Murray Weidenbaum Center on the Economy, Government, and Public Policy

Washington University in St. Louis
Arts & Sciences
In its thirty-fourth year, the Murray Weidenbaum Center on the Economy, Government, and Public Policy continues its mission to help shape important public policy issues. It serves as a bridge between policymakers and scholars by supporting scholarly research, public affairs programs, and other activities at the intersection of social science, government, and business. It works to educate business leaders, policymakers, journalists, and the general public through conferences, meetings and lectures, retreats, publications, and online resources. Programs and activities focus on key economic, political, and international issues. In addition, the media coverage it receives and its faculty’s speaking engagements help further the Center’s outreach.

The Center is nationally recognized for its annual regulatory report that examines the expenditures and staffing of federal regulatory agencies of the U.S. budget. This regulatory tracking tool is extensively referenced in textbooks, government papers, and prominent newspapers. Further, its monthly regulatory email and letter, “Studies in Regulation,” outlines important studies produced by the Weidenbaum Center and other key organizations.

The Center has strong ties with the Departments of Economics and Political Science and works with these departments to enhance faculty research and create larger faculty program areas, co-sponsor academic workshops and public forums, and generally increase the visibility of the work of Washington University scholars. Research grants in Economics, Political Science and other social science departments are of great importance to the faculty, their departments, and the University. Further, the Center’s commitment to enrich the environment for our students through research assistant support, dissertation support, and special meetings with visiting scholars and guest speakers is vitally important to us all.

Finally, the Center conducts special programs such as the media retreat and a Summer Institute on the Empirical Implications of Theoretical Models program (EITM). The media retreat brings writers, reporters, editors, and producers together with academic experts for intense, interactive seminars that examine the role that numbers, statistics, and data analysis play in the news, public policy, and politics. Its National Science Foundation-sponsored EITM program enables top faculty to instruct graduate students and junior faculty from across the nation on ways to better test theories of political and economic processes.

The Center continues to bring together many in our community to better understand public policy issues. It works and collaborates with numerous departments, centers, schools, and student organizations on campus. I thank all of those involved in its activities and those who generously support its programs.

Mark S. Wrighton
Chancellor

Washington University in St. Louis
I am pleased to report that the Center has completed another productive year of research and public affairs programs. We pursued a vigorous program that addressed major public policy issues through research and reports, public debates, conferences (both public forums and scholarly conferences), public policy meetings, and other special programs.

Our commitment to enhancing the research opportunities for Washington University faculty remained strong. We supported more than two dozen faculty research projects, which often include graduate and undergraduate students. Our superb staff provided grant administration for four departments and two centers in addition to our own. We also provided logistical support for a variety of scholarly conferences and workshops. These efforts generated an array of scholarly reports, articles, books, and other publications.

Our public policy programs contribute to public education and political discourse. The Weidenbaum Center Forum continued its focus on the financial crisis and the economic slowdown. Our programs addressed the changing role of the Federal Reserve, the impact of the bank bailouts and repayments, the future of financial regulation, the global implications of the crisis, and the challenges created by the crisis for state government finance, tax politics, and the search for non-traditional revenue sources for state and local governments.

Center reports and publications played a key role in our activities. Our annual report on regulatory spending continued to be a key source of information for the media, academics, and policy makers. Two important books were released: Reforming the Presidential Nomination Process, co-edited by Professor Melanie Springer and me, and The Competition of Ideas: The World of the Washington Think Tanks, written by Professor Murray Weidenbaum. A volume on the economic lessons of the great recession, edited by Center Associate Director Steven Fazzari, is in preparation. The Center’s website was redesigned to better provide information about our programs, events, research activities, and news.

I am grateful for the support of Chancellor Wrighton, the University administration, and the Board of Trustees, and am grateful to have the pleasure of working with the gifted faculty and students at Washington University.
Murray Weidenbaum Center on the Economy, Government, and Public Policy

CENTER LEADERSHIP

Director Steven Smith

The Center’s Director, Steven Smith, is a professor in the Political Science Department and the Kate M. Gregg Distinguished Professor of Social Sciences at Washington University. As the Center’s Director, he is responsible for sponsored research, public outreach programs, University programs such as the Center’s EITM Summer Institute, the cultivation of faculty research projects, and the general direction and administration of the Center. He pursues a rigorous research agenda, does public speaking across the country, and comments on American and Russian politics for the press and electronic media.

Professor Smith played an active role in public speaking and testimony. He led a roundtable discussion of current events at a special presentation to the World Presidents’ Organization, spoke at a special meeting of Brand Assets Management Company, and participated in the Congress and History Conference at the University of California. In spring 2010, he testified on the Senate filibuster before Congress. In addition, he spoke on the Obama administration and the Democratic Congress at the University’s Chicago Alumni Association meeting, and spoke to a special group of University supporters at a special program hosted by Chancellor Wrighton.

He also played an active role in the media. He led the Center’s annual media retreat, focusing his seminar on the interpretation of polling data. Professor Smith could be heard and read often in the news. He spoke often on National Public Radio and was called on regularly by Minnesota Public Radio.

Associate Director

Steven Fazzari

Throughout 2009-2010, Professor Fazzari worked closely with Center Director Steven Smith on both the Center’s academic and public policy programs. He presented a breakfast talk on fiscal policy to the Center’s Eliot Society members in December and shared his perspectives on the economic crisis at the media retreat in June. He provided lively commentary on unfolding economic events at the Center’s monthly policy luncheon and shared ideas at many diverse Center events.

Professor Fazzari discussed his research at a number of conferences and seminars in the past year, including the Eastern Economic Association annual meetings and the Hyman Minsky summer school at Bard College in upstate New York. He gave a series of guest lectures to European doctoral students at the University of Bergamo, Italy, in June 2010 and was particularly honored to deliver a keynote plenary speech on fiscal policy at the annual conference of the Research Network on Macroeconomics and Macroeconomic Policy in Berlin, Germany last fall. He also spoke to Washington University alumni groups last year in Denver and San Francisco.

Professor Fazzari’s research work resulted in several new articles published in 2009-10, including a major article on the monetary policy “Taylor Rule” published in the highly regarded Journal of Economic Dynamics and Control. As part of the Center’s Program in Macroeconomic Policy, he is working with a group of authors on a book that will explore the sources of the recent Great Recession and perspectives on how policy can best enhance the prospects for recovery. Several contributors to this project met at the Center in the summer of 2009 and at the 2010 Eastern Economic Association meetings in Philadelphia to discuss recent economic events.

Over the past year, Professor Fazzari shared his perspective on economic events in a wide variety of media outlets. He gave more than 20 interviews to local, national, and international organizations that included print newspapers, web publications, radio, and television.
Murray Weidenbaum, founder of the Center, continues to serve as its Honorary Chairman. He plays a major role in the Center’s public policy luncheons, breakfast meetings, forum programs, and the annual media retreat.


Professor Weidenbaum was also very prolific — producing a number of journal articles and writings. Articles focused on the budget, the global marketplace, military spending, the U.S. economy, the economic bailout, unions, energy policy, environmental policy, and the Obama administration. (See page 18 for more information.)

In addition to his board membership for Washington University’s Center for New Institutional Social Sciences at Washington University, he was appointed to the editorial board of a new journal, Culture and Civilization. He also taped a segment for the Chinese Central Television Network special on the Power of the Corporation.

Mr. Mahoney plays a key role at the Center — offering his insight and advice on Center programs and activities. As one of the co-founders of the Center’s annual media retreat, he played an active role in the 2010 program, sharing his expertise with print, radio, and television journalists. He also led a panel discussion the last day of the media retreat to give participants an opportunity to further explore previous areas of discussion and talk about the changes in the industry. In addition, Mr. Mahoney, along with Center Director Steven Smith and Associate Director Steven Fazzari, established The Weidenbaum Center Award for Evidence-Based Journalism which recognizes quality journalism on economics, business, and government and reflects the sophisticated use of research, numbers, and statistics.

Mr. Mahoney’s academic activities focused on sharing his business insights with students and faculty across the campus. He worked with honor students in the Department of Economics — attending their presentations and providing feedback in group and one-on-one settings.

He also continues to support “The Olin Award: Recognizing Research that Transforms Business” that he established in 2008 at Washington University’s John M. Olin School of Business. This award highlights scholarship that has practical and performance-enhancing applications to critical management issues.
Weidenbaum Center Senior Fellows

Weidenbaum Center Research Fellows are faculty members in the Departments of Economics and Political Science at Washington University who play a key role in Center activities and programs. In fiscal 2010, the Center was fortunate to work with Political Science Professors Nathan Jensen and James Gibson and Economics Professor James Morley.

Each of these Fellows played an active role in helping to shape the Center’s activities and outreach. They brought their expertise and insight to the monthly current events luncheons, attended public policy breakfast meetings, and each managed a Center research program area.

In addition, they worked with the Center’s Forum Director Melinda Warren on key Forum programs. They helped identify and bring in experts from academia, business, and government to explore major public policy issues. After the public event, academic workshops are sometimes hosted to enable these experts to meet and further explore the issues. Often, the academic workshops produce edited volumes, which the Research Fellows help prepare, edit, and publish.

Professor Nathan Jensen continued to co-direct the Center’s Multinational Enterprises Program Area with Center Director Steven Smith. Professor James Gibson and Steven Smith co-directed the Center’s Citizenship and Society Program Area. Professor James Morley co-directed the Macroeconomics Program with Professor Steven Fazzari, the Center’s Associate Director.

(Visit the Center’s website http://wc.wustl.edu/academic-support/faculty-research) for information on major faculty research program areas.

In the summer of 2010, Professor Morley left Washington University and the Weidenbaum Center to take a position at the University of New South Wales in Sydney, Australia (http://research.economics.unsw.edu.au/jmorley/Main/Home.html)

IN MEMORIAM

Dr. Clifford M. Hardin, Director of the Weidenbaum Center in 1981-1982, died at his home in Lincoln, Nebraska on April 4, 2010. He was 94.

Dr. Hardin had a long and distinguished career. He taught Agricultural Economics at Michigan State University in Lansing from 1944 to 1948, where he became the assistant director and then director of the Agricultural Experiment Station. He became the school’s Dean of Agriculture in 1953 and Chancellor of the University of Nebraska in 1954.

Between 1969 and 1971, Hardin served as Secretary of Agriculture under President Richard Nixon. As Secretary, he extended the food stamp program, and established both the Food and Nutrition Service to administer food programs for the poor, and the Office of Intergovernmental Affairs to coordinate efforts with state and local officials.
The thirty-second annual report examining regulatory budgets and staffing was released in May of 2010. This report, authored by the Weidenbaum Center Forum Director Melinda Warren and George Washington University’s Susan Dudley, examines the Budget of the U.S. Government presented by the President to Congress and tracks the expenditures of federal regulatory agencies and the staff needed to run those agencies.

**A Decade of Growth in the Regulator’s Budget: An Analysis of the U.S. Budget for Fiscal Years 2010 and 2011** shows that the FY 2011 Budget of the United States Government calls for a 5.5 percent nominal (4.1 percent real) increase in outlays directed at developing, administering, and enforcing federal regulations. The allocation of fiscal regulatory expenditures among the different departments and agencies reflects continued national concerns about homeland security, housing and financial markets, and corporate governance. It also includes large increases in outlays at the Food and Drug Administration, and the Patent and Trademark Office.

The requested Regulators’ Budget is $59.4 billion in 2011, up from $56.3 billion in 2010. After adjusting for inflation, appropriated outlays in FY 2010 are 8.9 percent higher than in 2009.

The predicted slower growth from 2010 to 2011 is not inevitable. In the past, actual appropriated outlays have generally been larger than initially requested. Over the last decade, between 2000 and 2010, budget outlays for regulatory activities have grown 75.5 percent in real terms, so that annual expenditures in 2010 are $21.7 billion higher than they were a decade ago. While the growth in the Regulators’ Budget was larger in percentage terms during the 1960s and 1970s, the increase in dollar terms since 2000 is more than double that of any previous decade.

The growth in staffing at the federal regulatory agencies over the last decade has been similarly dramatic, and continues. The number of full-time staff employed on regulatory matters is expected to reach an all-time high of almost 284,000 in 2011. Due in part to the federal staff engaged in airport screening at the Transportation Security Administration, federal regulatory agencies employ over 100,000 more full-time equivalent staff in 2010 than they did in 2000, an increase of over 57 percent.

The report is available online at the Weidenbaum Center’s website (http://wc.wustl.edu/news/363).

**Regulatory Update Newsletter**

As a service to its supporters, the Center sends out a monthly letter and email called Studies in Regulation, which outlines important reports on regulatory issues that have been produced by the Center and other research organizations. Topics such as financial regulatory reform, regulatory oversight and analysis, dividend and capital taxes, land use deregulation, policy changes to improve health care quality, government health care plans, global warming, and cap and trade are just a few of the issues that have been brought to the attention of donors and friends. The letter and email summarize the studies and provide links to these reports.
Public Programs — Weidenbaum Center Forum

In its tenth year, the Weidenbaum Center Forum continues to inform our community about current policy issues. These programs are free and open to the general public. Papers, transcripts, and/or presentation slides are available on the Center’s website. Below are short descriptions of the forum programs from 2009–10.

Monetary Policy Amid Economic Turbulence
The program addressed the changing role of the Federal Reserve Bank, the impact of the bank bailouts and repayments, and the future of financial regulation. Two prominent economists, Thomas Cooley and Richard Sylla (both of New York University) presented keynote addresses. In addition, a panel discussion moderated by the Center’s Associate Director Steve Fazzari featured James Bullard, President of the Federal Reserve Bank of St. Louis, Joel Prakken of Macroeconomic Advisers, and Costas Azariadis, Professor of Economics at Washington University in St. Louis. The event was cosponsored by the Weidenbaum Center, the Washington University’s Department of Economics, the Undergraduate Economics Association, and the St. Louis Gateway Chapter of the National Association of Business Economics.

Politics and the Global Recession
This forum brought together scholars exploring innovative theoretical and empirical contributions on the relationship between economic globalization and fiscal policy. The program began with an evening public forum that focused on how the global economic crisis affects the operations of U.S. business abroad. Speakers include Jeffrey Frieden of Harvard University, David LeBlang of University of Virginia, and Rod Morris of the Overseas Private
Investment Corporation. The following day, Washington University faculty and the national academic experts from the Forum program held an academic research workshop.

**State and Local Government Finance Amid Economic Turbulence**

This forum, co-hosted by the Weidenbaum Center and the Federal Reserve Bank of St. Louis (Research Division), focused on the current status of state and local public finance, fiscal federalism in the United States, an economic evaluation of state and local taxes, and non-traditional revenue sources for state and local governments. Ronald C. Fisher from Michigan State University presented the keynote address. Other prominent speakers included Ray Nelson of Brigham Young University, Robert Inman of the University of Pennsylvania, and William Fox of the University of Tennessee. Former Weidenbaum Center Associate Director Paul Rothstein (now at the Federal Trade Commission) served as a discussant at the session on fiscal federalism. The program concluded with a panel discussion on the future of state and local government finance.

**The State of the Senate**

The political and institutional dynamics that have given rise to the “60-Vote Senate” was explored at a conference held in Washington, D.C. The conference was co-hosted by the Weidenbaum Center and the Brookings Institution. The discussion also focused on prospects for reforming the filibuster due to mounting criticism of the Senate and calls for reform of the chamber’s rules.

The keynote address on the strengths and weaknesses of the modern Senate was delivered by Senator Ron Wyden (Democrat-Oregon). The first panel was composed of former Senate leadership staff who offered insiders’ views on the state of the Senate. The second panel of congressional scholars offered a broad assessment of the Senate and the procedural and organizational challenges confronting the legislative body. Discussion also centered on proposals for reform. Steven Smith, the Center’s Director, was one of the speakers on the second panel.
A Progress Report on the Obama Program

The Center’s leadership team, Murray Weidenbaum, Steven Smith, and Steven Fazzari, led a special roundtable discussion of the Obama administration and its progress or, in some cases, lack of progress.

Discussion focused on the taxing, spending, and regulatory actions and proposals of the administration and their cumulative impact on business, labor, and the growth of investment in the years ahead. The panelists also discussed the unemployment rate and the tradeoff between economic prosperity and income distribution.

Regulatory Oversight: Past, Present and Future

Susan Dudley, former administrator at the Office of Information and Regulatory Affairs (OIRA), delved into the history and function of OIRA at a Weidenbaum Center breakfast meeting. She shared her personal experience across several presidential administrations to describe the nonpartisan objectives and changing responsibilities of the office as the size, technological capability, and functionality of the position changed over the years. She also addressed common misconceptions about OIRA and provided some insight into where she sees the office headed in the years to come.

Designed for Failure: The Problem with U.S. Alternative Energy Programs

Peter Grossman, Professor of Economics at Butler University, reviewed the history of many federal energy programs over the past several decades. He concluded that most have failed, in part because they were based on the idea that new technologies could make a significant dent in our energy problems without forcing significant sacrifices on business or the public. He linked these outcomes to political pressures on Congress, and argued that future federal interventions in energy policy are almost certain to fail for similar reasons.

The EU and the United States

Christian Prosl, Ambassador of Austria to the United States (since May of 2009), spoke on the EU and the United States. He drew on his diplomatic experience to delve into the functions of the European Union and the implications of its existence for the U.S.

The Crisis in the Region of Afghanistan and Pakistan

Washington University Professor and Anthropologist Robert Canfield used his extensive knowledge from years of study and first-hand experience to talk about the problematic state of affairs in Pakistan and Afghanistan. As an anthropologist, he talked about the problem from the bottom up. He focused on history, regional power, and cultural institutions and how we must understand these aspects of the problem to fully grasp the core of the crisis.

Campaign Finance Reform

Anthony Corrado, a Professor of Government at Colby College, addressed the controversy surrounding recent federal campaign finance reform legislation. He discussed the role of corporations and unions in the financing of elections, surveyed the history of campaign finance law, and concluded with a short discourse on consequences of the recently decided “Citizens United” decision by the U.S. Supreme Court.

Health-Care Reform

Timothy McBride, Health Economist and Associate Dean of Public Health at the George Warren Brown School of Social Work at Washington
University, spoke on the comprehensive health-care bill that was recently enacted into law. He discussed the impact of the bill and addressed some of the intense opposition to this controversial policy by showing that the changes to the U.S. health-care system will not be as significant as critics often portray them. McBride concluded by showing that regardless of one’s views about recent health-care reform, the costs of medical care in coming decades for the large baby boom generation remains a huge challenge for public policy.

**Stupid Budget Tricks (That Balance the Budget by Fleecing Future Generations)**

John Gilmour is a professor in the Department of Government at the College of William & Mary who studies all things related to government. In particular, he has spent a significant part of his career examining budgetary procedures and their implications. At a Weidenbaum Center breakfast meeting, he focused on the tricks politicians use to balance their budgets—helping them in the short run, but harming future generations.

**The Future of News and the Newspaper**

As an editor of 35 years, and the current publisher and editor of the Detroit News, Jon Wolman has witnessed first-hand the dramatic changes that the news industry has undergone. In his presentation, he discussed how the newspaper industry is being pummeled from all sides by faster-paced lifestyles, new mediums of information, and an overall stagnant economy. Bankruptcies and downsizing pervade the industry, and the storm isn’t over yet. Nonetheless, Mr. Wolman expressed some optimism about the future. Newspapers, he said, are not about print and ink, but rather conveying ideas and information. In fact, he argued, the internet will bring a golden age in reporting. The trick is to survive until that time comes.

**Can the Obama Administration and Congress Govern the Climate?**

Barry Rabe, Professor at the Gerald Ford School of Public Policy at the University of Michigan and Nonresident Senior Fellow for the Brookings Institution, examined the roles of government in adopting and implementing climate change policy. In light of the forthcoming book, *Greenhouse Governance*, he considers the feasibility of progressive climate change policy in government, with particular focus on the current administration.
Corporate Leaders Programs

In its second year, the Weidenbaum Center’s Corporate Leaders Program continued to inform corporate executives of major developments in the public policy arena. Topics addressed in these briefings include the national political situation, national economic conditions and forecasts, and St. Louis regional developments. Members maintain close relationships with the Center’s scholars and regularly receive top-level research and analysis on specific policy interests and priorities. In addition, corporations provide important input to the Center on a wide variety of issues.

Potential Implications of Health-Care Reform on Employers. Last year, passing comprehensive health-care reform was one of the highest priorities of the President and Congress. Ann Prenatt, Vice Chancellor for Human Resources at Washington University, evaluated the proposal which incorporated ideas from both the Senate and House passed bills. As the senior human resources professional for one of the biggest employers in the St. Louis area, she was able to help corporations make sense of how the then-proposed health-care reform would affect their corporations.

Challenges in Governing and the Prospects for the 2010 Elections. Steven Smith, Director of the Weidenbaum Center, used his expertise in his study of the Congress to evaluate the mood of the country and the likely outcome for the November 2010 mid-term election in a spring 2010 talk. With the President’s popularity falling, the likelihood of a change in leadership in Congress rises. His talk addressed the challenges in governing that change would likely cause.

Political Responses to Crisis: Backlash or Reform? The current economic crisis has been met with market enhancing economic reforms in some countries and backlashes against firms, trade, and markets in general in other countries. Nathan Jensen, Associate Professor in the Department of Political Science at Washington University, addressed the conditions under which crisis can lead to real economic reform and when crisis can lead to economically inefficient policies in a November 2009 talk. For corporations, his talk was crucial in helping them evaluate political risk in certain countries.

The Great Moderation: What Caused it and Is it Over? The “Great Moderation” is a term coined by Federal Reserve Chairman Ben Bernanke to describe the sudden and dramatic stabilization of economic activity in the mid-1980s for the United States. James Morley, Associate Professor in the Department of Economics at Washington University in St. Louis, spoke on different explanations for the Great Moderation, all of which are being re-assessed in light of the recent global recession. While it is now considered unlikely that better monetary policy caused the Great Moderation, other explanations such as better inventory management, increasing globalization, and something economists have simply labeled as “good luck” provide a somewhat more optimistic prognosis for the continuation of the Great Moderation once the recession is over.
Empirical Implications of Theoretical Models (EITM) Summer Institute

The Weidenbaum Center hosted its eighth EITM Summer Institute in June 2010. This Center program, funded by the National Science Foundation (NSF), sponsors three-week training seminars on the methodological challenges posed by mathematical models of the strategic aspects of politics. Students attended daily intensive classes and participated in hands-on lab applications in the evening. Seminars were led by Washington University faculty Randall Calvert, Andrew Martin, and Robert Walker as well as nationally recognized faculty from Rice University, University of California-Davis, University of North Carolina, Stanford University, Vanderbilt University, and the University of Rochester.

Theoretical and Methodological Foundations
This seminar provides tools for students to develop their own statistical models to test predictions derived from formal theories. It covers techniques fundamental to the Summer Institute’s advanced seminars: maximum likelihood estimation, Bayesian inference, model specification for comparative statics predictions, model comparison, and simulation. It also introduces software to be used in the subsequent advanced seminars.

Random Utility Models and Strategic Choice
This module examines methods for explicitly linking theory and statistical analysis, especially in a strategic context. Topics covered in this section included random utility models, selection models, quantal response equilibrium, and structural econometric models of strategic interaction.

Operationalizing the Spatial Model
In this course, methodological tools are presented that will allow students to (a) operationalize the spatial model in their own research; (b) use the spatial model in other statistical models of behavior; and (c) use computational approaches to compute equilibrium predictions of various sorts of formal models.

Experimental Applications
The development of rigorous, deductive theory leads to hypotheses that demand testing. This seminar includes voting experiments, public good experiments, tests of non-cooperative bargaining theory, experiments on information, and recent innovations in political science experimentation. Discussions focus on links between theory and experiment, experimental design, the role of pilot experiments, experimental technique, data gathering and data analysis.

Issues in Testing Positive Theories of Legislative Politics
Theoretical advances concerning legislative institutions, legislative parties, and the individual behavior of legislators have generated many methodological challenges. A central concern of the field is the development of appropriate tests of theories about the choice of formal and informal institutions. Closely related are theories of individual behavior in a strategic context.

International Relations Applications
This seminar looks at the unique challenges posed by data that are observed across both space and time through the lens of political economy models in international trade, finance, and conflict. The class constructs, examines, and/or replicates dynamic models and models of transitions, measurement models, multiple imputation and other advanced techniques in cutting-edge applications of cross-national research using the statistical programming language R.

For more information on the EITM program, please visit the website at http://wc.wustl.edu/eitm.
MEDIA RETREAT

In June, the Center hosted its ninth Media Retreat. The program brought together academic experts with media participants for an interactive seminar examining the role that numbers, statistics, and data analysis play in the news, public policy, and politics. This seminar explored issues such as where these numbers come from, how they are misused across the political spectrum, and when a number is reliable and when it is not.


Speakers were Steven Smith, Murray Weidenbaum, Steven Fazzari, Richard Mahoney (Weidenbaum Center), Tim McBride (Washington University), Don Coursey (University of Chicago), Joel Best (University of Delaware), and Mark Vaughan (National Credit Union Administration).

Participant feedback including many enthusiastic comments, such as:

“I’m leaving this retreat feeling inspired, enlightened, and ready to apply what I have learned.”

“...appreciated the speakers’ focus on how we might best use the work that they do.”

“The focus on presenting a wide variety of views and on vigorous independent reporting makes it valuable and worthwhile.”

“Thanks so much for providing this chance to raise the quality of our work for readers and public policy.”

“The stimulating discussions...the generosity of time and spirit in sharing knowledge and opinion...especially the healthy free flow of ideas, opinions, and scholarship...”

“There is no price tag on the information and fellowship...the most useful information will be holding myself accountable to stop and look at the numbers...”

“I came away with tips, story ideas, sources...also new ways to look at numbers...when journalism has become so fast-paced, I realized AGAIN our role in critiquing, analyzing, and explaining things to people.”

“I feel recharged and have been reminded of the importance of getting my job right.”

“Learning hard facts about economic theory, budgeting, healthcare, and the multiplier effect were most valuable.”

“Good opportunity to learn a lot about the economy, hot button issues, and [how to] avoid irresponsible use of numbers in public policy reporting.”

On June 27, 2010, Catherine Rampell received the first Weidenbaum Center Award for Evidence-Based Journalism. Rampell, a participant in the Center’s 2009 media retreat, is the economics editor at nytimes.com. This annual award recognizes a past participant whose work represents quality journalism on economics, business, and government and reflects the sophisticated use of research, numbers, and statistics.
Multinational Enterprises and the Global Political Economy

This program sponsors research and public outreach on the study of multinational corporations and their relationship with domestic governance. The program supports three broad research initiatives: (1) Political Risk and Development, (2) Multinationals and Domestic Society, and (3) Competition for Multinational Investment. Academic workshops, graduate student training, as well as a variety of community outreach programs such as public policy conferences, lectures, and debates are held on an ongoing basis. This program is co-directed by Political Science Associate Professor Nathan Jensen and Center Director Steven Smith.

Behavioral Economics

The researchers in this program area use social, cognitive and emotional factors to help understand the economic decisions of individuals and institutions performing economic functions. This interdisciplinary approach looks at consumers, borrowers and investors, and their effects on market prices, returns and the resource allocation. Researchers involved in this program study the effects of market decisions, and they also explore aspects of public choice. Leaders of the program are: Economic Professors Sebastian Galliani, and David Levine along with Steven Smith and Steven Fazzari.

Citizenship, Civil Society & Democratic Values Program

This program, co-directed by Political Science Professor James Gibson and Steven Smith, sponsors research and programs on the social foundation of democratic processes in the United States and abroad. The program aims to broaden and deepen democracy by understanding its cultural roots, the social impediments to majority rule, and the respect for minority rights. Issues such as trends in civic engagement and political participation, the development of democratic norms, evolving forms of political organization and social networks, and the causes and consequences of globalization are examined.

Program in American Politics

This program sponsors studies of important aspects of American politics such as the presidential nomination process. Recent efforts have been directed toward development of a national panel survey that will use state-of-the-art methods to explore changing trends in political and economic views of the American public. It is directed by Steven Smith.

Macroeconomic Conditions and National Policy

This program sponsors research and public discussions on topics of current interest in macroeconomics, including the determinants of economic growth, explanations for recession and recovery, and the link between financial markets and economic performance. The program is directed by Professor Steven M. Fazzari. During the recent academic year, Fazzari and two co-editors made plans for a timely new book on the causes and consequences of the Great Recession.
MANAGEMENT OF OTHER WASHINGTON UNIVERSITY CENTERS

In 2009-2010, the Weidenbaum Center continued to provide management assistance for the Center in Political Economy (CPE) and the Center for New Institutional Social Sciences (CNISS). Weidenbaum Center staff managed human resources, payroll, accounts receivables and payables, and budgets for these organizations.

Center staff also continued to work with faculty in the Departments of Anthropology, Economics, and Political Science on NSF and other grant applications. Awarded projects were administered by Weidenbaum Center staff which included budgeting, accounting, and filing reports. The staff also worked closely with the University’s research office and sponsored project accounting to make sure that NSF rules and regulations were followed, keeping the University and the faculty involved in compliance at all times.

CENTER SPONSORED FACULTY RESEARCH

Center Grants

A major goal of the Weidenbaum Center is to help sponsor and support research by faculty primarily in the Departments of Economics and Political Science. One of the ways the Center does this is by providing small seed grants to initiate faculty projects and encourage research and development. The following faculty received research grants this year.

Department of Economics

Gaetano Antinolfi — Liquidity and Monetary Policy

Michele Boldrin — Workshop on Allocating Resources Across Generations

Michele Boldrin/Raul Santaeulalia-Llopis — Intertemporal Issues and Exhaustible Resources

Sebastian Galiani — Effects of Cash Transfers to Rural Elderly in Mexico

Sebastian Galiani — Impact of Providing Housing to Poor in Latin America

Pamela Jakiela — Aspirational Intervention and Student Test Scores

Sukkoo Kim — U.S. State Laws and Regulations Reconsidered

Juan Pantano — Physician Behavior and Medical Malpractice Litigation

Raul-Santaeulalia-Llopis — AIDS, Development, and Policy

Ping Wang — Housing Dynamics: A Quantitative Study

Department of Political Science

Dawn Brancati — Kosovo Field Experiments

Brian Crisp — Legislative Voting in Latin America

Brian Crisp — At-Large Legislative Districts

Guillermo Rosas — Support for Presidential Campaigns in Federal Regimes

Norman Schofield — The Political Economy of Democracy

Itai Sened — Role of the Middle Class in Sustainable Economic Growth

Melanie Springer — Voter Bias and Youth Enfranchisement

Margit Tavits — Inside Political Parties
FUNDS AT WORK

The following is a list of publications that Weidenbaum Center funds (primarily through its small grant program, its major programs areas, and the research of its faculty) partially or fully supported. Some of this support also came from special programs/project support that was requested.

Crisp, Brian F. (Department of Political Science)


Galiani, Sebastian (Department of Economics)


Gibson, James (Department of Political Science)


with Christopher Claasen, “Racial Reconcilla-

“Land Redistribution/Restitution in South Africa:
A Model of Multiple Values, as the Past Meets the Present.” British Journal of Political Science 40 (#1, January): 2010.


**Krook, Mona Lena** (Department of Political Science)


Schofield, Norman (CPE)


Sened, Itai (CNISS)


Smith, Steven (Department of Political Science and Weidenbaum Center)

Steering the Senate: The Development of Party Leadership in the U.S. Senate, with G. Gamm (Cambridge University Press), forthcoming.


Weidenbaum, Murray (Department of Economics and Weidenbaum Center)


The American Congress Reader (Cambridge University Press), 2009.


“Don’t Miss the Key Decision Points,” Directors & Boards, Third Quarter 2010.

“How to Play ‘Spin the Budget,’” USA Today Magazine, September 2010.


“Examining the Economics of Environmental Policy,” USA Today, November 2009.
NSF/NIH GRANT APPLICATION AND ADMINISTRATION

From July 1, 2009 through June 30, 2010, the Weidenbaum Center worked with faculty in a number of Arts and Sciences departments, preparing grant applications and submissions. Below is a list of these submissions.

Department of Anthropology
Mary Jane Acuna — Dissertation Improvement Grant: Monitoring the Development of Early Kingship at El Achiotal, a Preclassic (800 BCE-200 CE) Maya Frontier Royal Center in Northwestern Petén, Guatemala (NSF)


David Freidel — Defining the El Peru-Waka’ Community: The Articulation of Dynasty and Daily Practice in Expressions of Group Identities (NSF)

Shanti Parikh — AIDS, Inequalities, and the Gendered Spectrum of Care (NIH Subcontract)

Shanti Parikh — Budget Revision Submission: Life Projects and Antiretroviral Therapy: The Social Impact of Scale-Up (NIH Subcontract)

Department of Economics
Pamela Jakiela — Liquidity Constraints and Microenterprise Development: Empirical Tests of Theory (NSF)

Department of Political Science
Brian Crisp, Matthew Gabel — Collaborative: Telling Half the Story?: Using Roll Call Votes to Understand Legislative Behavior Beyond the Congress (NSF)

James Gibson — Changes in Public Support for the Supreme Court in the Obama Era: Expectancy Theory and Confirmation of Sonia Sotomayor (NSF)

Mona Lena Krook — CAREER: Gender Quotas and Women’s Political Representation (NSF Career Grant)

Gary Miller and Itai Sened — Closing the Deal: Negotiating Major Legislation (NSF Resubmission)

Margit Tavits — Inside Political Parties: Party Organizational Strength in Post-Communist Europe (NSF)

Department of Political Science — Doctoral Dissertation Research
Mariana Medina — Doctoral Dissertation Research: Welfare States, Fiscal Crisis, and High-Skilled Immigration Policies (NSF)


Weidenbaum Center
Steven Smith and James Gibson — Majority Rule and Minority Rights: A Panel Study of Democratic Values and Attitudes toward the Senate Filibuster Among the American Public (NSF)
Anthropologist Charles Trombold received a supplement for his project "Late Epiclassic Transitional Dynamics at La Quemada, Zacatecas, Mexico: View From Hinterland and Agricultural Terraces."

Professor Mona Lena Krook for her "CAREER: Gender Quotas and Women’s Political Representation."

Professor Shanti Parikh for the project, "Life Projects and Antiretroviral Therapy: The Social Impact of Scale-Up."


Professor and Director of the Center for Applied Statistics Jeffrey Gill and collaborator George Casella (University of Florida) for their project, "Collaborative Research: Identifying Structure in Social Data Models Using Markov Chain Monte Carlo Algorithms."

Political Science Graduate Student Diana O’Brien for her project, "When Women Matter." This grant will enable Ms. O’Brien to study when and why increasing women’s presence in national assemblies leads to greater attention to women’s issues. (Her faculty mentor and sponsor is Political Scientist Matthew Gabel.)

CONTINUING NSF GRANT ADMINISTRATION
The Center continued to administer the following NSF grants. Staff worked with faculty on budgeting, accounting, and filing reports. The staff also worked with the University’s research office and sponsored project accounting to make sure that NSF rules and regulations were kept in compliance.

Anthropology
Geoff Childs — Economic Development and Intergenerational Relations in the Tibet Autonomous Region of China
Herman Pontzer — Metabolic Cost of Living in Human Foragers
David Rasmussen — Paleontology and Primate Evolution in the Late Oligocene of Kenya
Charles Trombold — Late Epiclassic Transitional Dynamics at La Quemada, Zacatecas, Mexico: View from Hinterland and Agricultural Terraces

Economics
Haluk Ergin — Collaborative Research: Models of Unawareness and Ambiguity
Haluk Ergin — Collaborative Research: A Subjective Model of Temporal Preferences
Haluk Ergin — Alfred P. Sloan Foundation grant
David Levine — Applications of the Self Control/Dual Self Model in Economics
Yongseok Shin — Financial Frictions and Economic Development: A Quantitative Exploration

Political Science
Dawn Brancati — Another Great Illusion: The Advancement of Separatism through Economic Integration
James Gibson — The Politicization of State Judicial Elections: The Effects of New-Style Campaigns on State Court Legitimacy
James Gibson — Assessing the Consequences of Politicized Committee Processes
James Gibson — The Mental Health Effects of the Khmer Rouge Trials in Cambodia
Jeff Gill — Collaborative Research: Adaptive Nonparametric Markov Chain Monte Carlo Algorithms for Social Data Models with Nonparametric Priors
Steven Smith — Empirical Implications of Theoretical Models (EITM)
Joseph Tonon and Marc Law — Earmarking and the Political Economy of Agricultural Research
WORKSHOP/SEMINAR SUPPORT

Center Supported University Workshops

The Weidenbaum Center, in an effort to enrich the programs offered to graduate students and to encourage collaboration among faculty, supports a variety of workshop programs. These programs run in the fall and spring of each academic year. Scholars are brought in from across the globe to discuss their research. In 2009/2010, the Center supported the Macroeconomics and Development and Public Policy workshops in the Department of Economics. Seminars are listed below.

The Impact of Regulations on the Supply and Quality of Care in Child Care – Joseph Hotz, Duke University

The Nature of Credit Constraints and Human Capital – Alex Monge, Penn State

Direct and Indirect Effects of Voluntary Certification: Evidence from the Mexican Clean Industry Program (joint with Emilio Gutierrez) – Andrew Foster, Brown University

Recent U.S. Offshore Oil and Gas Lease Bidding: A Progress Report (joint with P. Haile and R. Porter) – Kenneth Hendricks, University of Texas at Austin

Who Gets the Job Referral? Evidence from a Social Networks Experiment (joint with J. Magruder) – Lori Beaman, Northwestern University

Growth in the Shadow of Expropriation (joint with M. Amador) – Mark Aguiar, University of Rochester

Government Transfers and Political Support (with M. Manacorda & A. Vigorito) – Ted Miguel, University of California, Berkeley

In Search of the Multiplier for Net Federal Spending in the States During the New Deal: A Preliminary Report – Price Fishback, University of Arizona

Export Commodity Booms, Labor Coercion, and the Historical Containment of Education (joint with P. M. Morrow) – Gustavo Bobonis, University of Toronto

The Impact of U.S. Family Planning Programs: Evidence From the War on Poverty and Title X – Martha Bailey, University of Michigan

Collateral Constraints, Capital Specificity and the Distribution of Production: The Role of Real and Financial Frictions in Aggregate Fluctuations (with J. K. Thomas) – Aubhik Khan, The Ohio State University


Do Credit Constraints Amplify Macroeconomic Fluctuations? – Zheng Liu, FRB San Francisco

Estimating Dynamic Models with Aggregate Shocks and an Application to Mortgage Default in Colombia – Salvador Navarro-Lozano, University of Wisconsin

Remittances and the Problem of Control: A Field Experiment Among Migrants from El Salvador (with Ashraf, Martinez, Aycinena) – Dean Yang, University of Michigan

An Alternative Theory of the Plant Size Distribution with an Application to Trade – Thomas J. Holmes, University of Minnesota

Cutting the Costs of Attrition – Duncan Thomas, Duke University

The Miracle of Microfinance? Evidence from a Randomized Evaluation – Esther Duflo, MIT

Spot Wages over the Business Cycle? – Iourii Manovskii, University of Pennsylvania

For a complete list of upcoming seminars, please visit the Department of Economics website at http://economics.wustl.edu/events/workshops
SCHOLARS PROGRAM

The Weidenbaum Center Scholars program was created to honor Murray Weidenbaum for his long-standing commitment to teaching and mentoring undergraduate students. The program is open to all Washington University undergraduate students. Participants are chosen on the basis of academic standing, interests, and career goals. The program provides students with the unique opportunity to learn and work under the guidance and mentoring of world-class academic experts. The program serves as an exceptional capstone to the academic careers of Washington University students in the fields of economics and political science. It provides three primary types of support for undergraduate scholars:

(1) Research Assistantships. Students work closely with faculty members, primarily in the Departments of Economics and Political Science, on cutting-edge research projects. (2) Support for Honor Theses. Essential expenses such as purchase of data sets, research travel, copying expenses at government institutions such as the Library of Congress are considered, and (3) Conference Travel. Students may receive funds for travel to attend scholarly conferences where they share their research.

Students work with faculty whose expertise lies in areas such as micro and macroeconomics, environmental economics, social choice, political economy, and democracy, industrial organization and medical economics, statistics, judicial politics, comparative political behavior and democratic processes, democratic institutions, international relations and international political economy, and American politics and policy making.

2009-2010 MURRAY WEIDENBAUM SCHOLAR

Dustin Palmer

Dustin Palmer worked as research assistant for Weidenbaum Center Director Steven Smith. His main project concerned a data source for a new edition of Professor Smith’s book, The American Congress. He read Professor Smith’s book, created subheadings for each chapter, and then read through almost two years of Roll Call, a Washington DC paper that covers congressional affairs. He sorted through articles based on their relevance to long-standing trends in Congress or procedural politics issues. After identifying a useful article, either in the print or online edition of the paper, he saved and categorized it for Professor Smith and his co-authors to sort through and evaluate for the upcoming edition of the book.

Dustin, a senior at Washington University, is majoring in Political Science and American Culture Studies. In the Spring 2010 semester he studied abroad at Oxford University in the United Kingdom through the University’s Political Science Department. His earlier work for the Weidenbaum Center was in the summer of 2009. Some of the past projects he has worked on with Professor Smith concerned filibusters and cloture, congressional conference committees, public opinion surveys, and presidential signing statements. He hopes to begin a master’s program in international politics and foreign policy next year.
OTHER STUDENT SUPPORT

The Weidenbaum Center supports undergraduate and graduate research assistants for faculty through its small grants programs. This sponsorship creates a unique opportunity, particularly for undergraduates, to work and collaborate with university faculty on research projects related to the economy, politics and public policy.

The Center also looked for opportunities to engage both undergraduate and graduate students in its programs as well as special occasions for these students to meet and interact with government officials and business leaders in 2009 and 2010.

Graduate students in the departments of Economics and Political Science were invited to attend the Center’s monthly Public Policy Breakfast Meetings and the Weidenbaum Center Forums. Occasionally, when space permits, they were invited to partake in the Center’s Public Policy Luncheon Series. In addition, students had an opportunity to informally meet with some of these speakers — such as Anthony Corrado — for an informal session.

Below is the list of students who were supported through the faculty small grant program or other types of research related work.

Eliza Adelson
Jesse James Atencio
Miriam Ben Abdallah
Philip Bolson
Kayla Brinkley
Francesco Carli
Peter Casey
Wei-Cheng Chen
Christopher Claassen
Arlan Cohen
Adriana Crespo Tenorio
Nicholas Diehl
Justin Dollinger
Jeffrey Dreifus
Mark Dudley
Rohan Dutta
Chelsey Erway
Charles Ferguson
Sara Flower

Charles Franklin
Morgan Grossman-McKee
Stephen Haptonstahl
Timothy Krah
Taro Kumano
Charlene Lai
Gyanesh Lama
Daniel Levy
Tess Mattingly
Mariana Medina-Garcia
Heather Meiers
Alex Mistratov
Shintaro Miura
Wung Ng
Santiago Olivella
David Olson
Dustin Palmer
Nidhi Pande
Hong Min Park

Noel Pereyra-Johnston
Mark Plattner
Christopher Pope
Joshua Potter
Amin Pourmohammadi
Michael Rubin
Amanda Sabele
Viktoryia Schnose
Hannah Shaffer
Michelle Shaffer
Joel Sievert
Daniel Weiss
Daniel Weltman
Rachel Zemke

John M. Olin Prize for Excellence in Economics
FINANCIAL SUPPORT OF THE CENTER

The Weidenbaum Center, while an integral part of Washington University, is responsible for its own financial support and relies heavily upon generous donations from individuals, corporations, and foundations. As a nonprofit, nonpartisan organization, the Center falls under the University's 501(c) (3) tax-exempt status. Expansion of current programs and the creation of new programs require additional funding on a continual basis.

There are many ways to make an investment in the Weidenbaum Center’s activities. The Annual Fund is the key means through which the Center raises unrestricted funds each year to support and enhance its day-to-day work. Designated gifts can also be used to provide support for specific purposes such as named research assistants, forums, or other programs.

Donations through its membership programs (both individual and corporate) provide the Center with support for many of its programs and activities. In turn, these generous individuals and corporations interact with Center experts on a regular basis and participate in many programs that are geared specifically to help educate and provide information on economic and political issues of the day. For more information on supporting the Weidenbaum Center, you can visit its website at http://wc.wustl.edu/donate.

If you are ready to make a donation online, please go to https://gifts.wustl.edu/giftform.aspx. In the pull-down box under “Please Designate My Gift to the Following,” be sure to click on the “Murray Weidenbaum Center on the Economy, Government, and Public Policy.”

If you would like to make a stock gift or would like a pledge card/envelope to mail in, please contact Gloria Lucy at 314-935-5689 (glolucy@wustl.edu) or Melinda Warren at 314-935-5652 (warren@wustl.edu).

The Center is grateful to the volunteers who have worked so hard over the years to help it reach its annual financial needs. Special recognition goes to James E. Schiele who chairs both the Center’s Eliot Society Volunteer Committee (individual giving) and the Center’s Corporate Volunteer Committee.
RESEARCHERS AND STAFF

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