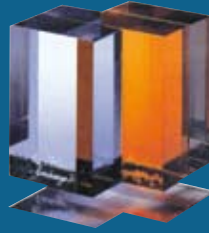


In this issue

ATLANTIC & PACIFIC
EXCHANGE PROGRAM



Never change
a winning program



Out of curiosity,
into China

winter 2007

The Exchange



Public finance
in Sweden and Denmark



Similar, but not the same:
learning from the Canadians



Politics as candy:
elections in Washington

A word from the Managing Directors



Elaine Springford and Lia Rosenbrand

Looking back at the year 2006, we can only conclude that it has been an extremely successful year for APEP. A year which has seen the expansion of our activities into new countries (Sweden and Denmark), the initiation of a new 'Inside' program (in China), and programs offering education to the educators (VSNU and INHOLLAND).

Sweden and Denmark were visited by three Dutch delegations in the course of 2006. You will find reports on two such programs in this issue of *The Exchange*: a program on public finance and local government reform (page 7) and the NHG Masterclass

Scandinavia which allowed participants to study the Danish and Swedish housing market (opposite page). Both programs were organized at the request of, and together with, APEP Member organizations – public-sector bank BNG and WEW, the provider of the National Mortgage Guarantee (NHG), respectively.

The latest addition to our 'Inside' series is the Inside China program, launched last October with APEP chairman Hans Dijkstal as delegation leader. We would gladly invite you to read his article on pages 4-5, in which he shares his enthusiasm about the content of the program and about the country that was at the center of it.

Finally, we were very privileged to be asked by the Association of Universities in the Netherlands (VSNU) to organize a study program in Canada for the presidents of all Dutch universities. The trip included visits to the universities of Toronto, Waterloo and McGill and meetings with, amongst others, Canada's National Science Advisor, Dr. Arthur Carty. On pages 8-9, newly-installed chairman of VSNU Sijbalt Noorda writes about the reasons for and the benefits of his delegation's visit to Canada. This was

the second time in 2006 that APEP was able to serve the higher-education sector, having arranged, earlier in the year, a visit to US universities including Harvard and MIT for the Board and management of INHOLLAND. APEP, founded to promote the cross-border exchange of knowledge and ideas, is of course particularly pleased to arrange such programs for the academic community – providing its leaders with an opportunity to compare strategies and learn from their counterparts' successes and failures – and will gladly encourage similar initiatives.

We at APEP are all looking forward to another year with interesting new programs, new countries and new Members. We extend a warm welcome to our first new Member of this year, IPO – see for a brief introduction this same page.

At the end of last year, as has become a good tradition, instead of sending out Christmas cards we donated money to a good cause. This year we chose Doe Een Wens, the Dutch arm of the international Make-A-Wish Foundation. We warmly recommend web sites doeenwens.nl and worldwish.org.

Welcome to our new Member:



The twelve Dutch provinces cooperate in the Interprovinciaal Overleg (Interprovincial Platform, IPO). IPO is active in all fields where the provinces play a prominent role, such as the environment, rural areas, social policy, spatial planning, housing, the economy and mobility.

IPO has three core tasks: It lobbies for the provinces' interests by maintaining contacts with the relevant authorities and social interest groups; it serves as a platform for the exchange of ideas and experience, the formulation of common positions and the development of joint initiatives; and it stimulates and initiates innovation processes.

IPO is an association governed by a board and a plenary council in which all members – the provinces – are represented. Each province has one representative on the board (the Queen's Commissioner or another member of the Provincial Executive) and five representatives in the plenary council (members of the elected Provincial Council).



The participants in APEP's Inside China program during a visit to a sausage casings factory. (See pages 4-6.)

Never change a winning program: the NHG Master Classes

In 2005, on the occasion of the tenth anniversary of the Homeownership Guarantee Fund (WEW – issuer of the National Mortgage Guarantee, NHG), WEW's managing director Karel Schiffer launched the 'NHG Master Class' formula: with the organizational support of APEP, a series of study trips was initiated with the dual purpose of offering high-value learning experiences and highlighting and strengthening our role as a neutral platform between government and market that brings together representatives from the public and private sectors. The destination of the first trip was the USA; participants were a select group of professionals from the housing and housing finance markets. The trip's success generated a lot of enthusiasm for a continuation of the Master Class concept. Two trips in 2006 followed, one to build upon the earlier US program, the other to offer the 2005 delegation the opportunity to learn from two European mortgage and housing markets: Denmark and Sweden. During all Master Classes our delegation leader was Robin Linschoten, member of WEW's Board of Supervisors. Never change a winning program – and never change a delegation leader so respected and well-informed!



In **Danish** housing policy, tenure neutrality is the key word rather than promoting homeownership: it focuses on providing proper housing at affordable and predictable prices, and on stimulating a varied supply. The housing system is characterized by large subsidies and a highly regulated rental market. However, meetings at the Nationalbank and with government representatives taught us that a need is felt for more market-oriented policies – such as no or fewer tax exemptions, rent regulations and housing subsidies. The first steps toward a more competitive market are being made, with a clear trend – as in the Dutch market – towards fewer subsidies. Problems on the housing market are similar to those in Holland, too, with housing shortages (especially around Copenhagen) and construction levels that lie far below what is needed.

Of special interest to us was the Danish 'covered bonds' model. So called because they are covered by the underlying real estate, covered bonds are sold by mortgage banks to commercial banks, insurers and pension funds as a way of funding the mortgage credit loans offered to house buyers. The one-to-one relation between the mortgage loan and the covered bond, which eliminates nearly all interest-rate risk and all prepayment risks, is the spine of the Danish

mortgage banking. Thanks to the close relation between financing and funding – payments from borrowers match the cash flow from mortgage banks to bond holders – borrowers have the option to redeem their loan without prepayment penalties at all times.

The **Swedish** counterpart of WEW, public guarantee fund BKN, is a national government agency under the Ministry of Sustainable Development. It had to give up its strong position in guaranteeing mortgages, in part due to new regulations stipulating that only newly built houses can be guaranteed and limiting the guaranteed amounts to levels far below current market prices.

Throughout our discussions with central bank, government and mortgage bank representatives it proved hard to obtain an answer to the key question: What was the influence of the partial interest tax deduction on the housing market? According to the Riksbank, it was too complicated to distinguish between the effects of the tax reforms in the early 1990s (which cut the high interest rate deduction to a 30% level) and those of the deep economic recession that took place simultaneously. Others gave evasive answers as well. Were they strategic answers? It may be more comforting to see the dramatic fall

of house prices in the early nineties (to a mid-1980s level) as the result of a recession rather than of tax reforms. Anyhow, our conclusion was that the 'Swedish model' was not as effective and efficient as it looks from the outside.

During the **USA** Master Class we met with a range of interesting people including Herman Wijffels at the World Bank and a new Governor at the Fed, the young and brilliant Kevin Warsh. The program learned us that the US housing market can be characterized as highly competitive, but also as heavily regulated in some segments – especially when it comes to the mortgage market. That is not as strange as it looks – the Great Depression already taught Americans that markets can fail. Government interference was needed at the time to bring back the trust and credit of lenders. The realization that a sound housing market has a stabilizing influence on economy and society led to a further increase in government involvement, institutionalized by bodies such as the Federal Housing Administration.

Hans Mersmann, *Director of Strategy of the Homeownership Guarantee Fund (WEW), coordinated the organization of the NHG Master Classes together with APEP. WEW is a Member of APEP.*



Out of curiosity, into China!

Delegation leader Dijkstal on APEP's Inside China program

by: Hans Dijkstal, APEP chairman

What moves people with a busy job, who are often having difficulty finding enough time to invest in relationships with family and friends, to undertake trips to faraway countries when it's not for a badly needed vacation – and even not, apparently, for a specific and highly urgent purpose? The answer: curiosity! Curiosity: the moving force behind many an adventure, discovery and new development in the history of mankind. People who travel for this reason are eager to know what goes on in this world. They have known, ever since their school years, that knowledge is the key to influence, to power, to self-fulfillment.



Mme He Luli, Vice Chairman of the Standing Committee of the National People's Congress, unwrapping a gift from delegation leader Hans Dijkstal.

It is this curiosity, this craving for knowledge about the world around us, that forms the foundation under the Atlantic & Pacific Exchange Program's existence. APEP offers orientational and study trips to countries of importance. Sometimes these trips are of a general nature, such as the Inside Washington, Inside China, and Inside Brussels programs. Often also, they are thematic trips dedicated to a variety of subjects – such as mortgages, pharmaceuticals, sport management, obesity, safety, etc.

Whereas in its early years APEP's focus was exclusively on the United States, the scope of its activities nowadays is much broader. It includes Eastern Asia, with a particular emphasis on China. The reason for looking towards China is clear: who wants to have a good understanding of what is happening in the world of today, must go to China. A country with a large diversity in natural environments, religions and cultures. A birthplace of modern civilization. Home to no less than 56 ethnic groups and 1.3 billion souls on a territory stretching across 9.6 million square kilometers. A country, moreover, that is undergoing a major transition – toward a new political system, toward a new economic structure, and toward a new, increasingly important position in the international community. Thus, plenty of reasons for APEP to step up its activities in China, in the conviction that this will meet a growing demand from among APEP's Members.

The latest proof of this growing interest came with the success of APEP's Inside China trip (October 14-21, 2006). Sixteen top-level representatives of government ministries, provinces, businesses and social organizations joined Elaine Springford, who is one of APEP's two directors, and the delegation leader in boarding the plane to China, full of expectation.

The success formula behind APEP study trips combines a thorough preparation,

a spotless organization and a high-quality program. Essential are the good contacts in the countries visited. In China, APEP works together with the Chinese People's Association for Friendship with Foreign Countries (CPAFFC), a highly professional organization with branches all over the country. For Inside China, CPAFFC provided the relevant information, the top-notch meetings, the logistics and the extra services. Everywhere, the delegation was welcomed warmly and with much regard. It made our visit not only interesting, but very pleasant as well.

We were received at a high level, among others by the vice chairman of the Standing Committee of the National People's Congress, the governor of the province of Sha'anxi, and the executive deputy mayor of Shanghai. We were briefed by senior representatives of government departments, the City of Shanghai, and influential national commissions and institutes. An insightful briefing was also given by Dutch Ambassador Van den Berg who, together with his wife, hosted an enjoyable dinner. The program also included visits to Dutch companies in Shanghai (ABN AMRO, Van Hesse Casings).

From a cultural perspective, too, the trip was impressive. Highlights were our walk in the Forbidden City in Beijing, the visit to the world-famous Terracotta Army in Xi'an, and the music of an elderly, stoically performing jazz orchestra in the renowned Peace Hotel in Shanghai. The rich and tasty Chinese cuisine delighted our taste buds. The atmosphere-enhancing habit of dining at round tables with the food served on revolving platters definitely deserves global imitation.

Opinions on which of the meetings were the most special, which pieces of information the most educational and which of our experiences the most fantastic, will surely have differed with



The Inside China delegation touring the Van Hesse casings factory in Shanghai.

each participant. There are, however, some elements of a general nature that were of prime interest to all of us because they form part of the international décor that affects whatever it is each of us does in the Netherlands. First, there is the stormy, centrally planned economic growth that is taking place in (a part of) China. The whole public administration system is geared towards the goal of economic expansion. One pillar of this system consists of the different layers of government, similar to those we know: central government, provinces, local authorities. Parallel to it are the structures of the Communist Party, which is the final authority on all matters of importance. The horizontal links between party and government function efficiently. Five-Year Plans are carried out consistently. Transparency, democratic decisionmaking, consultation and social policy, all so important in the Dutch system, are irrelevant in China. Their absence enhances the government's ability to act forcefully and decisively, but carries the risk of insufficient flexibility – anything that is not in the Plan, is unimportant. Environmental policies, for instance, are slow to get off the ground. And not until the current Five-Year Plan did social stability become an official goal.

Communism in China has been given a modern face. It acknowledges the

prominent role of capital, it promotes the market economy and it does not object to large income gaps, not even when exuberant wealth is accumulated at the top. Meanwhile, the economic growth rate of 15-25% annually is spectacular. It helps China develop into a global power that aspires to fill the vacuum left by the Soviet Union. As China rises economically, its role in preserving international peace, security and stability increases correspondingly. Needless to say, China's ascent also presents major opportunities for the Dutch business, science and arts communities to take part in the country's spectacular development.

To understand the potential complications of governing, it is always important to consider the scale of activities undertaken or planned. For many a leader, taking some time to reflect on this can be very useful. A visit to China can be particularly educational in this respect. A final factor that contributed to the extraordinarily uplifting and pleasant character of our trip was the opportunity – always a major benefit of traveling in a group! – for participants to get to know each other better, on a business as well as on a personal level. The result, naturally, was a collective vow to meet again soon. It has been no idle promise: a reunion is in the works.

Highlighted

Other participants on APEP's Inside China 2006



Marcel van der Linden (left) and Chris Rutten taking in the Shanghai skyline during a boat trip on the Huangpu river.

Chris Rutten, chairman, and Jos Hamers, director, Chamber of Commerce West-Brabant:

"A delegation leader (former deputy prime minister Hans Dijkstal) for whom all the right doors are opening, an excellent network that includes many top civil servants, and a perfect preparation and organization by the Atlantic & Pacific Exchange Program – those were the most important ingredients of a successful mission to China, last October.

Our aim was to find out whether it would be worthwhile for us to initiate trade missions to China, together with our various partners in the southwestern Netherlands. Thanks to APEP, we have been able to expand our network in China considerably and identify concrete business opportunities there for SMBs."

Marcel van der Linden, Board member, Li.Re Holding b.v.:

"This was my very first trip to China. It reversed my ideas and opinions about what will happen in and to the world in the next decade. A week loaded with conferences, visits, lectures and meetings is exhausting, but it was worth every minute of it. APEP knew the way to get to the right people for the right inside stories.

It probably would require more than a lifetime to really get *inside China*, but this was as far as you can get in a week. And not to forget the pleasure of getting more 'inside Holland' at the same time, by travelling with an interesting group of fellow visitors from all different backgrounds. A very enriching experience."

Carel van Eykelenburg, Member of the Executive Board, nv Bank Nederlandse Gemeenten:

"Our trip, impressively organized by Elaine Springford of APEP, comes close to perfection in terms of 'how to get the most out of China in seven days'.

In Beijing, from early morning until late afternoon we enjoyed nine different presentations and discussions on all kinds of subjects, such as economics, education, finance, environment, social context and healthcare. Each topic was introduced by a director or a director-general of a government ministry. As far as we could perceive our discussion partners were not holding back. We could raise any question on any topic, and we got honest answers even on questions concerning environmental pollution, corruption, the role of the communist party, the renminbi-dollar peg, etc. The only thing the Chinese don't like is to be told to do it (anything) our way. They are fully aware of the problems that exist in China, and they want to solve them in their own way.

Impressive was the construction we saw in the Pudong area, across the river from Shanghai. In just eight years' time, a vast commercial center has been erected with dozens of skyscrapers, roads, bridges and tunnels. Really unbelievable if you grasp what is needed to realize a project of such proportions. The man in charge is a joyful person who answered all questions whether they were of a political, logistical, traffic-related or economic nature. His background? He had studied international politics!

Go to China yourself and let APEP do the work for you – it's worthwhile."

Study program:

Public finance and local government reform in Sweden and Denmark

What:

A tailor-made study trip organized at the request of Dutch public-sector bank BNG (APEP Member) for the Platform of Finance directors and controllers of large municipalities (100.000+ overleg Financien).

When:

September 19-23, 2006.

Where:

The Swedish cities of Göteborg and Malmö and the Danish capital Copenhagen.

Who (participants):

Fourteen representatives from twelve large municipalities, a representative of the Association of Dutch Municipalities (VNG), two representatives of BNG, and two APEP staffers.

Who (discussion partners):

Directors and senior experts of :

- Kommuninvest i Sverige AB
- Göteborg University
- City of Göteborg
- City of Malmö
- Øresund Bridge Consortium
- Local Government Denmark (LGDK)
- KommuneKredit
- Nordea Investment Management
- European Institute for Risk Management / PRIMO Denmark

Brief impression by Eric Panhuijzen, head of BNG's Public Sector division:

The primary theme of our study trip was 'current developments in public finance in the context of local government reform'. The program – educational, varied and well-structured – has familiarized us with the main organizational characteristics of the public sector in Sweden and Denmark. In both countries, the municipality is at the center of the government system and plays a decisive role in daily life. Local governments have a number of specific tasks that are financed from tax revenues. Swedish citizens pay taxes to the municipality and only to a limited extent (from a certain income level) to the central government. Hence, Swedish municipalities have considerable autonomy, while bearing responsibility for the provision of a range of services. If, due to limitations of scale, a municipality cannot provide certain services by itself, it purchases these services from larger municipalities.

Kommuninvest and KommuneKredit play the same role in Sweden and Denmark as BNG in the Netherlands. While Dutch municipalities are BNG stakeholders, their counterparts in Sweden and Denmark are members of their respective banks. Another noteworthy difference is the relatively short duration of financing arrangements in both countries. A remarkable aspect of the Danish system is that local governments can only attract funding at the capital market for certain types of investment – they will have to save for the building of a new city hall!

Worth mentioning is also the prominence of risk management in both countries, as is embodied in Denmark by the European Institute for Risk Management (EIRM) and the Public Risk Management Organisation (PRIMO Denmark; a Dutch chapter of PRIMO was founded around the time of our trip).



When the work is done: the delegation in Tivoli, Copenhagen on a free evening.



Similar, but not the same:

Canada valuable destination for Dutch university presidents

by: Sijbolt Noorda, President, VSNU (Association of Dutch Universities)

As different as they may seem, universities are less different than one usually realizes. Yet it is their diversity, to the extent that it still exists, that is their most interesting feature.

This is the basic law ruling university travels. One does not visit another university to see one's own spitting image. It is like with best friends: they are often similar in many ways, yet it's the differences that make the friendship interesting. This parallel explains very well why last fall 13 Dutch university presidents went to Ontario and Quebec to visit their colleagues



Janet Halliwell of Canada's Social Sciences and Humanities Research Council talks to her Dutch visitors.

in Montreal, Toronto and Waterloo. We briefly touched upon our many similarities but mainly explored and discussed our dissimilarities, which gave us the opportunity to admire our friends' successes, compare our strategies and learn lessons from solid Canadian examples.

The context of Canadian higher education and research is very much like ours. With generally more direct government control than in the US, much resemblance in research performance (which stands at a comparable level internationally), individual academics who are interchangeable, and quite comparable student profiles and conduct. Neither did the financial situation of the Canadian universities hold any surprises for us – with two remarkable exceptions (see below). For Dutch visitors, this basic likeness increases the chances that lessons can be learned in Canada that are of relevance and practical use back home (something that is not always the case when visiting American universities, which are often either too average or rich beyond comparison).

We visited three universities (McGill, Toronto and Waterloo) and a number of federal offices tasked with research funding and science development planning.

At Waterloo, close cooperation between the university and regional businesses is like oxygen in the air. This cooperation is not just a matter of good labor-market relations, or of stimulating startups by offering a strong accelerator program and a smart research park. It enhances education itself: cooperative education (dual-mode education combining classroom study and learning in the workplace) is the rule here. Its only downside is that it makes students leave university after

their first degree, but it is definitely a major reason why businesses like to come to the area. Another typical proof of the strong community sense that binds the university and businesses in this region is the Entrepreneurship Council. Dozens of businessmen and women serve as mentors to students who are planning their first steps in the field.

When I visited my colleagues at the University of Toronto ten years ago they did a lot of talking about their fundraising plans. Although we understood their motives perfectly well, we had our doubts at the time as to whether they would be able to realize their plans. Their own culture seemed much too traditional and officialese to make an impression on donor candidates. There was not a trace of any of this now. The university's first major fundraising campaign had become a tremendous success (yielding hundreds of millions dollars) and the university advancement people true professionals who know that you cannot sell what you cannot show. A truly remarkable achievement. And for us, an opportunity to admire and to learn. It can be done!

In many other ways, Toronto was very familiar. The U of T's plans to upgrade the performance of bachelor students, arrange for small learning groups and hire excellent teaching staff in first-degree programs read very much like what we are producing at home. Getting first-year students in the right mood for academic work and getting career researchers to appreciate bachelor teaching are formidable tasks for all of us, in Europe as well as in North America.

Ottawa and Montreal made us aware of the relative simplicity of the Dutch situation: just one language, one level of government that sets rules and budgets for higher education, and distances that can be measured in hours, not days. At the same time, we can only admire the courage

and willpower of Canadians that were on display, for instance, in their recent research funding decisions. A federal Minister of Finance proposing the creation of some 2000 fully funded new research chairs at universities across the country – we could hardly believe what Canada's national science advisor was telling us! Add to this all sorts of innovations and ambitious research programs. No wonder Canada's universities have been able to attract strong faculty from abroad to join them and strengthen their international position.

One of our last hosts during the short trip to Ontario and Quebec was a successful businessman who had decided to return to his alma mater upon his retirement to become director of the office of technology transfer. In that capacity he is of enormous value to this university. He understands business from within and loves to build a strong business case for his university. We believed him when he said that both sides are getting better results that way. At the same time, his example was yet another proof of the very strong sense of civil responsibility that caught our eye more often while in Canada. We immediately decided to invite him to come to the Netherlands and tell his story here.

In Ottawa Karel de Beer, Her Majesty's Ambassador to Canada, graciously received us at his home. He confirmed our impression that the Canadians and the Dutch get along with each other very easily. Bits of shared history and a similar preference for informal ways and practical approaches easily create a friendly atmosphere. Yet it seems that in spite of these easy and cordial relations, we often forget to actually do business together. The size of the US home market and the American reputation in business and research often make us bypass Canada. Likewise, Canadians often overlook Holland for our bigger European colleagues. Whatever the reasons, there seems to be something like an unused

potential between the two of us. In terms of interuniversity cooperation, both in education and in research, much more can be done than has been the case so far. Be

that as it may, our recent trip to Canada has provided much food for thought and has produced quite a few good examples that we can benefit from in our own work.

(advertentie)

June 17th - 22nd 2007, The Hague, The Netherlands



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Candy store for political aficionados

A participant looks back at APEP's Inside Washington 2006

by: Peter van Keulen, Director, Public Matters

As a foreign lobbyist, when visiting Washington DC I feel like a kid inside a candy store. Being there during an election week, with fellow Dutchmen who share an interest in US politics, is even better. It is something I experienced last November, as a participant in APEP's Inside Washington program, which coincided with the midterm elections. What an interesting and diverse week it was! Below, a day-to-day overview.



Thomas Mann (right) talking to the group at The Brookings Institution on the eve of the elections.



Political street ads in Laurel, Maryland.

To get to know our way around Washington, we kick the week off on Sunday with a guided walk through the city center. Having lived in Washington for some time, now almost ten years ago, it occurs to me that the city is a conservative town – it hasn't changed a bit.

On Monday morning, everyone gathers at the doorstep of our unique 'de-stressing' hotel for the start of our program. After a short walk we meet with Michael Cornfield, Adjunct Professor of Political Management at George Washington University. Having first explained why the authors of the Federalist Papers chose DC as the political center, Cornfield introduces us to the concept of micro-targeting during election campaigns – a method which includes, amongst others, the analysis of consumers' buying behavior. The results are used to target voters precisely and effectively. It is a method that might be difficult to apply at home, due to Dutch privacy legislation.

We subsequently meet Dr. Jan van Lohuizen of Voter Consumer Research Inc. A Dutch immigrant who has lived in the US for about thirty years, he is a pollster for President Bush. He explains how his company analyzes voting behavior and how it advises candidates on strategies to get the right messages across. Just yesterday, Saddam Hussein's death sentence was announced. Van Lohuizen researches the impact of this event on voting behavior. As a lobbyist, I especially like the pre-testing that Van Lohuizen performs on new legislation. Using focus groups and other forms of research, it is aimed at changing legislation that is still in the pre-filing phase.

The third meeting of the day is at the 'safe haven' of Ayaan Hirsi Ali (the former Dutch Member of Parliament who has sought refuge in Washington), the American Enterprise Institute. We meet with David Frum, former speechwriter to President George W. Bush and – as some have told us – the inventor of the 'axis of evil' phrase. Frum confirms what many others are saying:

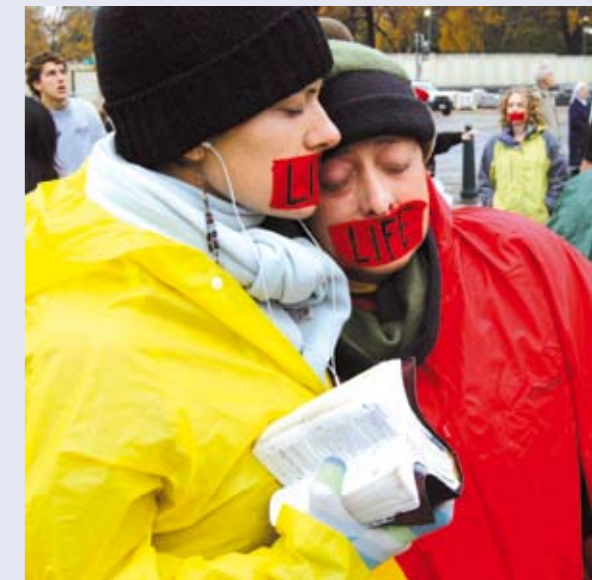
that only 9% of US voters will decide whether the country will 'swing' towards the Republicans or the Democrats. He explains what dilemmas this presents for campaigners. We conclude the day with Thomas Mann of The Brookings Institution, a very active author and researcher specialized in Congressional affairs who is all over TV and radio these days. Mann talks about polarization between the two parties, reflects on presidential candidates and speaks about the army of lawyers that looks at voter-registration fraud and malfunctioning voting machines (it offers some comfort to see that we, the Dutch, are not the only ones who are unable to organize smooth electronic voting).

Tuesday, Election Day. We start with a private tour of the Capitol. Even when it makes one feel like a tourist, it is something not to be missed. And let's be honest: it is an honor to walk on the floor of the House of Representatives and sit on a Member's seat (something not allowed in our Second Chamber). I often admire the Americans: even though security is a highly sensitive issue, they still welcome everybody (US citizens and foreigners) inside the 'houses of democracy'. The tour is followed by a meeting with Ron Faucheux, Chief of Staff to Senator Landrieu (Louisiana). We discuss the impact of hurricane Katrina on his State and a Louisiana delegation's visit to the Delta Works (which protect the Dutch coast). We enjoy lunch with New York Times reporters Steve Weisman and Elisabeth Bumiller. Bumiller speaks about the (authorized) biography of Condoleezza Rice that she is currently writing. Weisman is heavily involved in world politics and eager to hear how we perceive US politics. Then it's time to hit the street for a visit to a campaign center of the Democratic Party of Maryland. Although the staff seems slightly disappointed that we are just observers and not volunteers, we are welcomed warmly and introduced to the concept of door-to-door grassroots campaigning. Afterwards we visit a polling station, where a supervisor explains

how the voting machines (do not) work. Back in the District, we have a drink at the residence of the Economic Counselor of the Dutch Embassy, René van Hell. Yes, we Dutchmen *can* be very hospitable! We round off the day with an election-night "Victory party" in Arlington, Virginia.

Wednesday is the 'fall-out day'. The Republicans have lost – as predicted by the polls – and the Democrats have won back the House. The President tries to spin the day his way by firing Secretary Rumsfeld. We visit the American Civil Liberties Union (ACLU), an advocacy group that works to protect privacy and other civil rights – not always an easy job in a country fixated on security. Following a visit to the U.S. Supreme Court, we are welcomed to the U.S. Department of State by James Warlick, Principal Deputy Assistant Secretary for International Organization Affairs. Warlick is an experienced diplomat who also worked for Paul Bremer in Iraq. He talks about the mutual misconceptions that sometimes surface in relations between the US and Europe, Washington's ongoing commitment to working together with international organizations, and the importance of public diplomacy in keeping up trans-Atlantic cooperation. We wrap up the day with a visit to the Government Accountability Office (GAO), which keeps a check on how public money is spent.

The Thursday we kick off with a visit to the Federal Reserve Board. Governor Randall S. Kroszner and colleagues explain how the financial system works and how the latest fashion in the financial world, hedge funds, have created an urgent need for improved supervision. Our visit to Catholic Community Services (CCS) offers a real contrast. CCS provides social outreach programs and refugee/immigrant shelters for the poor. And then it is, finally... lobby time! We visit Greenberg Traurig, a law and lobby firm, a combination of disciplines that is common in the US but (unfortunately) not in the EU. We sit in on a conference



The delegation's visit to the Supreme Court coincided with hearings on a controversial issue referred to as partial-birth abortion. Supporters and opponents had gathered outside the building.

call with Congressmen Tom Davis (R) and Jim Moran (D) followed by a panel of big-shot lobbyists who share their views on how the lobby environment will change in the coming period. One of their messages: Republican lobbyists can start looking for a new job... At the end of the day we talk to Mike Deaver of Edelman, a well-known spin doctor who worked for President Ronald Reagan. As we sit down in the evening for an informal evaluation of our program, we take the opportunity to thank our APEP organizer for an unforgettable week during which we – the members of our diverse group – have all gotten to know each other a little better.

The last part of the program is a breakfast meeting on Friday with the Vice President for Government Affairs of Philips USA, a Republican who describes how an in-house lobbyist operates on Capitol Hill. Philips has a team of seven lobbyists, who represent both political parties. He stresses that, in order to be effective, lobby contacts should be initiated by US citizens, rather than by foreigners.

The time has come to go home and prepare for our own election week in the Netherlands. For several reasons, including a temperature of 25 degrees Celsius, we regret having to leave DC. But: we have all pencilled in APEP's election week program in 2008!

APEP Agenda*

Update: Januari 2007

- February 21 - 24 **Higher and Further Education in Wales**
As part of the Twynstra Gudde Master Class Learning to organise an 11-person delegation will spend a short week in Wales looking at the close relationship that institutions of higher and further education have built with local industry, business and commerce and at these institutes' collaborative links with other education providers and the local community. These relationships have strongly contributed to the progressive and innovative nature of education in Wales.
- March 03 - 12 **Ministry of the Interior Trainees to China**
In a trip intended to enrich their traineeship with a horizon-widening, thought-provoking and educational experience, a group of young and talented Interior Ministry employees will explore how issues that are at the heart of their daily work practice are looked upon and dealt with in China.
- April 9 - 14 **Senior Living: Care or Service?**
Organized in close cooperation with APEP Members BNG and Twynstra Gudde, this invitation-only program will allow participants to familiarize themselves with the latest trends in senior living concepts that combine housing and care. At the center of the program is a number of quality and service related developments that can serve as an example to the Netherlands.
- June 2 - 9 **City Planning and Infrastructure in China ****
This study program will allow senior government, sports, and construction-sector representatives a close look at hard and soft infrastructure and at city planning in China's largest metropolises. The main focus will be on the preparations for the 2008 Olympic Games in Beijing and the 2010 World Expo in Shanghai.
- July 4 - 6 (tentative dates) **Inside Brussels 2007 ****
Our annual 50-hour study program offering business executives and senior government employees an understanding of the complex institutional makeup, decisionmaking processes and lobbying scene of the EU.
- September / October **Inside China 2007 ****
Combining face-to-face meetings and site visits, this study trip is designed to provide insight into China's dynamic transition from a socialist command-style economy to a consumer market economy and to examine the opportunities and constraints that this transition presents for businesses and for intergovernmental cooperation. (See pages 4-6 for reports on Inside China 2006.)
- November 3 - 9 **Inside Washington 2007 ****
Mid- to senior-level managers from the private and the public sector are offered an inside look at 'how Washington works': how do the various branches of government function and interact, how are decisions made, what is the influence of lobbyists and media in the US capital?

* This agenda features only a selection of APEP programs. APEP continuously develops new programs, primarily at the request of its Supporting Members and tailored to their specific wishes. To find out whether study trips are planned in your field, please feel free to contact APEP at any time! (See contact details below.)

** Registration for these programs is ongoing or will open soon. Please let us know if you would like to be invited.

In the making... Innovative technologies in the health sector: Nanotechnology in Food and Pharma



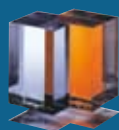
Nanotechnology is considered an emerging technology with enormous potential in a range of applications. It is anticipated that scientific discoveries

at the molecular level will have a positive impact on human health and deliver beneficial new tools for the industry. However, the technology's potential to benefit consumers and patients will only be realized if its safety is understood and reasonably assured.

To gain a better understanding and to separate fact from fiction, APEP is organizing a one-week study program in the USA. In face-to-face meetings with representatives of leading research institutes, relevant authorities and other key players, the emphasis will be on the role nanotechnology can play in relation to food and pharma. We will examine how applications of nanotechnology can deliver new products, how better-performing materials and packaging can enhance product shelf-life and retain freshness, how sensors and diagnostics systems will enhance food-processing, quality and safety, how the encapsulation and delivery of nutrients and pharmaceuticals can help avoid and treat disease.

We will observe how US regulatory bodies address the challenges that result from public concern over this powerful technology and the absence of a framework for risk assessment; explore how stakeholders weigh safety and benefits against costs; and discuss how public confidence can be won.

The delegation will include selected representatives from science, business and government. We are currently, together with several key participants, considering dates in the spring of 2007. For more information on this program, please contact Elaine Springford (see below for contact details).



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