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The Election and the Meltdown

By Gerald Friedman, CPE staff economist & Prof. of Economics, UMass, Amherst

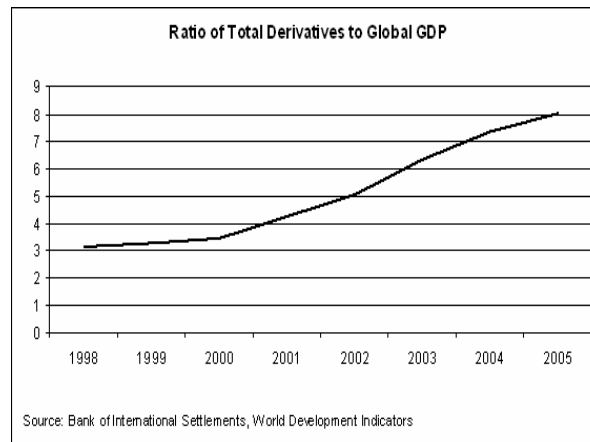
Many expected that this election would be about George W. Bush: his war, his assaults on civil liberties and the natural environment, his inequitable fiscal policies. Instead, a worsening economic downturn following a near-meltdown in financial markets has brought economic issues to the fore. This may make 2008 a watershed election. For the first time in decades, we will be voting over the larger legacy of conservative economics and their long campaign to undo the New Deal.

Neoliberalism and deregulation were not invented by George W. Bush. Instead, they were developed by conservatives in the Ford and Carter administrations as a response to the economic crisis of the 1970s and they have been pursued since by Democrats as well as Republicans. By changing some laws and loosely enforcing others, conservatives have freed large swaths of American industry from public regulation. Deregulation came to financial markets in the 1990s with the repeal of New Deal legislation separating commercial from in-

vestment banking. In practice, financial-market deregulation went even further when Bush appointed regulators who opposed public regulation of markets, claiming instead that competition for informed consumers would lead industries to self-police without regulation.

Freed from government interference and oversight, Wall Street has seen waves of mergers and mega-mergers that has created new financial enterprises with growing market power, and a proliferation of

new and complex financial instruments, such as derivatives, barely understood even by their propagators. The combination of increasingly centralized markets, new financial instruments, and deregulation has been toxic. Deregulation was meant to promote economic efficiency by allowing financial markets to work harder to steer resources to the most efficient users while giving consumers a full range of investment options. Instead of pursuing efficiency, too many financial and mortgage brokers have found an easier path to profits: by cheating, misleading consumers, by



Highly speculative and risky financial instruments such as derivatives now dwarf global production of real goods and services.

Continued of page 3

CPE Summer Institute

July 27-August 2, 2007, Chicago

Save the date and spread the word!

This year's Summer Institute is going to be terrific – well, aren't they all. But here are some things that will make this one special.

Chicago: We are excited to hold the Summer Institute in Chicago, a city rich in radical political and labor history, with a diverse population and dynamic immigrant communities. We are grateful to long time CPEer June Lapidus, who made this possible through the Department of Economics at Roosevelt University, which will host the Institute.

Special Track: The Economics of Immigration & Migration: Each year we choose an issue area that we focus on in the workshops, panels as well as in the core classrooms. The special track will be heavily integrated into the U.S. classroom. This year's topic of immigration and migration is so important, complex, ridden with misconceptions, as well as being

potentially explosive that we look forward to an extraordinary and rich learning experience.

Partner organizations: We have partnered with Chicago Jobs w. Justice, CAAAELII (Coalition of African, Asian, Arab, European, Latino Immigrants of Illinois), and ICIRR (Illinois Coalition for Immigrant and Refugee Rights) to make sure that the Special Track is as useful and powerful as possible. The partnering organizations are helping with outreach, curriculum development, extra-curricular events and funding. This kind of partnership for the Summer Institute is new for us, but exciting. We're are discussing the possibility of holding a public forum in the community to address myths and realities that feed 'black-brown' tensions. All of the partner groups agree that this is an issue that has been avoided by the progressive community, but needs to be discussed openly if it is not to fester under the tutelage of anti-immigrant demagogues.

We think that for all the reasons given above that this year's Summer Institute is going to be really awesome! So, save the date and spread the word!

CPE Happenings

2007

December: "The Crisis in Somalia"

Food for Thought Books, Amherst, MA CPE has been working with a group of women from the Somali refugee community in Springfield, MA for over a year (see below). In response to increasing distress in the Somali community about the ongoing humanitarian crisis, which some U.N. relief staff have described as the worst in Africa, CPE helped to organize an educational forum on the Somali crisis which provided an opportunity for members of the Somali refugee community to speak out about what is going on back home.

2008

January: WSF Global Days of Action

Instead of the usual global gathering of progressive and social movements at the World Social Forum, the WSF called for de-centralized actions throughout the world to 'act for another world'. SEN signed on to this and locally we were involved in the following:

Pioneer Valley Solidarity Economy Map: Developed an interactive [map](#) that includes 28 SE enterprises or development organizations.

Calendar of events: Collaborated with AFSC and WMass JwJ on production of a calendar of events in the Pioneer Valley linked to the World Social Forum's Global Day(s) of Action. See [Pioneer Valley Mobilization for Another World](#) at www.populareconomics.org

Workshop: Hampshire/Franklin Central Labor Council, "Another World is Possible: Intro to the Solidarity Economy". Emily did a workshop for a group of around 20 labor and other activists.

March 14: NYC Public Forum on the Solidarity Economy, CUNY Graduate School – see SEN at the Left Forum, page 6

March 16: Left Forum, Cooper Union, NYC, "The Solidarity Economy as a Path Towards Radical economic Transformation" – see SEN at the Left Forum, page 6

Ongoing

CPE Summer Institute – see page 1

Solidarity Economy Network – see page 6

What's the Economy For, Anyway?

This multi-faceted collaborative project seeks to challenge the mainstream economic definition of success as the biggest GDP (Gross Domestic Product), the fastest growth and the highest profits. Filmmaker John de Graaf is working on a short film that could be circulated through the internet.

CPE is working on developing new curriculum entitled, "What's

the Economy For, Anyway? The Case for a Solidarity Economy and Social Wealth". This curriculum builds upon three strands of work:

The first segment of the curriculum will draw on material from the What's the Economy for Anyway Conference that was held last October. It will include a critique of mainstream economic goals, and the failings of the neoliberal model in terms of equality, health, efficiency, poverty, human development, and sustainability.

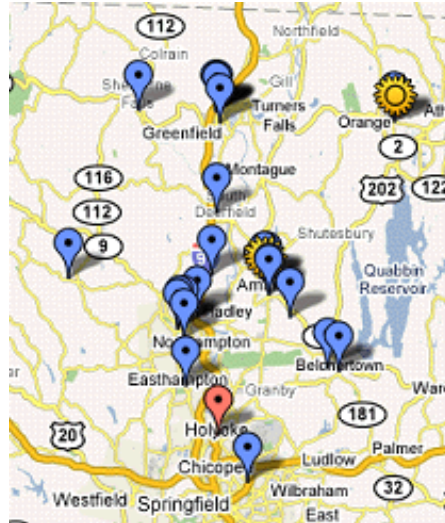
The second segment will make a case for using the Solidarity Economy as a transformative economic strategy, grounded in solidarity, participatory democracy, equality in all dimensions, sustainability and pluralism.

The third section will focus on a major element of the solidarity economy and

draws on material from the Social Wealth online course that CPE members Nancy Folbre, Heidi Garrett-Peltier and Michael Ash taught last summer.

Amit Basole has been hired to coordinate the working group that will develop the curriculum. He will also teach the on-line course this summer.

The curriculum will be adapted for live participatory workshops as well. Amit and Emily will do a two day workshop at the Highlander Center at the end of May. Participants will include groups from the South and Appalachia that are engaged in economic justice and development work. It will be an opportunity for participants to share about their work, learn about the solidarity economy and SEN, and think about whether the solidarity economy offers a useful framework that can strengthen their work.



Somali Women's Project -

In the current anti-immigrant climate there is considerable pressure for immigrants to cast off their traditional culture and become 'Americanized.' In Springfield,

Massachusetts, a group of women from the Somali refugee community is working to build livelihoods on the strength of their culture. CPE is a partner organization in this multi-faceted project. We have been providing workshops on capacity and skill building for cooperative economic development.



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Election (cont. from page 1)

selling products that promise an inflated return while concealing the greater risk involved, and by outright lying. For a time, the proliferation of risky securities, such as risky and speculative mortgages, inflated the financial sector's profitability.

But, when the inevitable market downturn came, when real-estate prices began to fall from their inflated levels, these risky assets became liabilities. Once again, as happened in 1929 and many other times in our history, financial euphoria quickly turned into a cascading economic crisis. When losses began to spread, investors, including other financial institutions, found their investments rapidly losing value. The resultant loss of confidence reduced the ability of institutions to raise credit, forcing some into bankruptcy. Worse, cascading failures have prevented a growing number of financial institutions from performing their proper, and essential, function of providing credit for the rest of the economy. By lying about the available security on their properties, mortgage brokers are responsible not only for their own companies' troubles, but for construction projects closing, and lost jobs throughout the United States and the world. As a leading conservative economist, Martin Feldstein, warns that the economic "situation is very bad . . . is getting worse, and the risks are that it could get very bad."



Deregulation and the subsequent, predictable, deceitful behavior of profit-seeking individuals, now threatens to bring down the economy. Progressives have found vindication in the actions of the Federal Reserve which has been scrambling to find New Deal-era powers to bail out banks and other financial firms. The recent multi-billion dollar bailout of Bear Stearns, for example, bears out the judgment of those who warned for years against the fantasy that financial innovations had made risk disappear and that government was the only menace threatening the financial system. Alas, we might expect more of these bail outs, and we should support them because the alternative, the collapse of giant banks and other financial institutions, would shake markets and threaten the homes and livelihoods of regular working people. But if bailouts are better than a complete economic meltdown, we should insist that they be structured to stabilize financial markets *not* to protect the gains and positions of those who got us into

this debacle. In particular, we should insist on three principles:

- Bailouts should *start* with the homeowners and communities victimized by dishonest and misleading lenders. Rebuilding from the bottom up, financial support should go *first* to homeowners and small investors victimized by mendacious lending practices. Instead of hoping that trickle-down bailouts will bring relief to the real victims of this crisis, we should start at the bottom and let the benefits of economic recovery percolate up to the banks and Wall Street investors.
- Those who destroyed people's savings and communities through misleading and predatory practices should be criminally prosecuted for fraud and malicious wrong-doing. If I steal your wallet, I have committed theft; why do we still treat white-collar theft differently?
- Bailouts should be tied to a broader regulatory program to prevent a return to the practices that led to this point. This will require a revamped regulatory apparatus with enhanced powers to investigate and punish wrong-doing and restrictions on the proliferation of financial products.

We knew how to avoid another 1929; when did we forget? Beyond bailout, beyond, rescue, we should use this experience, in this election season, as a teachable moment. Three decades of conservative economics and neoliberalism have brought us close to the brink of economic disaster; this election season should bring us closer to economic health.

CPE Happenings (cont. from previous page)

The Somali women have formed Walaalo! Somali Sisters Collective – *walaalo* means *sister* in Somali. The women are developing income generating projects including production and sales of Somali baby carriers, dolls and traditional incense and oils.

The Somali Women's Project also organized a wonderful Somali Community Festival in late October which was a celebration of Somali culture expressed and shared through music, a Somali hip hop artist, singing, crafts and wonderful, delicious food. The banquet hall in Springfield was packed with people from within and outside of the Somali community.

CPE Community Listserve & Blog

For years, the only way that we had to communicate with the larger CPE community of supporters, past participants and fellow travelers was through the post. In the last year we added a blog which you can access through our website or directly at: <http://fguide.org/?cat=3>

We invite you to check it out, add comments and send suggestions to blog-meister Jonthan Teller-Elsberg at jelsberg@gmail.com. If you maintain your own blog, please consider adding fguide.org to your blogroll.

We have also recently set up a CPE Community listserv, which we'll primarily use for announcements so as to keep it low-volume. If you want to opine, exchange, contest or debate, the blog is the place to do that. If you are not already on this listserv (there have been a handful of postings already) you can subscribe by sending a message to: sen-subscribe@lists.riseup.net

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Emigration & Development

Maliha Safri, CPE staff economist & Dept. of Economics, Drew University

What is the relationship between emigration (out-migration) and the economic development of sending countries? Emigration means the loss of labor that could potentially produce goods and services, and contribute taxes in the country of origin. But the relation between ‘underdevelopment’ and migration is a bit like asking what came first: the chicken or the egg. Generally, countries with economic and social stability, where people are able to make a living are not the ones that ‘export’ their people. (China and India are the examples that fly in the face of this rule. Their growth rates are higher than the global average, and yet they have significant emigration). While emigration may retard development, it is also true that people leave areas where it has become increasingly difficult to survive, and where there is little for them if they stay. Many are forced to leave their communities and families simply in order to survive. Hence, while immigration and underdevelopment go hand in hand, it is difficult to separate out cause and effect.



On the other hand, a number of people are now beginning to think about the multifaceted development effects of remittances, the money that is sent home by migrants to family members. Some economists, like J. Edward Taylor, write about the inverted “U” effect of remittances, when remittances initially increase inequality because migrants tend to come from higher-income households that can afford the costs of migration (2006). Later on, remittances lead to income equalization as the development of immigrant networks gives rise to the migration of poorer migrants. Areas with high out-migration tend to receive more remittances, and have decreasing income inequality. It is when there are only a few households receiving remittances that we are likely to see an increase in income inequality.

At the global scale, however, it is clear that the larger the income gap between remittance senders and family members left behind, the more probable it is that remittances will be sent. In addition, there are two main reasons that researchers have characterized remittances as a ‘democratic’ flow of capital: 1) the majority of last year’s \$230 billion of remittances went from developed countries to developing countries, and 2) the average sum of remittances sent and received tends to be very small (e.g. \$100 per year for the Asian subcontinent).

The World Bank has been quick to tout the ‘poverty-reducing’ and equality-building aspects of remittances, and it is precisely their one-sided enthusiasm that is unsettling. Perhaps, that is because the World Bank seems unwilling to come back to our original chicken or egg paradox. In simply advocating for encouraging remittances by concentrating on measures such as lowering the cost of money transfer services, the remittance cheerleaders neglect the crucial

issue of whether good economic development is taking place in these countries.

A more promising approach is the emergence of Hometown Associations (HTAs) formed by groups of immigrants working abroad. These associations channel remittances to foster economic development in their home communities in order to provide an alternative to forced migration. Hometown Associations increasingly work with NGOs (non-governmental organizations) and governmental agencies to leverage resources and technical assistance.

For example, MENA (Mujeres Envasadoras de Nopales) is a women’s co-operative in Oaxaca, Mexico, with 170 members who grow, harvest and bottle nopal (prickly pear cactus) leaves. The founders of the cooperative, most of whom receive remittances from spouses and children migrants in the U.S., explicitly seek to create jobs and economic development so that people don’t have to leave. With the assistance of the HTAs, the N. Amer. Integration & Development Center (NAID) and the Fundación para la Productividad en el Campo (FPPC) they have just completed construction of a processing

plant that will enable them to increase production for domestic and export markets.

Hence, remittances can set into motion a process of local economic development fostering an ethical form of production, where worker-members collectively own their workplace, and make decisions by assembly. In this case, emigration, instead of contributing to underdevelopment, simultaneously fosters local economic development and creates hope and opportunities so that people have the option of staying in their communities and with their families.



References:

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28-30 June 2006. www.un.org/esa/population/migration/turin/Symposium_Turin_files/P09_SYMP_Taylor.pdf

- “Seeds of Progress”, *LA Times*, 4/16/06 <http://www.latimes.com/business/careers/work/la-fg-remit16apr16.1.1053491.story?page=1&coll=la-headlines-business-careers>

- MENA on the internet: <http://naid.spsr.ucla.edu/projects-mena.htm> and http://www.ayoquezco.net/wst_page12.php

U.S. Immigration & Labor

Thomas Masterson - CPE Staff Economist & Levy Institute

There are frequently at least two sides to any issue and immigration certainly is no exception. What effect immigration has on the US has been and will continue to be a hotly debated topic. We can however talk about what effect immigration has on US labor markets. Immigration's effects have two main channels: the supply of labor and the demand for labor.

On the supply side, the most obvious impact of immigration is that of increasing the number of people looking for work. One strand of anti-immigrant rhetoric holds that immigrants come looking for a free ride (welfare, education, etc.), but most come in search of work, with the exception of refugees who primarily come to escape persecution or death. So, it's clear that immigrants will compete for jobs with those already here. Of course, the next questions are: which jobs and who will they be competing with? It depends, of course, on the immigrants themselves.

Many immigrants have little in the way of formal education, and this is especially true of undocumented immigrants. These immigrants frequently end up working in agriculture or the service industry. Evidence indicates that the overall effects on U.S. wages and employment are positive, particularly for high school graduates. However, high school drop-outs see a slight decline in wages and job opportunities further limiting their already scarce opportunities to work their way out of poverty.

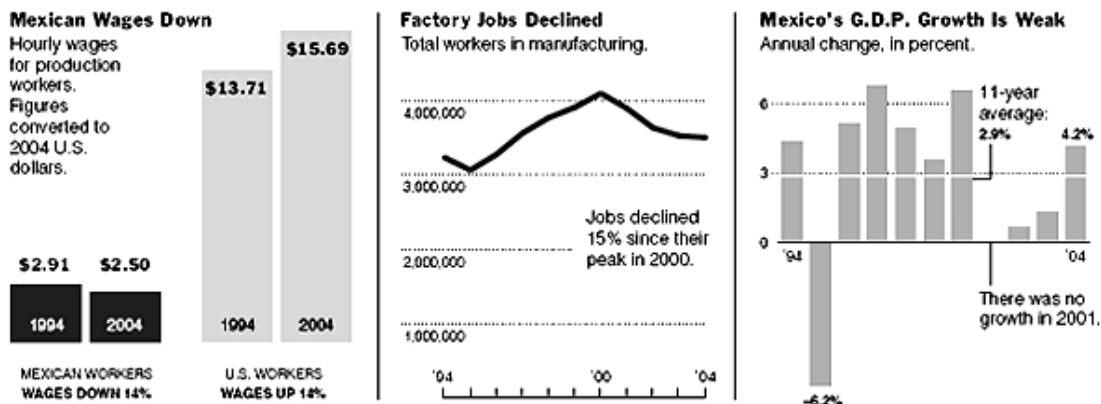
Other immigrants are highly educated and skilled, but they are generally coming through heavily restricted, legal means. This is one aspect of immigration policy in the US that not that many people talk about: who's protected from international competition and who isn't. Those safest from competition are highly skilled workers in professions where the products or services are not easy to import or outsource, such as doctors and lawyers.

On the demand side, immigrants eat, seek shelter, wear clothes and

do all of the other things that generate demand for goods and services in our economy. Increased demand for things means increased demand for people to make those things. While many immigrants send money back home to their families (see the article by Maliha Safri, p. 4), most of the money they earn is spent here. Even if we just think of the 12 million or so undocumented immigrants, most of them also pay taxes that go to funding government services.

There is evidence that the net effect of all these factors is positive in terms of the overall economic wellbeing of the US as a whole. However, the overall impact of immigration is felt in some areas as a strain on public services and local budgets, and for some groups, particularly African Americans on the low end of the skill/pay spectrum, as increased competition for scarce jobs and lower wages. Rather than sweep such uncomfortable issues under the rug, free to fester with the encouragement of anti-immigrant demagogues, it is better to acknowledge these tensions and look to progressive solutions. Unfair financial burdens placed upon particular localities may be addressed through federal revenue sharing, while job competition at the lower end of the labor market is generally a fight over the dregs of the labor market. Part of the solution lies in creating high quality jobs, protecting workers' rights, including the right to organize, and improving education in low-income communities of color.

While it is imperative to fight for the improved well being of America's poor and marginalized, we must also take into account the 'push' factors that drive many people to come here, with or without papers. We must acknowledge the role that our own government's policies have had in creating those conditions. U.S. support for repressive and murderous regimes in Central America sparked a new flow of Salvadoran and Guatemalan immigrants after 1980. The economic impacts of the North American Free Trade Agreement (see figs. below), especially on Mexican farmers, increased the flow of Mexican undocumented immigration after 1994. We ignore the impacts of our foreign and trade policies in other countries at our own peril. No wall will ever be high enough to keep those impacts from touching our lives here at home. Undocumented immigrants may end up being the most benign effect of those policies.



Sources: Bureau of Labor Statistics (wages); government of Mexico (manufacturing jobs); Organization for Economic Cooperation and Development (wages and G.D.P.)

U.S. Solidarity Economy Network

Emily Kawano - Executive director, CPE and SEN

The US Solidarity Economy Network is still in its infancy, but has accomplished much. CPE is providing core staffing in this initial start up phase of the network, but the rest of the SEN coordinating committee (CC) has been remarkably dedicated and active as well. The SEN CC meets every two weeks by conference call, and in between calls a fair buzz of activity goes on. Here are some highlights of what we've been up to:

SEN website

Our website is up and running. It has all sorts of useful articles, educational resources, news and the like. That being said it is a work in progress and we have plans for its improvement including making it a portal to different sectors of the solidarity economy. Check it out at: <http://www.usen.org>

Solidarity Economy Book:

Thanks to the hard work of the editors, Julie Matthaei, Jenna Allard and Carl Davidson, we now have a published book of papers and proceedings from the Economic Alternatives & the Social Solidarity track of workshops that we organized at the US Social Forum. There are a number of CPE contributions. It came together really well and fills a gap in the literature about the solidarity economy. You can order the book through: Changemaker Publications: <http://www.lulu.com/content/2102869>

SEN at the Left Forum

The Left Forum is a large and venerable gathering of left academics, activists and just plain old lefties, held every year in New York City. This year's conference featured over 100 panels and drew more than 1,000 people. The theme this year was, fittingly enough, "Cracks in the Edifice". The solidarity economy is both widening those cracks and growing up through them. We took advantage of the Left Forum to organize several events:

March 14: SEN meeting

We held a day long SEN organizational meeting which included most of the SEN CC, as well as four representatives from Canada who are involved in the NANSE (N. American Network for the Solidarity Economy) and RIPESS (an intercontinental solidarity economy network).

Boundaries of Solidarity Economy:

We had an interesting discussion about what are the boundaries of the solidarity economy. Are some structures inherently 'in', for example worker cooperatives because of their democratic control and ownership structure, or is a commitment to the principles of SE necessarily required? On the flip side, are enterprises with a commitment to the principles of SE necessarily 'in' even if there are aspects of their operation that clash with these principles, eg. a 'socially responsible' capitalist firm that is by its very structure of ownership and control, not democratic. It's clear that many of us work with groups that are quite immersed in their own good work – running a credit union, co-operative, micro-enterprise, community economic development corporation – but who are not on-board with a more transformative agenda. In other words, they don't necessarily hold that we need more than a nip and a tuck of reform here and there.

It is important to simultaneously create a space that welcomes people, organizations, enterprises, and movements that have the potential to become part of the solidarity economy, acknowledging that there is a tremendous amount of discussion, exchange and two-way learning that needs to go on. At the same time the solidarity economy needs to hold to its clear course towards a transformative agenda and not get stalled in the doldrums of reform. Strategic alliances make sense, as long as maintaining them does not become an end in and of themselves.

Challenges and Opportunities

We also discussed major challenges and opportunities for building the solidarity economy. People listed the need for more strategic planning; linking to social movements and unions; winning people over from the private sector; the need to preach beyond the choir; finding opportunities in the growing economic crisis to push solidarity economy approaches, such as credit unions; building visibility and legitimacy; linking together the U.S. SE with new communication tools; scaling up; fostering mutual support within SE; needs for mapping the SE; establishing a SE think tank; organizing work-study tours of SE; and the importance of building locally first, as learned from national mobilizing efforts in Canada. It was useful to share our diverse views and experiences, and we discussed ways of following through on a number of them, such as mapping, communication, increasing visibility, promoting SE as a way to address economic crisis & distress, outreach, and SE work-study tours.

March 14: NYC Public Forum on the Solidarity Economy, CUNY Graduate School

This evening event brought together members of the U.S. SEN, RIPESS-N. America (Intercontinental Social Solidarity Economy Network) and local activists to discuss the solidarity economy framework, practices and its rapid expansion. We discussed ideas for local engagement and the possibility of forming a NYC SEN chapter. There was interest in exploring this and a follow up meeting is in the works.

March 16: Left Forum panel, "The Solidarity Economy as a Path Towards Radical Economic Transformation"

This SEN panel included Jenna Allard who provided an overview of the solidarity economy, Ethel Cote who spoke about the impressive and strong social/solidarity economy movement in Canada, Emily Kawano who spoke about the failings of neoliberalism and examined existing elements of the current economy that could be used as stepping stones to build the solidarity economy, and Carl Davidson who discussed Austin Polytechnic, a public high school in a low income African American community in Chicago, that was inspired by Father Arizmendi's engineering school, which laid the foundations for the Mondragon Cooperatives – the most successful large scale co-operative corporation in the world.

March 16: NANSE meeting

A small group of us met for a very productive meeting about NANSE (N. American Network for the Solidarity Economy). We decided to change the name to RIPESS – N. America. There is a RIPESS – Latin America. This name change clarifies our standing as a continental network of RIPESS. RIPESS – NA will be a network of networks which will include the U.S. SEN and two Canadian network, CCEDNET



Poster from the Asian Forum on the Solidarity Economy

SEN (cont. from previous page)

and GESQ. Since Mexico is geographically part of North America, the Mexican network is welcome to join, or establish a working relationship.

U.S. SEN Conference

Inaugural U.S. SEN conference, Dec. 4-6, 2008. We chose New Orleans, as it is emblematic of the failure of the current economic system. We also have ties to credit unions that have been involved in re-building in areas that have been completely abandoned by more traditional lenders.

Globalization of Solidarity, Lux'09

RIPESS (Intercontinental Network for the Promotion of the Social-Solidarity Economy) is planning its 4th International Forum on the Globalization of Solidarity. It will be held in Luxemburg in April 2009. The last Forum held in Dakar in 2005, drew 1,200 participants from 63 countries. SEN's fall conference will serve to promote and plan our participation in this forum.

Solidarity Economy Workshops

- US Fed. of Worker Cooperatives, June 19-22: New Orleans, LA – Workshop on the solidarity economy and its relationship to the worker cooperatives.

- Highlander Research and Education Center, May29-30: TN– Workshop for groups from the South and Appalachia to share about their work, learn about the solidarity economy and SEN.

Solidarity Economy Curriculum Development

see What's the Economy For, Anyway, page 2

exhaustion of an old pattern where unions grew by exchanging labor peace for higher wages and improved working conditions while leaving employer authority intact. Workers lost faith in autocratic labor organizations while employers ceased to fear unrest and, thus, saw no reason to deal with unions. This analysis suggests that the key to reigniting the Labor Movement is to restore it from a reformist movement of leaders to one organized by the rank-and-file to promote popular democracy.

Solidarity Economy: Building Alternatives

for People and Planet - Papers & reports from the U.S. Social Forum, 2007. Edited by Julie Matthaei, Jenna Allard & Carl Davidson. This is a rich and wide ranging collection of pieces drawn from the *Economic Alternatives and the Social/Solidarity Economy* track of over 75 workshops at the U.S. Social Forum in the summer of 2007. CPE was centrally involved in organizing the track as well as participating in workshops, many of which are included in this book. The book is available through

Changemaker Publications: <http://www.lulu.com/content/2102869>



“Cap and Dividend: How to Curb Global Warming While Protecting the Incomes of American Families” James K. Boyce and Matthew Riddle, Political Economy Research Institute, University of Massachusetts, Amherst, October 2007. This essay examines the distributional effects of a “cap-and-dividend” policy for reducing carbon emission in the United States: a policy that auctions carbon permits and returns the revenue to the public through equal per capita dividends. The aim of the policy is to reduce U.S. emissions of carbon dioxide, the main pollutant causing global warming, while at the same time protecting the real incomes of middle and lower-income American families. The sale of carbon permits will generate very large revenues. We find that a cap-and-dividend policy would provide a net gain for the majority of U.S. households. Their real incomes, after paying higher fuel prices and receiving their rebates, would rise, making this an equitable and politically viable way to curb carbon emissions. Available for download at: <http://www.peri.umass.edu/Publication.236+M5b7f107dfdf.0.html>

New publications by CPE members



“Family Friendly Taxes”, Nancy Folbre in Ten Excellent Reasons Not to Hate Taxes, edited by Stephanie Greenwood (New Press, 2007). Most people appreciate the contribution that unpaid care work – raising children, caring for sick family members, or helping the elderly get by – makes to our economic system. It simply wouldn't function without this caring labor. However, care work is becoming an increasing burden for the already overworked American, both in terms of money and time. This essay puts forward a number of public programs that could provide greater support for care work, and also outlines some improvements that

could be made to existing ones.

Reigniting the Labor Movement: Restoring Means to Ends in a Democratic Labor Movement - Gerald Friedman (Routledge, 2007). For over a century, the Labor Movement has led campaigns for a more egalitarian and democratic society which makes its decline since 1980 a matter of pressing concern for all. This book shows how labor's decline reflects the

A Measure of Fairness: The Economics of Living Wages and Minimum Wages in the United States, Robert Pollin, Mark Brenner, Jeannette Wicks-Lim, and Stephanie Luce, Political Economy Research Institute, University of Massachusetts, Amherst, 2008. Over the years the authors have conducted extensive research on living wage and minimum wage proposals for municipalities and states around the country. This book brings together much of this research. Richard Freeman of Harvard University's Economics Department writes: “The study of living wages in the United States has

moved from an odd peripheral topic to a major issue in economic policy analysis largely because of the research reported in A Measure of Fairness. This volume defines the issues and provides a glow of empirical sunlight on an economic topic traditionally shrouded with ideology instead of evidence.”

Forthcoming CPE book: Ten ways to make the economy work better We are happy to report that the manuscript is finished and in the hands of our enthusiastic editor at the New Press. We hope that it will be available by late spring or early summer. Will keep you posted.



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