

THE POLICY SCIENCES CENTER, INC.

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May 27, 2014

Hon. Bill Clinton, Founder
Bill, Hillary and Chelsea Clinton Foundation
1271 Avenue of the Americas, 42nd floor
New York, NY 10020

Dear President Clinton:

I write, from the policy sciences tradition at Yale, to ask if you would create a **Clinton Global Economy Commission?**

a.) The Global Economy Commission's work can accelerate progress toward the Clinton Foundation's current goals for economic development, global health, and education and other opportunities for women and girls.

b.) We need to rethink economics as a top global priority. The economic recovery is too slow, the guidance of economic science has become unreliable, and there are good ideas for rapid learning.

c.) We need credible political messages to create hope and confidence (especially for the international youth generation). The forecast of the intelligence community is that forces are building under the surface. A derailing politics of anger, replaying the politics of the 1930s with leadership from the political Right, may grow in Europe and elsewhere as a generation of unemployed young people, and others, perceive that they are being written off and Establishments remain limited by unreliable economic science.

Here, in three areas, are examples of how, with your leadership, a Global Economy Commission can bring the pieces together.

1.) **Rethinking Economics.** We have bet the world's future on the performance of a global economic system and there are very few problems in any nation that cannot be made better by a 1% - 2% increase in the growth of GDP/capita above the pre-crisis baseline. However, the lives of several billion people are being injured, and our futures are being mortgaged, by unreliable scientific theories in a world that has changed since early economic science was created. The tradition of using a few aggregate numbers and relating them in simple equations (with stories about rational choices) has reached a point of diminishing returns. There is a growing agreement that there are many missing variables in economic

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The Center was founded in 1948 by Myres S. McDougal, Harold D. Lasswell, and George Dession. It may be contacted c/o Prof. Michael Reisman, Chair, 127 Wall St., Room 322, P. O. Box 208215, New Haven, CT 06520-8215. (203)-432-1993.

URL: <http://www.policyscience.net>

science. At the same time, there are good ideas to use scientific method for rapid learning, including successful examples of Big Data and rapid learning systems developed by biomedical researchers for breast cancer and other forms of cancer.

I enclose a draft plan of what I, and the policy sciences tradition, could help you and the Commission to build (**A Rapid Learning System for G-20 Macroeconomics: From Greenspan to Shiller and Big Data**).¹ Rapid learning includes a historic opportunity to build fresh thinking and evidence to move beyond partisan gridlock and ideology-based beliefs. For example: Alan Greenspan is willing to suspend Republican mistrust of social scientists and supports new measures and scientific testing of Republican ideas. New measures from neuroscience can test these and newer ideas, including a potentially transformative theory for human rights and economic and societal progress, the Primate Subordination Syndrome.

One high priority area for your Commission's study ought to be how to restore, and sustain, confidence by different economic actors. Social scientists (pp. 4-5 of the proposal) have begun to map seven lines of investigation. (You might wish to provide leadership for this R&D Grand Strategy: One of the accomplishments of your Administration was to restore and sustain confidence for economic growth.)

2.) **Investing in People**. The Clinton Global Economy Commission could study and recommend a new economic paradigm, **Investing in People**. You could recommend a warm welcome to youth generations in all countries, and a shared global commitment to provide them (using MOOCs and other new technologies) with access to a curriculum equal to the best in the world and opportunities for good jobs in growing economies. The Commission can send a worldwide political message to young people.

The educational pieces can come together quickly: I enclose a letter to Richard Levin, former President of Yale, in his capacity as President of Coursera, outlining a package of emerging ideas for a **Fast Track** option to add post-secondary education capacities for 360 million students, including women and minorities. As you did in Arkansas, a similar global commitment can be extended for K-12 education, with online curriculum materials equal to the best in the world.

- As part of a new **Investing in People** global economic paradigm, the Commission could produce a **Fast Track** plan for a **global public health/health professions and medical school curriculum** that quickly builds capacities for health in all countries and good jobs in a growing health sector. I discuss this priority in the letter to Richard Levin: The study and strategic plans will extend Secretary Clinton's initiatives to invest in the health of everyone on the planet - including the health of women, children, minorities.

3.) **Reliable Global Finance**. We need a statesmanlike study of the requirements for a reliable system of global finance. The global economy needs a system that can link good business opportuni-

ties, in every country, with investors. However we also need to understand how this powerful and growing sector can operate, worldwide, without damage: a.) How to safeguard against exploitation and boom and bust crises and government regulatory systems that are captured or, in cat-and-mouse games, always lag behind?; b.) We need the wisdom to redesign incentives and assure that systems of taxes, complex accounting, and political influence do not divert the world's brainpower and energy into making money by creating and exploiting accounting differences and tax loopholes, or super-fast trading and gambling, and other diversions from real economic growth; c.) The Commission may wish to study options for international cooperation in wealth taxation (to assure that the wealthy pay a fair share).

Ambassador Holbrooke once said that, in negotiating the Dayton Accords, he designed seating arrangements so that a leader, whom he thought would be tempted to cheat, would sit across from you at dinner: "After sitting across from President Clinton, and talking to him for several minutes, he would know that he could never get away with cheating, and the deal will hold." The same lesson applies to a reliable system for global finance: if you bring together the thinkers and guide the process, people know that you are tough enough that the Commission's work can be trusted.

Next Steps

My thinking is that, while Working Groups and White Papers can get underway with their own timetables and agendas, the Commission should aim to complete its work in three years. The study process can create agendas and build support for the next American Administration and other governments.

If you are interested, I would like to meet with you in New York (or Washington) to discuss your potential leadership and exchange ideas about organization, membership, and fund-raising for the Clinton Global Economy Commission. I would hope to play a key role in the Commission's work. My strength is creative thinking and social science: My current work includes missing psychological variables and a rapid learning system design (enclosed), a dimension that will require three years and a preliminary outline for a G-20 R&D data system for the November summit in Australia. Re MOOCs and planning the global public health/medical school curriculum: the technologies and Fast Track ideas would make possible a planning meeting by Ambassador Goosby this fall. The coalition of partners for the new **Invest in People** framework can start quickly, reach young people in all countries, and dramatically transform global education within three years.

Sincerely,



Dr. Lloyd S. Etheredge, Director
Government Learning Project

cc: Ambassador Eric Goosby, Robert Rubin

Enclosures:

- Letter from Frances Cairncross, Rector - Exeter College, Oxford
- LSE, Letter to Richard Levin re Fast Track global education plans and a Berkeley conference.
- LSE, "A Rapid Learning System for G-20 Macroeconomics: From Greenspan to Shiller and Big Data."
- Selected data and articles re prolonged youth unemployment and political confrontation/ instability and the growth of global demand (1 million+) for online public health education.

Endnotes

1. I enclose a letter from Frances Cairncross, Rector of Exeter College, Oxford, supporting the timeliness of a bold and openminded rethinking of economic science. The Cairncross Economic Research Foundation has helped to underwrite the education of many of China's top economists; it also has organized visionary, high-level studies for the Chinese government, including the remarkable project headed by Nobelist Michael Spence (cited in the paper) concerning the "to do" list of economists for innovative thinking and theories that will be required for China, and many other nations, in the years ahead.



Verizon Message Center

Tuesday, Apr 29 at 4:16 PM

From: Frances Cairncross
<frances.cairncross@exeter.ox.ac.uk>

To: "lloyd.etheredge@policyscience.net"
lloyd.etheredge@policyscience.net

Subject: Rapid Learning System

Dear Dr Etheredge,

I am mortified to have left you for so long with no acknowledgement of your proposal, sent to me six weeks ago. My only excuse is that we have been celebrating, pretty much non-stop, our 700th birthday here at Exeter College. Your envelope arrived just as we set off for Hong Kong for the Asian round of jollity; today, we hosted our Honorary Fellow, the Queen of Spain, which is almost the last event in a packed calendar.

I will watch with interest the progress of this ambitious project. As you say in your paper, the enterprise is timely. The recovery has been sluggish. The hardest thing to forecast, of course, is always the immediate past. But we clearly need some ambitious and open-minded thinking. Anyone who can come up with so many theories about the return of cafeteria trays (let me know if you find one that really works...) is the right person to pursue this task.

With warm good wishes

Frances Cairncross

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