Dear All:

I have made a list of people with PhD’s (or close to it) with whom I have spoken in the past, and now, as threatened, I am writing you a “newsletter” to describe how my graduate studies are going. I don’t expect that this newsletter will go out more often than once/quarter. You can, of course, tell me to drop you - just email.

The reason I am writing today is that I have gone through a stage that I think you will find interesting.

Background:

I am enrolled in the Agricultural and Resource Economics Program at Davis. There is an Econ department, but I am more interested in applied microeconomics and the department seems to have more “heart” than others.

I attended “math camp” in August to “brush up” on skills required for the courses ahead (I put these words in “quotes” since they are loaded with meaning; brush-up was the tone - not teaching). The camp was very confusing, since there was a lot of new vocabulary (I never knew that supply and demand curves were Marshallian in the single good world and Walrasian in the multiple good world). It seems that every economist worth his (so
far) salt has his name on an equation, function or curious result; it’s a wonder that “1” is still called “one,” but I guess that’s because other disciplines have to use numbers as well and the turf wars would be fierce. In math camp I was also reacquainted with vague and wondering lecture styles and books that are written with fore-knowledge of the material as a pre-requisite. Nonetheless, I plunged on, with the knowledge that “it’ll click” and “this is the worst” - as quoted from older students. I did learn that most proofs involve multiplication by 1 and addition of 0.

The PhD program guidelines recommend that you have a MS degree before taking the “core” of courses (micro theory, applied micro, econometrics). If you do not, you should “split the core” and take econometrics the first year, the other courses in the second. I decided, on advice from older students, non-discouragement from professors, and pure hubris, to take the core, not believing that my 10 year-old BA (with basic calculus) - combined with brute intellectual force and experience in life - was insufficient. I was wrong (ouch!)

After 4 weeks of floundering through math camp and 2 weeks more in classes, I realized that I understood neither lectures, homework (or the answers!) nor critical economic elements. My faux pas record was gaining on me as my sleeping habits worsened, my coffee intake grew, my free-reading evaporated and my wife sighed with remorse at my inability to grasp that I was undone. Alas - to continue the tragic tone - I didn’t even understand that I was still studying economics!

So - it was with joy that I embraced the old standby (“kill your status quo”) and quit the core to split the core. Immediately, my social life, my love life, my intellectual life, and life itself resurfaced from the depths of coma. I had a great weekend! I understood the material that the “splitters” are taking - I even found out why they use delta-the-triangle, d-the-letter and delta-the-Greek-letter as three different “d’s” in notating, respectively, change, total derivative, partial derivative! Wow - learning is fun!

Metaphorical Moral of the Story: enjoy school - don’t drown in the knowledge of ages (well a few centuries) before you can swim the basic strokes.

Cheers!

ps/After all - I’m supposed to be here 5 years. Why not make them fun? pps/In re: “departmental heart” - the econ department does not allow you to “split the core.” If you cannot take the core in the first year, you fail out. I am pleased to be continuing...
If you recall, I entered the program with high hopes of taking the full load of classes (the Core), but decided it was more than I and downgraded to “splitting the Core.” This turned out to be a good idea, as I am taking classes this year which will bridge the knowledge I still retain from UCLA undergraduate years to the lofty realm of PhD classes. I find several challenges:

(1) I had taken 12 years off from exams and the daily grind of prepare, attend, debrief for constant new ideas and needed to get back into good habits.

(2) My undergrad classes were not only in very applied areas (here are the results, let’s use them) compared to the PhD classes - which are designed to teach you the theory and work behind the results so that you can derive them on your own.

(3) My undergrad classes were more business and less math. PhD math isn’t tough, but it is tedious and sometimes convoluted. I have an old brain (compared to the norm) and these details take longer to sink in; in addition, my lack of a strong math background meant I had a harder time grasping subjects as well as a lack of experience in using them.

So - these were the constraints and I had to work with them. As I put time (lots of it) into the subjects, I understood more and more and the classes ended up being enjoyable - I actually understood what the professor was talking about! The actual moment where it all made sense was last Friday, the night before my last final (yesterday morning), when I realized how a connected to c, via b. It was great to know that it wasn’t all lingo and gibberish, that there was a real substance to the swirl of notions and notations that engulfed us. Cool.

I finished my exams in pretty good shape. As many of you know, graduate grades do not mean as much as undergraduate grades. If you pass the class, you get a B. If you do well, you get an A. Of course, you want to do well, but if you don’t, at least the bad grades won’t make you lose your teaching assistant position or fellowship (which requires a B average, for example). There are certain sadistic professor who not only delight in making life as difficult as possible for the students, but who also give bad grades (C’s), which will serve no purpose other than to make that person lose their funding). By the way, the reason grades don’t count so much is that we need to pass comprehensive exams in the summer (Econometrics, Microeconomics - Theory and Applied) and THAT grade does matter. This means there is no incentive to cheat as well :-) 

So - I passed my classes and now feel I have a claim to my seat in the classroom. Not only that, but I feel much more like I can call myself an economist (in training) than before. Not only are the ideas rolling around in my head all the time, but I am getting better at expressing them and learning more about how they fit together.

Next quarter (and for 5 more), I will plunge ahead and see what I can learn.

Have a good holiday season!
Dear All:

Here we are again and I find that the quarter system is conducive to semi-interesting newsletters written on a seemingly interval.

Please note that I have put you on this list due to some past notion of your interest in my PhD progress (or lack thereof). If you are uninterested in receiving this, please let me know.

It is the night before the last (third/spring) quarter of my first year. It appears that I will make it to the end after all, even considering the horror stories I am hearing from past students of our next econometrics professor (apparently talks 100 mph). As I mentioned before, the main concern remaining on my mind is that of passing the “prelim” or comprehensive examination in July. It doesn’t in fact matter how well I do during the year in this topic (econometrics, or economic statistics/“math for the insane”), just that I pass the three hour exam covering the entire year. Nervous - you bet. The worst thing is that y’all will have to wait until August to know if there will be any Vol II of this accursed newsletter. I did have a nice break. Read 8 books in 6 days - talk about deprived of literature!

The big change of this quarter, for those of you who don’t already know, is that I have separated (broken up) with Sandra. There were some long term considerations that suddenly become more important and negative for the relationship as well as short-term considerations (what will I do next year? I am obsessed by school/not a good partner), which led me to this very difficult decision (and the worse-than-expected consequences). I am happy to be “in charge” of my failure/success/future again, but I have hurt Sandra and caused great difficulty in her life. Without dragging this any further, I’ll just stop there. I am sure that you are not thrilled to read about relationship road kill...

Back to the studies. I felt this quarter that I actually had some good to contribute to (two) classes as well as a good understanding of what was going on. After the confusion and over-work of the Fall quarter (when I changed courses in the third week), this was a welcome situation. I did pretty well in two classes (development - a field I want to study further; and applied linear programming - an important analytical tool for economics). In addition, I have a better idea of what is happening in econometrics. This will be useful for the above-mentioned prelim. I found a new study partner, Monticha from Thailand, who compliments VERY well my big picture, systematic comprehension with her attention to detail (and ability to crack a whip when I am staring out the window). Oh that we could be tested in a real-world situation! It’s sad that our tests can sometimes be quite different from the actual practice of economics. Success at school might not transfer to the real world so easily. I have found that my “excessive” experience outside of school has made it quite hard for me to accept all that is put before me (especially when concluded with “we do this on a computer now in 1/1000th the time” or “this was disproved 20 years later, so we will only spend one class on it...”)

I should mention that my relationships with students and professors (now semi-colleagues) are improving at a rapid rate (in the context of my “interesting” personality and its facility
for conflict causation that creates both fear and admiration in people. I am afraid that my career as a diplomat is mortally wounded...

There was a big political tiff in the department over the allocation of professorial and departmental resources (supply) with respect to the student desires (demand). I was happy to provide the inflammatory (and basically true) data which highlighted this emotive situation. The odds are not spectacular that anything meaningful will happen in the near (4-5 years) future, but perhaps the department will slightly move towards the high demand fields (resources, development) and away from the past (agriculture). Don’t hold your breath: tenure lasts a lifetime.

My paper on opium and heroin originating in Afghanistan was well-received by my professor, and I have had a few comments from another professor whose work I was quoting. His thoughtful critique was welcome and useful. There is the (small) possibility that I will rewrite the paper for the European market (the original paper envisioned the US buying Afghani opium to prevent its appearance on the market - instead of trying to legally block appearance - a strategy that has failed in the past and is again failing), but I am not sure the Euros care as much as the US about preventing drug users from getting their smack. I hope to extend these themes in future papers. I just read a good book on corruption and there is quite a case for over-active and interfering government being the cause of not only corruption, but economic stagnation. Duh!

Life in Davis continues to be good. There are non-study moments in which to enjoy the (increasingly) good (and getting too hot!) weather as well as the nice quality of life here (5 minutes to work on bike; swimming club; organic food delivered weekly). I am happy with this set-up. I just can’t wait to get my classes over so I can get my beret and sit in the coffee house, arguing existential Marxism with the art-school types. I have been so attached to Davis, in fact, that my car wouldn’t start due to infrequent use (and a good thing too, with gas at $2.10/gallon). Going 20 miles to Sacramento still seems excessive to me!

Btw - if this doesn’t come to pass, my plan “B” involves 3 more years of travel, so don’t feel too sorry for me :-). I might even get in on that “building democracy” scam that the CIA - uh, I mean caring administration - has in mind for our future friends.

Oh yeah, let’s not talk about the war, huh? I can tell you that the impact on campus appears to be minimal, but there are anti-war marches every so-often and a lot of nervous people NOT making travel plans to other places. It seems to still be a good idea for me to remain out of the work/tax loop, as the market is too dodgy to make any investment returns and work must surely be difficult when people are too freaked to talk about re-ordering toner cartridges while “people” are dying (so graphically and “live”). Seems that the second best place to be (besides in some developing country without CNN) is Davis - hardly the scene of global terror (besides those cow farts that waft thru the window - big time chemical warfare).

Well - I can’t think of anything else to tire you with. Have a good ten weeks! If I am lucky, I will write next of my mastery of econometrics (simultaneous equations, time series analysis and instrumental variables are next) and acceptance to a workshop (“free market environmentalism”) in Montana...
Dear All:

Sorry for the delay in reporting my progress. I guess the complete lack of complaint indicates that none are offended. As usual, tell me if you don’t want to get these.

First thing: I passed the BIG TEST I was fearing all year. I got my results today. For those of you who are not living in our department lounge, this means I will be taking the other two required classes (applied and theoretical microeconomics) next year as the second half of “splitting the core.” Econometrics is done!

By the way, this means I have earned a master’s degree. I’ll have to work 4 more years to get the PhD tho’ [Later Note: My degree was awarded in December 2003, which meant that Arnold Schwarzenegger, as Governor and thus President of the Board of Regents of the University of California, signed it :)]

This also means that there will be a Vol II of Making...can’t have it all :)

So - on to other things...

The spring quarter went well. I did a paper on deforestation and tourism in Nepal where I tried to explain the paradox of deforestation resulting from ecotourism. This was easy, after I traced the motivations of the various involved parties and their power. It turns out that power matters. If you didn’t know that I was studying corruption and imperfect markets, this paper is an example of it (it’s on my “official” website, listed below. I wrote it for a general reader, so maybe you’d want to look. As a bonus, you can see a silly photo of me).

My classes also went well. I took a masters classes in Environmental and Resource Economics (discussing, for example why fish stocks in the oceans are over-exploited) and supply and demand (lots of graphs). My PhD class in econometrics got so dramatic at one point (in terms of the professor overwhelming the students) that there was an argument and walk-out. I was not willing to walkout, but did find the class a challenge (the analogy “drinking from a fire hose” applies here). I got along well with the professor and particularly liked how he linked the various concepts together (the big picture method). The piece-by-piece method has always driven me nuts. I found that after a year of econometrics, I understood how I needed to study (top down, not bottom up). This is a pity, since the pros have a hard time giving the big picture (or expect you to have it; I was VERY weak in math and statistics before I began classes).

I also got to attend a conference in Montana (Free Market Environmentalism). It was really great to be among some top thinkers in this area. The essence of their point is that market forces can work to protect the environment - in a far more efficient way than the government can. The government is too vulnerable to corruption and/or mismanagement.

[oh yeah - I am drinking a very strong drink now – hope that the spellchecker backs me up!]
Life in Davis continues to be nice, if hot (it’s been 110 f here the last 4 days). I’ve got organic food and the swimming team as extra-curricular activities.

This summer I am working for a professor, typesetting his book (estimation, calibration and optimization of nonlinear models of agriculture and the environment) in LaTeX (as opposed to using word). For most of you, this will mean nothing, but the subject is very interesting (finding relations with little data) and the method (using LaTeX) is quite a chuckle, since LaTeX was the BIG thing at MSRI, but I never got it. Now I am a fanatic. My papers and cv are done in LaTeX. The prof (Richard Howitt) is a great guy and very involved in modeling water distribution in California. I am very interested in this convoluted and distorted market, so this job is great.

I am going to be preparing for next year as well, so don’t count on seeing me. For those of you who care, my hair (a “clock” that is growing without cutting while I am a PhD student) is now at ponytail length (useful (?) with the heat). My car died in the past week, so I’ll be even more likely to enjoy Davis. I got $100 for it, so don’t think it was a total tragedy :)

So - hope you are all well.

II (1): After Fall Quarter – 15 Dec 03

Hello everyone:

This is yet another installment of my autobiographical thoughts as a Ph.D. student. As usual, please let me know if you do not want to receive these quarterly e-mails.

I just finished my finals last week and finish grading (as a teaching assistants (TA)) today. I am very relieved to have made it through this quarter. This year, as you may know, is my second year as a Ph.D. student. The first year was as a “core splitter” during which time I took master’s level classes as well as Ph.D. classes in econometrics (economical statistics). This year, I am taking the Ph.D. microeconomic theory classes as well as Applied Microeconomic classes. My experience last year has been extremely beneficial in terms of understanding the material this year and tolerating the various difficulties which appear to be part of the system of educating graduate students. For example:

- There is often confusion about the material that is being presented or disbelief that it is actually possible to use the theory in any meaningful way (due to assumptions which are often unrealistic). Confusing notation or a model which is applicable into a very narrow range of situations makes this situation worse.
- We are given problem sets which sometimes take five hours (if they are clear) or 20 hours (if they are not clear). These problem sets sometimes seem to have the purpose of confusing us by tying us up in intricate and often meaningless algebraic manipulations. The justification for the more nauseating problem sets is often given as “you may need to do something this complicated some day and you should know that you can do it.”
Graduate students are often not given a very good idea of how to fit the course material into their research plans (i.e., writing the thesis) or into their thinking as economists. Sometimes we lose sight entirely of what the goal of the courses might be.

What I can say (as the philosopher that I must be going through these things) is that endurance is the most important factor for graduate student success. We just need to get through the program, understand enough to pass the tests, and understand the various words passing before us in order to be qualified as Ph.D.’s. Of course, there is the process of writing a thesis, but what is actually very interesting is that much of what we are learning (say 80%) is not going to be useful and any one person’s thesis; what is useful is the process of going through all of the difficult concepts, crazy schedules, nauseating exams, and generally unbelievable expectations (either that we will believe something, or that we will understand it) and all this is in order to build into us some strength in dealing with bizarre intellectual situations. If this is the goal of the Ph.D. program, then it is succeeding an admirable fashion.

There is not a single day when I do not have a conversation with one grad student or another during which time we have we comment on how useless or extreme or narrow the task is that is being set for us. Of course, the academic environment and university situation in general is not known for its realism (this is why academics often talk about “the real world” outside) but this program is definitely training us to work in a surreal situation where sometimes concepts are so unbelievable as to be reckless – yet they have a value either in the theory or in applying the theory which eventually will filter into the “real world.” In a sense, be willing to question (or understand) anything is a skill which must be taught.

This year I feel much more comfortable with the class of students I am studying with. After taking the classes I did last year, I understand more about the material (the jargon, for example) as well as how to survive in the program and even pass a prelim. The new students do not know some of these things and therefore I can be of help to them, instead of always being in need like I was last year. In addition, my schedule allows me more time to absorb the new information and I have managed to do a very good job in creating an environment where the new concepts reinforce each other instead of being at odds. By this I mean that I am taking microeconomic theory (200 a) while TA’ing intermediate microeconomic theory (100 a), learning applied microeconomic theory (202 a – actually mathematics this quarter), and taking a history of economic thought (201 a). It is very nice to go from one class to another and see the same concept again.

What is even more interesting is that when I look at material from last year, I understand it more clearly. This is actually amazing to me, as I thought at the time that most of it was gobbledygook (which most of you will still believe to be true). I don’t know how I will turn out in the end, but my least expected outcome would be as a microeconomic theorist – although that could happen at my current rate of understanding the material :-)

Overall, I have also lowered my expectations as a student. My grades were extremely good at UCLA, but here they are only average – and that is the way I like them. Some of the
material is so difficult that it would be reckless for me to try (or impossible?) to get the highest grades in the class. Instead, like the swimmer that I am, I am pacing myself over the long distance (remember endurance :-) and just trying to get by in the classes which I have difficulty with. In the classes where I have some ability or aptitude, I am finding that I can do a very good job, and that is somewhat thrilling after all of the remorseless reminders of my inability to grasp mathematical concepts (to take an example).

In fact, I should write a little bit about mathematical concepts here. Do not be misled to think that I’m studying economics. In fact, (the majority of) modern economists are trained for mathematical manipulation of formulas and data. This emphasis on mathematical economics has been in place since the second world war, and it has slowly become obligatory for all economists have a significant depth in mathematical models. Mathematicians, of course, still laugh at economists as children in the sandbox, but economics has moved far beyond what Adam Smith would’ve recognized – although he would have understood most of the results. It is extremely difficult for me to deal with economics at the mathematical level. I’m starting to understand the value of clear statements of theorems, but I am also such a believer in the chaotic beauty of markets, but I do not believe it is possible to model them completely and therefore I do not believe it is possible to do everything with mathematics as far as the market is concerned (in fact, less is better). I’m hoping to be proven wrong in the near future (we are taking General equilibrium next quarter), and that would be fabulous for me because I would love to have an even stronger grasp of the markets that I have today. In some ways, I’m not sure that economics is going to give me the tools that I need to do the work that I want to do, but I’m eager to know what mathematics does have to offer (Freudian slip – economics). Last week, George Akerlof (a Nobel prize-winning economist) came and gave a talk at UC Davis. His talk had very simple mathematics, but very interesting policy and modeling conclusions. This is the kind of economics that I want to do, and it is extremely encouraging to me to see such a high ranking economist doing such interesting work with relatively simple mathematical models. There is still hope!

This is perhaps a little more than you wanted to know, but I’m also trying to relate as closely as possible my current understanding of the situation I am in. Even last week seems a long time ago to me; last year seems to exist in another lifetime. I’m not sure where I’m going to be even in one quarter, but you can be sure that my next e-mail will be different from this one. I am actually thinking that I can get through this program, and if I can do that and push forward it will be a success beyond my most vivid dreams. In this sense, my life as a Ph.D. student parallels my life as a traveler, and the duration (five years) is similar. I had no idea when I started traveling what I would be like or where I would end up after five years. Being a graduate student now is exactly that same thing.

I do have quite a bit of flexibility in what I can do in the future, and I’m trying to do some work towards that right now. I am going to apply for a fellowship to study the cocaine markets of Peru. If I get that fellowship, I’ll be very pleased to go and do some actual field research next year. My goal is to understand how a legal market can coexist with an illegal market (coca leaves are actually legal in Peru – as long as they stay as coca leaves!). This research would be fabulous.
In addition, I’m finding that my experience as a teaching assistant is helping me in two ways. One, it is very fun to teach students. I enjoy it very much, and having engaging students is a remarkable perk. In this sense, I might end up teaching at some point the future. In addition, teaching students makes you very aware of the gaps in your knowledge; it’s amazing to me how little I know about the subjects and also amazing to be able to learn them by teaching. This is a very good thing.

So, I will leave this year and wish you well. I’m going to Kauai for two weeks tomorrow and hope you have a very good holiday season!

Love to all!

II (2): After Winter Quarter – 30 Mar 04

Hello everyone:

These days may not seem special to you, but they are for the students having spring break (and maybe even looking forward to the next classes). It’s a funny thing, this spring break, because it started last Thursday and runs until Wednesday. This doesn’t seem to make much sense if you are used to taking a week off in between two weekends, but the Regents of the University of California like this schedule – and therefore so do we. Cesar Chavez day (a university holiday) was last Friday – during break. It would be too much of the coincidence to suppose that the university was trying to avoid one extra holiday – don’t you think?

Anyway, I’m sure you’re not interested in administrative games and would much rather hear about all of the amazing homework assignments I did last quarter, right? OK, I won’t torture you with that. Last quarter continued my upward trend in academic and mental progress in this program.

I started taking Spanish because I’ve always felt silly living California and not speaking Spanish (especially since I went to UCLA) and since I am going to Peru and El Salvador this summer for six weeks. I’m hoping to do research in Peru on coca cultivation but am not sure if I’m going to get a grant, do it with my own funds, or just look around. In any case, I’m happy learning Spanish as well as being able to visit some new countries and cultures.

My other two classes were in economics. The next class in the microeconomic theory sequence was in General equilibrium. This may not mean much to you, but it basically helps us to understand how a change in one market can affect another market – especially when there are difficult situations, like pollution, to account for. I enjoyed this class because the professor had more interesting material to teach and taught it better compared to last quarter.

My other class was applied microeconomics. We read some classic papers in economics, discussed what was said and how it was presented (modeled). Modeling real-world situations often attracts criticism to economists, as we take the obvious and make it unintelligible. I agree that this can be a problem but two considerations make modeling interesting: clearly defining a situation takes work and the process of defining a situation requires that you
understand all of its dimensions and implications. I had a very good time in this class because I understood the phenomena and really enjoyed trying to make a realistic model. Let me give you two examples: one question involved changes in fertility. I modeled family dynamics to understand why a family would add or lose a member. I had to consider how family members share cash income as well as “family production” or time which they spend among themselves producing things for all to consume. I called my model the “Corleone” model because I felt it captured the variety of dynamics which could appear in a Mafia family. The other model was of the real estate market and why people choose to pay one amount for a house in the Bay Area and another amount for a similar house in Davis. Of course, there is “location, location, location,” but I also modeled selling methods, which depend on buyer and market characteristics. This is very interesting (given my real estate background) and another fun exercise. I’m not sure you guys see these activities as fun, but I can tell you that they are much more exciting than trying to solve very large mathematical formulas which are (apparently) constructed to break our brain.

As a student, I feel more comfortable now than before when discussing economics with undergraduates, fellow students, professors, and outsiders. For one thing, I’m starting to understand the (jargon) which previously scared me and now seems more mundane, but I’m also starting to have conversations with people which not only make sense from start to finish but in which I can also contribute or add a new angle or idea. I also see situations from a clearer economic perspective and can explain this situation and recommend an action based on economic theory to someone who may not have seen so clearly something which seems obvious to me. This is definitely a point in “making a Ph.D.” as a few more years of this may enable me to present new material and educate people who know nothing about the topic. I’m enjoying this aspect of graduate studies very much – it is now only my June prelims which overshadow my joy of being a graduate student in learning, arguing, and discussing in presenting material. This is also a good point to remember that economic hubris has led to much (needless?) suffering in the world, and that some recommendations need to stay in quarantine before they are safe for release.

Last quarter, I was again a teaching assistant and had a very good time teaching a class of intermediate microeconomics. This class had imperfect markets as its topic, and gave me many opportunities to talk about monopolies, market power, lying and deceit (games theory), and other forms of manipulating markets. As you may know from before, this is the area which I prefer as a specialty and being able to talk about these issues with undergraduates was really fun. It was amusing was that few of them could identify the most powerful monopoly they have ever faced (their parents, really a duopoly), but all of them could understand how they would try and break the monopoly’s exercise of power by negotiating with one parent if the other was not agreeable :-)

Personally, things that have been good. I still live in the same apartment (a nice place but horrible property management) but have a roommate who is a visiting professor in the Department. Our conversations are very interesting, and I enjoy the “burden” of a roommate. Aslıhan and I are still dating and that relationship is working out well – given that we have lots of space and very little time in which to annoy each other. I go swimming
for five days a week with the Davis aquatic masters (DAM); that is a nice way to relaxing
during the pressure of school.

I mentioned before that I apply for a grant to research in Peru. I have also applied to
several summer workshops, and I’m hoping to be accepted to all of them. If this is so, I will
be moving well along in my path towards the Ph.D in terms of activities :). I am finding
that my interests in the form and mechanics of markets is going to be fun, challenging,
and productive. If you want to have an idea of what I would like to change, read this
little excerpt from a recent interview (by Andrea Combes of CBS MarketWatch) of IRS
commissioner Mark Everson:

If you are counting on Everson’s agency to simplify the tax code, don’t. The “system of
developing legislation is prone to a lot of special deals and special actions where people are
trying to help constituent interests, and industry, or a group of people,” Everson said. “A
lot of that is totally legitimate. That’s democracy.” But it leads to “a very complicated
mishmash, which makes it hard for people to comply,” he said. “I would like to see us address
that and simplify the tax code.” Still, Congress decides tax laws, Everson said. “If we had
it our way, it would probably be a very different looking tax code.” So – school starts on
Thursday for 10 more weeks. After that, I’ll be taking finals and prelims. Cross your fingers
for me, as these are the biggest barrier for me continuing onto next year.

I hope that this email has been interesting to you; it is definitely pleasing to me!

Love and hugs to all!

II (3): After Spring Quarter and Prelims – 29 Jun 04

Here I am after finishing my second year of graduate school, and I can tell you that I feel
as if a large weight has been (partially) lifted from my shoulders. I do not know the results
of my exams, but I do know that I have made it through yet another year of classes and
have not only made progress but learnt something.

I took my third preliminary examination (or comprehensive examination) of three just
yesterday. That exam while well, and I hope that the result will also be good for the exam
I took last week. If I have passed both of these exams (I won’t know until the end of July),
then I have completed the “core” coursework required of all graduate students and which
has been my nemesis for the past two years. At the start of this process, I thought that these
mandatory classes were a complete waste of time since they required us to learn things that
we would never necessarily need to know. Now I think that this is only partially true since
we need a basic literacy or experience of the core concepts of economics to communicate
with each other as members of the profession (which, by definition, means excluding others
from those same discussions; I had the horrible realization that I was part of this process this
quarter when I wrote an exam question (for the class in which I was a teaching assistant) and
*unknowingly* used jargon which meant exactly the opposite of the common definition. Oy
vey!). I also learnt things which I never expected to know and integrated them in ways which
are very useful in understanding and describing economics to other economists (most important!) as well as regular folks. My favorite realization this quarter was that 21st-century economics uses 19th-century mathematics to describe 20th-century sociology/anthropology. In any case, my ability to use the concepts, vocabulary, mathematical representations, and materials important to economics has increased. Although the system is working, I will suggest some changes to improve that process next year!

This quarter I finished my classes and microeconomic theory and applied microeconomics. The first class was mostly about game theory (how people strategically interact to try and maximize their personal benefits), and the second class was about numerical problem-solving (so that a problem which cannot be solved through theoretical mathematics may be solved using numerical estimates; this allows you to understand or characterize real-world outcomes without necessarily knowing the exact reasons for people’s decisions).

In addition, I took another class in Spanish and took three seminar classes in subjects which are interesting to me (water policy, industrial organization (more game theory), and cooperation). The Spanish would have helped for my research on coca in Peru, but since I did not receive the national security grants I sought (apparently they do not think that coca cultivation is off a national security interest!), I will be using my language skills as a tourist: I go to El Salvador in Peru for six weeks on Thursday. This is going to be my first vacation outside the US in four years!

The seminar on cooperation was extremely useful; I’m considering using cooperation in my thesis. I’m very interested in how people interact and cooperate on many levels – as members of a family, an organization, and in the marketplace. You may be shocked to know that cutting-edge economic research is based on understanding and explaining why people work together as opposed to selfishly pursuing their own interests (the so-called model of Homo Economicus; one recent paper characterizes our obsession with Homo Economicus: “why are economists convinced that Homo Economicus is selfish? No doubt we find considerable support for this hypothesis in the behavior of our colleagues.” :)). I’m interested in this area because most markets work despite imperfect information; we have a high degree of trust and faith that our opposites in a transaction are actually trying to do the right thing (think eBay). If everybody tries to screw you in the marketplace, none trade. The nuances of human interaction and cooperation are promising areas for research since they allow us to build a more reasonable and realistic model of the marketplace. I’m going to a workshop on experimental economics in August to explore just these relationships (Vernon Smith, who won the Nobel Prize in 2003, started these workshops). Next year, I’m planning to study dynamics to get a better understanding of how we can model interaction between actors in the marketplace. This is promising to be a very interesting, complex, and rewarding field of study!

As far as other research is concerned (by this, I mean my pursuit of various interesting ideas in order to understand them and perhaps argue a certain perspective), I am currently working on a market in economic journal articles as well as planning to write a paper on morality and the market. The first paper is meant to address the extremely poor system of matching authors with journals for publication; the second paper examines why some
markets are regulated (prostitution and illicit drugs) and some are not (gasoline and fatty foods). These markets are not different in their adverse impacts, but their moral dimensions.

So – if my exam results are good (pass!), I should be here in the fall with yet another update. If they are bad, I hope to pass the retake exam which is offered in early September. I hope I don’t have to do that, since these exams are really such a trivial measure of one’s ability to do economics and I’d rather move onto more interesting things :)

On a more personal note: my relationship with Aslıhan continues to prosper, my swimming has improved, I still drink a lot of cheap wine (also having rediscovered the virtues of beer), I enjoy my roommates’ company and conversation, and Davis is a great place to live!

I hope you’ll have a good summer, I look forward to more contact after I pass my exams. Life then will be back under my control and conducted in a way which is not only more fun but interesting as well :0

Cheers!

ps/as usual, I have included you on this list because I thought you are interested. Sorry to bother you if you are not!

II (4): Before Classes Begin – 26 Sep 04

You may not have heard: my big news is that I passed the remaining two prelims (proof: theoretical microeconomics and applied microeconomics) to complete the first set of course requirements (“the Core”). If you want to see what the micro test was like, look here

As I have said before, I was not excited to take these tests. My impression of a Ph.D. program is that you master a field, write a thesis expanding it, and then work in it. The core requirement, on the contrary, is that every Ph.D. student should have a minimum competency in a basic set of subjects. Although this sounds good as a plan, it turns out that economics is too broad for the basics to be covered in each field. Thus, the professor chooses and their opinion may not match your own. About 75 percent of the material in microeconomic theory was useless to me – except as jargon. I hope I change my mind later.

My other courses were in applied microeconomic theory. I enjoyed those classes because we studied important papers, learned about different methods, used computer models, and wrote a paper of our own. I was really doing economics – not learning implausible or outdated theory.

So – I learned my test results when I was in Peru (my vacation was then much more fun). My trip to Peru (after one week in El Salvador) lasted about a month and was 90% tourism and 10% work. I had a travel grant from our department that was so small that I could only think about economics for half of the flight there :). I applied for the NSEP grant (National Security Education Program, funded by the Department of Defense. The goal is saving our country but some proposals are marginal: “Gender and Technology: The Emergence of Call Centers in Mumbai, India!” Seriously, this year’s fellows had much better proposals than last
year’s. That makes me feel better for getting rejected...), but my application was denied because I did not have enough connections in Peru and I was not far enough along in my research. I wanted to study coca production (coca is used for producing cocaine but is also a legal product for local consumption). I found that my linguistic and cultural skills would not be good enough to understand this problem. I did find out from conversations with several Peruvian economists and officials at USAID that the United States uses cocaine as a lever to influence Peruvian politics and economics. In this, I have found a better topic for my future thesis – the use of moral argument to create regulation which allows one group to dominate another. I have a *very* long way to go before my thesis, but I am very pleased with this general topic. Once I have finished, I will be to able to work on coca, which is very complicated.

I was underwhelmed by my experience in Peru. This was mostly because I left so many projects in Davis (besides Ashlan, work :) and was unable to dedicate myself to travel. I vow that my next trip overseas (for fun) will be for less than two weeks or at least a year! Here are some tourist photos.

I returned to go to an experimental economics workshop at George Mason University. In this workshop, we participated in experiments, learned methodology, and talked to key researchers about their work. I was able to make enough money from the experiments to pay for my trip and a few extra days in Washington! It was a great experience – especially since my birthday celebration coincided with free drinks! More photos.

For the last month I have been reading papers and books and rewriting some papers to send to journals for publication. I do not have any results yet, but the process of writing has been instructive. They are here if you’re curious.

Next week, I will be going to Tucson for a conference on New Institutional Economics. This field, like experimental economics, is considered to be heterodox, i.e., outside of the traditional theory and methodology. I find heterodox perspectives (including the Austrian school) are much more realistic in their assumptions and clear in their recommendations for economic policy. They lack complex mathematics, but this as a virtue to me. Math often conceals trivial (or inapplicable) results.

Next quarter, I will be a teaching assistant again and taking my field classes in specific areas. Unfortunately, I cannot make up my mind (or am too eager?) and am taking twice as many classes as I need to (at the moment, I will take industrial organization, natural resources, and development; I am auditing public economics, international trade, and econometrics). I hope I am able to attend all these classes. If not, I will be busy next year!

III (1): After Fall Quarter – 9 Jan 05

So here we are again after another quarter. This update is going be rather short because I have very little to bitch about $\heartsuit$. As expected, passing my prelims has lifted a great weight and freed me to pursue more extracurricular activities – like writing papers, grant proposals, and fellowship applications! I started off the quarter taking three classes, auditing
three classes and TA’ing one class. This was too much and I quickly forgot about auditing. I took field classes in development, resources and industrial organization. In the first, we looked at different ways of understanding households; in the second, we studied dynamics, i.e., the way that something might change over time under the influence of some modifying factor; in the third, we discussed various ways of tricking your business partner and how to characterize these games mathematically.

I enjoyed my classes but did not get excellent grades, perhaps because I kept saying to myself “grades don’t matter.” I also spent a great deal of time finishing a paper that was due last year (!). This was useful, however, because I think the paper (“Moral Conflict and the Force of Law”) will be part of my dissertation. Another paper (“An Auction Market for Journal Articles”) that I wrote over the summer was favorably noticed by Alex Tabarrok (after I sent it to him) who blogs at MarginalRevolution.com: “The current academic publishing system is slow, tedious, and error prone. David Zetland, a clever economics graduate student at UC Davis, has a better idea. Zetland suggests that journal publishers should buy manuscripts in an auction.” Pretty cool! That paper is located here if you are interested. I am presenting that paper at a seminar tomorrow (January 10) with the hope that additional feedback and clarification will improve the paper before I submit it to a journal (yes – this contradicts my idea of using auctions!)

Ashkan and I went to Paris and Amsterdam for our Christmas holiday. It was really nice to be immersed in culture again – there is a future for me in Europe! Things were expensive there (nothing new), but it was worth it! Doing research on sex and drugs was never so fun! Some photos are posted here (coming soon).

That’s all for now – I have got a lot of irons in the fire (about 30!) and hopefully more interesting things will be happening as the year progresses. Have a great 2005!

III (2): After Winter Quarter – 2 Apr 05

Happy Spring! The sun is shining, my hammock is finally useful, and Taz is tired from attacking things all day.

Last quarter was quite interesting – I had to finish two papers and made about 10 applications for various fellowships and summer schools. Although I have been turned down on quite a few, I will be spending a good portion of the summer in Europe at conferences. At one, I will present my paper on morals. At another, I will present a joint paper on teaching methods. At a third, I will present a paper I have not even written! The last conference is in honor of Karl Polanyi, a critic of the Commodification of social objects (such as education, family, etc.) My paper is called “Why Google is Evil.” Although I do not agree that this title is entirely appropriate, my goal is to show that people are not creating knowledge as much as they used to because they are leaning on others to tell them what is correct. It is a question of comprehension by doing and innovation by mistake. (Imagine what cookie recipes you might come up with if all you had were some raw ingredients and imagination.)
In my development class, I presented a paper on international aid organizations and how they divert aid from beneficial uses. Although my paper attacks this “theft,” it does claim that middlemen can be beneficial. This paper is likely to be the (new) basis of my thesis (morals will be in the background). I hope to apply its ideas to California water distribution—to understand and change the status quo in California water.

In my industrial organization class, I did a paper on university fees (application and transcripts). The interesting question was whether or not the universities are competitive with respect to application fees and monopolistic with respect to transcript fees. This is mostly true, although transcript fees appear to be lower than theory would predict—alumni will not donate if the university is “too greedy.” This was a fun paper; one curious fact that emerged is that university rankings (prestige, as traced by U.S. News & World Report) mostly depend on the number of students and the amount of money they control—not the quality of education they deliver. This is a very big debate of which we almost hear nothing. (NB: I analyzed research universities, not liberal arts colleges.)

I continue to learn more about the insides and outsides of the academic world. In summary (and without naming names), there are a lot of professors who are not interested in teaching but are hired for research; there are a lot of professors who are hired for research but produce nothing applicable to reality; and there are a few good professors who really care about learning and do interesting research. Of course, these consequences result from students who only want degrees to get a pay raise (not so they know anything) and administrations who are concerned with prestige, not education.

I continue to make contacts with all manner of people who are interested in economic topics (i.e., life) and end up with unusual connections and conversations. I will be writing an article during the summer on free versus fair trade for the co-op newspaper. The challenge will be to explain complex ideas in a straightforward way that allows people to see how some fair trade is not “fair” and some free trade is not “free.” Another promising development (cross your fingers) was when the editor of the Berkeley Electronic Press’ Journal of Theoretical Economics (an online journal that is trying to break the hold of existing distribution methods) e-mailed me and asked me to submit my paper on journal articles. I did and hope things go well!

That is enough for now—hope things are good for all of you. Oh yeah—did you know that there are (cool) guys out there ready to teach you how to pick up girls?

III (3): After Spring Quarter – 14 Jun 05

Yes! Done with my required classes after three years. It’s been quite a journey (the type that you cannot imagine having done) since I stepped out of the “real world” and onto the academic path. I’ve learned quite a bit about academic economics; gotten better at understanding, defining and expressing ideas; improved my swimming; and had a lovely time living my life out. I cannot complain with where I am now, either relative to my expectations
or the surprises on the way. I’ve done a lot of writing this year. You can download my papers here.

My cousin (Smiley Dave) was just by for a few days. He bops around between Antarctica, the South Pacific and various body/mind retreats. We compared notes and decided that we were doing a pretty good job at making our lives as best as possible (motto: “if you’re not going to procreate, then the second-best purpose of life is to enjoy it”). Yes, it’s a good idea to try and make the world a better place, but there are plenty of reasons that we may not get anywhere, so don’t get your hopes up.

I am going into the next phase of my PhD with some interesting ideas and lots of energy. (I’ll need it.) I have to write an oral essay and take an oral exam (ETA mid-August) on my “chosen topic.” It is going to be the conflict between goals that maximize either social and individual returns within quasi-public bodies. I am using Metropolitan Water District as an example of a very-powerful organization that is not necessarily serving the public or its member agencies. This is an interesting topic because it addresses a real problem with newer ideas. (Economists have only recently rediscovered social cooperation.) If I pass my oral exam (most students do), I will go forward to define and answer my problem. More on that later. I do have the lovely advantage of a grant for part of next year. This means that I will be able to work full-time on my project (supervised by two good professors, Howitt and Sexton), instead of as a TA (teaching assistant), which is getting a little tiring.

On a more pleasant note: my summer plans. I am going to eight events (five conferences, three summer schools) in six countries (US (CA, VA and CO), UK, Italy, Austria, Turkey, and Spain). I will be presenting papers at three of them and enjoying myself at all of them. Besides the fun entailed in all of this, there is the advantage of missing the summer heat in Davis (it was 95/35 today). The bad news is that I will have fewer days to ride my new (to me) motorcycle (a 1993 250cc Honda Nighthawk), which is really fun.

My personal life is going well. Ashhan, Taz and Henry are all doing ok. Ashhan and Henry have lots of schoolwork; Taz sleeps a lot and likes climbing on the roof.

III (4): THE ENDLESS SUMMER – 2 NOV 05

This summer started to take shape in January, when my paper (Moral Conflict and the Force of Law) was accepted for presentation at a conference in Lancaster, England. The shape became more alarming when another paper (Is Google Evil?) was accepted for presentation at a conference in Istanbul, Turkey. I filled in the shape with a number of summer schools and conferences until the summer was truly bloated with things to do. It ended just this week, when Ashhan and I drove back from Southern California after a conference in Santa Barbara with Taz and a 39 inch television. In all, I figure that I traveled over 60,000 km to 16 events in seven countries (taking 18 flights, 15 trains, 16 one-day car drives, 13 one-day bus rides, and two boat trips). For more details of what I did, click here.

Believe it or not, all of these events more useful to me as an economist and fun as well. I met, literally, hundreds of professors, graduate students, and researchers who were working
on diverse fields and from diverse perspectives. The most obvious division was between the neoclassical and heterodox economists. (There are also sociologists, psychologists, lawyers and philosophers. Their enlightening perspectives (both theoretical and political) contributed to and deepened the economic debates.) The neoclassical economists assume that man is rational and acts in the self-interested way and then create deductive models to predict what will happen “in the real world.” Heterodox economists often assume that man is embedded within society and has obligations, constraints, and consideration for others. They are loath to use models and prefer to argue theory from a philosophical perspective or present empirical evidence that the neoclassical view does not hold or is failing society. There are, of course, economists who fall in between these strict categories and use theory and evidence from both sides. For example, experimental economics and behavioral psychology both support social cooperation over rational self-interest; believers in guaranteed basic income show evidence that incentives will still be intact and work as advertised, even after the threat of hunger or poverty is removed. I consider myself one of these people and found myself in strange situations where people would say, “wait – what kind of institutionalist are you?” I was never lynched by a mob of raving intellectual extremists, so the overall experience was positive :)

During the summer, I refined old ideas and came up with new ones. This fall, I will revise and present five of my older papers, hopefully to the point where they are worthy of submission to academic journals. (It is ironic, of course, that one paper is about submitting to academic journals. It has already been rejected – for reasons of clarity, not fundamental weakness.) I came up with ideas for at least five more papers, but these may have to wait until I make further progress on my thesis. By the way, I passed my oral exams during the summer (yeah!) and have begun my formal research towards my dissertation. My focus is on the Metropolitan Water District of Southern California; this excerpt from my orals essay captures my research direction: Public corporations have conflicting objectives. As corporations, they maximize profits. As public entities, they maximize public welfare. Since public corporations often have legal and economic market power, these objectives do not always coincide. My goal is to understand how these different objectives balance and where public corporations cross the line between helping and hindering society. My oral examination was in front of a panel of five professors. I made a 15 minute presentation and then they asked me questions for three hours. The process was enlightening to me, because it clarified some concepts I did not understand clearly (externalities versus public goods; Rent-Seeking with a fixed supply) and gave me a number of questions to answer and clarify in the course of writing my thesis. Many people asked me “how long will it take you to finish your thesis?” This is a frustrating question, since my thesis is not finished until the professors accept it. At the moment, I am counting on at least two years of work.

By the way, I had my first publication this summer – in the Davis co-op newsletter. I wrote on free and fair trade and found the process to be quite useful. The article was written for general audience, of course, and I hope that I can do more articles like that in the future, since there are so many examples of bad economics and confused discussion.
So – now I am going to eat some fresh baked cake and get back to my routine as a grad student. (I am now a “PhD Candidate.”). I really have to swim a lot, since four months outside the pool has had a terrible impact on my times!

IV (1): Winter Solstice – 22 Dec 05

Happy Winter Solstice! Americans are embroiled in “culture wars” over religion. The major problem is not that people have diverse beliefs, but that they want to impose them on others. Personally, I do not care if someone says Happy Holidays, Merry Christmas, Happy Hanukkah, etc. – what I care about is that the person means well by me. When I say Happy Winter Solstice to you, it is not because I want you to stop believing in your god(s), but because I appreciate you and am thankful that you are there. Where is that spirit in these wars? They seem to be more about Happy Me than Happy You…

Speaking of imposing belief… I exchanged several emails with Matthew from Answers in Genesis (“a non-profit, Christ centered, non-denominational ministry dedicated to upholding the authority of Scripture from the very first verse!”). Matthew cited the Bible as the authority that the Bible is true. I contended that every religion has its holy book(s), they are “true” to believers, and that therefore each must accept the other as valid. He wasn’t interested in that acceptance, and our conversation ended. (Luckily, the US Constitution does not support him. A federal judge ruled two days ago that “Intelligent Design” (creationism) will not be taught as science in schools, because it is (faith-based) religion, not (universal) science. Yeah!)

School Activities. So – I have been busy this quarter after my late return from Europe. I presented a number of papers and got a lot of good feedback. I have launched into my thesis, a study of Metropolitan Water District of Southern California. MWD is a public corporation (owned by “the people”) that distributes water to member agencies. The problem is that MWD acts more like a profit-seeking corporation. The conflict between this behavior and MWD’s stated purpose interests me. More interesting is that it may go on because people are willing to trust public corporations more than private ones (true?)

Power and Abuse. Why is it that pedophiles in the Catholic church are worse than other pedophiles? Because they are in positions of trust. Acton said that power corrupts and absolute power corrupts absolutely, but I say that those with power have an obligation to use it responsibly. Now, economists generally assume that those with power will abuse it (as we found when they gave us less than $1 of our recent $108 pay raise), but sociologists, psychologists and anthropologists generally assume that people cooperate. Economists are starting to see the light (that people do generally cooperate), but there is a long haul ahead.

The sad thing is that abuse of power is still so common. (It is not the most common behavior, but it is reported in the media all the time, so it seems more common.) Does that mean we are desensitized? that we abuse power ourselves (everyone does it)? or that we see it as so pervasive that we can do nothing to stop it? These are all scary implications.
People are Afraid – of What? Why do people abuse power? Why do they cut someone’s salary to use the money elsewhere? (Our salary was not part of across the board cuts – we just got a truckload of new furniture.) Sometimes you wonder how or why priests or rapists or politicians or human smugglers or lobbyists or arms dealers do what they do to the helpless (Why does Mugabe destroy Zimbabwe? Why does Putin want to crush independent thought? Why are farmers in Africa unable to sell food to Europe? Why do Greece and Turkey fight over Cyprus?) One explanation is that power should be used on someone before it is used on you (the economists’); another is that people just hate each others (the fundamentalists); the third may be that people are afraid and unhappy (the psychologists). After all, people are shooting, throwing rocks, car jacking, raping, voting for bombs, pushing buttons; these people have wants and needs as well.

Ashhan’s brother-in-law has been in the Turkish Army for about a year. The first months were terrible because they beat and abused him. Some will say that this helps bond soldiers. Others will say that Army people are all sadists. I think that those who abuse are so weak that they need to feel power over others and will use any excuse to do so. This belief and reaction will persist. (Stalin apparently said that he takes a man’s clothes, beats him, starves him, kills his family and tortures his friends until he is alone and near-death. Only then will that man come crawling to Stalin, who is all that remains.)

Alienation and Community. Excusing the cases where violence against others is for pure survival, most violence against others is because the person in power feels some need to have more than he does. (Now I say “he” with intent, as many more men are abusive than women. Perhaps this is because men are satisfied with (intrinsic) “achievements” of home and family; perhaps this is because men are constantly judged by their (extrinsic) accomplishments – their job, money, women, power, etc.) What would I really gain from the abuse of power? I have my food, home, goodies, etc. What do others gain? Is there job satisfaction in bribing a congressman? Is it good to rape someone? Is there more food on the table when that congressman votes to explore for oil in Alaska? No – these exercises of power are about feeling better – certainly not helping others! Some may interject that the workers for arms companies are helping their company succeed and also paying their salary. Nobody forced them to take that job! Working for lobbyists, the military, proselytizing religions, malpractice lawyers? Same problem.

You should ask yourself (I do) how it is that you are serving the needs of others. Do you fit within your community? Do you support it? Do you say hello to someone or through someone? Are you so busy getting things accomplished (with no real impact on your finances except you can buy another bike or SUV or DVD) that you forget to share time and space with those around you, at the office, in your family, in your extended acquaintance? I was saddened to hear a friend recently say “My bike broke down, and I was stranded, since my wife was away.” Do you only have one friend in the world? Is there nobody standing next to you who you can ask for a ride? Are you as afraid of her as she is of you?

I have been reading Bowling Alone recently, so this essay may spring from my reaction to that book. I don’t think so: I read a book about the Russian Oligarchs a few weeks before,
the persecution of scientists by believers just after that, and Erica Jong’s *Fanny* right now. These are very different books, but the rapes, killings, torture and theft that occurs in all of them are the results of abused power. Those who are abusing the power rarely need the benefits therefrom. So what is it? I think it is fear and isolation – the inability to feel connected to that person standing next to you when you have a flat bike tire, and their lack of interest in your problem stemming from their need to get to work, to earn more $$ or be somebody.

I read this after I wrote the above (from *Fanny*, p. 235):

> If Men had to bear the Babes, I thought, the entire Race would perish! For what man would risque his Life for a mere Babe? E’en he, who would so readily risque it disputing some foolish Point of Honor in a Duel with another Man, would balk at the very Thought of enduring Pain or Death for helpless Lump of shiv’ring pink Flesh they can neither walk nor talk nor pay him Homage! For the Curse of the Male Sex is its constant Need of Homage – Homage to its Intellect and Wit, Homage to its Gallantry and petty Prowess betwixt the Bed-Clothes; whilst the Female Sex *said* to be so vain, is vain only of mere superficial Beauty. And ev’n that Vanity – oft’ I confess, so noisome and tedious – is nought but an Instinct for Survival; for a Woman knows what that in a World where Women have no Pow’r – Beauty, like Witchcraft, is her only Substitute.

As this new year begins, I wonder how it is that I can affect this situation. By my nature and experience, I have small hopes. What I do know is that I can pay (just a little bit more!) attention to those around me and those who are far away – so that I can feel connected to them and they may feel connected to me. The Golden Rule, after all is that we should do unto others as we would have them do unto us. It is far older than the Bible, the Koran or the Torah – it is the source of society and the reason we are not standing alone, naked, hungry and afraid – at the feet of Stalin.

Happy Solstice!

### IV (2): Spring Break – 1 Apr 06

Ashhan and I just got back from two weeks in Cuba and a week in Yucatan, Mexico (photos of [Cuba](https://example.com/photos/cuba) and [Yucatan](https://example.com/photos/yucatan)).

Cuba was very stimulating to me as a human, development economist and American. I begin with a LOT of comments on Cuba and end with some brief notes on Mexico and my PhD thesis.

%NB: Most hyperlinks go to photos. Press back to get back here...

*Cuba for Humans*: As most of you will know, Castro has presided over a socialist revolution since 1959. (He turns 80 this year!) He began as a populist
and turned to Marxist-Leninist ideology after 2 years. Since then, Cuba has a reputation for first-world educational and health standards, decaying infrastructure (think 1950’s American cars), vibrant culture (Cuban baseball, Buena Vista Social Club), and political oppression. What we found in our brief visits to Havana (“La Habana” to Cubans), Viñales and Las Terrazas were signs that all these elements are present in Cuba today. Many parts of Habana resemble slums but are safe. People are friendly and willing to help when asked. Some wish they could leave; others lament Cuba’s struggle in a hostile world (ie, due to America); almost all are very proud to be Cuban. Racism, btw, is not evident. (Cubans are more likely to be divided by social class.) Santeria, an afro-Caribbean religion, is widespread.

Note: Remember that Cuba was receiving subsidies as well as economic, political and military advice from the USSR from 1961 to 1991. Cuba’s Soviet-style distortions are obvious in human, economic and political spheres.

Habana has surprises at every turn. As in India, people’s homes and lives spill onto the street. Some share a bottle of ron (Rum. A good 0.7l bottle of Havana Club [sic] costs $9); others sell coffee, pizza or flan from their living room windows; still others watch Fidel’s speeches, telenovelas (soap operas) or baseball on TV. The streets themselves are a constant whirl of baseball games (sometimes with hands instead of bats, bottle caps instead of balls but always with arguments), dominoes, bici-taxis, car repairs, dogshit, drying laundry, and words words words. (We met one artist that clarified the national sport as gossip, not baseball). People are always in each other’s lives – either through care or necessity. Interdependence is both a survival tactic for tough times and a method of political control. (Each block has a CDR – Committee for Defense of the Revolution – charged with maintaining order, promoting ideals and fixing local problems. China has a similar system. Judging by cleanliness, CDR’s may not be very effective at any of these goals.) Here are two interesting quotations:

Pizza guy: “El prision mas grande in el mundo es cuba. No tenemos ningun derechos; no podemos hacer nada.” [The biggest prison in the world is Cuba. We don’t have any rights; we can’t do anything.]

B&B Host: “Tourists take our air, water and food and leave us with nothing... Cuba doesn’t need ecotourists, we need money.” In the countryside, the advantages of the revolution are more obvious. Many farmers own land that was seized after the Revolution, can get medical care and have access to schools. Most have good (cement) quality housing and eat enough – since they are closer to food sources. [Interesting fact: The government owns all the cows. Steak is only available at state restaurants. Milk rations are only available until 6 years old. Older people have to buy milk at higher (non-subsidized?) prices.]

Las Terrazas (60km from Havana) is supposed to be a sustainable community, not in terms that we understand (energy efficient, growing food), but
in terms of healthy nature around it. The “community” has about 1,000 inhabitants and many visitors from the city looking for a nice place to picnic. We were happy to be able to drink the tap water. (In Havana, it has to be boiled).

Overall, the people are often getting along and often enjoying themselves. If the place were a US colony or state, they would probably be like Puerto Rico – richer, but less happy in terms of identity. The young people lose the most under a system that has so few choices after they leave school. School-age kids have a great time; older people are resigned to life. Both drink, dance and make love.

Cuba for Economists Cuba resembles Burma with its crazy currencies and prices but not its military. It has two currencies (moneda national (MN) and the convertible peso (CUC) – more below) and three sets of prices (ration prices, MN prices and CUC prices). Ration prices are available to Cubans with ration books (librettos) for small quantities of very cheap commodities (food, kerosene, etc.). MN prices are available to all for domestic goods (eg, buses, movies, some restaurants). CUC prices are for imported goods and some “tourist” goods (ie, hotels, private rooms and transport) that tourists must use instead of similar goods available to locals. Two examples: the Museum of the Revolution fee is 5CUC (6USD) for us, 2MN (0.04USD) for Cubans; the “campismo” cabin in Las Terrazas was 5CUC/each for us, 7MN for the Cubans sleeping next door. [One quip: “Before you complain about dual prices, remember that you can leave Cuba.”] Another example is bread. Ration book holders can buy one bun per day for 0.05MN (0.002USD); we can buy the same bun for 1MN (0.04USD); a bun in a tourist restaurant is 0.50CUC (0.625USD).

Income is similarly crazy. A pay sheet for university employees gives a median monthly wage of 295MN (13USD). Even if you consider that housing is “free” and electricity costs 1/10 of 1% of US prices, this is not very much money in terms of purchasing power. Foreigners and Cubans with access to hard currency are comfortably well off while those living on Cuban salaries are not. The result is a type of apartheid where people with nominally equal rights and dignity are very unequal. One obvious effect is a resurgence of prostitution and black markets for those unable to get by or desperate to “keep up” with the Rodriguez. (This page captures the thought.)

Currency is another interesting topic. (I know little of monetary theory, so I may be wrong here…) Cuba began with the MN and then added the CUC. A few years ago, they allowed USD as a parallel and equal currency to the CUC. This decision led to problems, as Cuba no longer controlled their money supply. (Tourists and emigrants were bringing in uncontrolled quantities of USD.) An increasing supply of USD chasing the same number of goods with MN prices would increase inflation and harms those without hard currency. Just a few months ago, Cuba announced that the CUC was the only legal currency for purchases. USD would have to be converted into CUC. In
addition, USD would incur a 10% “adjustment” (tax) to reflect the instability of using the currency of a hostile nation. In addition, Cuba has strengthened the CUC against all currencies, so that costs rise for tourists while prices are stable for tourist-related items (eg, rooms, food, tours). When we were there, Euros, Canadian dollars and Sterling had more purchasing power vs. the USD than their exchange rates would merit (eg, 100USD gets you 80.40CUC, while 100 USD changed into 82.64 gets you 88.84CUC).

This whole complex system seems to have a simple purpose – to increase Cuba’s buying power for imports by taxing tourism. The goal is to replace subsidies that the USSR used to give to Cuba that allowed a “decent” lifestyle that must now be sustained. (Apparently they were about $2billion/year, which was the level of gross tourism revenues in 1999.) Here’s how it works:

1) 1USD will buy 1CUC. A room is 20CUC. The foreigner spends 20USD for a night.
2) The CUC is “strengthened” so that 1USD buys 0.80CUC. The same night costs 25USD. (Works for Euros too.)
3) Cuba can import more oil, food, etc. – given unchanged prices – to resale at same or lower MN prices.
4) People are satisfied because their buying power has increased – no protests.

This simple model has a complication, unfortunately, since tourists are not willing to pay higher costs forever. If their demand is sufficiently elastic, they may take their business elsewhere and total USD receipts to the government actually fall – bad news.

**Employment** is another area of economic interest. Cuban law requires all adult men to work (unless disabled) and guarantees state jobs for them. (Women’s employment is optional. Underemployment is rife!) The penalty for shirking on the job, theft, etc. is to lose one’s job. If the State is the “only” employer, then this is bad news. People are therefore careful to show up and do their work. Some work a lot, some work not very much. (Souvenir sellers, masseurs, farmers, foreign firms, waiters and entrepreneurs all seem to be working for the state, although the methods of controlling, paying and taxing them vary.)

In Cuba, an “Economista” is actually an accountant. Not surprisingly, accountants are important in Cuba’s planned and centrally-optimized economy. Unfortunately, counting has not produced very much productive output. Cuba’s biggest problem is innovation and economic depth. Because production is so inefficient, it is difficult for Cuba to produce the goods and services that people want, leading to more demand for imports (and fewer exports), leading to greater pressure to tax tourists, leading to more demand to appreciate the CUC against other currencies, leading to a greater possibility of killing the golden goose, tourism, that Cuba’s biggest source of revenue. (Tourism passed sugar as the biggest export in 1998.)

A medical student on the bus claimed that Cuba was earning more from exporting medical services (ie, doctors), than it earned from tourism. Even
taking this as true, we have to ask a question of ethics. Are medical students indentured servants whose earnings belong to the State, which has provided the student’s education? Tricky. We got a “taxi” ride from an engineer who worked on medical equipment for Siemens. He drove us to the bus station on the way to work to supplement his 20USD/month income. The painful thing for him was that Siemens paid the government 2000USD/mo. to employ him. 99% taxes were too much, he said. He’d rather pay for his own education and keep the salary! (A recent economic study in the US estimated that a college graduate would earn an additional $1million in her lifetime. Compared to the average debt of $60,000, this seems to be quite a bargain.)

*Cuba for Americans: As most of you will know, the US maintains an embargo against Cuba. This embargo is the result of Cuban nationalization of American (and rich Cubans’) property after the Revolution. The embargo bans trade, but not travel to Cuba. Americans are prohibited from spending money in Cuba, however, so there is an effective travel ban to those without a license issued by the Office of Foreign Assets Control (Ironic name, isn’t it? How is it that we can control foreign assets?!) Licenses are issued to cultural, educational and religions groups visiting Cuba. We met UC Davis students studying in Cuba for a quarter. They were paying $4,000 in addition to normal fees, airfare and incidentals for their 75 days of residence, ie, over $50/day/each. Ashlan and I were spending about half that amount.

We did not have a license and broke the law to visit Cuba. Cuba does not prevent Americans from visiting (money good!), so all we had to do was fly from Cancun, Mexico to Habana. The Cubans did not stamp our passports, but the Mexicans have an organized bribery system to not stamp your passport on return. If we had been caught, I would have had a fine of $5-$10 thousand. Ashhan may have lost her student visa. The Mexicans were helpful at pointing out the costs of not paying the bribe. (Ironically, even if I entered with my UK passport, the US claimed jurisdiction. The law is written so that sanctions apply to all individuals “under US jurisdiction,” which can even include people on tourist visas to the US. US customs can seize Cuban goods from anyone entering the US under this law.)

To make a long analysis short, the embargo hurts the US more than Cuba, since it supplies a pretext for Cuba to blame its economic woes on the US (Cuba trades with the rest of the world.), while banning US influence via investment and visiting.

The center of US-Cuban propaganda is the US Interests Section in Habana. There is a very interesting monument to Cuba’s 138-year struggle for freedom from imperialist influences. Given the Monroe and past US actions, their claims of struggle have some foundation.

The $64,000 question is “What happens after Fidel?” Everyone has an opinion, but it’s almost impossible to give more weight to one over another. Raul (Fidel’s younger brother) apparently hates the US and would immediately attack. That would bring a US occupation (and, gee, we’re so good
Perhaps the Revolution will just stumble along (a la Syria) or perhaps there will be some attempt to put the country on a sustainable course by “transitioning” to a socialist-market economy (a variety of outcomes, from Estonia to Vietnam to China to Kirgizstan). The influence of the US will continue to be very strong, given history and proximity (Cuba is less than 200km from Florida).

**Summary:** Cuba is probably one of the most complex countries in the world to understand. The level of political interference means that the “natural” outcomes of deliberative human cooperation are often replaced by artificial choices made for narrow interests of beliefs. As an economist, I learned. As a human, I struggled. Why? became a mantra.

In Mexico, we visited Tulum Beach and the Mayan ruins at Coba and Chichen Itza. We ended up in Valladolid, which was a nice calm city after the chaos of Cancun (population 500,000 Mexicans and untold package tourists and drunk kids from the US). Our nicest discoveries were the OM beach guesthouse in the biosphere reserve and the helpful Mayan people.

As a student, I have made quite a bit of progress on my thesis. It is a case-study of the Metropolitan Water District of Southern California, an organization responsible for wholesale water delivery to 26 member agencies serving 18 million people. My focus is on MWD as an institution and how it may not be evolving with changing conditions to serve the needs of Californians and social goals (very vague words from an economist!). At the moment, I am preparing the background timeline of MWD’s evolution and documenting its structural form. In the future, I will analyze how this form may be rigid, what the impacts of rigidity may be and why change may not happen. My last steps will be to run some lab experiments with alternative structural forms to see if change might be beneficial and show how the organization’s performance does or does not match the public’s expectation of MWD. I presented a sketch of the structural portion of the thesis to a seminar at Stanford in early March and feel as if I am on the right track.

I am happy to finally settle into my role as an economist.

**IV (3): Summer – 24 Jun 06**

Today I am taking a little break from two, exhausting days of work :) Actually, I am in the middle of revising my prospectus (an overview of my dissertation (”Conflict and Cooperation within a Public Corporation: a Case Study of the Metropolitan Water District of Southern California”) that my committee of three professors must approve before its reviewed by four more professors. I revise the prospectus according to comments until they are satisfied and the document is “approved.” This means I can carry on my research. Whew!). Writing and revising a prospectus is a lot of work and may seem to lead nowhere (ie, it’s not the dissertation I need approved to graduate); instead, it is a critical document where I can develop my thesis (original ideas) in a structured form with a lot of feedback. Whereas my orals essay (the first written overview of my thesis) was speculative and flaccid, the
prospectus should serve (in my mind at least) as a good overview of the final dissertation. I march onward…

Besides this work, I am also reading background materials and doing the logistical work to run economic experiments in the field and the lab. These experiments are very interesting to me – so I’ll tell you all about them :). People (undergraduates in the lab and water-decision makers in the field) interact by playing two games: The first game is about cooperation, the second is about trading a good (water). I will control their environment and be able to observe each action and reaction. I can then use the data to understand how cooperation varies with the person and environment. These concepts are important in my dissertation, since public corporations (MWD, Catholic Church, Red Cross, Greenpeace, et al.) pretty much assume that people are cooperative and the structure in which they work encourages cooperation. What if either is untrue? bad results (eg, pedophiles in the Church). I have had a surprising level of support from the water people in terms of setting up the experiments and helping my with data and research. If all goes well, I’ll be running experiments at UC Davis and several places in California by the Fall.

[abrupt transition]

Taz is doing fine. He’s very skinny now, but I assume it’s because it’s crazy hot and he’s outside (away from food) all the time. He was gone for a few days last week, and I thought “As ye sow, so shall ye reap” (I have always let him out to run around; perhaps he found a better place.), but he came back. Nice kitty.

It’s bloody hot in Davis (about 37C/100F) right now. I won’t be getting out of town very much this summer, so I had better get used to sweating again.

Ashlan and I did get to Hetch-Hetchy reservoir in Yosemite last week. If you live in Northern California, you’ll know that there has been an increase in agitation to “free Hetch-Hetchy” by breaking the OSaughnessy Dam there. The idea is that San Francisco (and a few other cities) can get its drinking water elsewhere and the valley will look like paradise. I don’t buy it. The cost (moving water storage and losing renewable energy generation) will be steep, and the return to nature will not be worth it. It’s a great place to hike because the reservoir make things look different, and there are so few people in the wilderness area. (We saw less than 20 in the backcountry in two days.) I just imagine Yosemite-sized traffic jams and shudder. Go visit before the environmentalists destroy it :)

I had a great time in wood-shop last quarter. It was fun to actually start and finish a project. I made a cutting block, bookshelves, and TV stand (for my dad’s mongo hand-me-down TV) as well as extending my knife-holder and repairing my wind chimes. Next year? wine-rack. [Photos here]

I also swam in Lake Berryessa for a one-mile open water swim. I was 80th (of 211) among all men at 26:35. My friend Sue Barrett got 5th place, but there were only 8 women swimming with wetsuits. She thinks 5th beats 80th, but I think finishing in the 62nd percentile is better than the 32nd percentile :)
On the human side of things: I had an interesting conversation with my dad this morning about my “confrontational” style. I have always considered it a good idea to deliver “fair” criticism on things that people do (as well as receive it for things I do!), but I have failed to understand how people might take this criticism as a personal insult – especially if I point out “the problem” in public. (I have always been willing to face the same scrutiny without feeling threatened – perhaps because my mother used to say “Criticize what someone does – not who they are.”) My failure to “stand in the other man’s shoes” has meant that my criticism was received as an ad-hominem attack and failed to be effective. Since my intent has always been effectiveness, I have pledged to try a different tack, ie, to reflect back to the person what I am perceiving and get their reaction. If I break my pledge, feel free to tell me – even in public.

On that note (being effective), I have started a blog (web + log = blog) to broadcast my ideas. Instead of me sending you emails with my fabulous ideas, you can check the blog to see them. I may feel like people are missing out, but you will appreciate the reduction of crap from me :) I’ll be adding to Another Brilliant Idea every so often.

My life is going well. I’ll get done with this dissertation in the next 1-2 years.

V (1): Thanksgiving – 25 Nov 06

This update diverges from the previous, quarterly pattern in favor of the “natural break” that recently passed. The experiments that I mention in my prior post are now complete – and successful – and I have begun the next phase in my dissertation. Let me back up a bit to bring you up to speed.

The experiments were to provide a quantitative answer to the question: “Are water managers (more/less) cooperative than the average person?” (Undergrads, for historical reasons, are considered average.) What I do not mention in my prior post is that I was hopeful, but not expecting, to be able to run experiments with actual water managers. The fact that I did reflects favorably on those in the water business who supported me and my efforts to do research in this area. Although I had some favorable interest from the MWD folks in May, the actual agreement to participate in the experiments did not happen until August – when the member-agency managers of MWD agreed to participate. Their agreement got a few balls rolling, so that I ended up running four experimental sessions with over 60 water people. In addition, I ran 9 sessions with over 160 undergraduates, which gave me a “baseline” of data that I could compare to the water managers.

The bottom line is that water managers are no more cooperative than undergraduates. The implication of this is that conflict – over scarce water or cost allocation – will not be resolved in a “family way” and that an economic method of allocation, ie, auctions, is more likely to be effective. It so happens (accidentally, on purpose :) that I also ran auctions in these experiments and that water people did just as well as undergraduates. You can see perhaps that I have enough material to go forward: water managers need to resolve their conflicts over scarce water and auctions can do so.
My next steps are to quantify the damage from uneven access to water – by measuring the impact of water delivery on land values – as well as attempt to see if water was unevenly allocated in the 87-91 drought. This latter, short-term measurement is pretty dicey, but the former measurement of long-run impact should be easy to calculate – even if the results are insignificant.

So, my dissertation is in good shape. The most-important “knowable unknown” is now known; all that remains is to find out if the other unknowns are knowable and known. (Thank God Rumsfeld “resigned,” but his typology of knowing is useful.) After that, it’s all about the writing, and I should be done within a year.

What next? is the obvious question. I am torn between the academic and non-academic worlds. I am pretty sure that I want to do research and teach, but I dislike the academics’ obsession with publication – instead of implementation. (The one thing I have decided is that I am not going to work for the (non-university) government – unless the CIA wants to hire an open user of marijuana :) Job security (tenure) means nothing to me – except boredom – so I am not a good candidate for a lifetime position, or perhaps not a career. Time will tell. I am going to be on the “job market” in January 2008, so a few unknowns will be known after that…

I am still trying to push forward a few articles on publishing, foreign aid, South-South trade and the real-estate market, but progress is slow, and I think the audience is not there. (Those who should read it avoid academic prose; those who do see it don’t understand the point.)

I am still pushing my Rumor-Mill idea forward. I have posted a power-point on the [website] I registered with the basic ideas of how it would work. (It’s a site that assists whistleblowers inside government expose misdeeds – without getting penalized.) I am, of course, interested in any feedback/support that you might have…

My personal life is great: swimming (doing 6*100yrds on the 1:10), eating well (grinding fresh w/w flour for bread today), reading (Omnivore’s Dilemma by Pollan on the origins of our food; Analects of Confucius – philosophy; Open Society by Soros on the best way to political freedom and economic prosperity, and Pursuit of Oblivion by Davenport-Hines on the history of drugs) and watching movies (“V for Vendetta” is a recent favorite; I saw “The Producers” (1968) last night and was recently most impressed by “Fight Club” and (outrageous) “Borat”). My relationship with Ashhan continues to be fun and easy – probably due to its unorthodox nature. Taz has gained weight – either because of the de-worming medicine or because he’s growing up…

Oh yeah, I also acquired a half-brother, Gary Double, who is ten years older than me. My dad is the responsible party, but we all just found out in the past month. Hugh and Gary met for the first time a few weeks ago. I have yet to meet Gary and his family (wife, three sons and a daughter), but I’m looking forward to it next summer…

And so, on this Thanksgiving, I have much to be thankful for.
Since I last wrote, I’ve spent much time for little progress on my dissertation. The statistical analysis of the impact of water on property values in the MWD service area took a lot longer than I expected. Although there are many questions one might address in the analysis, the most important one is “After the 1987-1991 drought, did property values change (rise/fall) at different rates for MWD member agencies?” This question gets at the idea that some agencies did better than others. If so, MWD is redistributing water inefficiently – contradicting its public service mission. I found evidence in favor of uneven distribution (more precisely, failed to find evidence that distribution was equal), which adds further weight to my thesis that MWD, as a cooperative, is not efficient in its mission to serve all (not some!) people in Southern California.

I wrote out all this stuff in a first draft of the first chapter for my dissertation. (It’s actually Chapter 4. Chapter 2 has the facts; chapter 3 the theory; and chapter 5 the solution.) That’s a big step on the path to finishing. I feel I’m at the beginning of the end of this process.

The dissertation has not prevented diversions, of course! On the academic side, I presented at three conferences, rewrote five or six papers and prepared for another set of experiments (starts next week!). On the non-academic side, I built a “wine cart” and learned to weld (but not so well!). My compost is doing fine and the motorcycle is still fun!

The big deal is travel, of course. Ashhan and I went to Guatemala and Belize for 19 days over Spring Break. It was great to go somewhere new (I think I’ve visited 70 countries now) as well as take time off from Davis. The trip was a complete success in its lack of problems with crime, the water, money, etc. I enjoyed Guatemala for the diversity of culture; Belize was fun for its Caribbean influence (which means approachable people and reggae). We met a number of interesting people and enjoyed long conversations. (Politics, alas, was a long lament on six years of disaster and hope for a quick arrival of 2008.) Amazingly, I ran into a friend (I met Snjezana in Croatia; she works at the World Bank.) in Antigua – small world moment. Belize is great for its disregard for race; I wish the US were as enlightened over pigment issues. I recommend visiting both countries.

Of course, there are photos of Guatemala and Belize. Enjoy!

Well, the all-work, low-output situation seems to have reversed. I finished a “rough draft” of my dissertation a few weeks ago. “What’s a rough draft?” You might ask, “and when do I (the eager, bold consumer of knowledge) get to read it?” The best analogy is one of moving: I’ve got all the boxes in the right rooms, with no mix-ups and nothing missing. Now all I need do is unpack everything and put it away in a fine, logical order. So, no, you do not want to read the rough draft, because it’s got all the stuff in close to the right place, but it’s not sorted out yet. My advisors (lucky guys!) will see the first draft when it is ready; I will expose you to the final draft when I get that done. When? I hope by the end of 2007.
That brings up “what next?” and I tell you that I really do not know. My best guess (?) is that I will live in California (50%) or the East Coast/Europe (50%). I may work in “the academe” (50%) or outside. It’s likely that I – greedy one – will try to mix all of these: working here and there, on many things (while trying to sail a boat around the Caribbean!) I will l be going on the “academic job market” in the Fall and (hopefully) interviewing at the next economist’s shindig – January 2008 in New Orleans.

In addition to working on my dissertation, I updated a number of academic papers to make them more precise and clearer. It’s amazing how my rhetorical target changes on paper as I figure out how to say what my intuition has been screaming all along.

That brings up another point of interest (or trouble) – I have been blogging a lot. Blogging is a self-indulgent, egotistical pursuit of one’s own opinion in writing, but I like it a lot: I get to write down my ideas for everybody (really nobody) to read. Blogging also allows me to explore diverse topics without getting tied up with everything everyone else has said (the hated “lit review”) or worrying that I must “prove” whatever I am trying to say with mathematics. If there is something that will keep me away from the academe, it’s going to be that annoying obsession with proofs, equilibrium, optimization, etc. The sad thing is that the real world has nothing like that aspect but economists please each other by pretending it is so. Just as well that many people ignore (these) economists, as their advice is often silly.

I’ve been pushing two of my ideas on two, different paths. The first – an auction market for journal articles – is going the academic route, with the critical support of my clever colleague, Jens Prüfer. He has worked out an economic model that allows economists to understand (yea believe!) that journals should compete to publish papers from academics. (In the current system, the writer “submits” the paper to one journal at a time; reviews for acceptance or rejection take 4-12 months.) The second idea, the Rumor-Mill (powerpoint overview), facilitates whistleblowers by allowing them to anonymously complain about corruption, misdeeds, etc. (There are some clever economic ways to keep them honest.) I am pushing this project by starting a non-profit (done), getting IRS recognition (almost there), putting up a website (almost in beta 0.8) and then turning it lose on the world. If things, go well, beta 0.9 will be up by September and 1.0 by November. Let’s hope!

So – I am off to Iceland tonight. There’s three days of conference and 10 days of looking around (fire and ice, etc.). The best thing, one might claim, is an abundance of hydrothermically heated public pools. The worst thing? bloody expensive: I’m taking my tent!. After that, I go to England for another 2 weeks to meet my half-brother Gary and his family; see V(1), below. I will also see a number of friends and other family. (Lucky me! Why am I trying to graduate?)

So – if you want to see the blogs, check out: Another Brilliant Idea and Sex Drugs & Water Utilities [now deleted]. This latter one’s going to be great. I’ll be looking for co-bloggers when I get back (motorcycle to Portland and Burning Man on the horizon ☼). Have a great summer!
I’ve been busy this summer, and my future schedule is getting so tight that I have to decompress a bit with a little update (lucky you!). The main topic is “what next?,” i.e., the job market.

I began this summer knowing that I was going to do a bunch of stuff. Not only was I going to Europe twice (leaving for the second go in two days), but I was going to write a bunch of papers, “finish” my dissertation, and get ready to graduate and leave – after five years in Davis. While I welcome all of these transitions, they force me to discard some bits of stability that I cherish (relationships, possessions, future plans) and replace those things with doubt, want and uncertainty. My trip to Iceland and the UK, NYC and Portland came off perfectly: Nothing that I could have wanted did I not get. After all of that, you might think I would be aggressive about what happens next, but I have – instead – shrunk away. I think this is because I am not sure about life as a “PhD.”

I woke up a few weeks ago wondering what I would do if I only had 2 year to live. How about a few publications and teaching a few classes? Nope - that wasn’t it. Of course, my potential lifespan is far longer than 2 years, so perhaps I would be wise to plan for a longer future, stability and respectability? Nope – those things are not important to me. A mortgage, family, tenure and all the trappings are not interesting to me compared to the satisfaction of action and result (or failure). In fact, I got a shirt made “Ready? Fire! Aim.” that captures that idea – the idea that I have to work on getting results, not just influencing opinion, deepening knowledge or playing it safe.

Few of you who have read my other stuff will see this as a new idea to me, but it captures the “opportunity cost” of other options to me. A stable and secure research position at Stanford would mean little to me unless it came with the opportunity to act and get stuff done. This is why I keep pushing the Rumor-Mill idea ahead. Rumor-Mill Inc is now a California non-profit with 503(c) federal non-profit status, and the real website is getting close to launch. If Rumor-Mill works, I can retire to my sailboat – nothing in the academic world would equal that success – at least in my skeptical eyes!

So, I am thinking how the opportunity (and cost) of an academic life measure up to, say, international contracts and “consulting” on projects and in places that appear to want the most help now. That last word (“want”) is important because it is not “need” (a word oft associated with international aid). As I have argued elsewhere, international aid - as a push mechanism – fails exactly because the ideas and solutions are imposed on those in “need.” I am thinking instead of being someone who meets wants, ie, an economist who works to implement what the locals desire. (This does not mean I want to be a death-camp guard; I want to go where I am wanted and they want to do good stuff!)

On the other hand (here it comes!), I also like the stability and “want” environment that universities and young minds represent. So, I am torn (as usual) between two things – and I am going to try to have both, of course. When one wins over the other (because of my stress
or a change in circumstances), then I will tell you what I am going to do. In the meantime, I get to buy some fancy clothes, and go to New Orleans to do job interviews...

Speaking of that (boy, this is an ego-rant), I have been pursuing my agenda of broadening (rather than deepening) economic knowledge via a blog, Sex, Drugs and Water Utilities. I enjoy it because I can collate and express my thoughts on topics I've followed for ages. I know that the title sounds base, but I am not afraid of eating off someone's plate, and these topics are important and interesting. (If you get caught reading, just say your are learning about water!) This blogging things is an example of real world. In the academic world, blogging is still not explicitly rewarded, but those who do it feel that they are reaching an interested – and perhaps more worthy – audience. (Perhaps its better that blogs are not part of professors’ job duties; we’d get a lot more crap if it was!)

I have to say a few words about the changes in relationships and the new faces that are appearing in Davis (and our Department). First, it’s kinda strange to look at these “kids” and see that they are your peers of five years ago. So much has changed in my life – so many uncertainties resolved, frustrations confronted and new questions relevant – that I feel like a guardian angel who can see some accidents coming, but can do little about them. (Of course I do not see exact accidents, but I do know that history repeats. Hmmm... maybe that’s the elders in my first, dramatically bad, year were so infuriating?)

So the trouble is that I have few reasons to build relationships with the new folks. As the old folks leave, my circle of contacts shrinks, and I feel that I should look outwards for other relationships. So, I do, but the problem now is how to keep in touch with a lot of people who you may live next to or another group you are sure to leave. That’s the stress that anyone in a social web experiences; and I am not sure what to do about it – especially if I decide to be an economic hit man (of the good sort!) instead of “building a tradition” in one spot.

I’ve taken to two ways of reaching out in particular: couchsurfing and burningman. (I also use facebook, but that’s not a way of meeting people or perhaps even getting to know them better.) Couchsurfing has turned out to be a really cool way to meet travelers and other, cool people. (Someone willing to let strangers in their home must be cool, right?) Burning Man was a week-long festival (devoted, in my mind, to art, music, drugs and sex – although others will reorder these priorities) where it was great to just do exactly as you pleased and share in that same vibe with 50,000 others. It can obviously be stressful, but I enjoy the brilliance of human ingenuity (maybe not “human” since Nature does amazing stuff; consider even tonight’s full moon!)

And then there are those new students who are coming in, worried about prelims, their careers, if this is the right thing, if they are really even economists. I have a few pieces of advice: first, they are not learning economics, but someone’s great idea of what an economist is; second, that they will have to confront their own weaknesses – real and imagined. It’s only after discarding the latter and accepting the former that any person emerges as an adult – PhDs just take longer to get there!

Yes – there will be another edition of this BS, but how about a fable of the first-year student?
Cricket was sitting in the sun, watching the crowds rush by. Grasshopper hopped over.

“Oh Hi,” said Grasshopper (hop hop hop).
“Greetings” said Cricket, “and who are you?”
“I’m Grasshopper!” (boing boing boing)
“Aha,” said Cricket, in a not-very enlightened way.
“Say,” said Grasshopper, “what’s the secret to passing through the Silver Forest alive? You did that, right, I mean you did, huh?”
“Well,” said Cricket... but Grasshopper had already hopped away.

They met again. “Hey,” said Grasshopper, “you didn’t answer my question.”
“Well - you didn’t wait to hear me,” said Cricket, slightly peeved.
“I had section, reading, homework, then lunch (a super-fast-crunch). Gotta hop hop hop if you want to stay ahead of the birds!”
“Ah yes, I remember those days, when I was a grasshopper too, all you had to do was hop hop hop soo fast, and you got away from the bird - even if the others didn’t.”
“Yep, worked every time!”
“Well, that was then and there. Here and now is the Martin bird. She just waits at her fixed point until you run into her open-set net. Speed won’t save you-cleverness will.”
“Wow, so many words! Gotta run!”

They ran into each other a few weeks later.
“Oh, I am so tired. Oh, when will this ever end? Oh, I feel like I’ve run so far and it’s only week 4!” said Grasshopper.
“Yes,” said Cricket. “I felt that way too, time has gone easier since I left my grasshopper wings behind.”
“So - how did you make it? Did you hop ever so fast?”
“No, not really. Some grasshoppers can make it, some know shortcuts through the Silver Forest, and some just get eaten. I asked for help.”
“Help? Wow - where do you find that? Did you Google it?”
“Hmmmm... no; it doesn’t work that way - yet. I went to Happy Hour.”
“Happy Hour?!? Isn’t that about getting drunk?”
“No.”
“Oh. Watching sports?”
“No.”
“Oh, visiting the bartender - like in Cheers?”
“No... although that guy with the thing through his nose is rather a sight.”
“So - is it about cheap food?”
“Hardly!”
“So - is it about-”
“Just wait a second and I’ll tell you.”
“Oh, sorry,” said Grasshopper, “I ask a lot of questions, huh? It’s always worked before!”
“Well, I did too, but answers are like cats - they come when they want, not when you call them. Happy Hour is where crickets tell grasshoppers how to find the shortcuts through the Silver Forest, how to hide from the Martin, and why the non-negative space is safe from OwLS. It’s not about drinking - it’s about life, work and how to get by.”
“Oh - like Cheers.”
“Yeah, but without the bad music.”
“So where is it? When is it?”
“This week we’re meeting at Sophia’s after 5pm.”
“Ok - I’ll hop hop hop by...”

VI (1): JOB MARKET UPDATE – 20 DEC 07

Here are some on my thoughts, midway through the process:

(1) I sent 60 applications (very high for Ag & Resource econ, but very low for econ, which averages 100+) to economics (75%), public policy (10%) and assorted other departments. Most places are research universities, about 25% are liberal arts schools and 10% are research centers (world bank, IFPRI, etc.). Most positions are for assistant professors; the rest are for postdocs.

(2) So far, I have received 3 interviews. This is quite low by most standards, but the places are excellent (U Mass Amherst economics, Wesleyan U and Trinity College). Note that U Mass is heterodox and the other two are liberal arts.

(3) My low interview count is the result of several things:
   (a) I am an unusual candidate (older, blogger, strange papers, outspoken, cocky) with a diss that blends too many fields and elements (institutional, resources, experiments, case study) for most departments to narrow into a nice pigeonhole. I probably apply places where I imagine a fit and there is none.
   (b) Jumping from ARE to econ is hard enough, but jumping (again) to liberal arts AND on the East coast is harder. I realized this going in and set out a high-risk, high-reward strategy of going where I’d love to be (the more I think about teaching, the more I like it). Although I did not apply to higher ranked schools (very hard to move up market), I was not so interested in doing so since I am very pessimistic about the quality of work that results from the publish or perish regime. So, I place about 50% of the blame for my low count on my “strange profile” and 25% on my aggressive application strategy. The other 25% I blame on the application process. Here’s the problem:
      • About 1,000 candidates are applying for about 1,000 positions. If each sends 100 applications, hiring departments are overwhelmed with files.
They use a simple heuristic (complete file, JEL code match, rank of applicant’s school) to narrow things down and then look at recommendation letters to decide which 30 (of 200-300 applications, typically) to interview at the meetings. [NB: someone pointed out that there are far less than 1,000 positions. That makes sense if each one is getting 2-300 applications. Let’s say 300 positions. The rest of the new PhDs take non-tenure-track jobs of leave the academe.] It’s interesting to me that I got one interview when they had 2 of 3 letters and the first 4 pages of my JMP. Another interview came after some lobbying by my adviser (Sexton) and the judicious addition of a nice recommendation letter (Hanemann).

- Of course, the signalling game is supposed to put more balance into this process by allowing applicants to “send a signal of interest” to two schools. I got one interview from that (U Mass) but Tulane ignored my other signal.
- My proposal for fixing this system is to solve the collective action problem (marginal application is free, so send it!) by restricting applications to 25 (via signals). Schools will be happier to look at fewer files; applicants will be happier that they do not have to race each other to apply more places (can you imagine mass, on-line applications? I can see offshoring coming soon...), and they *will* have to concentrate on the 25 places they consider a good match. I know that this hands the AEA some monopoly power, but that’s what they have already. I think 25 is a good number; it’s hard to defend 100 applications – unless you have no idea what you are doing, where you want to live, etc...

(4) I’ve got a draft of my dissertation in to my advisers. That’s a GREAT feeling, and I expect to get their feedback after the ASSA. If all goes well, I’ll be done in late-Jan. You can get a copy here.

VI (2): Happy New Years! – 20 Jan 08

It’s been quite a ride in the past month, and I will discuss three different aspects of the ride.

**First**, I do not appear to have any tenure-track jobs in my near future. For those of you unfamiliar with the ways of the recruiting academic economists, here’s how it works in the US: From Oct to December, universities, liberal arts colleges, think tanks, et al. advertise for economists in the JObs for Economists (JOE) section of the American Economic Association. Applicants send our job packets (mine) to the places we like. In December, employers contact candidates to arrange for interviews at the annual ASSA (really AEA) meeting. This year it was in New Orleans, and I had three interviews (for more of my thoughts on the search, see VI(1), below). After doing 10-25 interviews (which last 30-60 minutes), schools decide on their favorite 4-6 candidates, who they invite for campus visits (the Fly Out). During this visit, the candidate gets and gives a lot of attention, and the schools decide to whom they want to make a job offer. After the offer, and for the first time, the candidate has some
control over the process. Some candidates accept offers immediately while others wait to see what other offers they can get/upgrade with the offers they have on hand.

I had three interviews (U Mass Amherst, Wesleyan U. and Trinity College (Hartford, CT)). All of these places are excellent, and I would have been happy to take the next step, but I got no fly outs. (I was also told that I just missed a fly-out to George Mason.) This means that my first run at the job market hit a wall. (Now, that’s not the end of the story, or even the end of this first phase, because some fly-out invitations come much later in the game.)

I see now that this process has hit me in the same way that splitting the core hit me all those years ago. Because “Plan A” has not worked (It’s tough to get a tenure track job, for many reasons, and I possess more than my fair share.), I am picking myself up and dusting myself off and looking into Plan B – short term and international academic jobs and “private” industry – which has some virtues: I want to work overseas, I want to teach and I want to work in the field. Perhaps I am not the right type for the academic world (=dead Plan A) and perhaps I am now going the right way. Who knows? As many have told me, the job market is a bitch, always looks bad, and nearly always works out – in some way.

Second, I have been making good progress on my dissertation. I now have many, useful comments from my advisers. They are looking for more clarity on economic concepts I raise, less opinion on what is right or wrong, and style changes to make things flow better. Overall, I have no complaint with their comments (the draft was rough, after all), and I am both pleased, flattered and lucky that the four of them have put considerable time into my work. (This is a rarity, if my observations are representative.) I am still on track to graduate this quarter (mid-march), although I hope to be done by mid-Feb – in time for a “Best Disseration” submission deadline.

Third, I have been practicing as a “public intellectual” by keeping a blog. The title (Sex Drugs & Water Utilities) and/or content apparently turns some people off. I know, in fact, that some schools did not want to interview me because I mentioned the blog in my cover letters. (This was my intent; I am looking for a place that welcomes debate on these issues.) Anyway, I am having a grand time writing it, and I have a daily audience of 40-50 people reading it. I am not sure if this is going to get bigger or smaller, but it provides a good outlet for my thoughts, bemusements and asides. I even feel that I am putting more economics in front of people, which is a good thing. Stop by for a visit!

My priority is to finish my dissertation and end up with something I can be proud of – even if I never write another research piece (This part is killing me, since I love doing research. The sub-prime debacle and real estate crash is agonizing to watch: I have a new index to measure activity in the RE market, but I cannot spend the time to promote it!)

Plan A may be done, and I am working on Plan B. If neither of those work, I have Plan C (go to Africa, la Heart of Darkness) and Plan D (sailing around the Caribbean).

Life is going pretty well, actually.
After a long and frustrating wait, several interviews, a fly-out and numerous rejections, I’ve been offered and accepted a job – and it’s a good job! I will be a postdoc at UC Berkeley beginning in Sept 2008 and going for one or two years. (The second year is not guaranteed, but it’s likely if I am making progress.) The postdoc is called “S.V. Ciriacy-Wantrup Postdoctoral Fellowships in Natural Resource Economics and Political Economy,” i.e.,

For the purposes of this fellowship, natural resources are defined broadly to include environmental resources. The fellowship encourages, but is not limited to, policy-oriented research. Applications are open to scholars from any social science discipline, and related professional fields such as law and planning, who will make significant contributions to research on natural resource economics broadly defined. Preference will be given to proposals whose orientation is broadly institutional and/or historical, and which are conceptually and theoretically innovative.

In other words, the fellowship was written for me :)

If you are unfamiliar with Berkeley (the University, not the hippie zone downtown), let me tell you that this is an amazing opportunity. Not only will be at the top public university in the world, but I will be affiliated with Ag and Resource Economics (same department as I am in now) and able to mix with people doing work in developmental, experimental, institutional and other fun fields of economics. I am going to be working with Michael Hanemann, who is one of the top water economists in the world. My goals during the postdoc will be to publish, collaborate, and network.

For anyone familiar with my “jack of all trades, master of none” approach to research, this postdoc means that I need to narrow my focus to resources (especially water) and become a mere dilettante (rather than aspiring expert) in other fields. We’ll see if my discipline side (pay the bills on time!) can overcome my “creative” side (ohhh, maybe I should go visit another 40 countries!), if discipline is even a good idea, or if it turns into a powerful force for being effective (my goal when I came to graduate school).
What about the dissertation? Well, my committee gave great feedback on the first draft, and they are now looking at the second draft. We are hoping that it is also the last draft, but I am keeping my expectations modest. (One thing I have learned is not to underestimate the difficulty in completing a task!)

If everything goes well, I should be done in April. I am trying to get a short-term position (visiting fellow) to fill the time until September. If all else fails, I may take a 3-4 month trip somewhere.

VI (final): Got a PhD – 27 Apr 08

After a big push and hard work by my committee, I am done with my PhD. I filed my dissertation on April 24th, gave an “exit seminar” on April 25th (my department doesn’t have a public defence), drank far too much that evening (also celebrating the long-overdue tenure of Steve Boucher, who is on my committee), and now I am going camping for a few days with Aslıhan. Ahhhh, nature.

It feels great to be done, but… I am still working on the index for the dissertation. (It takes a long time to summarize and cross-reference all the key words and concepts!) For those of you who actually print out the dissertation, have no fear. Besides missing a line in the table of contents, the final final version will only have extra pages at the end.

No, I didn’t cut my hair (I said “I wouldn’t cut it until…” not “I would cut it when…”). As far as “I still intend to travel for three more years (Africa, Latin America, Asia) and hike the Pacific Crest Trail in its entirety!” goes, I am keeping that option at hand but pursuing the postdoc/academic route for now.

I leave on May 10 for a two-month postdoc at the Mercatus Center in Washington DC, and then start at Berkeley in August/September – see VI(3).

And that’s it for “making of a PhD.” I will probably do some form of “quasi-blogging” on career in the future, but under another name. Any suggestions?