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N° 128 – October 2010

GENERAL INTEREST

Michael Mussa

Global Economic Prospects as of September 30, 2010: A Moderating Pace of Global Recovery

Peterson Institute for International Economics – Paper presented at the eighteenth semiannual meeting on Global Economic Prospects - September 30, 2010 – 10 pages

<http://www.piie.com/publications/papers/mussa20100930.pdf>

As predicted, the world economy has experienced a V-shaped recovery from the 2009 recession that is expected to culminate in higher-than-anticipated real GDP growth. Michael Mussa forecasts that the global growth rate will moderate from 4.6 percent to 4.3 percent in 2011, reflecting a decline in the forces that originally helped to propel recovery and the likelihood that advanced-economy growth will remain on its 2010 course. The divergence between developing and advanced countries was larger than foreseen... Both developing and advanced countries are expected to stay close to their current policies and neither inflation nor deflation is likely to reach significant proportions any time soon.”

Martin Neil Baily

The Next Economy and the Growth Challenge for the United States

The Brookings Institution – Report – September 30, 2010 - 70 pages

http://www.brookings.edu/~media/Files/rc/reports/2010/1001_next_economy_growth_baily/1001_next_economy_growth_baily.pdf

“The New Normal or the Next Economy that people are talking about today is one where the U.S. population is aging, reducing labor force growth and putting pressure on Medicare and nursing homes. An economy where people will have to work longer before receiving smaller pensions. An economy where real living standards for the mean or median family will grow very slowly if at all. This paper will not try to whitewash the economic picture nor will it offer a solution to all the problems. The challenges are real and not easily answered. The recovery is not yet assured and the possibility of a double dip remains a danger. And, even after the recovery becomes firmer, dealing with the trade deficit, an aging population and so on presents real barriers to rising living standards.”

Willem Van Zandweghe

Why Have the Dynamics of Labor Productivity Changed?

Federal Reserve Bank of Kansas City - Third Quarter 2010 Economic Review - 26 pages

<http://www.kansascityfed.org/publicat/econrev/pdf/10q3VanZandweghe.pdf>

“In this third quarter Economic Review article, Willem Van Zandweghe finds that the shift in the business cycle behavior of productivity is most likely the result of structural changes in the labor market.”

FISCAL AND TAX POLICIES

Alan J. Auerbach and William G. Gale

The Federal Budget Outlook

The Brookings Institution – Paper - September 15, 2010 - 29 pages

http://www.brookings.edu/~media/Files/rc/papers/2010/0917_federal_budget_outlook_auerbach_gale/0917_federal_budget_outlook_auerbach_gale.pdf

“This paper presents new estimates of the budget outlook, based on the latest projections from the Congressional Budget Office and the Medicare and Social Security Trustee reports. The medium-term budget outlook has not changed appreciably since earlier this year. Under reasonable assumptions, the federal government is likely to face deficits in excess of 6 percent of GDP by late in the decade, with the debt-GDP ratio reaching 90 percent by or before 2020 and passing its previous all-time high of 109 percent by around 2022. The long-term budget outlook is sensitive to assumptions about how health care spending will respond to recent legislation. However, even under the most optimistic assumptions regarding health care spending, the most likely estimate suggests a long-term fiscal gap of between 6 and 7 percent of GDP. Policymakers and the public will eventually be forced to address these issues, but addressing them sooner rather than waiting until a full-blown crisis hits would allow for more reasonable and gradual adjustments.”

Dean Baker

Feel No Pain: Why a Deficit in Times of High Unemployment Is Not a Burden

Center for Economic and Policy Research - September 2010 – 6 pages

<http://www.cepr.net/documents/publications/deficits-2010-9.pdf>

With the economy suffering from near double-digit unemployment, public debate is dominated by concerns over the budget deficit and national debt. This discussion is unfortunate both because there is no reason for people to be concerned about the deficit at present, and more importantly, because it discourages action on the unemployment crisis that is devastating the country, according to the author.

William A. Galston and Maya MacGuineas

The Future Is Now: A Balanced Plan to Stabilize Public Debt and Promote Economic Growth

The Brookings Institution - September 30, 2010 – 19 pages

http://www.brookings.edu/~media/Files/rc/papers/2010/0930_budget_deficit_galston/0930_public_debt_galston.pdf

“Some downplay deficits and debt as a green-eyeshade concern disconnected from the real economy. We disagree. As we read the evidence, excessive levels of public debt harm the economy in multiple ways... While the economy struggles to recover from the recent recession, it would be premature to start implementing aggressive deficit reduction measures. However, policymakers should commit as quickly as possible to a plan—phased in as soon as the economy permits—to stabilize the debt at a healthier and more sustainable level by the end of the decade and to set it on the kind of downward course we enjoyed for much of the post-World War II period.”

David M. Primo

Making Budget Rules Work

Mercatus Center - Working paper – September 2010 – 34 pages

http://mercatus.org/sites/default/files/publication/Making%20Budget%20Rules%20Work.Primo_.9.28.10.pdf

“The United States faces severe fiscal challenges that can no longer be ignored... Legislators on both sides of the aisle are aware of this problem... This paper proceeds as follows. First, it discusses the nature of the looming fiscal crisis facing the country. Then, it shows why Congress is having such difficulty implementing

meaningful budget reforms. Next, it proposes a set of principles that should guide rule designers at the federal level. It concludes by discussing the potential risks of implementing rules that satisfy those principles.”

Isabel V. Sawhill and Greg Anrig

Attention: Deficit

Democracy Journal – Article - Fall 2010 – 18 pages

http://www.brookings.edu/~media/Files/rc/articles/2010/0907_deficit_discussion_sawhill_anrig/0907_deficit_discussion_sawhill_anrig.pdf

“Should progressives embrace entitlement reform? Or look elsewhere to narrow the gap? An exchange between two leading fiscal experts.”

Over One-Third of New Tax Revenue Would Come from Business Income If High-Income Personal Tax Cuts Expire

Tax Foundation – Special Report – September 2010 – 10 pages

<http://taxfoundation.org/files/sr185.pdf>

“The impending expiration of the 2001 and 2003 tax laws has spurred a debate over how much business activity will be affected when statutory personal income tax rates rise. In the U.S. over the past 30 years, non-corporate businesses have come to dominate the nation’s job creation process. S-corporations, limited liability corporations, partnerships and sole proprietorships – all of these non-corporate business forms are called pass-through entities because instead of their profits being taxed at the corporate level, they are passed through to the individual owners who report the business’s profits on their personal tax returns. There is a good chance that some or all of those personal tax rates will increase on January 1, 2011...Here we focus on the latter scenario: that the Democratic plan for higher tax rates on upper income wages, capital gains and dividends becomes law.”

Randall G. Holcombe

The Value Added Tax: Too Costly for the United States

Mercatus Center - September 2010 - 40 pages

<http://mercatus.org/sites/default/files/publication/VAT.Special%20Study.%20Holcombe.pdf>

“Most developed economies rely on a value added tax (VAT) for a substantial share of their tax revenue, so it is natural for the United States to look at the possibility of implementing a VAT, especially while huge budget deficits are forecast as far out as the forecasts go. While one can debate the merits of a VAT in other countries, the tax is clearly not a good fit for the United States. It would tax a base that has traditionally belonged to state governments, its introduction would bring with it intergenerational inequities, its cumbersome structure would impose large compliance and administrative costs, and it would slow economic growth. Reduced economic growth would diminish tax revenue from all tax bases.”

MONETARY POLICY

Adam S. Posen

The Central Banker’s Case for Doing More

Peterson Institute for International Economics – Policy Brief - October 2010 – 20 pages

<http://www.piie.com/publications/pb/pb10-24.pdf>

“This policy brief presents Posen’s view on the role of monetary policy in the global economic recovery, in particular in the large Western countries, and whether the major central banks in the United Kingdom and beyond should be doing more in the coming months. Posen argues that monetary policy should continue to be aggressive about promoting recovery, and further quantitative easing should be undertaken.”

Eric S. Rosengren

Revisiting Monetary Policy in a Low Inflation Environment:

Remarks at the Federal Reserve Bank of Boston's 55th Economic Conference - October 16, 2010 – 33 pages
<http://www.bos.frb.org/news/speeches/rosengren/2010/101610/101610.pdf>

“This conference, more than 10 years after our earlier conference on the topic, has benefitted from the additional experience that countries around the world have had, in the interim, with monetary policy in a low inflation environment. I would summarize by saying that clearly, conducting monetary policy in a low inflation environment is difficult – and particularly so when that low inflation environment also includes wrenching financial difficulties and stubbornly high unemployment rates. At our earlier conference there was probably too little appreciation of the potential challenges, and too low a weight placed on how a low inflation environment could be hampered by the zero lower bound on short-term interest rates.”

FINANCE

Ron J. Feldman

Size and Regulatory Reform in Finance: Important but Difficult Questions

FRB Minneapolis – The Region – Article - September 2010

http://www.minneapolisfed.org/publications_papers/pub_display.cfm?id=4534

“Mester, DeYoung and I share two common, overriding conclusions: First, there remain important unanswered questions about economies of scale in banking. Research that provides answers to such questions will have a high return. Second, even if research shows the presence of economies of scale for large banks, government could potentially improve outcomes by limiting the activities, and size, of these firms.”

Damage Control? Analyzing Policies to Repair Credit Markets

Federal Reserve Bank of Minneapolis - Economic Policy Paper - October 2010 – 12 pages

http://www.minneapolisfed.org/pubs/eppapers/10-5/eppaper10-5_damage.pdf

“The “secondary loan” market was the focus of much attention during the recent financial crisis. This market...appeared to freeze up at the start of the crisis. Potential buyers seemed to lose confidence in the quality of the underlying assets being offered by loan originators. In short, the market was broken. Policymakers launched several initiatives aimed at unfreezing the market, most prominently the Term Asset-Backed Securities Loan Facility (TALF); several other policies were proposed but not implemented. In retrospect, the advocates of these policies have suggested that they were largely successful in restoring health to damaged secondary loan markets. In this paper, we analyze the ability of such policies to solve the secondary loan market problems and find that, on the contrary, they do not appear to have been responsible for resolving the underlying dysfunction...We hint at policies with greater potential for addressing future episodes of such dysfunction...”

Report to the Congress on Risk Retention

Board of Governors of the Federal Reserve System – Report - October 19, 2010 – 96 pages

<http://federalreserve.gov/boarddocs/rptcongress/securitization/riskretention.pdf>

The Federal Reserve Board on Tuesday issued a report on the potential impact of credit risk retention requirements on securitization markets. The report was required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank Act also requires the Federal Reserve and other agencies to jointly implement risk retention requirements for securitizers or originators of assets securitized through the issuance of asset-backed securities.

Nada Mora

Can Banks Provide Liquidity in a Financial Crisis?

Federal Reserve Bank of Kansas City – Third Quarter 2010 Economic review - 38 pages

<http://www.kansascityfed.org/publicat/econrev/pdf/10q3Mora.pdf>

“In this third quarter Economic Review article, Nada Mora concludes that the bank-centered nature of the recent crisis made it harder than in the past for banks to attract deposits and provide liquidity to borrowers shut out of securities markets.”

John Krainer and Stephen LeRoy

Underwater Mortgages

FRBSF Economic Letter - October 18, 2010 – 5 pages

www.frbsf.org/publications/economics/letter/2010/el2010-31.html

“House prices have fallen approximately 30% from their peak in 2006, accompanied by a level of defaults and foreclosures without precedent in the post-World War II era. Many homeowners have mortgages with principal amounts higher than the market value of their properties. In general, though, the rational default point is below the "underwater" point where house price equals the remaining loan balance, and depends on prospects for future house price appreciation and borrower default costs.”

Financial Regulatory Reform: Comparative analysis of US v. EU presentation

ICFR/Brookings – October 7, 2010 – 16 pages

<http://www.icfr.org/getdoc/129de5f9-9b51-415b-92b3-9ec7f17ad462/EU-US-Comparison.aspx>

“In order to improve understanding of the European financial regulatory agenda and the similarities and differences in priorities and legislation with US regulatory initiatives, The International Centre for Financial Regulation and The Brookings Institution organised a briefing on this topic. The objective was to introduce the subject with a comparison of the legislative efforts and results on both sides of the Atlantic, followed by a discussion among participants of their implications for financial stability and for financial institutions that operate in both jurisdictions. To facilitate a good discussion, the session was limited to fifty people.”

The Danger of Divergence: Transatlantic Cooperation on Financial Reform

Atlantic Council – Report - October 6, 2010 – 65 pages

http://www.acus.org/files/publication_pdfs/403/ACUS_TR_Danger_Divergence_Report.pdf

The report focuses on defining the major issues in financial regulation that demand transatlantic cooperation, and putting them in their global context. It analyzes the effects of proposed rules on the US and European economies, including the impact on the real economy and especially the business sector, and outlines concrete recommendations for policymakers.

Garry J. Schinasi and Edwin M. Truman

Reform of the Global Financial Architecture

Peterson Institute for International Economics - Working Paper – September 2010 – 55 pages

<http://www.piie.com/publications/wp/wp10-14.pdf>

“Although some progress has been made in reforming financial-sector policies and the International Monetary Fund (IMF) and Financial Stability Board (FSB) since the onset of the global financial and economic crisis, the bulk of reforms required to improve the ability to safeguard global financial stability and resolve global crises has yet to be agreed much less fully legislated and implemented. Focusing in particular on areas where further reforms of the IMF and FSB could help to improve the functioning, stability, and governance of the

global financial system, the authors conclude that although the IMF and FSB are distinct and not fully comparable institutions, they must cooperate more closely than in the past to prevent crises and safeguard the stability of the global financial system...”

OTHER ECONOMIC POLICIES

James Gattuso, Diane Katz and Stephen Keen

Red Tape Rising: Obama’s Torrent of New Regulation

The Heritage Foundation – Backgrounder – October 26, 2010- 10 pages

http://www.heritage.org/research/reports/2010/10/red-tape-rising-obamas-torrent-of-new-regulation?utm_source=Newsletter&utm_medium=Email

“The burden of regulation on Americans increased at an alarming rate in fiscal year 2010. Based on data from the Government Accountability Office, an unprecedented 43 major new regulations were imposed by Washington. And based on reports from government regulators themselves, the total cost of these rules topped \$26.5 billion, far more than any other year for which records are available. These costs will affect Americans in many ways, raising the price of the cars they buy and the food they eat, while destroying an untold number of jobs. With the enactment of new health care laws, financial regulations, and plans for rulemaking in other areas, the regulatory burden on Americans is set to increase even further in the coming year.”

Ronald D. Utt

Secretary Geithner’s Listening Tour on Housing Market Reform Comes to Washington

The Heritage Foundation – Backgrounder - October 12, 2010 – 4 pages

http://thf_media.s3.amazonaws.com/2010/pdf/bg2475.pdf

“Treasury Secretary Timothy Geithner recently held a meeting to discuss what the future housing finance system should do and look like...the consensus view from the panel called for continued and likely expanded federal involvement in the market, even though the entire market is already almost completely federalized.”

Implications of Declining Mail Volume for the Financial Sustainability of the Postal Service

U.S. Postal Service - September 29, 2010 – 69 pages

http://www.uspsaig.gov/foia_files/RARC-WP-10-006.pdf

Mail volume is declining. It is difficult to determine how much of this drop is due to the recent economic downturn, but many postal experts consider that a period of long-term volume decline has begun. The results of their analysis suggest the outlook for the Postal Service is optimistic. The Postal Service is financially sustainable down to volume levels of 100 billion pieces per year. However, price increases above inflation will be necessary unless steps are taken to greatly reduce the Postal Service’s cost structure. Such price increases are not unprecedented. Many other posts in developed countries have higher prices than the Postal Service.

Dennis A. Shields and Ralph M. Chite

Agricultural Disaster Assistance

Congressional Research Service, Library of Congress - September 16, 2010 – 11 pages

http://assets.opencrs.com/rpts/RS21212_20100916.pdf

The U.S. Department of Agriculture (USDA) offers several permanently authorized programs to help farmers recover financially from a natural disaster, including federal crop insurance, the Noninsured Crop Disaster Assistance Program (NAP), and emergency disaster loans. The federal crop insurance program is designed to protect crop producers from unavoidable risks associated with adverse weather, and weather-related plant diseases and insect infestations. Producers who grow a crop that is currently ineligible for crop insurance may

be eligible for a direct payment under NAP. Under the emergency disaster (EM) loan program, when a county has been declared a disaster area by either the President or the Secretary of Agriculture, agricultural producers in that county may become eligible for low-interest loans.

LOCAL ECONOMIC DEVELOPMENT

Jennifer S. Vey et al.

The Next Economy: Economic Recovery and Transformation in the Great Lakes Region

The Brookings Institution - September 27, 2010 - 57 pages

http://www.brookings.edu/~media/Files/rc/papers/2010/0927_great_lakes/0927_great_lakes.pdf

“The Great Lakes region, too long tagged with the misleading nickname, The Rust Belt, could show the rest of the country the way forward to the next economy. Although battered by decades of declining economic health, and particularly by the recession, the nation’s heartland still has many of the fundamental resources—top-ranked universities, companies with deep experience in global trade, and emerging centers of clean energy research to name just a few—necessary to create a better, more sustainable, economic model.”

Chris Edwards

Fiscal Policy Report Card on America’s Governors: 2010

Cato Institute – Policy Analysis - September 30, 2010 – 32 pages

<http://www.cato.org/pubs/pas/PA668.pdf>

State governments have had to make tough budget choices in recent years. Tax revenues have stagnated as a result of the poor economy, and that has prompted governors to take a variety of fiscal actions to close large budget gaps. Some governors have cut spending to balance their budgets, while others have pursued large tax increases. The policy analysis examines state budget actions since 2008. It uses statistical data to grade the governors on their taxing and spending records, governors who have cut taxes and spending the most receive the highest grades, while those who have increased taxes and spending the most receive the lowest grades.

Christopher W. Hoene and Michael A. Pagano

City Fiscal Conditions In 2010

National League of Cities - October 2010 - 8 pages

http://www.nlc.org/ASSETS/AE26793318A645C795C9CD11DAB3B39B/RB_CityFiscalConditions2010.pdf

“Cities’ finances continue to weaken under the strain of the recession, resulting in cities being less able to meet their fiscal needs in 2011 and beyond. According to the report on cities’ fiscal conditions, financial officers report the largest spending cuts and loss of revenue in the 25-year history of the survey. In the report, 87% of city finance officers report their cities are worse off financially than in 2009.”

Ensuring State and Municipal Solvency

Milken Institute and Ewing Marion Kauffman Foundation - October 2010 - 36 pages

<http://www.kauffman.org/uploadedfiles/ensuring-state-and-municipal-solvency.pdf>

“Cutting back on services and increasing taxes won’t be enough to stabilize state and municipal finances, even when the economy fully recovers. According to the report, it’s going to require real paradigm shifts: a fundamental restructuring of budgets and the entire budgeting process, sustainable revenue generation, new efficiencies and federal/state partnerships.”

Alison Felix & Jason Henderson

Rural America’s Fiscal Challenge

Federal Reserve Bank of Kansas City Main Street Economist – September 20, 2010 - 7 pages
http://www.kc.frb.org/publicat/mse/MSE_0610.pdf

“Fiscal challenges at state and local governments are a potential threat to economic recovery in rural America. Rural communities depend heavily on intergovernmental transfers from the states to provide local services. Many people in rural communities rely on the state or local government for their jobs and on Medicaid as a part of their income. Thus, rural economies are highly susceptible to state budget shortfalls. As state governments cut spending in response to looming budget deficits in coming years, rural America’s fiscal problems may also deepen.”

Michael Greenstone and Adam Looney

An Economic Strategy to Renew American Communities

The Brookings Institution - Strategy Paper – October 2010 – 25 pages

http://www.brookings.edu/~media/Files/rc/papers/2010/10_renew_communities_greenstone_looney/10_renew_communities_greenstone_looney.pdf

“When hit by recessions or other economic shocks, some communities have persistently low rates of economic growth that cause them to fall behind the rest of the country. The recovery period for these distressed communities is longer and more painful than necessary. Communities that were disproportionately hit by the 1980–82 recessions still have not recovered and to this day have lower incomes, lower employment rates, and lower income growth than other areas...To address this situation, we propose a three-pronged approach: attract businesses to distressed areas, invest in displaced workers, and match workers to jobs. A component of all these approaches is a commitment to rigorous evaluation of the policies themselves.”

Hard Times, Solid Policies to Renew American Communities

The Brookings Institution – Event - October 13, 2010 – 92 pages (total de 3 docs PDF)

http://www.brookings.edu/events/2010/1013_renew_communities.aspx#

“Plant closings, natural disasters, and a sluggish recovery continue to inflict terrible economic tolls on the labor force in America’s cities and states. New ideas for reinvigorating some of the hardest-hit communities are needed as policymakers attempt to pave the way toward putting more people back to work. On October 13, Governor Jennifer Granholm (D-Mich.) joined former U.S. Treasury Secretary Robert E. Rubin, Fresno Mayor Ashley Swearingin, New York City Deputy Mayor Steve Goldsmith and other experts in a Hamilton Project forum focused on policy solutions for renewing American communities.”

King Cotton Still Part of Southeast’s Fabric

EconSouth - Federal Reserve Bank of Atlanta - Vol. 12, No. 3, Third Quarter 2010- 6 pages

http://www.frbatlanta.org/documents/pubs/econsouth/10_q3_cotton.pdf

“For hundreds of years, cotton has been a mainstay of the Southeastern economy. Increasing worldwide demand and technological advances have combined to weave a global tapestry of continuing profits for regional producers.”

Benjamin Zycher

Prospective Employment Effects of California Proposition 23

Pacific Research Institute- October 2010- 32 pages

http://www.pacificresearch.org/docLib/201010041_CAProp23Study.pdf

If approved by the California electorate this November, Proposition 23 will suspend the implementation of the California Global Warming Solutions Act of 2006 (AB 32) until the California unemployment rate declines to 5.5 percent or less for four consecutive quarters. This study examines the historical relationship between

employment and total energy consumption in California in order to derive projections of the prospective effects of Proposition 23 on employment.”

BUSINESS

Veronique de Rugy

The Small Business Myth

Reason – Article - October 19, 2010

<http://reason.com/archives/2010/10/19/the-small-business-myth>

“Independent, self-reliant, flexible, and hardworking, small-business owners, we are always told, are the cornerstone of economic growth and prosperity. That’s why lawmakers are always pushing policies to help them prosper (...). These policies are based on a myth. It’s not true that the key to boosting employment is to help small businesses, even though Washington’s definition of the term is far more expansive than you might think.”

Daniel P. Davis

Trends in SBA Lending: Product Reviews by Eighth District Bankers

Federal Reserve Bank of St. Louis Bridges – Issue - October 13, 2010

http://www.stlouisfed.org/publications/br/articles/?id=2015&utm_source=EmailReminder&utm_medium=SocialMedia&utm_campaign=EmailReminder

“In July 2010, the Community Development staff of the St. Louis Fed conducted telephone interviews to survey financial institutions of various sizes across the Eighth Federal Reserve District about their experiences with lending products initiated by the Small Business Administration (SBA). The results of this informal survey demonstrated that in this difficult environment for lending to businesses, the SBA is providing critical access to credit.”

Shanjun Li, Joshua Linn, and Elisheba Spiller

Evaluating “Cash-for-Clunkers” Program Effect on Auto Sales, Jobs and the Environment

Resources for the Future Feature - August 2010 - 53 pages

<http://www.rff.org/RFF/Documents/RFF-DP-10-39.pdf>

“Amid the worst economic recession in the United States since the Great Depression, Professor Alan Blinder in a July 2008 op-ed article in the New York Times stated that “Cash for Clunkers is the best stimulus idea you have never heard of.” Officially launched exactly a year later by the Obama administration, with several modifications, the “Cash for Clunkers” program provided eligible consumers a \$3,500 or \$4,500 rebate when trading in an old vehicle and purchasing or leasing a new vehicle. The program had two goals: to provide stimulus to the economy by increasing auto sales, and to improve the environment by replacing old, fuel inefficient vehicles with new, fuel efficient ones...Whereas several other studies have analyzed particular aspects of the program, our study estimates the composition of the fleet of vehicles that would have been sold in the absence of the program, which permits a comprehensive evaluation of the program effect on vehicle sales, the environment and employment.”

TRANSPORTATION

Norman Y. Mineta et al.

Well Within Reach: America’s New Transportation Agenda

Miller Center for Public Affairs - October 2010 – 92 pages

http://web1.millercenter.org/conferences/report/conf_2009_transportation.pdf

Transportation systems are the backbone of America. They keep the nation strong and moving. The report says that U.S. has not been taken care of this resource. Lacking a coherent vision for our transportation future and chronically short of resources, U.S. defers new investments, fails to plan, and allows existing systems to fall into disrepair. Stakeholders in the transportation community have recognized these costs and should rethink existing systems for the 21st century and create an agenda for enacting change.

Frank Moretti and Carolyn Bonifas

Urban America's Rough Roads Costing Drivers \$400 A Year

TRIP - September 22, 2010- 2 pages

http://www.tripnet.org/national/Urban_Roads_PR_092210.pdf

“Twenty-four percent of the nation’s major metropolitan roads – interstates, freeways and other critical local routes – have pavements in poor condition, resulting in rough rides and costing the average urban motorist \$402 annually in additional vehicle operating costs, according to a new the report by TRIP, a national transportation research group.”

Smart Mobility for a 21st Century America

Transportation for America – White paper - October 2010 – 39 pages

<http://www.itsa.org/itsa/files/pdf/ITS-White-Paper-100710-FINAL.pdf>

The report from four leading transportation organizations demonstrates how existing and emerging technologies can squeeze more capacity from over-burdened highways, help commuters avoid traffic delays and expand and improve transportation options, all while saving money and creating jobs.

Ethan Pollack and Rebecca Thiess

Impact of Alternate Public Transit and Rail Investment Scenarios on the Labor Market

Economic Policy Institute - Web posted October 20, 2010 – 9 pages

http://epi.3cdn.net/987bfa97f4935932cd_vom6bxaq8.pdf

Transportation investments represent an opportunity for Congress to kick the economy into a higher gear by creating millions of well-paying jobs while simultaneously boosting the condition and performance of our nation’s transportation system.

INFRASTRUCTURE – GREEN ECONOMY – ENVIRONMENTAL ECONOMICS

Clifford Winston

The Private Sector Can Improve Infrastructure with Privatization not a Bank

The Brookings Institution – September 29, 2010 –

http://www.brookings.edu/opinions/2010/0929_infrastructure_privatization_winston.aspx

While the Obama administration's proposal to create a national infrastructure bank is growing in popularity as a way to improve infrastructure and create jobs, Clifford Winston argues for an alternative solution: privatization of infrastructure.

Putting Green to Work: Economic Recovery Investments for Clean and Reliable Water

American Rivers – Report - September 2010 - 24 pages

<http://www.americanrivers.org/assets/pdfs/reports-and-publications/putting-green-to-work-report.pdf>

“Only a few days after taking office, President Obama signed the American Recovery and Reinvestment

Act of 2009 (ARRA), the largest government public works package since the New Deal. ARRA included a much-needed \$6 billion for clean water and drinking water infrastructure through the State Revolving Fund, the biggest federal infusion of water infrastructure money through the fund ever. As part of this package, 20 percent (\$1.2 billion) of this water infrastructure funding was dedicated to programs for green infrastructure, water and energy efficiency, and environmental innovation (called the Green Project Reserve). This effort was groundbreaking because it represents the first step in a much needed shift away from solely “gray,” inflexible water infrastructure towards innovative approaches that will bring water management into the 21st century.”

Yang Liu

The Environment Is About Economics, Too

Federal Reserve Bank of St. Louis - Liber8 – Economic Information Newsletter – October 2010 – 2 pages

<http://liber8.stlouisfed.org/newsletter/2010/201010.pdf>

“The cleanup cost of the April 2010 BP oil spill in the Gulf of Mexico is estimated at \$6 billion, not including the economic damage to the fishing and tourism industries, which will likely add several billion more. The spill has brought the debate about environmental protection and regulation to the forefront of the public’s consciousness. Proponents of stricter environmental regulation believe such catastrophes could be prevented at a reasonable cost. Opponents argue that many preventive procedures are too costly to justify, given the rarity of such incidents. Preserving the environment is inherently an economic decision because of the trade-offs involved—resources used to produce clean air or water could be used to produce something else. Hence, understanding the economics of environmental regulation is useful for interpreting the debate.”

The Clean Air Act’s Economic Benefits: Past, Present and Future

The Main Street Alliance- October 2010- 10 pages

<http://mainstreetalliance.org/wordpress/wp-content/uploads/2010/10/Benefits-of-CAA-literature-review-final-10-04-2010.pdf>

“The report shows that the Clean Air Act’s economic benefits have far exceeded the costs imposed on businesses, and that any legislation limiting the ability of the Environmental Protection Agency (EPA) to regulate greenhouse gas emissions could have negative implications for business both large and small that have enacted new practices to reduce their carbon footprint as part of their new business model.”

Robert N. Stavins

The Problem of the Commons: Still Unsettled After 100 Years

Resources for the Future (RFF) - Discussion Paper - September 2010 - 37 pages

<http://www.rff.org/RFF/Documents/RFF-DP-10-46.pdf>

“As the U.S. and other economies have grown, the carrying-capacity of the planet -- in regard to natural resources and environmental quality -- has become a greater concern, particularly for common-property and open-access resources. The focus of this article is on some important, unsettled problems of the commons. Within the realm of natural resources, there are special challenges associated with renewable resources, which are frequently characterized by open access. An important example is the degradation of open-access fisheries. Critical commons problems are also associated with environmental quality. A key contribution of economics has been the development of market-based approaches to environmental protection. These instruments are key to addressing the ultimate commons problem of the twenty-first century -- global climate change.”

Jorge Madrid

From a “Green Farce” to a Green Future - Refuting False Claims About Immigrants and the Environment

Center for American Progress – October 2010 – 21 pages

http://www.americanprogress.org/issues/2010/10/pdf/immigration_climate_change.pdf/

“Combating climate change and reforming our broken immigration system are two of the greatest challenges facing Congress and the Obama administration. Legislation to address these issues has come up short thus far. Both have been fiercely debated throughout the country and many Americans demand solutions. In the midst of these debates anti-immigrant groups are revamping their efforts to play these issues against each other using misinformation. These voices have long argued that immigrants destroy the environment, accelerate climate change, and undermine U.S. efforts to transition to a clean and green future...These arguments are a “green farce.” They’re supposedly presented out of concern for the environment but are intentionally misleading and dangerously misinformed...This report strikes down many of the false arguments regarding immigrants and the environment, provides a clearer picture of immigrants’ environmental contributions, and outlines real environmental solutions that can cut carbon and curb climate change.”

IMPROVING WORKFORCE SKILLS

President Obama

President's Economic Recovery Advisory Board

Remarks – October 4, 2010

<http://www.whitehouse.gov/the-press-office/2010/10/04/remarks-president-a-meeting-presidents-economic-recovery-advisory-board>

Before we begin today’s meeting of my economic advisory board, I wanted to say a few words about one of the topics that we’ll be discussing, and something that’s one of our most important economic issues of our time: the skills and education of our workforce, because every business leader in this room knows that the single most important predictor of America’s success in the 21st century is how well our workers can compete with workers all around the world. All of our education institutions -- from our pre-schools to our universities -- have a critical role to play here. But one of our most undervalued assets as a nation is our network of community colleges.”

Science and Technology Education: Preparing and Inspiring America’s Next Generation

The Brookings Institution – September 13, 2010 – 59 pages

http://www.brookings.edu/~media/Files/events/2010/0913_stem_education/20100913_stem_transcript.pdf

“Our nation's future competitiveness relies on having a workforce highly skilled in mathematics and science. Yet efforts to educate our young people in these critical areas, particularly at the secondary school level, have fallen behind those of almost all other advanced nations. The President's Council of Advisers on Science and Technology is preparing a report advising the Obama administration on ways to improve science, technology, engineering and mathematics (STEM) education, especially at the K-12 level.”

Louis Soares

The Power of the Education- Industry Partnership - Fostering Innovation in Collaboration between Community Colleges and Businesses

Center for American Progress - October 2010 – 15 pages

http://www.americanprogress.org/issues/2010/09/pdf/community_colleges.pdf

“Partnerships between community colleges and businesses help nontraditional students find pathways to postsecondary education. The Obama administration has recognized this economic imperative and set aggressive goals for postsecondary attainment in the United States and emphasized the unique role that community colleges can in play achieving them.”

Expanding Underrepresented Minority Participation: America's Science and Technology Talent at the Crossroads

National Academy of Sciences - September 30, 2010 – 286 pages

http://www.nap.edu/catalog.php?record_id=12984

The report analyzes the rate of change and the challenges the nation currently faces in developing a strong and diverse workforce. Although minorities are the fastest growing segment of the population, they are underrepresented in the fields of science and engineering. Historically, there has been a strong connection between increasing educational attainment in the United States and the growth in and global leadership of the economy. The report suggests that the federal government, industry, and post-secondary institutions work collaboratively with K-12 schools and school systems to increase minority access to and demand for post-secondary STEM education and technical training.

Robert I. Lerman

Expanding Apprenticeship: A Way to Enhance Skills and Careers

Urban Institute - Web posted October 8, 2010 – 9 pages

<http://www.urban.org/UploadedPDF/901384-Expanding-Apprenticeship.pdf>

Apprenticeship is a time-honored method for preparing workers to master occupational skills and achieve career success. Young people reap many developmental benefits from engaging in apprenticeships. It is important to expand the scale of apprenticeship training to increase skills and help more workers enter rewarding careers. Despite substantial benefits, federal support for apprenticeship training is meager. Promoting more apprenticeship training will not only expand the effectiveness of education and training and enhance productivity, but it will also integrate many workers who prefer learning-by-doing and the earning-when-learning aspects of apprenticeship training.

EMPLOYMENT

Small Business Jobs Act

Small Business Administration – September 2010

<http://www.sba.gov/jobact/>

“On Sept. 27, 2010, President Obama signed into law the Small Business Jobs Act, the most significant piece of small business legislation in over a decade. The new law will provide critical resources to help small businesses continue to drive economic recovery and create jobs. The new law extends the successful SBA enhanced loan provisions while offering billions more in lending support, tax cuts, and other opportunities for entrepreneurs and small business owners.”

Burcu Duygan-Bump, Alexey Levkov, and Judit Montoriol-Garriga

Financing Constraints and Unemployment: Evidence from the Great Recession

Federal Reserve Bank of Boston - Working Paper - 8 October 2010 – 33 pages

<http://www.bos.frb.org/bankinfo/qau/wp/2010/qau1006.pdf>

“This paper exploits the differential financing needs across industrial sectors and provides strong empirical evidence that financing constraints of small businesses are important in explaining the unemployment dynamics around the Great Recession. In particular, it shows that workers in small firms are more likely to become unemployed during the 2007-2009 financial crisis if they work in industries with high external financing needs. According to these estimates, eliminating financial constraints of small firms could add up to 850,000 jobs to the economy. The paper suggests that policies aimed at making credit available to small businesses would significantly help stabilize the labor markets and economic activity in the U.S.”

Jens Ludwig and Steven Raphael

The Mobility Bank: Increasing Residential Mobility to Boost Economic Mobility

The Brookings Institution - Discussion Paper – October 2010 - 26 pages

http://www.brookings.edu/~media/Files/rc/papers/2010/10_mobility_bank_ludwig_raphael/10_mobility_bank_ludwig_raphael.pdf

“The paper proposes the creation of a “mobility bank” at a government cost of less than \$1 billion per year to help finance the residential moves of U.S. workers relocating either to take offered jobs or to search for work, and to help them learn more about the employment options available in other parts of the country. Whereas those with college degrees and savings are much more likely to move in response to job loss and to improve their job market outcomes, those with less skills and no savings may have difficulty financing such transitions. The government should target mobility bank loans toward displaced, unemployed, and underemployed people in depressed areas of the country and should help to insure people against job-outcome uncertainty by making repayment terms contingent on the borrower’s postmove employment and income.”

Phil Davies

Sizing Up Job Creation

FRB Minneapolis – The Region – Article - September 2010

http://www.minneapolisfed.org/publications_papers/pub_display.cfm?id=4538

“Are small businesses truly the engine of job growth? It depends on how you look at it.”

Bringing Jobs to People: How Federal Policy Can Target Job Creation for Economically Distressed Areas

The Brookings Institution – Discussion Paper - October 13, 2010 – 26 pages

http://www.brookings.edu/~media/Files/rc/papers/2010/10_job_creation_bartik/10_job_creation_bartik.pdf

This paper proposes three solutions to bring jobs to distressed areas: customized job training programs for businesses and employees, advice and consulting services through the Manufacturing Extension Partnership program, and a package of grants for local services and tax breaks through a reformed and revitalized Empowerment Zone program.

Rakesh Kochhar

After the Great Recession: Foreign Born Gain Jobs; Native Born Lose Jobs

Pew Hispanic Center - October 29, 2010

<http://pewresearch.org/pubs/1784/great-recession-foreign-born-gain-jobs-native-born-lose-jobs>

In the year following the official end of the Great Recession in June 2009, foreign-born workers gained 656,000 jobs while native-born workers lost 1.2 million.

Ronald Wirtz

Green Jobs - The Many shades of Green - What role government?

FRB Minneapolis – FedGazette – October 2010

http://www.minneapolisfed.org/pubs/fedgaz/10-10/fedgazette_oct10_green_shades.pdf

http://www.minneapolisfed.org/pubs/fedgaz/10-10/fedgazette_oct10_green_government.pdf

“Welcome to the fudgy, gray world of green jobs. While politicians and environmental advocates promote the promise of green jobs, labor economists have been, well, laboring over how to define and count them... As currently designed, many environmental policies are doing double duty: attempting to reduce pollution and GHG emissions, and create jobs. A full accounting suggests that such efforts tend not to yield many net jobs, nor do they achieve environmental goals that would be realized through a more direct policy approach.

And all the while, significant financial and political capital is consumed avoiding hard policy choices and pursuing green jobs.”

Farrukh Suvandulov

Job Search on the Internet, E-Recruitment, and Labor Market Outcomes

RAND Corporation - September 29, 2010 – 143 pages

http://www.rand.org/staff/RAND_RGSD271.pdf

Over the past decade, the Internet penetration rates have been on a sharp rise. The Internet has significantly changed the job application process and improved the channels of communication between employers and job-seekers. Yet despite significant interest in the topic, past studies offer little evidence on the role of the Internet in the job search process and its impact on labor market outcomes. The study uses cross-sectional and panel data from the United States, Germany, and South Korea, as well as a U.S. Army personnel dataset to look at the impact.

RETIREMENT – PENSIONS

Richard Jackson et al.

The Global Aging Preparedness Index

Center for Strategic & International Studies - October 14, 2010 - 76 pages

http://csis.org/files/publication/101014_GlobalAgingIndex_DL_Jackson_LR.pdf

“Global aging promises to affect everything from business psychology and worker productivity to rates of savings and investment, long-term returns to capital, and the direction of global capital flows. Perhaps most fatefully, it could throw into question the ability of many societies to provide a decent standard of living for the old without placing a crushing burden on the young. The purpose of the Global Aging Preparedness Index (or GAP Index) is to provide a comprehensive assessment of the progress that countries are making in preparing for global aging, and particularly the “old-age dependency” dimension of the challenge.”

Working in Retirement: A 21st Century Phenomenon

Families and Work Institute - October 6, 2010 - 24 pages

<http://familiesandwork.org/site/research/reports/workinginretirement.pdf>

Working in retirement may still sound like an oxymoron, but not for long. Just as people in their twenties are now creating a new life stage of transitioning into the workforce, the generation of workers currently in their fifties and sixties is redefining the notion of “retirement.” Already today, one in five workers aged 50 and older has fully retired from his or her former career job but currently is working for pay in a new role, which we define as a “retirement job.”

Alicia H. Munnell et al.

The Impact of Public Pensions on State and Local Budgets

Center for Retirement Research at Boston College - October 2010 - 12 pages

http://crr.bc.edu/images/stories/Briefs/slp_13.pdf

“State and local pensions have been headline news since the financial collapse reduced the value of their assets, leaving a substantial unfunded liability. The magnitude of that liability depends on the interest rate used to discount future benefit promises but, regardless of the assumptions, states and localities are going to have to come up with more money. The brief looks at the size of the additional funding relative to state budgets.”

Lowell R. Ricketts

State Pension Plans in Peril: The Need for Reform

Federal Reserve Bank of St. Louis – Economic Information Newsletter Liber8 - September 2010 - 2 pages
<http://liber8.stlouisfed.org/newsletter/2010/201009.pdf>

“State and local government employees have long enjoyed the perk of a guaranteed pension in retirement, but that may no longer be the case — because of the recent recession, state budgets are in trouble. Many states have under-funded their pension plans to pay current expenses, and many pension plans have also incurred huge investment losses due to the financial crisis. How can states remedy this problem?”

Stuart Buck

Trouble Brewing - The Disaster of California State Pensions

The Foundation for Educational Choice – Pacific Research Institute – Study - October 2010 – 24 pages
<http://www.edchoice.org/CMSModules/EdChoice/FileLibrary/587/Trouble-Brewing---The-Disaster-of-California-State-Pensions.pdf>

“This study estimates California's unfunded liability for state (CalPERS and CalSTRS) pensions and retiree health care at \$379 billion. This includes \$327 billion in unfunded pension obligations -- more than four times the \$75.5 billion obligation the state publicly admits to -- and \$52 billion in retiree health-care liabilities...The difference in the study's estimate and those of the state have to do with the discount rate used to determine the present value of future liabilities.”

HEALTH ECONOMICS

Hadley A. Heath

The Impact of Health Reform on Businesses

Independent Women's Forum, Position Paper - October 2010 – 19 pages
<http://www.iwf.org/files/f1ecceaf013d28561ec9c9861ea8ddf9.pdf>

“The reforms in the Patient Protection and Affordable Care Act, along with the Health Care and Education Reconciliation Act (both passed in March 2010), will have numerous far-reaching consequences for businesses. In particular, the new law will significantly restrict the choices of employers and their employees with regards to health insurance coverage, raise taxes on businesses and create significant new paperwork burdens and discourage job creation and growth in the economy. In evaluating this new health care legislation, it's important to consider not only how the new law impacts the medical system, health care costs, and quality of care provided but how the law affects businesses, workers, and the general economy. Unfortunately, as this policy brief details, this law will have a significant negative impact on the business climate, will discourage business expansion and job creation, and will slow economic growth.”

Mark Merlis

Adding Up the Numbers: Understanding Medicare Savings in the Affordable Care Act

Center for American Progress - October 2010 – 25 pages
http://www.americanprogress.org/issues/2010/10/pdf/medicare_aca_report.pdf

The Congressional Budget Office estimates that Affordable Care Act provisions specifically affecting Medicare will reduce the federal deficit by about \$525 billion over the 10-year period from 2010 to 2019.

Scott Gottlieb

Medical Innovation in Peril

American Enterprise Institute – Book Chapter - October 18, 2010 – 18 pages
<http://www.aei.org/docLib/Reforming-Americas-Health-Care-System-Gottlieb-101810.pdf>

The creation of a robust biopharmaceutical and medical device industry is one of modern America's most noteworthy economic and technical achievements. Over the last several decades, advances in diagnostic tests, minimally invasive medical devices, biologics, and small-molecule drugs have improved survival and reduced the physical burdens of a host of maladies. The new health care law specifically targets reimbursement for new drugs and devices as a way to save money in programs like Medicare and Medicaid. These savings, in turn, are used to pay for new health coverage for the uninsured. But the legislation doesn't take down drug and medical device prices directly.

TRADE

Roya Wolverson

Foreign Policy and the 2010 Midterm Elections: Trade

Council on Foreign Relations - September 24, 2010

http://www.cfr.org/publication/23003/foreign_policy_and_the_2010_midterm_elections.html

"With U.S. economic recovery still slow, trade policy looms as a factor in the congressional midterm races. The backgrounder explores the consequences for trade based on the outcome of the Democratic-Republican electoral struggle."

Daniel Griswold

The Miscellaneous Tariff Bill

Cato Institute – Trade briefing paper - September 9, 2010 – 12 pages

<http://www.cato.org/pubs/tbp/tbp-030.pdf>

"In July 2010 Congress passed the U.S. Manufacturing Enhancement Act, otherwise known as the miscellaneous tariff bill (MTB), which unilaterally suspends duties on hundreds of imported goods of special interest to U.S. manufacturing companies. The bill marked a modest step forward for trade liberalization and offers a blueprint for future trade policy."

Jeffrey J. Schott

Prospects for Implementing the Korea-US Free Trade Agreement

The Peterson Institute - Policy Brief – October 2010 – 4 pages

<http://www.piie.com/publications/pb/pb10-23.pdf>

The KORUS FTA was signed on June 30, 2007, but has not yet been sent to Congress for ratification. US concerns about auto and beef trade are the main stumbling blocks. At the Toronto G-20 Summit in June 2010, Presidents Obama and Lee Myung-bak tasked their officials to find solutions by the November Seoul G-20 Summit. If a deal is struck, implementing legislation could be submitted to Congress in early 2011. This paper assesses the problems and potential solutions to these problems and options for legislative action.

Rachel Tang

China's Steel Industry and its Impact on the United States: Issues for Congress

Congressional Research Service, Library of Congress - September 21, 2010 – 32 pages

<http://www.fas.org/sgp/crs/row/R41421.pdf>

China's steel industry has grown significantly since the mid-1990s. China is now the world's largest steelmaker and steel consumer. In 2009, China produced over 567 million tons of crude steel, nearly half of the world's steel. That was 10 times the U.S. production. The majority of Chinese steel has been used to meet domestic demand in China. However, as its steel production continues to grow, overcapacity is becoming a major concern to Chinese industrial policy makers, as well as steelmakers outside China. Although industry

statistics indicate that the Chinese steel industry is not export-oriented, its consistently high output keeps U.S. steelmakers concerned that excess Chinese steel might overwhelm the global market once domestic demand is adequately met. These concerns become increasingly acute as the United States and the rest of the world are in the middle of a slow recovery from the economic recession started in December 2007.

DEVELOPMENT

President Obama's Development Policy and Global Climate Change

The White House - Office of the Press Secretary - September 22, 2010

<http://www.america.gov/st/texttrans-english/2010/September/20100922172958su0.5790369.html&distid=ucs#ixzz13S2pALYe>

“Through the Global Climate Change Initiative (GCCCI) and other climate-related USG programs, the United States will integrate climate change considerations into relevant foreign assistance through the full range of bilateral, multilateral, and private mechanisms to foster low-carbon growth, promote sustainable and resilient societies, and reduce emissions from deforestation and land degradation. The Administration is working to make our climate financing efficient, effective, and innovative, based on country-owned plans, and focused on achieving measurable results. As part of President Obama's commitments in Copenhagen, we are working together with our partners to provide “fast start” climate finance approaching \$30 billion during the period 2010-2012 to help meet the adaptation and mitigation needs of developing countries, including deploying clean energy technologies.”

Gerald F. Hyman

Foreign Policy and Development: Structure, Process, Policy, and the Drip-By-Drip Erosion of USAID

Center for Strategic & International Studies - September 27, 2010 - 42 pages

http://csis.org/files/publication/100923_Hyman_ForeignPolicyAndDevel_Web.pdf

“Most bilateral government donors, including the United States, are rethinking the relation between their foreign policy and their development policy... A majority of government development programs are part of or connected to the respective foreign ministries. The United States and the United Kingdom are in the minority. The U.S. Agency for International Development (USAID) is not (yet) fully integrated into, or part of, the Department of State... The Obama administration has... augmented a trajectory, well developed over several preceding administrations, by which USAID has gone from an independent development agency to ever greater policy and organizational integration with the Department of State. With that integration, the distinction between development policy and foreign policy is, like the Cheshire cat, harder and harder to discern; not a great deal of difference remains other than their two distinct smiles.”

Kimberly Ann Elliott

Reviving AGOA

Center for Global Development - September 29, 2010 – 4 pages

<http://www.cgdev.org/content/publications/detail/1424474/>

The African Growth and Opportunity Act (AGOA) of 2000 marked a major change in U.S. trade policy for poor countries by extending duty-free treatment to almost all imports from eligible countries, with the goal of expanding trade and encouraging growth-oriented reforms. African exports to the U.S. did increase markedly, but they were concentrated in a few products from a handful of countries. To revive the program and expand its benefits, the author recommends that the Obama administration and Congress should work together on two main priorities: Remove or significantly ease remaining restrictions on agricultural products and Collaborate more effectively with African partners to improve the business climate and competitiveness.

John D. Podesta and Sabina Dewan

Just Jobs - A Center for American Progress Program

Center for American Progress – Memo - October 7, 2010 – 2 pages

<http://www.americanprogress.org/issues/2010/10/pdf/justjobs.pdf>

“The Center for American Progress’s Just Jobs program seeks to demonstrate that supporting an increase in just jobs in developing countries is a win-win for developed countries as well. Standards of living converge on an upward trajectory. Rules and regulations ensure this happens across the globe. And the resulting economic and political stability rebounds to benefit developed and developing countries alike. Our Just Jobs program will help policymakers develop pragmatic and specific steps to power forward a virtuous circle for workers worldwide.”

John Williamson

The Impact of the Financial Crisis on Development Thinking

Peterson Institute for International Economics – Remarks – October 13, 2010 – 11 pages

<http://www.piie.com/publications/papers/williamson20101013.pdf>

A major impact of the crisis has been to discredit Western views of development—what I once tried to summarize under the somewhat unhappy term of the “Washington consensus”—and to fortify what has sometimes been referred to (by Westerners rather than the Chinese) as the “Beijing consensus” instead... Assuming that we do not propose to abandon received Western views, there is a series of issues that are worth discussing. Should we modify the consensus that has been achieved about the virtues of export-led growth? Do we need to change our views on the limited role of capital flows in promoting development? In the light of the crisis, should we favor and welcome fiscal expansion and abandon former demands for fiscal discipline? Do we regard the international monetary system as ripe for reform, and could its reform help the cause of development.”

Ecosystems, Climate Change and the Millennium Development Goals (MDGs) - Scaling Up Local Solutions - A Framework for Action

World Resources Institute - Working Paper prepared for the UN MDG Summit - September 2010 – 20 pages

http://pdf.wri.org/working_papers/ecosystems_climate_change_and_millennium_development_goals.pdf

“The growing and increasingly interconnected global threats of ecosystem decline and climate change will profoundly test the ability of the rural poor to maintain viable livelihood options and to escape poverty—undermining and possibly even reversing progress toward achieving the Millennium Development Goals (MDGs)... Local-level approaches to managing ecosystems have shown great promise in increasing the ability of communities to generate new economic options, meet environmental threats, and adapt to climate change... However, for locally-driven solutions to ecosystem decline, climate change and poverty to be truly significant on a national or global scale and therefore useful as a path to MDG acceleration, they must be scaled up, both by increasing the number of such initiatives and by increasing the size and efficacy of individual initiatives...”

MISCELLANEOUS

David Dapice

Once a Winner, China Sees Globalization’s Downside

YaleGlobal - October 11, 2010.

<http://yaleglobal.yale.edu/content/china-sees-globalizations-downside-part-i>

Globalization is a two-way street. Countries cannot endlessly send products out into the world and build up reserves without a push back, benefiting from the world without giving back something, the series. China’s thriving economy depends on exports. By holding down the value of its currency, Beijing attracted foreign investors, reduced prices for global consumers and encouraged excess capacity, explains economist David

Dapice. China angered its trade partners: Other nations, distraught about unemployment and eroding export markets, can no longer tolerate China's rising trade surplus and urge the export giant to lift currency controls. China had hoped for gradual currency revaluation, but other nations already counter China, adopting its strategy by devaluing their currencies.