

Union for Radical Political Economics

An Important Letter from the URPE Steering Committee regarding the Annual URPE Summer Conference

Dear URPE members,

At the recent Steering Committee meeting on November 20 and 21, we had a lengthy in-depth discussion about what URPE is doing and what URPE should be doing today. We started off by acknowledging the success involved in still existing and still fighting the good fight more than 40 years after our founding, when quite a number of other groups founded in that period have faded away.

We have the same mission today that we started with, namely the development and dissemination of radical political economics, but the world today is different from 40 years ago. The Steering Committee therefore undertook a comprehensive review of the activities of our organization in order to see what we were doing well, and what needed to be changed. As a result of this review, it agreed to start up several new projects which will require the redirection of the energies of Steering Committee members, and which, it is hoped, will draw on the energies of other URPE members. It also agreed not to hold an URPE Summer Conference in 2011, and to review, at its Fall 2011 meeting, the overall activities of the year in order to decide whether or not to hold future Summer Conferences. URPE members are encouraged to read below the results of the SC's review and its decisions, and, of course, to share their reactions to them.

The Steering Committee began its review with a recognition of the significance of the Review of Radical Political Economics (RRPE) for the organization as a whole. RRPE is the primary URPE vehicle for the publication of new work in the field of radical political economy, work which both challenges the dominant orthodoxy and provides alternative approaches to the challenge of understanding the political economy of the world today. It

has achieved national and international recognition within the academic community, and is respected even by many whodisagree with its content. It provides radical political economists within academia with a place for the respectful consideration of their work and the articles that are accepted contribute to the progress of their careers. It is perhaps the biggest URPE project as measured by time that URPE members put into it as members of its Editorial Board and by the work of its Managing Editor, Hazel Dayton Gunn.

The Steering Committee focused its attention then on its own activities and projects:

- i. **URPE at ASSA.** An URPE project closely connected to the RRPE is the organization of URPE sessions at the annual meetings of the American Social Sciences Association (ASSA.) The ASSA organizers are appointed by the Steering Committee, while the RRPE publishes the Proceedings in one of its four annual issues.
- ii. **URPE at EEA.** Growing in importance is URPE participation in the Eastern Economic Association (EEA) with 21 sessions in the 2011 meetings. This also is a Steering Committee initiative. It is noteworthy for the substantial involvement of graduate students in not only the presentations but also the planning. The Steering Committee hopes to organize participation in other academic conferences in the future.
- iii. **Job listings.** We have begun to list on our web site job openings, mainly but not exclusively in universities.

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2010-2011 STEERING COMMITTEEElected members

Frances Boyes (08-11) NEHCEU, District 1199, SEIU
<fkb3551@hotmail.com>

Al Campbell (09-12) University of Utah, 1645 Campus Center Dr.
Rm. 308, Salt Lake City, UT 84112-9300; (801) 585-3521
<al@economics.utah.edu>

Scott Carter (09-12) Department of Economics, The University
of Tulsa, 600 South College Street, Tulsa, OK 74104
<scott-carter@utulsa.edu>

Laura Ebert (08-11) Economics, Dyson Hall 308, School of
Management, Marist College, Poughkeepsie, NY 12601,
845-575-3000 X2904 <ebertl@newpaltz.edu>

Mathew Forstater (09-12) Center for Full Employment and Price
Stability, University of Missouri-Kansas City, 5100 Rockhill Road,
Kansas City, MO 64110, 816-235-5862
<forstaterm@umkc.edu>

Armagan Gezici (08-11) Economics, Keene State College, 229
Main Street, Keene, NH 03435, 603-358-2686
<agezici@keene.edu>

Julio Huato (08-11) Economics Department, St. Francis College,
180 Remsen Street, Brooklyn Heights, NY 11201, 718-489-5331
<juliohuato@gmail.com>

Laurie Nisonoff (09-12) Social Science, Hampshire College,
Amherst, MA 01002; 413-559-5397 <lnisonoff@hampshire.edu>

Patty Lee Parmalee (08-11) 35 Aumick Road, Wallkill, NY 12589,
845-744-4201 <publiccleaningpost@earthlink.net>

Paddy Quick (10-13) Economics Department, St. Francis
College, 180 Remsen Street, Brooklyn, NY 11201;
631-286-5168 (h); <paddyquick@aol.com>

Chris Rude (10-13) Center for International and Political
Economy Research, <chris.rude@ciper.info>

Women's Caucus Representative:

Jenny Brown (08-11) Redstockings Women's Liberation Archives,
P.O. Box 2625, Gainesville, FL 32602; 352-281-8078;
<jbrown72073@cs.com>

Ex-OfficioURPE National Office

Patricia Duffy, URPE National Office, Gordon Hall, University of
Massachusetts, 418 N. Pleasant Street, Amherst, MA 01002-1735.
Tel. 413-577-0806. Fax 413-577-0261 <urpe@labornet.org>

Managing Editor of RRPE

Hazel Dayton Gunn, Dept. of City and Regional Planning,
106 W. Sibley Hall, Cornell University, Ithaca NY 14853;
Email: <hg18@cornell.edu>

Other URPE Positions

ASSA Coordinators: Fred Moseley, Mount Holyoke College,
<fmoseley@mtholyoke.edu> and Laurie Nisonoff,
Hampshire College, <lnisonoff@hampshire.edu>

Newsletter Editor: Frances Boyes <fkb3551@hotmail.com>

Economy Connection Coordinator: Ruthie Indeck,
201-792-7459; <soapbox@urpe.org>

Printing: Alta Printing, Gainesville, Florida.

URPE

The **Union for Radical Political Economics (URPE)** is a membership organization of academics and activists who share an interest in a radical analysis of political and economic topics. Founded in 1968, URPE's members use this analysis to advance various progressive political and social agendas. URPE publishes the *Review of Radical Political Economics*, runs a set of presentations at the academic professional meetings of the Allied Social Science Associations, sponsors a resource/speakers bureau called Economy Connection, and holds a Summer Conference on political and economic topics at a family-friendly summer camp. Its members are active in a wide array of professional and activist projects.

The URPE Newsletter

The **URPE Newsletter** is published quarterly by the Union for Radical Political Economics. The Newsletter is a place for URPE members to publish shorter articles and speeches as well as make announcements of upcoming events that might be of interest to members. Articles and announcements can be sent to the Newsletter Editor in the body of an e-mail message, or as an attached file; send to fkb3551@hotmail.com.

Permission to reprint material from the Newsletter is granted for non-commercial uses, provided that the Newsletter is credited as the source, and that two copies of the publication are sent to the URPE National Office. For permission to reprint for commercial purposes, contact the National Office.

The URPE Newsletter is a good place to publish advertisements for new books! Rates are \$300 per full page (7.5 inches wide by 9.3 inches high); \$160 for a half page, and \$85 for a quarter page. Exchange ads are also considered. Please write or call the National Office for more information on this.

Deadlines for submission to Newsletter are January 7 for winter issue; April 7 for spring issue; June 20 for summer issue, and October 7 for fall issue.

Educating URPE: The Denver 2011 Reality Tour

by Paddy Quick

It is always important to learn, over and over again, that workers who are organized have power, even those who seem to be the weakest members of our society. Think, for example, about undocumented immigrant day laborers, whose relatives in their home countries are dependent on their remittances for basic survival, and who know that only a few of them will find work on any given day. Now try to understand how they manage to enforce a minimum wage of \$10 an hour, and to act to ensure the payment of that wage, not always, and not perfectly, but well enough to make an enormous difference in their lives. Those of us who were fortunate enough to be on the URPE Reality Tour for those attending the 2011 ASSA meetings in Denver were educated as to how this is done.

El Centro Humanitario Para Los Trabajadores (The Humanitarian Center for Workers) in Denver organizes vulnerable immigrant workers in defense of their rights. Now in its ninth year, El Centro is, above all, an organization of workers, rather than a site for the provision by others of services to workers. The hardships of day laborers and domestic workers were well documented – not merely substandard wages, but the enormous extent of wage-theft (such as non-payment of wages at the end of the work-day) together with the dangerous working conditions that many are subject to, the homelessness of some and the poor living conditions of many others, and, of perhaps equal importance, the lack of respect from others and the feelings of hopelessness that their conditions can engender.

Most of us know about the struggles at both the state and national level to defend the interests of immigrants as a whole, as well as those of all low-wage workers. Less well known are the ways in which workers are acting in the direct defense of their own interests at the local level, in organizations such as El Centro. Many immigrants, of course, have a background of organizing in their home countries, often under even more dangerous conditions, and El Centro draws on the wealth of their experience. Its co-founder, Minsun Ji (who led the Reality Tour), was herself an undocumented worker who talked on a daily basis with day-laborers on the sidewalks of Denver for two years until together they were able to start El Centro and move into a warehouse which they rehabilitated them-

selves. El Centro was initially part of the economic justice program under the American Friends Service Committee (AFSC); it became fully independent in 2004. Its mission is to “promote the rights and well-being of day laborers in Colorado through education, job skills and leadership development, united action and advocacy” and its goals are to “develop a sense of community and self sufficiency among workers and to foster worker ownership over El Centro Humanitario.”

The emphasis on actions by the workers themselves is well illustrated by the way in which El Centro deals with the cases of wage theft that workers bring to its attention. El Centro’s emphasis is on direct action, such as visiting employers in person or confronting them with a demonstration at their places of work or residence. And before a worker’s case is taken up, that worker must complete a workers’ rights training program, and participate in organizing meetings and in the direct actions of the organization. Thus El Centro has not only managed to collect \$80,000 - \$100,000 per year in wages, it has succeeded at the same time in building the organization that can continue this activity and the many others that are needed.

Recently, in the face of massive unemployment, El Centro has begun to organize worker cooperatives, such as the women-owned co-op, Green Cleaning for Life, LLC. Again, the emphasis is on developing the skills that enable the women to run the co-op themselves, rather than having experts provide jobs for them.

URPE’s thanks go to Minsun Ji, co-founder of El Centro, to URPE member George DeMartino (University of Denver) and to the members of El Centro Humanitario who took time from their busy days to talk to us, as well as to provide us with the best tamales ever. We left El Centro with admiration for its work and a renewed sense of optimism for the long-term struggle ahead of us all.

For more information, please go to
www.centrohumanitario.org.

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iv. **Course syllabi.** This newly revived SC project aims to assist people who are teaching courses with radical political economic content. Many reading lists are already posted on the website, including some in Spanish, and more will be put up over the next year.

v. **Bibliographies.** The Steering Committee has begun to solicit and ask for volunteers to provide bibliographies (with abstracts) on various topics for posting on the Website. Individual URPE members engaged in research in particular areas will share their selection of useful articles and books, and update their lists annually. The first such bibliography, on International Economics, is now available:
<http://www.urpe.org/res/standardecon/intleconomics.html>

vi. **The URPE Website.** This is itself, of course, an ongoing project, and one on which both the Steering Committee and the RRPE Editorial Board have devoted considerable energy. But there is clearly a lot more work to be done to make radical political economics available to those who rely on the internet for information. Here we continue to look for suggestions from the membership on what sort of information on the Website could help our work.

URPE's presence outside of academia is still very limited, although several of the projects involved, and in particular the Website have considerable potential to reach beyond this. Nonetheless, the Steering Committee noted as a weakness in our organization its limited outreach to those outside of academia, while noting the following projects that do contribute specifically to this part of our mission:

vii. **Speakers Bureau - Economy Connection.** Economy Connection, under the leadership of Ruthie Indeck, brings URPE speakers together with organizations both in and out of universities, while also providing people with information on other resources.

viii. **The URPE listserve,** which began four years ago, is increasing successful. It has added a degree of connectedness to URPE members, largely scattered throughout academic departments or activist organizations across the country. The goal has been to make a low volume list, yet get out information on relevant meetings, books, etc, that would be of interest to our members. Recently a number of people have started to use it to get information from other members concerning work and projects they are engaged in - the sort of thing you'd ask a colleague in your

department if one had a department of radical political economists.

ix. **URPE Facebook and blog.** We have begun to develop these two channels for communication, through which people can engage in extended conversations. We are working on determining exactly how URPE members might like to use these.

x. **Left Forum.** URPE continues to be one of the many organizations that organize panels at this annual event, and it will continue to do so.

xi. **Brooklyn Conference.** URPE organized a one-day conference in October 2009 in Brooklyn which was designed to bring together people involved in theoretical and practical work on several of the issues confronting us today. A second conference is planned for October 2011.

xii. **URPE Newsletter.** The Newsletter goes out in paper form to all members, as well as to libraries, but is also available on the URPE website. It carries information on URPE events, and occasional short articles. We will continue to consider the pros and cons of publishing it electronically, given that some of us just like to get things and read things in paper form. The cost of publishing it and mailing it is not large and not a significant consideration. Our main question right now is what else it could do that would be useful for our membership.

The Steering Committee committed itself to two new projects aimed specifically at increasing URPE's outreach to the non-academic sections of the population:

xiii. **Participation in conferences of activists.** URPE has had almost no organized presence at such major gatherings of activists as the US Social Forum. The Steering Committee will work to organize groups of URPE members to attend such events and contribute to the work that they are engaged in.

xiv. **URPE Fact Sheets.** URPE will develop a set of short (one-page) fact sheets on topics of interest to those engaged in economic, political, and social struggles. The Fact Sheets will consist of basic information together with analyses based on radical political economic theory, and will be available on the website as well as in hard copy. Members will be encouraged to discuss their content on the URPE blog, and an edited version of such discussions may, with the permission of authors, be added to the Fact Sheets and printed

in the URPE Newsletter. The Fact Sheets will be solicited and reviewed by a newly constituted body of URPE members, to be called the URPE Fact Sheet Advisory Board. They will be signed by their authors, and will be published with a statement that views expressed do not necessarily reflect the views of URPE as an organization. (Further information on this project will be distributed shortly.)

The URPE Summer Conference

In order to accomplish these goals, it was clear to the Steering Committee that it would be necessary to reallocate our resources, particularly our time resources. And the big issue there was the time spent on organizing the Summer Conference.

Most of the people on the SC have been to past Summer Conferences, some to many of them. This made even considering cancelling it very difficult. Put simply, most of us, like many of you reading this, love the URPE summer conference. We think it has provided a place particularly both younger and older members can present their work, including work that is in its early stages, in a supportive environment. Over the years it has played important roles in both developing and disseminating radical political economics. In addition, we have loved seeing old friends year after year, watching each other's children grow up, sharing ideas between students, professors, and activists. We have loved the "working vacations" in beautiful settings. The summer conference has been both a social event and an academic/activist one. And we believe the feeling of intimacy and trust at URPE's Summer Conferences is one important reason that URPE has stayed alive as a source of radical political economy for 42 years.

But here are the realities we considered. We estimate that over the last 4 or 5 years organization of the summer conference has taken up 40-50% of the time of the National Office Coordinator. In addition, a large part of both the Spring and Fall Steering Committee meetings have been taken up with picking a topic, deciding who to approach for plenaries, talking about workshops, as well as dealing with organizing the event. The actual organization of the conference then took a large amount of the time and energy, which could have been spent on other URPE projects.

The conference always drew a significant number of non-URPE members, which was a good thing, but the number of URPE members who have come recently has been fairly small. It became clear that a disproportionate amount of work was involved in a project which served only about 10% of the organization, and that this cut into our ability to

serve URPE members as a whole and to build radical political economy beyond that.

There is also the issue of the Annual Business Meeting, which from the beginning was a central reason for the Summer Conference. Summer Conference business meetings barely met the quorum needed for decision-making - 25 members or 7% of the membership, whichever is smaller (they are presently about the same.) This last summer, 2010, we had less than this.

There is another motif behind all of this. When the summer conference was born, and for many decades, it was one of very few places the radical political economists could get together and both develop their work and socially interact. Now, there are quite a few. In addition to URPE sessions at the ASSA and the EEA, many URPE people attend the Western Economic Association meetings. In addition there are the meetings of Historical Materialism in New York, Toronto and London. Every three years there is Marx Actuel in Paris, and the Rethinking Marxism Conference in Amherst. The World Association for Political Economy (WAPE), a new organization with its own journal, has a yearly conference, and this coming May URPE is co-sponsoring its conference in Amherst. A European Political Economy group IIPPE has a yearly conference. And there are many more Heterodox conferences.

Taking all of this into account, the Steering Committee voted to cancel the 2011 Summer Conference. The 2011 Business (or Membership) Meeting will be held on Sunday October 2, following the Brooklyn Conference on Saturday October 1. The Steering Committee will then evaluate where we are at and how things have worked out at its Fall 2011 meeting. In the meantime we welcome ideas from all members on our decisions and our plans.

Conclusion

In summary, although the Steering Committee's decision to cancel the 2011 Summer Conference was a difficult one, the Committee is looking forward to the coming year. We are excited by the projects in place and by the opportunity to use our energies to strengthen the organization so that it can continue to develop and disseminate radical political economics.

URPE Steering Committee:

Frances Boyes, Jenny Brown, Al Campbell, Scott Carter, Laura Ebert, Mathew Forstater, Armagan Gezici, Julio Huato, Laurie Nisonoff, Patty Lee Parmale, Paddy Quick, Chris Rude

Update on Economy Connection, URPE's Resource/Speakers Bureau

by Ruthie Indeck, Coordinator (201-792-7459 or soapbox@urpe.org)

King's College Students Learn about Marx

Thanks to David for a very thorough report:

On October 14, David Laibman spoke to Prof. Alex Tokarev's class in "History of Economic Thought" at King's College, NYC. The purpose of the talk was to convey some essentials of Marx's thinking about capitalism – in particular, the evolution of the system and the nature of crisis emerging within it.

David presented a simple model of capitalist production, involving a (physical) capital stock, a flow of labor, and a product divided between workers and capitalists (owners). Marx's "rising organic composition of capital" amounts to a long-term rising tendency of the ratio of physical capital to output, which might result from labor-saving technical change, depending on many specifics of capitalist social relations: class struggle, competition, growth and maturation of the working class, concentration of capital, the engineering culture, and other factors.

The rising capital-output ratio, in turn, imposes a dilemma on the accumulation path: either the profit share (the rate of exploitation) must rise, or the rate of profit must fall. The actual path reflects many contingencies, but critical tendencies associated with these two elements (rising profit share, falling profit rate) must be present, and will take shape as actual crises of overproduction relative to demand and financial (liquidation) crises. This framework can then be used to characterize the current finance-induced Great Recession.

David argued that this model, while overly simple, brings together many of the elements in Marx's thinking about the "general law" of capitalist accumulation, including the much-debated issue of the falling tendency of the rate of profit. It also shows that mainstream economic thought divides into two main branches – "free market" and Keynesian – each of which addresses one of the critical tendencies (falling profit rate, rising profit share) while neglecting the other. Neither mainstream school can see the dilemma as a whole, because neither can grasp the systemic nature of capitalist crisis (or indeed even conceptualize capitalism, in Marx's sense).

Student questions following the presentation were varied and full of interest. Many wanted to know what is going to happen next, and David had to break the news that Marxist economic theory does not provide simple forecasts! Others wanted to know what socialism could do that would avoid the critical tendencies of

capitalism, or in general whether anything we might envision could be an improvement over what we have. One student (whom David would like to see more of!) pointed out that the whole scenario of deepening interconnected crisis emerging from the model depends on verifying the rising composition of capital, in theory and in reality, and that this is all still hugely controversial.

* * *

Host Alex Tokarev commented, "I thought it was one of the best talks on radical economics – wish it had been recorded. David knows his Marx. It may have been a bit too technical but it was the only way you could squeeze the whole theory of capitalist crisis into 50 minutes. Students were not persuaded by the falling rate of profit or the demand deficiency propositions. Hope we live long enough to see the evidence or counter-evidence ourselves."

Resistance and Revolution: New Developments in China and India

Rob Weil, author of *Red Cat, White Cat: China and the Contradictions of "Market Socialism,"* spoke at the Marxist School of Sacramento, October 21, about China and India, focussing on living conditions, organizing efforts and political resistance of the working class in each country.

Both China and India are seen in the media as rising superpowers; both have sustained rapid growth in recent decades; both have seen the creation of fabulous new wealth for some and increasing poverty for others, leading to social polarization; both have become more economically and militarily assertive regionally, and both have entered into new alliances globally, sometimes in competition with each other. Both countries have come through the current global economic crisis in relatively good shape. Although many Chinese workers have been laid off in the export zones, the Chinese government's economic stimulus (unlike that of the US) included spending on infrastructure and social welfare development, which mitigated the effect of the crisis on jobs.

Rob talked about recent social and economic changes in China, and the political response of workers and Left organizations. Rob described the dismantling of the socialist structures that had been instituted in the Maoist years, and the increasingly capitalist nature of China's economy. First the agricultural communes

were dismantled, then many state owned urban enterprises were either privatized or changed so much that they were effectively privatized, and finally much industrial production was moved from the industrial zones in the north-east into export zones on the coast. These changes involved layoffs of higher paid workers and the hiring of peasant migrants, as well as a reduction in social services in both urban and rural areas – these services had been an integral part of the agricultural communes and state owned enterprises.

Many billionaires emerged, while the pay and benefits of many in the working class decreased, changing China from one of the most egalitarian societies in the world to one of the most unequal, and leading to much political resistance. Rob described in detail the waves of protest that developed over the years in both rural and urban areas, including workplace organizing and resistance to cuts in pensions, health care, housing conditions, etc. A recent major wave of organizing has been led by migrant workers. Members of the new working class in the cities use cell phones, email, and Twitter. China has a wide variety of Left parties, some remaining from the Maoist era, and ties have increased between these parties and Chinese protest movements. The response of the Chinese government has been ambivalent – while disliking independent action, there is a realization that China can't shift from an export economy to a consumer economy without rising wages and incomes; this has led the government to institute some reforms.

Unlike in China, there is an open armed Maoist revolution going on in India. Rob began by describing social conditions – India's stunning disparities in income and wealth have led to the popularity of resistance movements. Rob gave some statistics: In 2009 India had 52 billionaires, up from fewer than 10 in 2000. The 100 richest people have a combined net worth roughly equivalent to one fourth of India's GDP. India has a middle class of about 200 million, and about three fourths of the population lives in poverty. India has high rates of illiteracy, hunger, malnutrition, infant mortality and suicide.

In 2005 the Indian government created Special Economic Zones which facilitated the ability of multinational corporations to make profits; these corporations have exploited resources, hurt the environment and pushed people off the land. The SEZs also led to a dramatic increase in popular resistance, sometimes armed.

As with China, Rob gave a detailed description of India's resistance movements and parties and their relationships with each other and with the broader population. India's massive repression campaign, Operation Green Hunt, has brought greater unity to India's varied opposition movements.

Rob concluded that the increased political resistance and revival of Left forces in China and India could lead to a class realignment that could “shake the world.”

Why Are We in Afghanistan?

“The Great South Bay Forum on Current Affairs held one of their most important and compelling meetings yet,” wrote Chris Boyle in the MassapequaPatch. At this forum Mike Zweig showed Why Are We In Afghanistan? and led a discussion afterwards.

The dvd, which Mike wrote, directed and narrated, cuts through official government explanations and examines the underlying political and economic reasons the US is fighting in Afghanistan. It places the war in the historical context of US military conquests. On a human level, it lists the costs in terms of lives lost and cutbacks in jobs and social services. The dvd also describes a history of activist opposition to US wars that is as long as the history of those wars.

The dvd includes many revealing quotes from US policy-makers, such as George Kennan's statement that “We have about 50% of the world's wealth, but only 6.3% of its population.... Our task is to devise a pattern of relationships which will permit us to maintain this position of disparity.” And Alan Greenspan's conclusion that “the Iraq war is largely about oil.” The dvd expands on that theory with a close look at US economic and geo-strategic interests in the area surrounding Afghanistan, including but not limited to oil supplies and the construction of pipelines.

Mike commented that “there was a lively discussion afterwards. People liked the DVD and basically wanted to talk about how to get the US out, what diplomacy might look like, and why there isn't a stronger peace movement among young people.”

See <http://www.whyaireweinafghanistan.org/> for various versions of the dvd, as well as the script.

Connect the Dots – Cut Military Spending!

Bob Bender, Florida activist and URPE member, showed The National Security State, Unemployment, Rising Deficits & Climate Change: Connecting the Dots, by Sheila Collins, to the Progressive Democrats of America, Palm Beach County, on December 9. Armed with handouts, Bob complemented the slide show with a presentation on the Deficit Commission and recommendations from a swath of the political spectrum for a 15% cut in military spending over the coming decade.

After describing the various proposals, Bob noted that “the issue of the federal deficit has brought military spending and mis-spending into public attention as has nothing else in recent memory.”

Economy Connection continued...

Using figures from a November statement by Dean Baker, Bob talked about the large number of people who are unemployed, underemployed, discouraged from job-seeking, and facing foreclosure. “Contrary to the explanation of Democratic Party appointee Deficit Commissioner Co-chair Erskine Bowles, we did not get here because of government deficits,” Bob said. “We got here because of the bursting of the an \$8 trillion housing bubble, a bubble fueled by the reckless and possibly unlawful practices of the Wall Street banks, like Morgan Stanley, the bank on whose board Mr. Bowles sits.” Bob went on to say that the problem is lack of demand, that the government is the only force capable of creating demand right now, and deficit fears should not get in the way. Bob concluded by strongly encouraging listeners to participate in educational campaigns, write letters to the media, send delegations and write letters to elected officials, and join activist organizations.

You can download pdfs of the slideshow and the accompanying script from the URPE website: www.urpe.org/res/reslists/PermWarClimScript.pdf

To read about the slide show, which Sheila presented in NJ last spring, see the Summer 2010 EC report: www.urpe.org/pubs/news/summer2010newsletter.pdf

Resources

Economy Connection provided reading and website suggestions, as well as contact people, to a student researching the history of Haiti’s food problems and possibilities for future food sovereignty. EC suggested speakers and gave advice to a New Jersey woman who would like to set up a speakers bureau on military issues. We also corresponded with an Ohio man about banking conspiracy theories.

See http://www.urpe.org/ec/social_security.htm for recent work on Social Security by URPE members and other activists.

URPE at The Left Forum

The Left Forum
Pace University, New York
March 18 – 20, 2011

Over the last few years the Left Forum has been constantly growing. Last year there were 240 panels, 700 speakers and 3,000 attendees. Along with the URPE panels at the ASSAs and the Easterns, this is a place where we pursue our organization’s mission of developing and promoting radical political economy. Whereas the former two are academic gatherings (even if we and several other groups are progressive and radical academics), this conference is a large mix of both academic and non academic presentations, of both political economy and many other radical and progressive subjects. This year URPE will contribute 8 panels to this conference; Causes and Cures of Unemployment; The Struggle against Mainstream Economic Ideology; Capitalism, Climate Change and Social Conflicts; Global Warming and Economic Cooling: Causes and Fight-back Strategies; Is Fair Trade a Viable Model of Solidarity Economics?; Global Imbalances and the Great Recession; and Democratic and Participatory Economics. As indicated by the numbers above, many people come to these meetings who are not presenting. URPE strongly encourages all its members who can to attend all or part of the Left Forum; it is both instructional and fun. As of mid January when this is being written its final schedule is not yet on line, but when it is it will be at www.leftforum.org, and there is already a lot of information there about the plenary speakers and many of the events (and one can register on line).

URPE on the Web

In addition to our website at <http://www.urpe.org>, we have a blog hub at Wordpress, <http://urpe.wordpress.com>. We are also on Facebook—join the URPE group “Union for Radical Political Economics” (just use ‘search’ on Facebook to find our group). And, if you want to join—or post to—our low-volume, moderated announcement listserv, go to: <http://greenhouse.economics.utah.edu/mailman/listinfo/urpe-announcements>.

The URPE Blogspot...

The Great Recession and the Deficit

by Paddy Quick

In an effort to introduce our newsletter readers to our new URPE blog, we will begin publishing contributions from the blog. Please visit <http://urpe.wordpress.com>.

The following is an excerpt from a recent contribution from Paddy Quick. For the entire article, please visit <http://urpe.wordpress.com>. This essay was also published online by the Socialist Project and can be found at <http://www.socialistproject.ca/bullet/458.php>

The Great Recession will take a long time to come to an end. Even the most optimistic forecasters expect the official unemployment rate in the US to stay above 9% through 2011, and it may be 4 or even more years before we get back to the same level of employment we had before the recession began. The arguments I want to make are (1) that we should not fall for the line that “we,” i.e. workers, need to cut back to get out of this recession and (2) that propaganda about the problems of the deficits is being used to justify a multi-pronged attack on the standard of living of working families.

You don’t need me to go over how bad things are for working people, the working class. And I’m not going to review what led to the Great Recession, other than to say that recessions are regular occurrences in the capitalist system in which we live. (Oh dear, a “bad word” – “capitalism” – but we’re all adults here, and the time for euphemisms is long past.) This recession is indeed the worst since the Great Depression of the 1930s, and it resembles it in both its probable length and its international character, although the decline in production and the level of unemployment are less than then. It is, however, in some ways, potentially far more serious and likely to have a far worse long-term effect.

Here we come to the key feature of today’s Great Recession – namely the multipronged attack on our standard of living. This attack comes in several forms and it is important to understand all of them:

- The first, and most obvious, is actual reductions in wages. Even corporations that are profitable are brazenly cutting wages for the simple reason that they want higher profits. The threat to move production within the country or to other countries can force even strong unions to take substantial cuts. Other people, such as federal government

workers, are seeing wage freezes, despite continuing (although mild) inflation. More common, but less in the news, is the slow process through which the unemployed who do manage to get new jobs do so at reduced wages. Even less well publicized is the process through which starting wages, for people getting their first jobs, are lower than the wages of the people hired into the same jobs in previous years.

- The second form of attack is on the government programs that go to benefit the working class, and in particular Social Security and Medicare, the so-called “entitlement programs” i.e. programs that do not require fresh appropriation votes in Congress on an annual basis. Here the government is playing the old game of asking us whether we would prefer to cut benefits or raise taxes, rather like asking us which arm we would prefer them to cut off. A growing economy (and it will grow again when the recession is over) can easily provide for the health and well-being of its residents, but the cuts, once made, are extremely unlikely to be restored when the recession does end. And, despite the government’s lip-service to the importance of education, local government employment in education in December 2010 was 463,000 less than in December 2009.

- The third form of attack is on the poor, and I don’t mean simply that the people at the lower end of the income distribution suffer more from all the program cuts than everyone else, although that is true. I mean that the attacks are making the lives of those who are unemployed, and those who fall into poverty for this and other reasons (such as serious illness), more and more miserable. This weakens the working class as a whole. Unemployment is becoming more and more of a threat to those who do hold jobs, and fear of unemployment makes those who are employed weaker and weaker when it comes to fighting pay cuts and resisting increases in workloads. Being unemployed in the US is terrifying. Even a short spell of unemployment can do considerable damage, and longer spells destroy lives. The cuts in the funding of Medicaid (as distinct from Medicare which is for the elderly and disabled) are particularly severe. And of course President Clinton long ago ended “welfare as we knew it.” There are massive holes in our “safety net,” and far too many people are falling through it. It must be said here that this

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is one of the many areas where racism is deadly. It is of increasing importance to confront the widespread racism which leads many white workers to believe that somehow the massive poverty in the Black and Latino communities is due to their inadequacies, and that such poverty will, therefore, never happen to “fine upstanding (white) workers like them.” Thus racism can and does lead some workers to actually support cuts in programs such as Medicaid and subsidized housing that are limited to those with low incomes.

- The fourth major form of attack is of a different nature. It takes the form of attacks on the ability of workers to organize. The percentage of workers who are unionized is now below 12%, and the percentage of unionized workers in the private sector is only 7%. The more heavily unionized public sector workers are seeing attempts at the state level to withdraw their right to collective bargaining. (This attack is combined with the attempt to reduce the public services that they provide, which is in turn presented as a way to reduce taxes on workers.) There are movements underway in at least seven states to pass “right to work” laws which would forbid unions to collect dues from all those that they represent. For those who are not unionized, the quickest way to join the ranks of the unemployed is to be identified by management as “likely to try to form a union.” On a national level, the control of our government by the capitalist class is hardly limited at all by the working class – the capitalists, as they say, have two parties and we don’t even have one.

Let’s compare what is happening in Europe with what is happening here. In Europe the “safety net” has long been far, far stronger than in the United States. Universal health care, paid maternity leave, unemployment benefits that are very generous by US standards, far higher levels of job security... the list could go on. These have been coming under attack for many years, often in the form of the promotion of what the IMF and others call “labor market flexibility” – a code phrase that can translated as “reducing the power of workers.” But the attacks are taking place in a new and much more virulent form today. In response there have been massive protests and general strikes. European workers are vigorously defending their standard of living.

In the US, in contrast, there has been very little protest. In fact a recent poll showed that, when people were asked about whether higher taxes “on people like you” were necessary, 41% said they were. And 55% believed it was necessary to cut back “government programs that benefit people like [them.]” Why do people believe this? The short answer is that they have been scared into this by those who cite the need to cut the government’s deficit and its debt.

Please see the URPE blog at <http://urpe.wordpress.com> for the entire article.