and not just in relation to women's issues. She wants to feature women in stories about economics and climate change, showcase them as experts and generally portray them as complex characters - not just as accessories to men's stories or career women who have found success at a price. Those sorts of stories don't just hurt women, Miller says. They hurt men as well.

"*Across Women's Lives* is a balanced view of the world," Miller explains. "It's not just about people understanding the news. It's about helping people understand how things work. The news documents our history today. Swaths of that history have been missed. Half the population is missing."

Across Women's Lives is funded through a partnership with the Bill and Melinda Gates Foundation. While it will initially emphasize the changing roles of women in Africa and India, Miller hopes listeners will realize that the underlying issues are universal.

As the project progresses, PRI plans to conduct regular surveys of 1,200 listeners to measure how the coverage has changed their knowledge about women. "We're creating a case study that will show that this is not only the right thing to do," Miller says, "it's also the smart thing to do."

Miller's colleagues at PRI appreciate her analytical approach to problem-solving. "She's not telling anyone what to do," says Chief Content Officer Melinda Ward. "She's allowing them to see what can be done."

As CEO, Miller led PRI's expansion into satellite radio and oversaw the creation of *The Takeaway*, a news program meant to compete with NPR's *Morning Edition* that became more successful when it was reconfigured as a midday news program. She also managed the sale of PRI to WGBH, the nation's largest producer of programming for public television. "It was a midsized legacy organization," Ward says of PRI. "Alisa saw it had to be part of something larger. It wasn't easy, but she stayed the course."

If the past nine years have taught Miller anything, it's that it's impossible to predict the future. Still, she's been trying to envision the nature of media ten years from now and how it will be consumed.

"I'm not trying to figure out the scenario," she says. "But at Harris, I learned that frameworks are important. They don't tell the answers, but they give an approach to figure out a method to get to the answers. There's more than one way to solve a problem. It's about what you can bring to the party." - Aimee Levitt

PHOTOGRAPHY BY JOE DICKIE PHOTOGRAPHY; COURTESY OF PUBLIC RADIO INTERNATIONAL

PROFILE

PARADIGM SHIFT

Financing women can finance change.

AT FIRST GLANCE, it seems obvious why Tricia Martinez, MPP'12, would name her company Shift. Centered on the growing practice of "cash transfers," Martinez's year-old impact venture makes it possible for contributors in the U.S. to give directly to women in developing communities around the world - literally shifting wealth from one person to another. Talk to her for a while, though, and it becomes clear that the transformation she hopes to see in the lives of women in places like northern Uganda isn't just economic.

"I really want the way we view women here and abroad to start changing," she says. "One of our goals is to make you think outside of what you're normally used to thinking, to change what traditional gender roles are and make you see women in a different light."

Recalling her visit to Uganda, Martinez describes the culture shock of witnessing how little power women had in the villages where Shift is now operating, especially when compared to how much responsibility they shouldered. Although she admits that the women she met would have no idea what the word "feminist" means, it's their strength and perseverance in the face of a baldly unequal society that has cemented her commitment to feminism.

"I've always had a gender lens, and I've always focused explicitly on women," she says. "But I think these experiences have made me even more feminist. I fell in love with so many of the women and felt more than ever that Shift needed to happen."



PHOTOGRAPHY BY JORDAN FREY

Because this is not OK, that women are still totally underserved and degraded in these communities."

Using mobile technology to ensure that they maintain control of the money, Shift provides each woman with roughly \$200. With no interest or repayment, these cash transfers differ from the more well-known practice of micro-lending. Yet both share a fundamental idea - that financial support should not come with burdensome conditions or patronizing advice.

"The idea is about respect," Martinez explains. "These women are determined and resilient. I was fascinated by the way that the women, who don't have high school educations, are really financially astute. They know better how to spend their money than we do, so we should trust them. They know what they need to do, they just need the tools to do it."

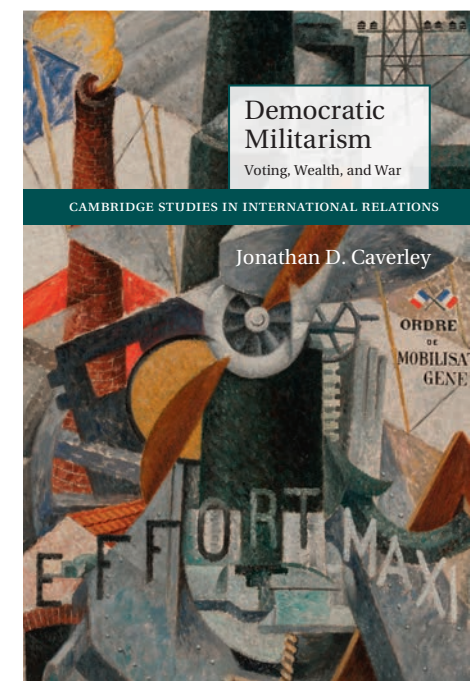
As she reflects on her plans for the future of Shift - expanding to other countries, attracting more contributors in the U.S. and building financial planning tools for grantees to use - she sees hope for change in the younger generation. And, just as technological advances have made Shift's model viable, changes like the prevalence of cell phones and improved transportation have fostered a greater openness to change.

"It's a slow progression, but as men in these women's lives see them being more financially empowered, it will change the way that they interact with each other," she predicts. Pointing out the difference in attitude between the older and younger men, she says that the younger generation is starting to observe something she learned during her time at Chicago Harris - that investing in women means investing in the entire community.

"I really believe that to make a difference and change the world we need to be unreasonable and do crazy things. It's been about two years of not paying myself very much," she says with a laugh. "It's been rough, but I'm very happy." - Josh Fox

BOOK REVIEW

THE NEW HAWKS



INCOME INEQUALITY IS influencing American life on many fronts - including, it turns out, the battlefield. As Jonathan D. Caverley, MPP'03, explains in his expansive new book, *Democratic Militarism: Voting, Wealth, and War* (Cambridge University Press), the growing gap between rich and poor may be increasing the likelihood of war.

Caverley, a professor of political science at Northwestern University and former Navy officer, offers a compelling theory based on extensive empirical research to explain how and when voters in a democracy support military aggression. As the number of citizens at the lower end of the economic spectrum grows, he finds, a society becomes more likely to support military intervention.

These days, the United States and other wealthy democracies have highly capitalized militaries that are paid for largely by taxes on the wealthy. So when military decisions have to be made, lower earners are increasingly inclined to favor action because they don't see themselves as the ones who will foot the bill. They also believe they have little to lose personally, as war has become more technologically driven, with fewer casualties among troops.

For many centuries, war was seen as something determined by an elite and paid for by the lower classes. Yet as Caverley's groundbreaking research reveals, the pressure to use military power is now coming from the bottom. - Robin I. Mordfin



MEET THE DEAN

Chicago Harris Dean Daniel Diermeier is on the move. Throughout the spring, the dean has hosted events all across North America, from New York to Mexico City to San Francisco. In each city, alumni, prospective students and friends of the school have been invited to meet and network

with Dean Diermeier and one another, and to hear the dean discuss his vision for the school.

At each stop, the dean updated audiences on plans for Chicago Harris' new home (made possible by a landmark gift last year), fielded questions and encouraged alumni to get involved with Chicago Harris as it embarks on the exhilarating next stage of its journey.



CLASS NOTES

We want to hear from you! Please send us news about your professional life (new jobs, promotions, projects and more) as well as personal milestones like weddings and births. Send your announcements to Rupal Soni at rsoni1@uchicago.edu or call 773.834.1846.

MICHAEL QUIGLEY, AM'85, U.S. Representative for Illinois' 5th congressional district, was appointed to the House Intelligence Committee on January 14. Quigley, who was re-elected last November to a third term in Congress, is also a member of the House Appropriations Committee, the Subcommittee on Financial Services and General Government, and the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies.

DAN TANGHERLINI, AM'91, has been hired as the chief operating officer at Artemis Real Estate Partners, a Washington, D.C.-based firm that invests in commercial real estate across the United States. Tangherlini, who received the Chicago Harris Career Achievement Alumni Award in 2014, had served as administrator of the General Services Administration since 2012. Prior to that, he held positions at the Treasury Department, the Department of Transportation, the Office of Management and Budget and the city government of Washington, D.C.

ROWAN MIRANDA, AM'87, PHD'92, has been appointed vice president for operations and chief financial officer of the University of Chicago. Miranda joined the University in March 2014 as senior associate vice president for finance and administration and treasurer, and previously served as interim chief financial officer.

C. CHRISTINE FAIR, AM'97, assistant professor at Georgetown University's security studies program, has co-edited *Pakistan's Enduring Challenges* (University of Pennsylvania Press, February 2015), a "survey of the political and economic landscape of Pakistan in the wake of U.S. military withdrawal." Last year she published *Fighting to the End: The Pakistan Army's Way of War* (Oxford University Press).

JEFFREY KUSTER, MPP/MBA'97, has been named president of Cornerstone and executive officer of HSNi. Prior to his new role at the helm of Cornerstone's portfolio of seven home and apparel lifestyle brands, Kuster held various leadership positions in the apparel, fashion and retail industries, most recently as executive vice president, chief marketing and strategy officer for Berkshire Hathaway's Fruit of the Loom.

RACHEL SCHUMACHER, MPP'97, has been named director of the Office of Child Care at the Department of Health and Human Services. In this new role she is responsible for the implementation of reforms to improve the quality of services provided to children and low-income families across the country. The reforms were first proposed by the Obama administration in 2010 and codified by the Child Care and Development Block Grant Act, which was reauthorized last year for the first time in two decades and signed by President Obama on November 19, 2014.

JUANCHO EEKHOUT, MPP'01, has joined the board of directors of Reality Changers (realitychangers.org), a San Diego-based organization that supports first-generation college students and serves more than 500 students in an area where only 3 percent of adults have a college degree. The students involved in Reality Changers' College Town and College Apps Academy programs improve their GPA by one full point on average, and achieve a 97 percent acceptance rate in higher education institutions. "I am very excited to be serving on the board, learning a lot and leveraging my Harris education to help the organization grow and improve," Eekhout says.

CRISTAL THOMAS, MPP'01, who served as deputy governor of Illinois from 2011 to 2015, has returned to UChicago as the vice president for community health engagement and senior adviser to Vice President for Civic Engagement Derek Douglas, a Chicago Harris senior fellow. In this new position, she will foster relationships among the University, the medical campus and South Side residents. Working with UChicago Medicine's Urban Health Initiative, she will expand and enhance the University's programs throughout the South Side. Thomas will also lead efforts to improve the health and wellness of Chicagoans who must navigate an increasingly complex medical landscape.

SAM ORI, MPP'03, has been hired as executive director of the Energy Policy Institute at the

University of Chicago (EPIC), an interdisciplinary research institute focused on confronting energy and environmental challenges. Before joining EPIC, Ori spent eight years at Securing America's Future Energy, a Washington, D.C.-based policy organization, first as director of policy and then as executive vice president.

GABRIELA PÉREZ-YARAHUÁN, MPP'96, PHD'06, is a research coordinator and associate professor at the Centre for Learning on Evaluation and Results (CLEAR) for Latin America. CLEAR is a global initiative founded by a diverse group of international donors and institutions that seeks to increase the use of monitoring and evaluation information to make policy and program decisions. Pérez-Yarahuán and her colleagues are working on a study that measures and explains Latin American countries' progress on building and strengthening monitoring and evaluation systems. She has worked with country experts to develop case studies and build an analytical framework to measure progress. The study will be published shortly.

MARNIE VAN DER VOORT, MPP'06, and her husband, Derek, welcomed their daughter Bree Eleanor Van der Voort on March 25.

HARIN J. CONTRACTOR, MPP'08, and his wife, Neha, welcomed their son Rishi Soneji Contractor on January 6.

JOANNA WORONKOWICZ, PHD'11, has co-authored, with Chicago Harris Senior Fellow Carroll Joynes and Professor Norman Bradburn, *Building Better Arts Facilities: Lessons from a U.S. National Study* (Routledge, December 2014). The book examines the ways organizations planned and managed projects during the recent boom in construction of cultural buildings, and investigates organizational operations after projects were completed.

JAMIE W. HUANG, MPP/AM-CMES'13, accepted an analyst position at the White House Office of Management and Budget, E-Government Department, in December. Her portfolio consists of coordinating GAO engagements and writing congressional reports. "During both rounds of interviews my interviewers asked why I would be a suitable candidate to work on domestic IT policy when my background is heavily focused on international affairs," she says. "I answered that my primary interest is public service - I go where the need exists. I am convinced the skills I have gained from my Chicago Harris education will fill the needs of the E-Gov Department. They offered me the position the next day."

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CHICAGO HARRIS
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S T A Y C O N N E C T E D

FIGURE 1

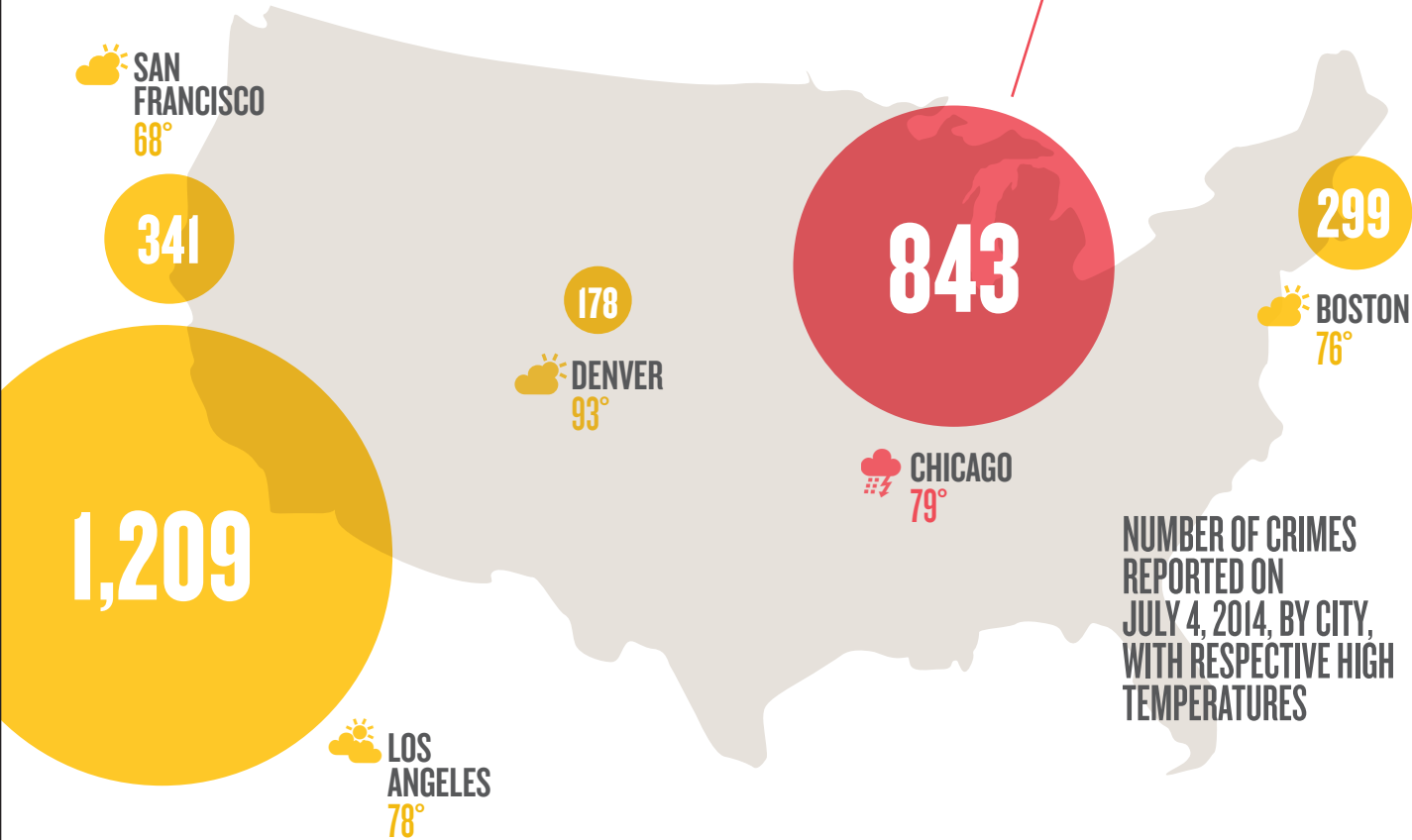
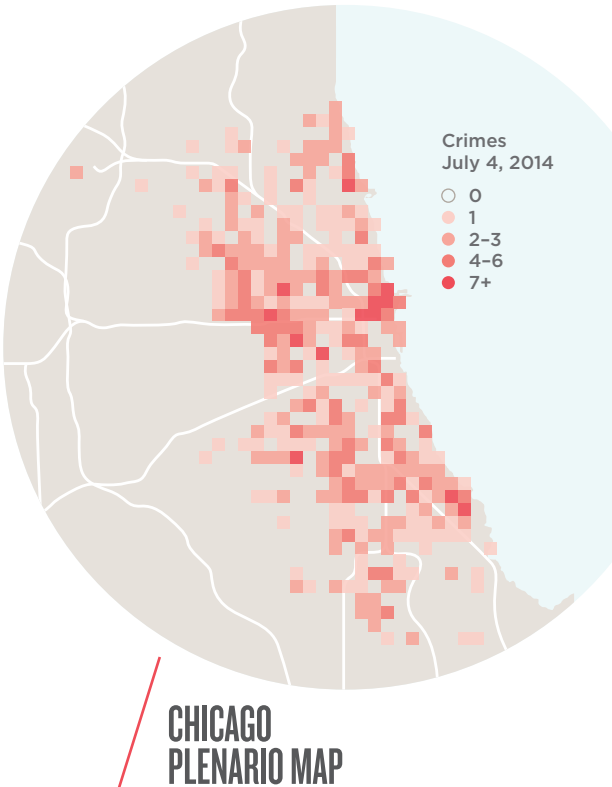
A Powerful New Platform for Open Data

The rapidly growing torrent of data released by governments offers incredible new ways to engage with cities. But more powerful tools are needed to put this jumble of numbers to work solving complex urban problems.

Enter Plenario. A new platform for accessing, combining and visualizing datasets released by city, county, state and federal governments, Plenario offers a user-friendly interface to push data-driven urban research beyond spreadsheets and toward deeper insights and solutions. Plenario was modeled on an earlier system developed for the City of Chicago by Brett Goldstein, former Chicago Chief Data Officer, who now serves as a fellow at the UChicago Computation Institute's Urban Center for Computation and Data and as a senior fellow in urban science at Chicago Harris.

"Plenario brings the open data diaspora into a single meaningful system," Goldstein explains. The interface lets users gather all the data available for their area and timeline of interest. For instance, researchers and policymakers investigating correlations between weather and crime can quickly select the relevant data, time period and neighborhood boundaries, and then map and download the results.

"Municipalities, researchers, journalists and residents can get the full story about any place and time with a platform that solves the technical issues behind the scenes," says Goldstein, "so that people can focus on real problems, not data work." An alpha version of the platform is now available for public use at <http://plenar.io>. - Rob Mitchum



NUMBER OF CRIMES REPORTED ON JULY 4, 2014, BY CITY, WITH RESPECTIVE HIGH TEMPERATURES

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The UChicago Gary Urban Revitalization Project, led by former Chicago Mayor Richard M. Daley, a Distinguished Senior Fellow at Chicago Harris, connects students with the city of Gary, Indiana. Students conduct research and provide city officials with policy and strategy recommendations on some of Gary's most significant challenges, including vacant buildings and neighborhood revitalization.

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