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## RESEARCH REPORTS

*Reviews of new research at public agencies and private institutions*

### **"Does Head Start Make a Difference?"**

National Bureau of Economic Research, Inc., 1050 Mass. Ave., Cambridge, Mass. 02138. 59 pp. \$5

Authors: *Janet Currie and Duncan Thomas*

**H**ead Start, launched in 1964 as part of President Lyndon B. Johnson's "War on Poverty," is one of the few federal welfare programs that enjoys broad public support. Today, some 622,000 poor children ages three to five—about 28 percent of all those eligible—are enrolled in the \$2.2 billion program, which aims to improve the learning ability, social skills, and health of youngsters.

Past studies suggest that Head Start produces significant early gains in IQ, which are then lost over time. By the third grade, children who once were enrolled in Head Start perform no better on IQ tests than those who were not. Currie, of the National Bureau of Economic Research, and Thomas, of Yale University's Economic Growth Center, sought to

take a broader measure of Head Start's effect—on success in school, on various comprehension tests, and on health. They found, surprisingly, that Head Start does make a difference but that its effects vary by race.

Using data from the National Longitudinal Survey's Child-Mother file, Currie and Thomas compared children who participated in Head Start with their siblings who did not. White children who took part in Head Start did better on tests of mathematics and vocabulary comprehension than did their siblings. Hispanic children outperformed their stay-at-home siblings on reading and vocabulary tests. Significantly, the benefits persisted after the children reached age eight. But Currie and Thomas found that Head Start had no impact on the

test scores of black children.

Similarly, Head Start reduced the likelihood that a white or Hispanic child would have to repeat a grade in school by more than 30 percent, but it had no effect on the failure rate of black children.

Head Start did have important health benefits for black children. Participants got measles shots earlier and grew taller than their siblings.

The racial differences are something of a mystery. They "cannot be entirely explained by the fact that some groups are more disadvantaged than others," the authors say. There are more than 1,300 local Head Start programs. Perhaps, Currie and Thomas speculate, those serving black children put less emphasis than the others do on academic achievement, and more emphasis on health.

### **"Rethinking Russia's National Interests."**

Center for Strategic and International Studies, 1800 K St. N.W., Ste. 400, Washington, D.C. 20006. 116 pp. \$14.95

Editor: *Stephen Sestanovich*

**L**ike the United States, Russia has long thought it has a special mission in the world. Under the tsars, "Mother Russia" was persistently expansionist. The Soviet Union aimed at social utopia and world revolution. If Russia and its leaders today do not abandon this sense of mission and start thinking in terms of *national interests*, peace on Russia's periphery is extremely unlikely. The 11 contributors to this collection of es-

says agreed that the most important task is for Moscow to devise a realistic, nonimperial approach to the "near abroad"—the other 14 newly independent states formed from the old Soviet Union.

"For Russia," observes former secretary of state Henry Kissinger, "those lands that had always been considered part of Russia, indeed from which Russia originated, like Ukraine, are now foreign countries, and they deal with Moscow as a security

problem. That is a huge emotional adjustment."

The United States, with its peculiar experience in the Western Hemisphere, observes Vladimir P. Lukin, Russia's ambassador to the United States, should be able to understand that the "near abroad" is a zone of fundamentally important interests and a natural sphere of Russia's influence."

Some 25 million ethnic Russians live outside the Russian

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Federation. Russia is entitled to expect that their human and civil rights will be upheld, Lukin asserts. "Russia is also justified in expecting its neighbors to prevent threats to Russia from arising on their territory as a result of the activities of third countries."

Such concerns are legitimate, agrees Francis Fukuyama, a consultant at the RAND Corporation, but must be seen in light of Russia's "long history as an imperial and authoritarian power. . . . Although there have been and will be many instances of genuine persecution of Russians abroad, in other cases—par-

ticularly in the Baltics—Russian populations are seen as fifth columns representing Russian imperial interests. Threats from Moscow on this score are likely to increase rather than decrease that suspicion." Fukuyama believes that the West should back inclusive citizenship laws in the 14 countries to allay Russian fears. "The effect of such outside pressure on small countries like Estonia from a Europe they are eager to enter would be enormous."

Despite Russia's legitimate economic, political, and security interests in the other successor states, says Paul A. Goble, a Fel-

low at the Carnegie Endowment for International Peace, the Russians so far "have talked more about loss and about mission than about those interests. The nostalgia for the [Soviet Union] that is growing in Russia, the fear that the successor states will either collapse into violence that could spread to Russia or become *places d'armes* for countries hostile to Russia, the sense that all current problems are traceable to the collapse of the old system rather than to the features of that system—all these things are giving an ever bigger audience to those who want to talk in terms of mission."

### "Statistics for the 21st Century."

Dun & Bradstreet Corp., Economic Analysis Dept., P.O. Box 3938, New York, N.Y. 10163-3938. 266 pp. \$14.95  
Authors: Joseph W. Duncan and Andrew C. Gross

The pundits have stars in their eyes over information: the information superhighway, the information revolution, the information economy. Few have noticed that the prized commodity itself, information, is often of dubious quality.

It has not escaped Duncan, a vice president of Dun & Bradstreet, and Gross, a business professor at Cleveland State University. Flawed economic and social statistics, they warn, are giving highly inaccurate portraits of the world. International Monetary Fund statistics, for example, show that world trade jumped by 14.3 percent in 1990. But the trade data reported by individual countries do not add up: Since one country's exports are other countries' imports, the world's bal-

ance of trade should always equal zero. It never works out that way. In 1990, the discrepancy was \$112 billion.

Why do such errors occur? Partly because it is costly and technically difficult to keep tabs on the goods, services, and money that cross borders. Bigger problems have been created by rapid economic change. For example, the growth of multinational corporations means that much "foreign" trade now occurs between affiliated companies. In 1991, 46 percent of all U.S. imports were accounted for by U.S. firms buying from their own affiliates overseas or by foreign affiliates in America buying from their parent companies abroad. On a practical level, the question is whether such purchasers are paying market prices. (Probably

not.) On a conceptual level, one must ask if a U.S. automaker's purchase of, say, a steering wheel from its subsidiary in Canada really is an "import." Similar complications surround exports.

Revising trade data to exclude such transactions would give Americans a drastically different—and in many ways more accurate—picture of the nation's economic strengths and weaknesses, Duncan and Gross say. In 1987, the official U.S. trade deficit was a staggering \$148 billion. If one uses their "supplemental" accounting, however, that deficit drops to \$68 billion.

The two researchers concede that there are good arguments for going slow in the revision of statistics. But reform, already under way in a number of areas, is imperative.