

- Project Proposal -

*Ford School  
International Economic  
Development Program*

*2001*

*with Study Tour in the Czech Republic*



**International Policy Students Association**  
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Ann Arbor, MI

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## **Table of Contents**

	<u>Page</u>
<b>I. Executive Summary</b>	1
<b>II. IPSA and the History of the IEDP</b>	1
<b>III. IEDP 2001</b>	2
A. Why the Czech Republic?	2
B. Seven-Week Course on the Czech Republic	3
C. Winter Break Study Tour	3
D. Program Itinerary	4
E. Deliverables	5
<b>IV. Benefits to the Ford School of Public Policy</b>	5
A. Strengthen the International Policy Concentration	5
B. Promote the Ford School's Public Image and Recruiting	6
C. Establish and Maintain International Relationships	6
D. Integrate Faculty and Student Research Interests	6
<b>V. Finances</b>	6
A. Transportation	6
B. Lodging	7
C. Gifts for Speakers/Delegates	7
D. Budget Summary	8
E. Other Expenses	8

## **I. EXECUTIVE SUMMARY**

The International Policy Students Association (IPSA) seeks funding to implement the study tour of the Ford School International Economic Development Program (IEDP). The IEDP was initiated last year with a study tour to Costa Rica. The Program's objective is to provide students who are concentrating on international policy with an understanding of policy making in emerging market economies and a valuable international experience that is not otherwise offered by the Ford School curriculum.

This year the program has selected the Czech Republic as the country to study. The program has been expanded to combine learning through a traditional seven-week course in addition to a tour in the selected country during the Winter Break. IPSA is requesting grants totaling \$20,412 to cover expenses related to transportation, and room and board for a group of twenty-four students and one Ford School faculty member, for a period of approximately ten days in the Czech Republic.

## **II. IPSA AND THE HISTORY OF THE IEDP**

IPSA first conceived of and organized the Ford School IEDP during the 1999-2000 academic year. IPSA's mission is to foster awareness of international policy issues through the exchange of ideas, cultures, and experiences. The organization believes that a global perspective is crucial to successfully understanding today's policy issues. By providing opportunities to apply problem-solving skills in a learning environment, IPSA strives to create a strong foundation for its members as future leaders.

The first IEDP study tour took place during the Winter break of 2000. Nineteen students, accompanied by one faculty advisor, traveled to Costa Rica to study its development policies for what was then known as the "Student Development Program". All told, the first program surpassed even its own bold objectives, offering a valuable learning experience that demonstrated the complex interplay between social policy and economic well-being. The group returned with a richer insight into the culture and policy of a foreign country, and a deeper understanding of the international economic development field.

The 2000 Costa Rica study tour was generously funded through a combination of grants from the Ford School, the International Institute, the U of M Provost and Executive Vice President, Horace H. Rackham School of Graduate Studies, and the Center for International Business Education.

### **III. IEDP 2001**

The focus of this year's IEDP is the Czech Republic.

#### **A. Why the Czech Republic?**

The students in the international track of the Ford School chose the Czech Republic as the country of focus because it is an excellent example of a "successful emerging market economy."

<sup>1</sup> The Czech Republic is unique in that it has moved very rapidly over the last ten years toward a strong, market-based economic system. Though the country has struggled at times, its policy reforms have, by and large, been a tremendous success.

From a practical perspective, the University of Michigan and the Ford School have a very strong relationship with the Czech Republic. The Program's Faculty Advisor, Prof. Katherine Terrell, has worked extensively in the country since 1991, most recently during the summer of 2000. Prof. Jan Svejnar, her husband and Executive Director of the University of Michigan's William Davidson Institute, was one of the chief architects of the Czech Republic's economic reforms of the early 1990s and continues to serve as an advisor to Czech President Vaclav Havel. Prof. Terrell and her husband can arrange interviews and appointments with senior Czech government

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<sup>1</sup> The student participants in this year's IEDP were selected by the four members of the IPSA Executive Committee in conjunction with the Program Faculty Advisor, Professor Katherine Terrell. The participants were chosen based upon a one-page application (Letter of Interest) on which the following criteria were judged:

- Ford School student
- International policy concentration w/appropriate coursework
  - For second-year students:
    - SPP560 - Foreign Policy Analysis; and
    - SPP540 - International Economic Policy
  - For first-year students:
    - SPP560 - Foreign Policy Analysis
- Interest in economic and social policies in emerging market economies
- Professional and/or educational experience overseas
- Commitment to program organization

officials. Mr. Dan Turnquist, the U.S. State Department Diplomat in Residence at the Ford School, can arrange meetings with senior U.S. Embassy officials in Prague.

During the struggle to free the then-Czechoslovakia from its oppressive Communist rule, President Vaclav Havel spent many years in prison writing his memoirs, many of which were published and distributed by his contacts at the University of Michigan. These memoirs played a pivotal role in the successful overthrow of the Communist regime. In September of this year, President Havel came to U of M's campus to receive an honorary degree from President Lee Bollinger. President Havel's affiliation with U of M is very strong, and this relationship will open doors for the Ford School IEDP that would perhaps be closed to similar programs from other universities.

### **B. Seven-Week Course on The Czech Republic's Economic and Social Policies**

The program has expanded to include a seven-week course prior to the study tour. In the course, entitled *Economic, Political and Social Policies in the Czech Republic*, students will analyze the evolution of the Czech Republic's institutions and policies. The course will begin with a brief overview of the country's historical origins and the political and economic conditions during the period under Communism (1948-1989). Most of the course will examine the recent period in transition from a socialist planned economy to a democratic market oriented economy (1990-to the present). The Czech transition experience will be compared and contrasted with the experiences of other countries in transition to place it in perspective. Students will examine and question the choices made in macroeconomic policies, trade liberalization, methods of privatization and type of financial reform. Students will learn about how a new social welfare system was put into place and how the government is dealing with social problems. Finally, in the area of politics, the issues of NATO and EU enlargement, and the "velvet divorce" between the Czech and Slovak Republics will be discussed.

### **C. Winter Break Study Tour**

The Program will culminate in a week-long study tour of the Czech Republic during the Winter break. Program participants, in conjunction with the Program Faculty Advisor, will arrange to

meet with government officials, business leaders, academics, and representatives of non-governmental organizations to gain broad exposure to issues relevant to transitioning economies.

The Study Tour will attempt to visit and hold meetings with a wide variety of government agencies, businesses, organizations, and institutions, including the following:

- Czech Ministry of Finance
- Czech National Bank (Central Bank)
- Office of the President of the Czech Republic
- United States Embassy
- Unions and Labor Associations
- Czech Ministry of Labor
- Czech Ministry of Trade and Foreign Relations
- Czech Ministry of Education
- Local Company (with tour of facilities, if applicable)
- Multinational Corporation(s)
- Parliamentary Representatives
- Local Universities and Scholars
- Czech Ministry of Social Welfare
- International Organizations (International Monetary Fund, European Bank for Reconstruction and Development, etc.)

#### **D. Program Itinerary**

*(Schedule is subject to change.)*

- |  |  |
|--|--|
| Day 1: Fri., 02/23                       | Arrival in Prague, Czech Republic<br>Independent exploration of city   |
| Day 2: Sat., 02/24                       | Cultural and logistical acclimation<br>Independent exploration/survey of surroundings  |
| Day 3: Sun., 02/25                       | Orientation and preparation for weekday meetings   |
| Days 4 - 7: Mon.,<br>02/26 - Thu., 03/01 | 3 - 4 meetings per day with government officials, business leaders,<br>representatives of non-governmental organizations, and local scholars |
| Day 8: Fri., 03/02                       | Field trip to Bratislava, Slovakia and visit small towns in Czech<br>countryside.  |
| Day 9: Sat., 03/03                       | Departure for Detroit, USA   |

### **E. Deliverables:**

Upon returning to the University of Michigan, program participants will be required to share their unique experiences with the rest of the Ford School community. Participants will provide the following deliverables:

- Detailed report (including findings and expenses) to Ford School Dean and other funding organizations
- Benefit/cost analyses of current Czech development project proposals
- Critique of Czech fiscal and monetary policies
- Recommended economic development strategies for the Czech Republic
- *WorldView* (IPSA's newsletter) article
- *Michigan Daily* article
- Article for alumni newsletter
- Panel discussion for the Ford School and general university community
- Recruiting tools (including website and photographic publications)

## **IV. BENEFITS TO THE FORD SCHOOL OF PUBLIC POLICY**

The seven-week coursework and study tour to the Czech Republic will help to strengthen the international policy track, improve the Ford School's public image, establish an ongoing relationship with international policy makers, and integrate student and faculty policy interests.

### **A. Strengthening the International Policy Concentration**

The Ford School has a strong tradition of preparing students by providing opportunities to interact in a real-world context. Currently, the Ford School's curriculum contains an Applied Policy Seminar (APS), which allows students to do public sector consulting work for state and local governments and community development organizations. The IEDP, as herein described, allows international policy students to truly interact with international policy specialists, which is a much different experience than the APS can provide. Continuing to implement an annual IEDP strengthens the international policy concentration by including an applied policy component, which utilizes classroom theory in a foreign policy setting.



## **B. Promote the Ford School's Public Image and Recruiting**

Implementation of the IEDP improves and promotes the Ford School's public image as a leader in innovative professional training. By marketing this program effectively (i.e., video clips on the website, a feature in the Ford School brochure, panels to prospective students, etc.), the Ford School can better compete with other international policy schools offering overseas opportunities and quite possibly become the leader in implementing this type of international tour.

## **C. Establish and Maintain International Relationships**

The study tour to an emerging market economy allows the Ford School to develop ongoing relationships with business, political, and academic contacts. Once a knowledge base of local politics, economy, and social policy has been formed and relationships established, the IEDP could evolve to more closely simulate the Ford School's Integrated Policy Exercise (IPE). This could be accomplished by putting together a detailed report and oral presentation of experiences, survey findings, and a list of contacts for the Ford School community. The report could be used as a starting point for subsequent tours, which may then be expanded to provide public sector consulting for interested parties.

## **D. Integrate Faculty and Student Research Interests**

Many Ford School students share research interests with Ford School faculty, however there are few formal mechanisms allowing students and faculty to collaborate outside of the academic environment. By partnering with a Ford School faculty advisor, students are provided the opportunity to explore that professor's research as well as further expand their knowledge of issues related to the policy theme for that year.

## **V. FINANCES**

IPSA is requesting grant funding in the amount of \$20,412 to cover the expenses of the 2001 IEDP. An itemized budget is provided below:

### **A. Transportation**

The air travel cost component represents the largest portion of total cost for the IEDP. Air travel may be considerably lower depending upon the student or group discount that IPSA is able to

negotiate. Intra-country transportation costs are not expected to be very high as most of the Program's activities will take place in and around the Czech capital of Prague, which is relatively well-served by public transportation and an abundance of taxis.

### **B. Lodging**

Lodging costs have been estimated using information obtained via the world wide web. A number of websites advertise hotel accommodations and the information is up-to-the-minute. Lodging costs are based on an eight-night stay (Fri., 02/23 thru Fri., 03/02) in the City of Prague for what IPSA has calculated as an "average" room rate based upon available data. Middle range hotels generally have private baths with hot water but are not considered luxurious. It benefits the Development Program for the group to stay in quarters located relatively close to the central city, allowing for shorter travel times to and from meetings and other destinations (points of cultural interest, etc.).

### **C. Gifts for Speakers/Delegates**

As a token of the Ford School's appreciation, the study tour will present speakers and other primary delegates with small gifts to thank them for their willingness to meet with students and discuss public policy related issues with them. Possible gifts are Ford School t-shirts or coffee mugs. Costs may be lower or higher, depending upon the number of people with whom the study tour meets.

## D. Budget Summary

### STUDY TOUR BUDGET, CZECH REPUBLIC

2001 Ford School International Economic Development Program

ITEM	COST	QUANTITY	TOTAL
Transportation			
Airline Tickets *	\$531.00	24	\$12,744.00
Weekly Transportation Pass**	\$7.00	24	\$168.00
Field Trip to Slovakia	\$30.00	24	\$720.00
Lodging ***	\$200.00	24	\$4,800.00
Gifts for Czech dignitaries	\$20.00	24	\$480.00
Program Faculty Advisor****	\$1,000.00	1	\$1,000.00
Contingency			\$500.00
<b>TOTAL</b>			<b>\$20,412.00</b>

\* Air travel figure obtained from STA Travel in the Michigan Union. Fare based on 02/22 departure and 03/04 return, using a Detroit - Prague - Detroit routing.

\*\* Obtained from Lonely Planet travel guide. Provides week-long, unlimited access to Prague-area public transportation.

\*\*\* Lodging rate calculated from information obtained from various sources via the world wide web, averaging all data to determine "average" room accommodation costs in the City of Prague. Quantity: \$25.00 × 8 nights

\*\*\*\* Includes all costs of transportation, lodging, and per diem for misc. expenses

## E. Other Expenses

Program participants will cover all other expenses, such as food and miscellaneous spending.

