RESEARCH REPORTS

Reviews of new research by public agencies and private institutions

"CETA: Politics and Policy, 1973–1982."

University of Tennessee Press, 293 Communications Bldg., Knoxville, Tenn. 37996. 272 pp. $24.95.
Authors: Grace A. Franklin and Randall B. Ripley

Few federal programs have been more controversial than the Comprehensive Employment and Training Act (CETA). Charges of local waste, muddle, and fraud plagued the program almost from its inception in 1973.

Franklin and Ripley, Ohio State University political scientists, argue that CETA actually scored some achievements. "But they were not dramatic, nor were they effectively communicated." Most importantly, "comprehensive data were not available in time" to fend off the program's executioners in Congress and the White House during the early 1980s.

CETA was created under President Richard Nixon to consolidate and expand several existing Great Society programs. The idea was to focus efforts on job training for the "structurally unemployed" and to reduce federal red tape, allowing state and local officials leeway to fit federal money to community needs. CETA included provisions for "no-strings" block grants to the states and cities (42 percent of first-year outlays) as well as special remedial efforts for unemployed teen-agers, welfare mothers, and workers displaced by automation. Also included was a small public jobs program.

Between 1974 and CETA's demise in 1983, the Labor Department spent some $55 billion under this program. During the mid-1970s, it aided more than one million people a year.

Yet, CETA was the victim of constant transformations. Economic recession during the late 1970s led Washington to expand CETA's outlays for local public-service employment at the expense of job-training programs. CETA soon became synonymous with City Hall payroll padding and make-work jobs.

Nor could Congress, always impatient, resist tinkering with CETA, the authors note. More and more money was siphoned away from block grants to establish special CETA programs for the handicapped, small business, and a multitude of other claimants.

One factor remained constant: State and local officials kept control over CETA programs. That meant that results varied widely, depending on the integrity and competence of local administrators. Yet, the authors contend, recent studies suggest that CETA produced some overall gains, albeit modest ones, for the poor.

Nearly one-third of CETA training-program graduates landed private sector jobs; two years after graduation, the average annual earnings of all former CETA trainees exceeded those of their untrained peers by $300. CETA also helped people get off welfare rolls: Nearly 40 percent of CETA participants drew welfare checks before joining the training program; only 25 percent did two years after graduation.

All told, Franklin and Ripley estimate, every $1 invested in CETA *job training* yielded a $1.38 payoff.

The Reagan administration has replaced CETA with a less expansive Job Partnership Training Act. Before long, the authors predict, it will wind up every bit as politicized and hard to assess as its predecessor.

"State of the World 1985."

W. W. Norton & Co., 500 Fifth Ave., New York, N.Y. 10110. 301 pp. $18.95 cloth, $8.95 paper.
Authors: Lester R. Brown et al.

"The world has been lulled into a false sense of security by recent progress in slowing population growth, reducing dependence on oil, and replenishing granaries."

So warns Worldwatch Institute president Brown in an annual report on the global environment.

Population growth remains the world's number one problem, he says. In 1984, some 4.76 billion people crowded the globe, 81 million more than in 1983. Many demographers fear that the planet's population will reach 10 billion before growth levels off.

Overpopulation, Brown argues, exacerbates environmental problems. The industrial expansion that accompanies population growth—and prosperity—can generate acid rain, which kills off or retards much plant and animal life. Ocean fisheries are showing the strain of supplying more and more hungry people. Overfishing has cut the annual growth per capita of the world fish catch from nearly four percent during the 1950s and '60s to just one percent since 1970.

Taxing the environment also increases the likelihood of "natural" disasters. In 1983, for example, a devastating forest fire swept part of Borneo. "Drought combined with forest degradation from logging, agricultural settlement, and the spread of shifting cultivation to dry out the forest and provide a layer of kindling," Brown explains. The blaze left nearly nine million acres of rain forest in ashes. Whole species of rare plants and animals perished.

Getting a grip on the global population crisis, says Brown, is the most important step toward creating a "sustainable society." But imaginative solutions to other problems are also needed. Aquaculture, for example, can give depleted natural fisheries a chance to recover.

Energy conservation, needed to reduce exploitation of dwindling resources, ranks as one of Brown's top priorities. "Just using the most efficient lights in the U.S. would save a third of U.S. coal-fired electric energy," he notes.

Most of all, Brown warns against short-term, seemingly "cost effective" solutions to global ills. A case in point: Overcultivating U.S. cropland as the world's breadbasket could leave America's farms exhausted and arid.

"Misregulating Television: Network Dominance and the FCC."

University of Chicago Press, 5801 Ellis Ave., Chicago, Ill. 60637. 210 pp. $24.00.
Authors: Stanley M. Besen, Thomas G. Krattenmaker, A. Richard Metzger, Jr., John R. Woodbury

ABC, CBS, and NBC are synonymous with television in the United States. Americans spend more than 85 percent of their TV viewing time watching the Big Three networks' shows.

No "law of physics or Platonic beatitude dictates that three is precisely the 'right' number," say the four authors, all economists or lawyers. What has happened is that regulatory policies of the Federal Communications Commission (FCC) have inadvertently assured Big Three dominance of the airwaves.

The FCC's blunders, argue the authors, began soon after its birth under the New Deal. In parceling out the broadcast spectrum in 1952, the FCC allotted a relatively small portion to TV. It then insisted on granting station slots to small communities that could not economically support a broadcaster. (Most of these slots remain unused.) Finally, it decided to allow the establishment of VHF and UHF stations in the same areas. Because UHF broadcast signals are inferior, the arrangement ensured that the UHF channels would be neglected and mostly unused.

These decisions virtually guaranteed that only three full-time networks could survive, the authors assert. Economic studies show that "at least one and possibly as many as three" additional broadcast networks could prosper without the FCC rules.

Ever since 1952, the FCC has assumed that local affiliate stations and independent program producers need protection from the networks. It has written volumes of regulations that, in effect, transfer profits from the networks to affiliates and producers. The unintended result: A new network would have difficulty getting started.

How badly the FCC understands the industry it regulates is illustrated by its 1970 Prime Time Access rule, which limits the networks to providing three hours of programming in the top 50 markets during the four hours of prime time every night. The FCC judged that opening up an hour of prime time would stimulate independent production of "quality" programs. Instead, most local stations schedule inexpensive reruns of "Hee Haw," "Tic Tac Dough," and the like.

The FCC shows no signs of altering its spectrum allocation policies, the authors conclude. But since the mid-1970s, it has wisely dropped its long-standing opposition to "alternative" TV—cable, pay TV, low-power TV. By 1983, some 20 fledgling cable networks were in operation, and the FCC had received some 32,000 applications for low-power stations.

Eventually, the authors predict, these industries will spawn competitors strong enough to challenge the Big Three on the airwaves. Faced with a real challenge to its doctrine, the FCC will have to loosen its stranglehold on the broadcast industry.

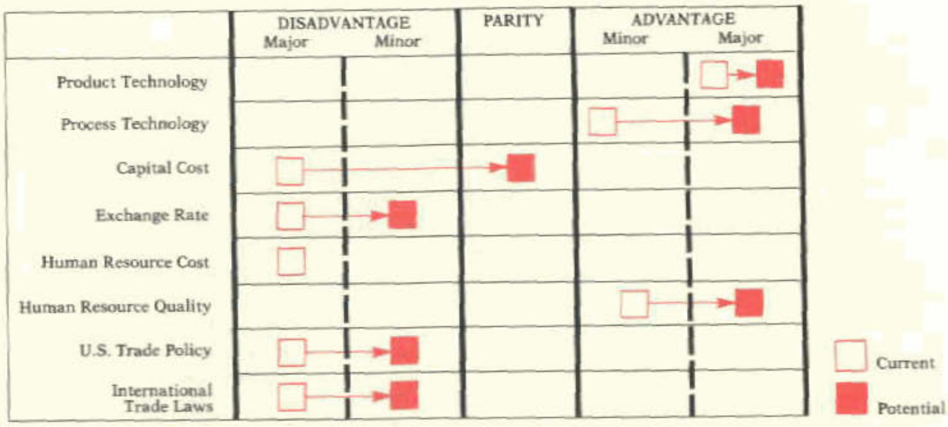
"Global Competition: The New Reality."

The President's Commission on Industrial Competitiveness, 736 Jackson Pl. N.W., Washington, D.C. 20503. 451 pp. Vol. 1 (summary), $2.75; vol. 2, $11.00.

Americans are finding it hard to cheer about the nation's upbeat economic news, thanks to the prospect of never-ending federal budget deficits. To that worry, the President's Commission on Industrial Competitiveness—30 corporate executives, academics, and public officials—adds another.

The commission fears that the United States is being left behind in the escalating global competition for markets. It regards the challenge to the long-term health of the U.S. economy as serious enough to merit the creation of two new cabinet-level federal departments.

America's chronic trade deficits ($107 billion last year) represent only



An overview of the commission's assessment. Its top priority: Upgrading "human resources" by greater attention to education. Tax credits would boost research and investment in production line "process technology."

the tip of the iceberg. World trade, now worth some $2 trillion annually, grew sevenfold between 1970 and 1984. U.S. exports quintupled (reaching $220 billion last year) but failed to keep pace.

Together, U.S. imports and exports now represent nearly twice as large a portion of the gross national product (22 percent) as they did two decades ago. National boundaries no longer shelter domestic industry: 70 percent of all goods "made in the U.S.A.," whether sold here or abroad, face foreign competition in the marketplace.

Washington is ill-equipped to wrestle with this "new reality," the commission says. Responsibility for trade policy—export licenses, loans to overseas buyers, import quotas—is divided among 25 U.S. executive agencies and 19 congressional subcommittees. A more coherent U.S. trade policy is desperately needed, and only a new, unified U.S. Department of Trade can forge one.

Concern about international trade also prompts the commission to call for the creation of a Department of Science and Technology.

It points out that even America's vaunted worldwide lead in high technology—scientific instruments, pharmaceuticals, chemicals—is fading. In seven of 10 major high technology fields, the U.S. share of world markets shrank between 1965 and 1980.

The commission finds no single cause for this erosion. Among other things, U.S. labor productivity between 1960 and 1983 grew at one-half the British, one-third the French, and one-fifth the Japanese rates. Since 1980, low-risk bonds have offered higher rates of return than have investments in U.S. manufacturing. West German and Japanese outlays for *civilian* research and development (R&D) top American nongovernmental spending.

The list of U.S. weaknesses is long. What would a federal Department of Science and Technology do? It would marshal U.S. resources to beef up private sector R&D, fill empty engineering lecterns at U.S. universities, and tend to such banal matters as pressing the prosecution of overseas copyright "pirates."

"Third World Instability: Central America As a European-American Issue."

Council on Foreign Relations, Inc., 58 East 68th St., New York, N.Y. 10021.
156 pp. $5.95.
Editor: Andrew J. Pierre

Ronald Reagan's support for *contra* guerrillas in Nicaragua and for President José Napoleón Duarte's anticommunist government in El Salvador is a source of rancor in U.S. domestic politics. But the Reagan policy has also sown discord between Washington and its North Atlantic Treaty Organization (NATO) allies.

Here, two Americans and several Europeans and Central Americans try to explain how and why their views on Central America differ.

U.S. policy in the region since World War II represents a "historic failure," argues Fernando Morán, Spain's Minister of Foreign Affairs. "Oscillating between military intervention and neglect," Morán says, "the United States made little contribution to the incipient processes of economic and social change in the region." South America, by contrast, is a relatively stable area in part because European powers long ago gave up their colonial interests there, allowing it to find its own destiny.

Contrary to the Reagan administration's charge that "indirect armed aggression" by the Soviet Union and Cuba is largely to blame for today's Central American turmoil, Morán holds that poverty and inequality are the chief causes of the conflicts. Yet, by labeling the conflict an East-West struggle, Washington invites other Western powers to state their views.

Former Costa Rican president Daniel Oduber agrees with Morán's historical analysis. "American foreign policy-makers," he says, "were interested only in protecting U.S. investments, no matter what kinds of government were in power." Today, they are reaping the results in Central American resentment.

"Most revolutions," argues Representative Michael D. Barnes (D.-Md.), "have essentially internal causes but attract external actors." Anastasio Somoza Debayle's dictatorship in Nicaragua, he points out, fell in 1979 not at the hands of the Soviets or Cubans but of ordinary Nicaraguans.

The only certain vital U.S. interest in Central America, in Barnes's view, is preventing the establishment of Soviet military bases. Washington's demand that its NATO allies grant it *carte blanche* for all its actions there is simply unreasonable.

"Paradoxically, the best way to promote U.S. interests in Central America is to let go of it," Barnes concludes. "Not in the isolationist sense of withdrawing from the region . . . but in the sense of turning the actors loose to seek their own settlements with each other, with the United States playing an active and supportive role."

But Irving Kristol, coeditor of the *Public Interest*, says, "Yes, there really are dominoes." The United States has a vital stake in seeing that Central America and perhaps Mexico do not pass into the hands of Marxist-Leninists. It is the Europeans, he continues, who have no vital interests in the region. Good allies would keep their disagreements to themselves.

Poverty is a root cause of Central American unrest, Kristol concedes, but it springs from the failure of Central Americans themselves to find the capacity for self-government and economic growth. The fact that such conditions have given birth to unsavory authoritarian regimes, he says, should not deter the United States from defending its interests in the region.

"Africa Tomorrow: Issues in Technology, Agriculture, And U.S. Foreign Aid."

U.S. Office of Technology Assessment, 600 Pennsylvania Ave. S.E., Washington, D.C. 20510. 156 pp. $5.50.

In the 45 nations of sub-Saharan Africa, population growth (three percent annually) has steadily outpaced annual increases in farm output (1.8 percent) since 1970.

Ethiopia is not the only victim of that formula for disaster; nine other black African nations face food crises this year.

While the United States cannot prevent such calamities, says the congressional Office of Technology Assessment (OTA), its foreign-aid programs have been severely hampered by politics, shortsightedness, and poor management.

Washington's chief goal is to help Africa learn to feed itself. The U.S. Agency for International Development (AID) devotes about 60 percent of its African assistance to agriculture ($150 million in 1985), most of it in support of some 1,000 agricultural research and farm projects. (Africa receives another $235 million in U.S. food subsidies and donations.)

"Altruistic motivations historically have played a large part in development," OTA argues, but today, official Washington often sees foreign aid "as a mechanism to promote U.S. economic and national security interests." As a result, foreign aid flows follow shifting political winds in Washington and abroad. Many projects are not seen through to completion. AID policies also limit the length of U.S. commitments. OTA argues that it requires 10 to 20 years of support to make a farm development project work, not the five years that AID favors.

About 70 percent of Africa's 400 million people live in the countryside, and most of them are subsistence farmers and herders working two- to 10-acre plots. These are the people who must feed Africa in the future. However, OTA believes that irrelevant heavy farm machinery and "high tech" items gobble up too much U.S. aid. Needed, it says, is more money for small-scale village irrigation projects, research into improving traditional farming techniques, and other "appropriate technology."

(It levels similar criticisms at the African governments with which AID frequently works. Too often, OTA says, such governments succumb to an "urban bias in development strategies." Small farmers get little assistance. In many countries, agricultural price controls are imposed to trim city dwellers' cost of living; the result is depressed farm output.)

Agricultural research, a particular U.S. strength, deserves greater AID support. Scientists have worked wonders improving corn, wheat, and rice but have paid little attention to millet, cassava, yams, and other indigenous African crops. More money is also needed to subsidize education for African agricultural students and to strengthen ineffective national agricultural extension programs for farmers' technical education.

OTA notes that women manage a surprisingly large number of Africa's farms, yet by tradition they are slighted by extension agents and excluded from farm loan and education programs. To speed change, the OTA advocates, among other things, expanding subsidized higher education for women, who can then become extension agents and aid female farmers.