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Editor's Note

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The first weekend in May brought revolutionary change to the global economy, a revolution that, for all intents and purposes, occurred right under the public's nose, unnoticed and evoking less comment than the public's, or at least the media's, unending preoccupation with the travails of the likes of Monica Lewinsky or Kathleen Willey, or the continuing unfolding of White House shenanigans.

Not that we should be surprised by this. The lurid and the lewd have a fascination that allows us to wallow in our own sense of righteousness, beat our breasts with moral gusto, and keep our minds properly focused on the minutiae of scandal in High Places. Besides, wallowing is, at the best of times, a confessional experience, a cleansing exercise: it decontaminates our own shortcomings, encouraging a slight feeling of superiority that elevates our humble positions in the larger scheme of things.

And, of course, it is to this larger scheme of things to which the revolution I cite, the birth of a currency — the euro — belongs, namely, the agreement among eleven European nations to phase out their individual species and replace them with a single European legal tender. The countries involved in the historic monetary union — Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain account for 19.4 per cent of the world's GDP compared with the United States' 19.6 percent and Japan's 7.7 percent. It is responsible for 18.6 percent of world trade, not counting internal trade, to this country's 16.6 percent and Japan's 8.2 percent. Which means that the euro will at once become the world's second currency and may, in time, challenge the dollar for supremacy.

The euro is the culmination of an experiment that grew out of the ruins of post–World War II Europe, out of the conviction that the devastation of the war must never happen again. First, the Council of Europe, then the European Coal and Steel Community, the European Common Market, the European Economic Community, and today's European Community. Nor is it an experiment that is over. There is the continuing debate over whether the EC should focus its direction on widening — the admission of other European countries, especially those to the East, or on deepening — the pursuit of stronger ties among existing members, with the implicit implication of some form of political union at some unspecified time in the future.

For better or worse, the advent of the euro will change the way we do business, trade, perhaps the balance of economic power, how we will align ourselves politically, how we entertain new forms of governance, and not least, of course, how the process of globalization advances. By any measure, it is a giant step in the direction of a more cathartic globalism, but giant steps leave giant imprints in their wake, not all of which bring tidings of good news.

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Readers of this journal will have noticed an increasing emphasis on the impacts of globalization in recent issues. Not only has it become the mantra of the last years of the dying millennium, it is being presented as an elixir of unbounded possibilities, a process that will, with the help of some undefined alchemy, make the twenty-first century fulfill the promises and potential that somehow got lost or marginalized in the tumultuous upheavals of the twentieth. Yet its implications are largely unknown, the pace and speed of change are laboratory equations, and the unintended consequences of our hubris in our capabilities to manage our planet are a matter of guesswork.

Thus, in "Industrial Policy: Federal, State, and Local Response," Zenia Kotval quotes from Ann Markusen's study of industrial districts and how they succeed in an increasingly competitive world ("sticky places in slippery space"). She characterizes the problem as follows: "Sticky places are complex products of multiple forces of corporate strategies, industrial structures, profit cycles, state priorities, local and national politics. Their success cannot be studied by focusing only on local institutions and behaviors, because their companies are embedded in external relationships." Yet, as Kotval points out, "planners have been slow to analyze these impacts . . . and for the most part, industrial planning as a topic of scholarly and professional inquiry can be described as a black hole. A quick review of the recent programs of the annual conference of the American Planning Association shows that the word *industry* scarcely appears in the description of the sessions." "Have we been ignoring a critical, swiftly changing, and complex issue that is likely to have major impacts on all our communities?" she asks.

Kotval's analysis: "Influential to the current debate on industrial policy and global competition are the conceptual frameworks put forth under the rubric of 'new growth theory.' These frameworks, purposely constructed for use by policymakers, renounce the current effectiveness of Keynesian macroeconomics and monetarist policies put in place by the United States in the post–World War II years. This discourse is a response to the new global competition and, more specifically, the interpenetration through trade of the industrialized economies. The changing competition has been brought about by a leveling of the playing fields among industrial nations, continuous technological innovations, and the globalization of industry in general."

While the debate between "new growth" theorists and their protagonists continues, Kotval argues that one important variable, perhaps the most important — the increasing interdependence of the world's large companies — is unaddressed. "These companies," she writes, "are virtually free of commitment to nations and exist increasingly as global entities of their own. They are quickly responsive to the initiatives of Japan Inc., NAFTA, GATT, and the European Union in terms of the impact on the company rather than on their workers or on their home nation. Given the mobility of capital, varying labor costs, and the internationalization of markets, they have little choice." Kotval's conclusion: "It is essential that industrial policy confront this issue and strive to create approaches which create stability and worker security before any public investment occurs." And: "As multinational corporations divide and multiply their operations throughout the globe, engaging in joint ventures for research and production with other corporations and governments, they create an increasingly complex web of relationships that supersede the borders of the nation-state and stretches the balance of political-economic theory and policy."

The recent $39 billion merger between Daimler-Benz and Chrysler is merely a harbinger of deals to come. Chrysler, once a symbol of all things American and apple pie, is no longer even American. Good-bye, America.

As a result of the way in which states and localities have experienced the effects of economic restructuring — for some it has brought economic and social disaster, for some mere disruption, and for some new opportunities for growth and expansion — localities have developed increasingly sophisticated economic development programs to replace lost jobs and lost programs. The retreat of the federal government from local affairs in the 1980s has forced local regions to compete with one another for jobs through their business recruitment policies. States and localities are rapidly acquiring the expertise to understand regional and economic forces and develop sophisticated tools to promote their own economic prosperity. But in the final analysis, the ultimate success or failure of these efforts depends on the voracious appetites of global economic forces. These are the issues we must recognize and address.

Hence the emphasis on Kotval's article. It provides the context for reading Eve Weinbaum's "The Politics of Industrialization: Three Case Studies," Michael Leo Owens's "Citizen Participation and Strategic Community Planning for an Urban Enterprise Community," Lawrence Franko's "Is Boston Becoming a Branch-Plant Town?" and Carolyn Ball's "What Predicts Success in JTPA? Test of a Three-Component Model."

Four other articles covering a potpourri of public policy questions round out this issue: Aimee Marlow's "The Professional Decline of Physicians in the Era of Managed Care" evaluates the history and ultimate failure of propositions 214 and 216 in California. John Portz's "Governing Massachusetts Public Schools: Assessing the 1993 Massachusetts Education Reform Act" concludes that superintendents are most satisfied with their role, especially their authority over principals and teachers, while school committee members are least satisfied with the changes, although they still provide general support for the aims and goals of the act. Jeffrey Gerson's "Cambodian Political Succession in Lowell, Massachusetts" argues that five key factors appear to determine the degree of Cambodian participation and representation in Lowell politics Three are internal — coming to terms with the legacy of the genocide perpetrated by the late Pol Pot's murderous regime, the lack of a tradition of democratic participation in the home country, and general differences between those who regard themselves as Cambodians and the American-born. Two factors are external — Lowell's two-tiered political system and the response of the city's elected officials to the influx of Southeast Asians that began in the early 1980s. Finally, Robert Hackey and Peter Fuller, in "Institutional Design and Regulatory Performance: Rethinking State Certificate of Need Programs," review the capability of Rhode Island in this regard and conclude that the state's experience with capital expenditure regulation in the 1980s and 1990s underscores the importance of institutional design and policymaking capacity on regulatory effectiveness.

Robert Reich, the former secretary of labor, often referred to in these pages for his recondite insights into how public policy works in this country, puts things in perspective in *Locked in the Cabinet,* his memoir of his years in the Clinton administration. He recounts the following incident, which truly illustrates that government regulation impinges on the lives of not only the poor and the downtrodden, but of those of us who would assume ourselves to have rather important roles to play in the conduct of our affairs. I quote.

> [I enter} a small windowless room [in the Department of Labor]. . . . A man in a white jacket is cleaning a small vial. He turns to me "Oh, *Mr. Reikk.*" He has an Eastern European accent and a full white beard. "I'm *Doktor* Svenkell. I'll be *vit*

you in just *vun* moment. *Tis* must be prepared carefully, of course." He turns back to his cleaning. . . .

"Are you ready, *Mister Reikk*?"

"Yes," I say bravely.

Dr. Svenkell offers me the small glass container. "Perfectly clean. Now, if you'll just step *troo tat door-vay,* you can do your business in private."

"Excuse me?"

I hold the container, but I still don't get it.

"Mister Reikk, you need *somp* time perhaps?"

"What do you want me to do?"

"Urine. . . . Pee. . . . Piss. Into container. *Troo dat door* is a *batroom. Sometink* wrong? *Nutting* in your bladder right now?"

"But *why*?"

"Federal *rek-u-la-tion.* Drug test. Can't even be in *te* cabinet *vit-out havink* your pee looked at. Quite a country we *haf,* isn't it?" He laughs, opening the door to the bathroom before ushering me in. "Everyone's got to pee for *te* government, no matter who. *Dat's* what I *luf* about *tis* country. Everyone's a *pisher.*"

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I apologize for omitting from the masthead of the special issue *Workforce Development: Health Care and Human Services* the names of the guest editors, James Green and Andrés Torres.