

Business Briefs

Russia

'Liberal' Reforms To Decimate Science

Russian scientists and scholars were informed at the first autumn meeting of the Presidium of the Russian Academy of Sciences, that without consulting any of them, the Ministry of Education and Science had prepared a "business plan for the denationalization and privatization of fundamental science," reported the Russian *Kommersant Daily*, Sept. 15.

Under the scheme, the number of state-run scientific organizations will be reduced from 2,338 to 100 or 200 by the year 2008. The other organizations are supposed to struggle to exist in the jungle of the free market. Russian science in general has been severely underfunded since the break-up of the Soviet Union.

Academician Yuri Osipov, Academy President, emphasized that because the document had not been presented to the Academy "officially," it should not be regarded as serious. Some of his colleagues, however, felt compelled to speak out against this new assault on the flagship Russian scientific institution, which was founded by Tsar Peter the Great, according to a plan drawn up by Gottfried Leibniz.

- Gennadi Mesyats, first vice president of the Academy, termed the ministry's initiative "a frontal offensive against fundamental science."

- Nikolai Dobretsov, head of the Academy's Siberian Department, informed the audience that a paragraph in the same ministry's new "Strategy for Innovative Development of the Russian Federation," exactly repeats the so-called "business plan."

- Academician Vitali Ginsburg, a Nobel laureate in physics (2003), exclaimed, "Does that mean that Yury Sergeyevich (Osipov) will now be not elected by us, but appointed by the President, like a governor? That is poor stuff and nonsense!"

Academician Nikolai Plate, another deputy head of the Academy, urged his colleagues not to kid themselves about the seriousness of the measures: "This is a

conscious, cold cynical line pursued by a group of persons," he said, "Their purpose is to take over the Academy and use it for their own property needs."

Energy Policy

Germany Headed for 'Era of Black-Outs'

Germany is heading into an "era of black-outs," unless there are massive investments in power production and power grids, as well as a return to nuclear technologies, according to the federal association of the German electrical engineering sector, ZVEI. This was the main message put out at the association's press conference Sept. 27 in Mannheim.

ZVEI board member Joachim Schneider noted that since the "liberalization" of the German energy sector in 1998, investments into power plants have decreased by 45%, and investments into power grids have decreased by 30%. The mounting investment backlog is all the more dangerous, he said, because rising numbers of intrinsically unreliable windmills require ever more traditional power capacities to be held in reserve (for when the wind isn't blowing). Furthermore, the liberalization has led to a sharp rise in the power trade, which adds an additional burden to power grids.

Much of the grid infrastructure is now more than 50 years old, he said, and has to be replaced soon. Should the "assault on investments" continue, Schneider warned, it will not only mean more job losses in the electrical engineering sector, but it will threaten the overall German power security.

According to the ZVEI, 40 gigawatts in installed power production—that is, 40% of total capacities—will reach the end of its lifespan by the year 2020. An additional 22 gigawatts in nuclear power will be shut down by the year 2025, because of Germany's political decision to "exit from nuclear power." All of this means investments in the range of 40 billion euros just to maintain power production at its current level.

Prof. Harald Weber of the Rostock-based Institute for Electrical Engineering emphasized at the press conference that the long-term energy supply can only be guaranteed by nuclear technologies, including fission and fusion. It may take more time, he said, until these issues can be publicly discussed in Europe. But because of rising power, gas, and oil prices, as well as last year's series of "black-outs," people are beginning to realize that they have been blinded by the promises of the "internet age" and its disparagement of "dirty" technologies, like power production.

The Bush Record

Unemployment at Peak Since the 1940s

Under the Bush-Cheney Administration, 41.7% of jobless Americans have exhausted their unemployment benefits without finding a new job—the highest rate since the 1940s, according to U.S. Bureau of Labor Statistics, Sept. 27.

Last year, 43.5% of unemployed people were still jobless by the time their 26 weeks of state unemployment benefits had run out. When combined with an unemployment insurance "exhaustion rate" of 42.5% in 2002, this represents the highest two-year peak in long-term unemployment since 1940 and 1941, when it was about 51% and 46%, and when the nation had started on the path of rebuilding its physical economy.

Since Bush took office, the unemployment insurance exhaustion rate has worsened dramatically. For the 12 months ending Aug. 31, 2004, about 41% of jobless workers used up their unemployment benefits without finding work, a marked increase from an exhaustion rate of 31.9% in 2000.

The number of people exhausting unemployment benefits has nearly doubled, to over 4.1 million nationwide from 2.1 million in 2000. At the same time, the average length of time that jobless workers depend on state jobless benefits has increased by about 3 weeks, to 16.7 weeks.