



# The Popular Economist

Center for Popular Economics | Spring 2017 Newsletter

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**Registration is now open for our 2017 Summer Institute:**

## **Building Global Solidarity in an Age of Division: The Political Economy of Trade, Migration and Climate Crisis July 30th - August 5th, 2017 at Amherst College**

*How have the economic structures of global capitalism helped to shape our current moment?*

*How do the structures of global capitalism currently function?*

*How can we marshal our understanding into building dignified lives for all?*

We're living in a global moment of reactionary backlash: fear mongering about immigration, refugee crises, climate change denial, rising nationalism and conservative protectionism. These processes occur against the backdrop of increasing inequality, division, and conflict across the globe. At Summer Institute 2017, we'll explore the economic structures which have shaped this moment, and how we can build alternative forms of global economic integration and solidarity.

Our Summer Institute is a residential, week long intensive training in economics for activists, educators, media makers, and anyone who wants a better understanding of how the economy works. This year's special track will offer economic tools and analysis to understand neoliberalism; 'free' trade agreements; movements of money, people, and goods; economic and military imperialism; and global environmental injustice. We will also explore existing and proposed alternatives for fairer trade and migration systems and equitable solutions to climate change. Our analysis takes us beyond harmful myths and tropes - from 'they take our jobs,' to the notion that jobs come at the expense of the environment - allowing us to build the broad-based solidarity this moment calls for.

**For more information and to register, visit our website:**  
[www.populareconomics.org](http://www.populareconomics.org). You can also help us spread the word on Facebook (<https://www.facebook.com/PopularEconomics/>) and Twitter (@center4popeco).



## **Why we need an intersectional analysis now more than ever**

*By Francisco Perez, UMass Amherst Dept. of Economics & CPE Staff*

Donald Trump's victory over Hillary Clinton in the US presidential elections has highlighted the complex and contradictory political effects of racial, class and gender inequality. The post-election debate among American leftists has been over whether Trump's victory was fueled by white voters' economic anxiety or by racist, sexist, and xenophobic appeals. Accordingly, many commentators on the Left have argued that the Democratic Party should abandon "identity politics" and refocus on economic issues. Bernie Sanders' supporters, especially, have claimed that if Sanders had been the Democratic nominee, a more populist message focusing on raising wages, college affordability, supporting greater unionization and single-payer healthcare would have led to a Democratic victory this past November. Others vehemently disagree, arguing that for decades the white working and middle-classes have voted against their economic interests and for white supremacy and patriarchy. They point to the fact that most white women voted against Hillary Clinton despite the historic nature of her candidacy and Trump's obvious misogyny, and that Trump won greater support among low-income white voters than Romney in 2012.

We at CPE believe that Trump's victory was not caused simply by economic anxiety OR bigotry but by a toxic combination of the two. Much of the US electorate is suffering from the aftereffects of the Great Recession and decades of neoliberal attack on wages and living standards. Sadly, a large part chose to pin their economic woes on some of the most vulnerable groups in our society, Mexican immigrants, low-income Blacks and single mothers. The challenge for us as popular educators is to adequately explain how racism, patriarchy and capitalism merge to form complex hierarchies and to outline more egalitarian alternatives.

Yet, in many ways the solutions for inequality of racial and gender status are contradictory with a program for economic equality. Feminist philosopher Nancy Fraser calls this the "recognition-redistribution dilemma." Race and gender have both material and cultural components (base and superstructure in Marxist terms). There are well-documented racial disparities in housing, healthcare, education, income, and wealth. Likewise, there are massive gender gaps in pay and wealth. The solution to these problems, of course, is through strong social democratic programs of single-payer healthcare, public housing, free college education,

*(Cont'd on page 6)*

## CPE Happenings

### Workshops

#### 'Exploring Post-Capitalist Alternatives' Workshop

CPE staff economist Francisco Perez and Aaron Tanaka of the Center for Economic Democracy co-facilitated a workshop attended by over 70 activists at the New Economy Coalition's 2016 CommonBound conference in Buffalo, NY. The session explored how efforts to build economic democracy here in the US can be informed by socialist and solidarity economy experiments throughout the world, and engaged some of the big debates about the roles for democratic planning and markets in a post-capitalist economic system.

#### Training on 'Neoliberalism & Immigration'

CPE staff economists Jonathan Jenner and Brian Callaci led a mini-training on the relationships between neoliberal policies and immigration at a meeting of 'Sanctuary in the Streets: the Rapid Response Network of Western MA' in February.

*The 'Sanctuary in the Streets' network - being organized by the Pioneer Valley Workers Center (PVWC) - will operate a 24 Hotline for reports of deportations and acts of hate. Rapid response network members "will be called upon to bear public witness to active deportations, to hold quick-response public rallies against acts of hate, and to respond to injustice in ways that we cannot yet know" (<https://www.pvworkerscenter.org/sanctuary-in-the-streets/>). We encourage you to go to the PVWC website to learn more about how to support and/or participate in Sanctuary in the Streets: [www.pvworkerscenter.org](http://www.pvworkerscenter.org).*



Jonathan addressing a packed 'Sanctuary in the Streets' organizing meeting



This past fall, CPE hosted a film series "Reel Economics: exploring economic structures behind good films." There were two overarching goals of the film series: to screen quality independent films, and to introduce broad audiences to the critical economic analysis of CPE. Towards these ends, the films were screened for free to the public at the Unitarian Community of Amherst, and accompanying each film was a short introductory presentation focusing on some of the political economy themes of the film, with time for audience Q&A after the film. We screened the following films:

Film	Director	Theme	Speaker
Middle of Nowhere (2012)	Ava DuVernay	'Mass Incarceration in the Neoliberal Era'	Geert Dhondt
Two Days, One Night (2014)	Jean-Pierre & Luc Dardenne	'Labor Segmentation as Divide & Conquer'	Avery Fürst
Under the Same Moon (2007)	Patricia Riggen	'Immigration, Labor, and Families'	Riko Rosete
Greening the Revolution (2010)	Katie Curran	'The Discontents of Liberalized Agriculture'	Vamsi Vakulabharanam
North Country (2005)	Niki Caro	'Gendered Power in the Workplace'	Nancy Folbre
Nairobi Half-Life (2012)	David 'Tosh' Gitonga	'Structural Adjustment Gone Wrong'	Jonathan Jenner

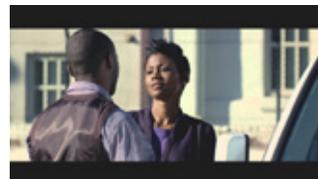
With generous sponsorships from UMass academics departments, the Economics Graduate Student Organization, and UAW 2322, we were able to put on the film series without cost to CPE. Attendance fluctuated, but averaged approximately 25 people per film. It was quite fun to put on, and a new way for us to bring our analysis to the wider public. We look forward to doing it again in the future!



North Country



Nairobi Half-Life



Middle of Nowhere



Under the Same Moon



Two Days, One Night



Greening the Revolution

## Trumponomics: Should We Just Say “No”?

By Gerald Epstein, UMass Amherst Prof. of Economics, Co-director of the Political Economy Research Institute (PERI), CPE Staff Economist

What follows are excerpts from a longer article by the same name in the journal *Challenge*, Vol. 60 Issue 2, published online on February 10, 2017. The full article can be downloaded at <http://www.tandfonline.com/toc/mcha20/60/2>

An important debate is taking place among Democrats, progressives, and the left about what stance to take with respect to the Trump regime: selective cooperation, noncooperation, or active resistance. Soon after the election, Elizabeth Warren was quoted as saying to Trump, “Let’s work together.” Likewise, Bernie Sanders said: “To the degree that Mr. Trump is serious about pursuing policies that improve the lives of working families in this country, I and other progressives are prepared to work with him.” These are announcements of selective cooperation. Others, such as Cornel West of Harvard, have criticized this approach and argued for non-cooperation and active resistance.

While most of these discussions focus on the political sphere, there has been little explicit discussion about how progressive economists should respond to Trumpism. This is what I address here. More specifically, I ask: How should these considerations influence the way progressive economists analyze, write about, discuss, and teach “Trumponomics”?

Many progressive economists have many decades’ worth of experience analyzing “neoliberalism.” And the policy-oriented among them have years of experience developing policy critiques and offering policy alternatives to these neoliberal policies. We need to ask: Is this approach adequate when it comes to Trumponomics? I think not.

Unlike previous regimes that reflected various forms of neoliberalism, Trumpism contains a heavy dose of authoritarianism, right-wing populism, and even neo-fascism. All put together, in my view, Trumpism is a proto-fascist social formation. . . . . What this means is that there is a good chance that many economic policies are designed to enhance the power of supporters, including those with authoritarian, xenophobic, misogynist, and antidemocratic intentions, along with business interests that will support or, at a minimum, tolerate these interests. The related strategy is to undermine all opposition. The goal of a sizable element within the Trump coalition is to acquire overwhelming political power in a marriage of interests of big business supported by forms of ethnic, sectarian, misogynist nationalism. . . . .

Given Trump’s climate change denialism and the evident victory of the Koch brothers in shaping relevant aspects of Trump’s cabinet, we also have to elevate the goal of fighting climate change to a top priority. We are now going to face a climate emergency, and letting this be a secondary factor (or no factor at all) in our analysis of economic policies is no longer justifiable, if it ever was. . . . .

I believe that we have to do a serious climate change and political economy impact analysis of each major policy. To be more specific, when possible we should employ a **Political Economy Precautionary Principle (PEPP)** when analyzing Trumponomics proposals: given what we know about the Trump regime as leading a proto-fascist social formation, our initial presumption should be that any policy proposed by Trump’s regime is designed to enhance the power of proto-fascist forces, and our analysis should investigate the ways in which those forces will play out. . . . .

### WHAT IS TRUMPONOMICS?

In order to develop a deeper analysis, we need to know what kind of economics Trumponomics is. Thoughtful analysts have proposed several different perspectives:

- 1. Keynesian Economics:** Is Trumponomics a type of “Keynesian economics”? The argument for this appellation is that it embodies an emphasis on fiscal policy and, in particular, on fiscal policy expansion.
- 2. Reactionary Keynesianism:** A term associated with John Kenneth Galbraith. Mike Konczal of the Roosevelt Institute used it in an interview published recently in the Washington Post: “‘Reactionary Keynesianism’ essentially involves boosting the economy to full employment, but in ways that increase inequality.”
- 3. Military Keynesianism:** This is closely related to “reactionary” Keynesianism, with an emphasis on military spending. Military Keynesianism is often linked to imperialism and therefore involves not only “demand” management, in a particularly wasteful and destructive way, but could also underlie a form of international military expansionism and exploitative international trade and finance policies as well.
- 4. Reaganomics Redux:** Jeff Madrick writes that Trumponomics is not best thought of as Keynesian at all but as a form of Reaganomics. In addition to the proposed tax cuts and bringing into the picture issues such as financial deregulation and increases in military spending, Madrick argues that there is a supply-side twist as in Reaganomics with the claim that these policies will spur so much productivity and economic growth that tax revenues will significantly rise, perhaps by enough to reduce the budget deficit.
- 5. Crony Capitalism or Kleptocracy:** Though largely ignored during the campaign, people have finally woken up to the fact that Donald Trump’s massive global business interests, combined with a family clan filled with a voracious appetite for wealth and glitter that makes the Clintons seem like petty paupers, raises the specter of a Ferdinand Marcos or Silvio Berlusconi type of kleptocratic economic regime.
- 6. “Schacht Therapy” (or right-wing populism):** A play on the name of Hjalmar Schacht, Adolf Hitler’s economy minister from 1934 to 1937 (and president of the Reichsbank), this is a set of economic policies that might result in short-term economic expansion and job creation but are designed to strengthen the power of repressive, authoritarian, racist, misogynist, homophobic, anti-leftist, and nationalistic/militaristic policies. Policies include nationalistic trade initiatives, fiscal expansion, public works projects, and close cooperation with big business. It combines repression and authoritarianism with the promotion of those business interests that cooperate with the power system. In that sense it is capitalistic and very antisocialist/anticommunist. Its economic plans might have short-term benefits for workers and the poor, but simultaneously wed workers to a repressive and authoritarian regime that ultimately harms them. It combines many of the economic policies of types 1–5 but does so in a special toxic mix that serves to enrich the few, undermine democracy, identify and punish scapegoats, and ultimately leads to serious violations of human rights and oppression. What is especially dangerous about this type of economic policy framework is that it can appear to work to the benefit of the economy and workers in the short to medium run, thereby enhancing the regime’s power and support, but in the end, it results in catastrophe, as it obviously did in the 1930s and 1940s.

(Cont’d on page 6)

**What Went Wrong?** *By Gerald Friedman, UMass Amherst Dept. of Economics Professor and CPE Staff Economist*

December 2, 2016

More than bigotry elected Trump. He won by overturning the Roosevelt Coalition and winning the votes of the white industrial working class. A New York billionaire in 2016 destroyed the political coalition constructed by a New York millionaire in 1932. And we should not assume that Trump's coalition of tax-cutters, social reactionaries, xenophobes, racists, domestic capitalists, and industrial workers will fall apart on its own contradictions. Such a coalition governed the United States from the Civil War through the 1920s and fell apart only during the Great Depression. It took massive upheavals like the Great Depression and World War II to break up the Republican alliance that elected Harding, Coolidge, and Hoover.

We were convinced it could not happen here. And not this year. With the economy recovering, the Affordable Care Act in place, and Barack Obama ineligible for a third term, this was to be the year that the US Left emerged from the shadow of the neoliberal Democrats to present an independent perspective on the economy and foreign policy. Obama had taken the country about as far as corporate liberals would go; now the country would turn to us. Behind Elizabeth Warren and, of course, Bernie Sanders, we were ready to change America. We were so right. And so wrong.

Of course, the year started well! Sanders attracted millions of votes to finish within sight of victory while pulling Hillary Clinton and the Democratic platform sharply to the left. Carrying old industrial union strongholds like Michigan, he seemed to be assembling a winning left-labor coalition against neoliberalism. Had we looked more closely, we would have been less excited because even where Sanders won, his greatest strength came from college-educated millennials rather than from working-class voters. The campaign never attracted much support among African-American voters or from Hispanics; and even where Sanders ran best among blue-collar voters, such as in West Virginia, his support was more from opposition to Clinton and Obama's environmental policies and their support for gun control than from Sanders's own economic policies. Sanders won the votes of some who had supported Obama in 2008 but he attracted relatively few new voters to the Democratic primaries and caucuses. Young white voters and college students flocked to his rallies, filling arenas and allowing him to sweep college towns like Amherst (Massachusetts), Ithaca (New York), and Berkeley (California), and Athens (Georgia). But the Senator lost all four of those states, losing poor and working-class districts, especially those with African-American and Hispanic voters. Even in Michigan, site of Sanders's most important victory, his margin came entirely from college towns: Lansing, Kalamazoo, and Ann Arbor; Clinton carried industrial Detroit and Flint by landslides. Ironically, the leftist candidate ran best among the most privileged voters: single, white men in professional careers and living in prosperous northern and coastal states; he lost because his message did not resonate among the less educated and less privileged voters in economically distressed regions.

Instead of the socialist standard-bearer, it was Donald Trump who attracted new voters. Trump won over a million votes more than Sanders, and he ran ahead of Sanders in West Virginia, Pennsylvania, and even Ohio (where Trump lost to a popular incumbent governor). Among many rust-belt workers, Trump's message of anger, anger at Washington, at foreigners, at the loss of jobs and income, resonated more strongly than did Sanders's calls for higher taxes on the rich and free college to millennials and the children of professionals. We heard his promises to close

the borders to immigrants and imports as a return to the Ku Klux Klan of the 1920s; his underemployed Midwestern, working-class voters heard it as a promise to return to the jobs and prosperity of the boom years of the 1920s.



Abandoned facility of defunct Youngstown Sheet and Tube Company. Stu\_spack flickr photostream (CC BY-SA 2.0).

Of course, it is probably safe to assume that Trump did well among unapologetic neo-Nazis, racists, misogynists, and Islamophobes. But their role in the election should not be exaggerated because they were already Republican voters. They all voted against Barack Obama in 2008 and 2012 and lost. Trump won because he made significant gains from counties in the industrial Midwest where whites without a college education are the majority.<sup>1</sup> He was popular in counties with low labor force participation, rising white mortality, opioid addiction, and declining manufacturing employment.<sup>2</sup> Trump was elected by places that flipped from Obama to Trump, towns like Prestonsburg, Kentucky, a coal town of 3,500 residents where mining jobs have largely disappeared. An observer described the place as having: “a real strong sense of community, but the entire community is feeling humiliated. The whole town feels like it's suffering, and with the economic decline has come a large increase in the things that follow: addiction, breakup of families. The place feels very hurt.” And in Trump, they heard “a message of restoring pride — partly through white identity — that resonates there, because from Prestonsburg, Kentucky, America does not seem great.”<sup>3</sup>

What did it say to those voters in Prestonsburg when Democrats answered Trump by insisting that “America is already great”? It says that they were completely out of touch with the lived experience of people in Prestonsburg and elsewhere experiencing deindustrialization and economic and social decline. In a beautiful speech at Osawatimie, Kansas, in December 2011, President Obama addressed rising inequality and the collapse of the American middle class by telling Americans to make “education a national mission -- a national mission” “[i]n this econ-

*(Cont'd on page 6)*

1 See the map at <https://nyti.ms/2jSmlOI>

2 See [https://www.washingtonpost.com/news/wonk/wp/2016/03/04/death-predicts-whether-people-vote-for-donald-trump/?utm\\_term=.86c49ee786a6](https://www.washingtonpost.com/news/wonk/wp/2016/03/04/death-predicts-whether-people-vote-for-donald-trump/?utm_term=.86c49ee786a6) and <https://www.inverse.com/article/23509-trump-election-rural-america-opioid-epidemic-heroin>

3 Chris Arnade from Columbia Journalism Review quoted in <http://www.thisisinsider.com/trump-vote-results-drug-overdose-deaths-2016-11>. Trump carried Floyd County, Kentucky, with 73% of the vote, a 48% margin compared with Romney's 67% vote and 34% victory margin.

## **It Can Happen Here: The rise of a right-wing nationalist regime in the United States is now a realistic possibility** *By David Kotz, UMass Amherst Department of Economics Professor & CPE Staff Economist*

On November 8 the rise of a right-wing nationalist regime in the United States became a realistic possibility, if not now then in the coming years. Such regimes stress nationalist and patriotic themes, play upon and intensify fear of minority ethnicities and/or religions and/or other long-oppressed groups, promise to resolve festering economic problems of ordinary people, and direct the blame for such problems at a convenient scapegoat such as foreigners or immigrants rather than the real causes. Such regimes, if consolidated, invariably restrict long-established individual rights and introduce, or intensify, the use of extra-legal violent methods at home and abroad. This possibility has sent shock waves throughout U.S. society, including in the long-ruling establishment, creating a sense of chaos in which it seems anything can happen.

The greatest danger is the political coalition that emerged on November 8. Such coalitions have underpinned right-wing nationalist regimes in the past. It is made up of traditional right-wing constituencies suddenly combined with significant parts of the working class. Such a political base, held together by the above themes and promises, can enable a right-wing nationalist regime to emerge in a democratic capitalist system even without the upstart demagogic leader winning an absolute majority.

The sequence of economic developments in the United States that fostered this political trajectory is some 25 years of oppressive neoliberal capitalism, which gave rise to a severe economic crisis in 2008, followed by an unresolved economic stagnation. The current stagnation intensified the process that has been destroying the lives of working people of all races, ethnicities, genders, citizenship-status, and sexual preference, while those at the top have taken an increasing share of the slowly growing pie with the blessings of the establishment. At the same time, none of the wings of the establishment has been able to offer a real solution within the constraints of the still surviving neoliberal form of capitalism.

This situation forms the soil from which both Donald Trump and Bernie Sanders suddenly emerged earlier this year. Self-described socialist Senator Bernie Sanders won about 12 million votes mainly from working class people including young people of every ethnicity. This occurred despite an all-out campaign against him by the establishment media, whose backers evidently viewed Sanders' reformist program as a bigger threat than Trump's misogynist, racist, anti-immigrant, neo-fascist pose. Support for Sanders was driven by desperation among ordinary people looking for some solution to the problems faced by themselves, their families, friends, and communities, and his left-wing proposals made sense to them.

The world has not seen an economic crisis similar to that of today since the 1920s-30s, when economic stagnation or decline took hold throughout much of the capitalist world. That period ultimately gave rise to three different trajectories. Right-wing nationalist regimes arose in Germany, Italy, Spain, and Japan. Progressive reformist regimes appeared in Scandinavia, France, the U.K., and the United States. And various forms of state socialism were consolidated, or newly emerged, in the USSR, Eastern Europe, China, northern Korea, and northern Vietnam.

A key factor in the reactionary and reformist outcomes was the role of left wing political forces, which had significant support in society. In Germany the radical left did not unite with the social democratic center, and this played a major role in Hitler's improbable rise to power. In the United States, the rapidly growing radical left, which was influential in Hollywood while leading the trade union upsurge of industrial workers in the 1930s, followed a policy

of uniting with centrist forces in society and supporting the reforms of the New Deal.

That center-left coalition played a major role in pulling the Roosevelt Administration, which at first had no clear direction, toward a policy of economic and social reform that relieved the suffering of millions of working people of all ethnicities, particularly in the U.S. South. As a result, right-wing nationalist demagogues (Father Coughlin, Huey Long) were never able to get political traction on a national scale, and Roosevelt decisively won every election.

Shortly after World War II the New Deal political coalition evolved into one that gave rise to the postwar system of regulated capitalism with rising wages, low unemployment, and expanding social programs, along with the Cold War and U.S. imperialist military interventions around the world. That system provided favorable conditions for the rise of new movements to end oppression of African Americans, women, and gays and lesbians, to stop foreign interventions, and to reign in the growing environmental costs of capitalist expansion and the health costs to workers.

The inevitable backlash against the above forms of social progress has now joined with the growing desperation of large numbers of working people to bring us to our present pass. As before in history, these same conditions have also produced a suddenly relevant political left in the United States. Evidence of this appeared in February of this year when 43% of likely Iowa Democratic caucus participants said their political identity was "socialist." While Nov. 8 opened a disastrous prospect of a future even worse than the 35 years of neoliberal capitalism, the future is not yet determined.



"Resist fascism" - demonstrators at London's anti-Trump rally by Alisdare Hickson, January 30, 2017. (CC BY-SA 2.0)

What the progressive community does in the coming years matters. There is no simple lesson for us from the past, but one that seems to be speaking to us is that progress of any sort requires a broad coalition of various oppressed constituencies and their representations in the political center and left. This will require taking seriously the grievances and fears of every group. Another lesson is that the aim of preventing fascism may require the building of a growing left-wing movement, given its still weak condition in the United States. We must find a way to simultaneously defend all of the groups and interests now under threat while building a movement that can ultimately bring about a future embodying all of our common values, including cooperation, caring, sharing, equality, individual rights, economic security, and last but not least environmental sustainability. Fully securing those values will ultimately require passing beyond the capitalist system.

*Originally published on Saturday, January 14, 2017 by Dollars & Sense*

## Why we need an intersectional analysis now more than ever (continued from page 1)

and a universal basic income or public jobs guarantee. These are all universal programs that would benefit all poor and working people regardless of race or gender. They have the potential to unify a large, multi-racial coalition for a more generous welfare state and fairer economy.

Unfortunately, this “Sanders” solution is inadequate. The social democracies and communist regimes (like Cuba) that have adopted these policies have managed to reduce gender and racial inequalities tremendously, but patriarchy and racism remain. This is because race and gender are also about “recognition,” about the negative stereotypes of women and people of color, the lack of representation or negative representations in film, TV, music and, most importantly, in legislatures and executive suites. Policies targeted at race and gender-specific discriminations, such as affirmative action and comparable worth, however, tend to divide people along race

and gender lines, leading to charges of “divisive identity politics.” They are and remain critical to eliminating racism and patriarchy, as has long been argued by feminists and by Black Lives Matter today. But they create resentment among white working-class and middle-class men, who fear a loss of status and may not see themselves as privileged.

Therefore, to abolish race, class and gender inequities, we progressives need to fight for universal programs of income and wealth redistribution that unify all working people, while also fighting for affirmative action for women and ethnic/racial minorities. This past election season demonstrates just how difficult threading this needle will be. Nevertheless, we still believe that it is possible to build a powerful, working and middle-class coalition for redistribution and recognition. For this, popular education will be vital.

## What Went Wrong (continued from page 4)

omy, a higher education is the surest route to the middle class.”<sup>4</sup> Apparently agreeing, Sanders made ending tuition at four-year public universities a centerpiece of his economic program; Clinton disagreed only because she thought two-years of free tuition would be enough. And what of those in Prestonsburg who were too old for college, lacked interest in academics, or just liked manual work? Telling them to get more education just dismisses their hard-earned manual skills; offers of welfare insult their work ethic; and lectures from Ivy League-educated academics demeans their own experience and values.

Even Clinton’s electoral gains tell of the collapse of the Roosevelt coalition. She expanded on Obama’s strength among the cosmopolitan coastal elite, the educated and affluent professionals the winners from globalization. The parties have nearly switched electorates from the Roosevelt era. Trump lost votes among higher-income voters and voters with college degrees, but more than made up with dramatic gains among lower-income and less educated voters. Compared with Romney, Trump increased the Republican margin among white voters without a college

degree by fourteen percentage points.<sup>5</sup> And he gained more than that among the lowest income voters and voters earning less than \$50,000. On balance, Trump increased the Republican margin among white voters by only one percentage point, but he gained seven percentage points among African-Americans and eight among Hispanics.<sup>6</sup>

Democrats can find comfort here. Clinton did win more votes; but for the archaic and undemocratic Electoral College she would be the next president. And had she run as strongly among African-Americans and Hispanics as had Obama, she would have won even without the support of the white working class. But the collapse of the working-class left should concern us not only because it makes it harder to elect progressive candidates. Of course, we need to write platforms to win elections. But beyond winning the next election, what does it say about our program of the American Left that voters in places like Prestonburg find it so unattractive? And what can we call a party of the left, a party dedicated to helping common people and those in trouble, when its natural electorate finds its program demeaning and insulting?

4 <https://obamawhitehouse.archives.gov/the-press-office/2011/12/06/remarks-president-economy-osawatomic-kansas>

5 See <https://nyti.ms/2jR5xKs>

6 The raw data from exit polls is at <https://nyti.ms/2jRHAQJ>

## Trumponomics (continued from page 3)

Economic policy types 1–4 are familiar grounds for progressive economists in the United States. We have analyzed and critiqued them and proposed alternative to these versions of misguided and/or neoliberal economic policies. ... Kleptocracy (crony capitalism) requires a somewhat different set of analyses. These involve analyzing the distribution of rents across the cronies, the costs of such cronyism to the rest of the economy, and the allegiances, log-rolling, and contradictions created by this distribution of favors. ...

What does the proper analysis of Schacht Therapy (right-wing populism) policies require? To a great extent, these require all of the standard analyses we have used in our decades-long critique of neo-liberal policies ... But for other aspects of Schacht Therapy, further analysis will be necessary to understand the impacts of the policy ... These are policies that, on the face of it, appear to be policies that progressives and progressive economists have been promoting for years. In my view, we should:

1. Assess the impact on climate change.
2. Assess the impact on the distribution of power between citizens and corporations: so, for example, the impact of privatization of

resources (public versus private; community versus centralization) not just on efficiency, but also on power distribution between capitalists and communities.

3. In terms of labor and employment issues, I think we need to assess the impacts of these policies on the distribution of political power between groups that have historically protected the interests of working people, including unions, and those that typically undermine those interests.
4. Assess the impact on democracy: what is the impact on precedents with respect to autocratic control by the executive, or the centralization of political power?
5. Assess the impact on human rights.

One cannot stress point 5 too much: we must keep a very close eye on the broader policies and actions of the Trump regime and especially those policies that violate people’s human and constitutional rights.

To read more, download the complete article at: <http://www.tandfonline.com/toc/mcha20/60/2>

## Read more from CPE staff economists & our colleagues

### **Trump's Big Lie: Blaming Undocumented Immigrants for Unemployment and Low Wages**

Interview with Robert Pollin on the Real News Network (February 28, 2017)

*Pollin tells Paul Jay undocumented immigrants help create more jobs than they take and Trump's infrastructure plan and military spending is unsustainable when combined with tax cuts.*

### **The Wages of Care: Bargaining Power, Earnings and Inequality**

PERI Working Paper by Nancy Folbre & Kristin Smith (February 17, 2017): <https://www.peri.umass.edu/media/k2/attachments/WP430.pdf>

*The uneven bargaining power of both firms and workers may be contributing to increased earnings inequality in the U.S. Econometric analysis of earnings from the 2015 Current Population Survey shows that the earnings of managers and professionals employed in care industries (health, education, and social services), characterized by high levels of public and non-profit provision, are significantly lower than in other industries.*

### **Carbon Dividends: The Bipartisan Key to Climate Policy?**

Article by James Boyce on the INET blog (Feb 13, 2017)

<https://www.ineteconomics.org/perspectives/blog/carbon-dividends-the-bipartisan-key-to-climate-policy>

*The practical question in Washington today is not whether regulations will go, but whether anything will replace them.*

### **The Economics of Just Transition: A Framework for Supporting Fossil Fuel-Dependent Workers and Communities in the US**

PERI Working Paper by Robert Pollin & Brian Callaci (Oct 13, 2016)

<https://www.peri.umass.edu/publication/item/762-the-economics-of-just-transition>

*We develop a Just Transition framework for U.S. workers and communities that are currently dependent on domestic fossil fuel production. Our rough high-end estimate for such a program is a relatively modest \$600 million per year. This level of funding would pay for 1) income, retraining and relocation support for workers facing retrenchments; 2) guaranteeing the pensions for workers in the affected industries; and 3) mounting effective transition programs for what are now fossil-fuel dependent communities.*

### **Profiting off Debt: Federal student loans facilitate a pernicious profit motive in higher education**

Article in Jacobin by Mark Paul & Anastasia Wilson (Sept. 2016)

<https://www.jacobinmag.com/2016/09/student-debt-loans-government-sanders-clinton-college/>

*Student loan debt has achieved gargantuan proportions. Over the past two decades it has grown to \$1.44 trillion, surpassing other forms of debt like credit cards and auto loans. This debt mountain didn't form overnight and it wasn't an accident. It has been fueled by intentional government policy. Instead of public investment and true accessibility, college on credit and for profit has become the norm.*

### **Overcharged: The High Cost of High Finance**

Roosevelt Institute report by Gerald Epstein & Juan Antonio Montecino (July 2016)

<http://rooseveltinstitute.org/overcharged-high-cost-high-finance/>

*Finance in its current form is actually a net drag on the American economy. What has the flawed financial system cost the U.S. economy? How much have American families, taxpayers, and businesses been "overcharged" as a result of these questionable financial activities?*

### **Rewrite the Racial Rules: Building an Inclusive American Economy**

Roosevelt Institute report by Andrea Flynn, Dorian Warren, Felicia Wong, Susan Holmberg (June 2016)

<http://rooseveltinstitute.org/rewrite-racial-rules-building-inclusive-american-economy/>

*[I]n order to understand racial and economic inequality among black Americans, we must acknowledge the racial rules that undergird our economy and society. Those rules—laws, policies, institutions, regulations, and normative practices—are the driving force behind the patently unequal life chances and opportunities for too many individuals.*

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