SCHWARTZ CENTER FOR ECONOMIC POLICY ANALYSIS
THE NEW SCHOOL

Annual Report

2011 / 2012

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DIRECTOR'S MESSAGE

Teresa Ghilarducci, SCEPA Director and Professor, Bernard L. and Irene Schwartz Chair in Economic Policy Analysis

At SCEPA, we are committed to supporting research projects that advance positive change. Our formula is simple. We start with high-quality, peer-reviewed academic research, prescribe innovative solutions for the nation's economic questions, and end with high-impact outreach strategies that inform and educate policy makers, opinion leaders, advocates and the public.

This fiscal year, we made strategic investments in our ability to facilitate this theory of change. Namely, we focused on building a solid platform to support research, including building our communications capacity and increasing our collaboration with coalition partners.

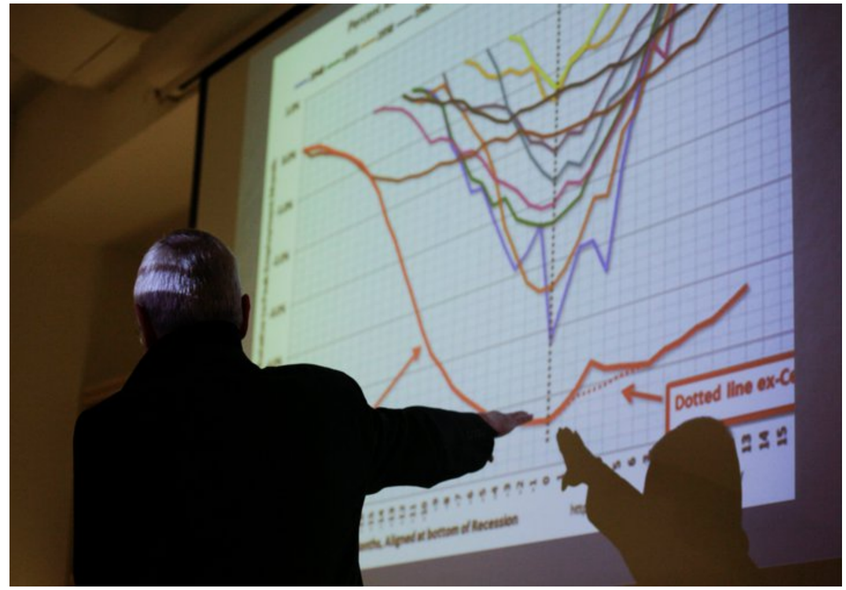
In 2010, we went live with a new website, www.economicpolicyresearch.org, to replace our previous static site for one which gave us the functionality of a modern communications platform. Now, we have the functionality to allow our research team and collaborators an interactive forum to discuss public events, post research, and respond to questions within the larger issue environment. Supportive communications and social media, including our @SCEPA_Economics Twitter feed and Facebook page, allow us to target our many interactive audiences and build a rapid response capability for both traditional and non-traditional media.

In the first year, SCEPA's website climbed to second on Google for economic policy research, putting our site in the company of older, more resourced organizations. We also achieved a PageRank of 6 out of 10, a numeric value that represents a site's 'authority' online.

We also focused our research into dedicated projects, enabling us to promote dialogue, education and collaboration around thematic research questions. These projects include, but are not limited to, the Retirement Income Security Project, Economics of Climate Change, and Deficit Commission Project. This structure is reflected in our website, where micro blogs listed on the homepage allow people to find our research by topic. Increasing availability and access to our innovative research allows us to build a network of individuals interested in economic policy issues. Most importantly, long-standing projects allow us to partner with organizations working on similar issues. This creates a mutually beneficial exchange of knowledge and resources that leverages our capacity and reach. For further details, please refer to the Research Projects section of this report.

These efforts have brought SCEPA increased visibility in American policy debates, funding from prominent foundations, and helped us solidify our position as a New York- based, progressive policy institute that produces scholarly research by increasing faculty visibility at our peer organizations. We look forward to continuing this work in the next fiscal year and beyond.

MISSION



SCEPA is the leader in alternatives to mainstream economics. As the economic policy think tank within The New School's Department of Economics, our projects empower policy makers to create positive change.

We work to focus the public economics debate on the role government can and should play in the real productive economy – that of business, management, and labor – to raise living standards, create economic security, and attain full employment. SCEPA is the economic policy research arm of the department of economics at The New School for Social Research. Our team of faculty and research associates works from the broad and critical perspectives of post-Keynesian, neo-classical, classical, and institutionalist schools of thought.

With a focus on collaboration and outreach, we provide scholars, non-profits, and government officials with original, standards-based research on key policy issues. We also partner with non-partisan advocates and foundations to engage the public, opinion leaders, and elected officials in the discussion of how to create a more stable, equitable, and prosperous economy.

SCEPA TEAM

Dr. Teresa Ghilarducci is a labor economist, a nationally-recognized expert in retirement security, and a professor of economics at The New School. Her book, *When I'm Sixty Four: The Plot Against Pensions and the Plan to Save Them*, investigates the loss of pensions on older Americans and proposes a comprehensive system of reform. She serves as a trustee for the retiree health care trusts of the United Auto Workers (UAW) and Goodyear's retired steelworkers. She was twice appointed by President Clinton to the Pension Benefit Guaranty Corporation advisory board, serving from 1995-2002.

Joelle Saad-Lessler, an economist with extensive experience in econometric modeling, statistical programming, and data analysis. She completed her PhD at Columbia University, and worked as an assistant professor of economics at Long Island University. Her publications span a range of issues, from the impact of immigration on local wages, to the economics of international child labor, and the economic impact of global warming.

Jeff Madrick, SCEPA's Senior Fellow, is the editor of Challenge Magazine and former contributing economics columnist to The New York Times. He is a regular contributor to the New York Review of Books. His most recent book is Why Economies Grow. He is also the author of The End of Affluence and Taking America, both New York Times Notable Books of the Year. A former NBC News correspondent and WNBC-TV news commentator, he is the winner of an Emmy Award. He has contributed to The Washington Post, The Los Angeles Times, The New York Times Sunday Magazine, The Nation, and Newsday, among many other publications.

Bridget Fisher is a communications specialist with a background in government and public affairs. Before joining SCEPA, she was a senior press officer in The New School's communications department. She came to higher education from government, where she served as chief of staff for a member of the New York City Council, director of communications for the Working Families Party and press secretary for a member of the U.S. Congress.

RESEARCH ASSISTANTS

Mary Borrowman is a PhD student in the Economics Department at the New School for Social Research. Her primary research interests are in domestic and international public policy issues, particularly those relating to international trade, institutions, and distribution. Her past research includes the race, class, and gender effects of the United States' War on Drugs, the economic effects of punitive state immigration legislation, and the distributional dimensions of Mexico's export led development strategy. She is also a Teaching Fellow at Eugene Lang College where she teaches Economics of Gender. Mary completed her undergraduate study in both Economics and Gender Studies at the University of Utah, where she also received her graduate degree in Economics.

Jonathan Cogliano is a PhD student in the Economics Department at the New School for Social Research. His primary research interests are Classical Political Economy, its recent developments and extensions, agent-based and computational modeling, applications of complex systems (or complexity) to economics, distribution, labor mobility and labor market dynamics, and the history of economic thought. He has previously worked at the India China Institute, and, prior to coming to The New School, he completed his undergraduate studies at the University of Massachusetts – Amherst.

Jan Keil is a PhD student in the Economics Department at the New School for Social Research. His primary current research interests are Classical Political Economy, Econometrics, Competition Theories and Industry Analysis, the Electric Power Industry and Renewable Energy. He has previously worked as a teaching and research assistant at the New School. He has worked in the Industry Research Department of Deutsche Bank and completed his undergraduate study in Economics at the Goethe University of Frankfurt, where he also received his graduate degree in Political Science.

Lauren Schmitz is a graduate student in the Economics Department at the New School for Social Research. She is originally from Denver, Colorado where she received her B.A. in Economics from the University of Colorado. Her research interests are in public and international economics, including evaluating the efficacy of various international funding mechanisms for cultural and social nonprofits, health policy, and international trade. This past summer Lauren presented her research on cultural taxation in America at the Association for Cultural Economics International conference in Copenhagen. Prior to her studies at the New School, Lauren was a professional dancer with ballet and modern dance companies, and also worked for the Scientific and Cultural Facilities District, a unique voter-approved cultural tax district in Colorado.

Christian Schoder is a PhD student in the Economics Department at the New School for Social Research. He studied at the Australian National University and the University of Vienna, where he obtained MA equivalents in economics and in political science. He worked for the Macroeconomic Policy Institute (Germany) and the Austrian Institute of Economic Research before he came to The New School on a Fulbright scholarship. His main research interests are monetary macroeconomics, the connection between growth and distribution, and applied econometrics

RESEARCH PROJECTS

Retirement Income Security Project

This project is home to SCEPA's ongoing, comprehensive project investigating the political economy of aging populations. With the generous support of the Rockefeller Foundation's Campaign for American Workers, SCEPA initiated the Retirement Income Security Project in 2009. Led by Dr. Teresa Ghilarducci, in partnership with Demos, a non-partisan public policy advocacy organization, the project documented the need for reform measures to prevent a crisis of downward mobility in retirement resulting from inadequate savings, eroding pension institutions, and decreasing access to and participation in effective retirement savings vehicles at work.

Policy Impact : First and foremost, we are proud to report a direct policy impact in the form of legislation based on the GRA policy proposal that was signed into law in the state of California. This success was the result of a strong coalition headed by State Senator Kevin DeLeon, his able staff, and in collaboration with partners including labor unions, advocates, and consumer rights organizations.

Communications : In July 2010, we introduced the Guaranteeing Retirement Income blog on our website to provide a narrative to our research and outreach on the Rockefeller grant. Since it's initiation until the end of 2011, we received 35,261 hits. During 2012, our annual hits more than doubled. We also created an online research library to house our reports for those, especially fellow academics, looking for full documentation.

This page has received 1,967 hits to date. Our media efforts before and during the grant have been unwavering. During the grant, we received 33 press clips, quotes and original articles published in major media outlets. In the period since the grant, this number has gone up to 39 clips.

Research Grants : This work, which is a direct result of our Rockefeller work, has resulted in two additional grants, including support from the W.E. Upjohn Institute for Employment Research and the Borchard Foundation Center on Law and Aging. Papers resulting from the project include:

- The Crisis of Jobs and Healthcare for Unemployed Americans Aged 55-64
- Older Workers and Employers' Demands
- Near Retirees' Defined Contribution Retirement Account Balances
- Unemployed Older Americans: A Profile

Research for Elected Officials : SCEPA was proud to partner with New York City Comptroller John C. Liu on his “Retirement Security NYC” initiative working to protect the retirement security of public employees while ensuring the city's financial health. As part of his efforts to "battle rhetoric with research," SCEPA conducted a research study, “Are New Yorkers Ready for Retirement? Trends in Plan Sponsorship, Participation, and Preparedness.” The study was published by the New York City Comptroller’s Office Budget & Policy Bureau and announced to the public through a press briefing at The New School with Comptroller Liu on January 26, 2012.

Our research study and report received significant press coverage, including New York 1 News, Money Matters on New York 1 News, Fox 5 News, Bloomberg News , NY Daily News , The Street, Benefits Pro, El Diario, Sinovision, World Journal, Sing Tao, WBAI and the Brooklyn Eagle.

As a direct result of the report’s findings, Comptroller Liu called for the creation of NYC Personal Retirement Accounts (PRAs) to help provide retirement coverage for the nearly two million workers in New York City without access to retirement benefits through their employers. The NYC PRA proposal is based on Ghilarducci's State GRA plan.

<u>The Economics of Climate Change</u>

Critics of policies that would mitigate climate change often cite negative effects on the economy to forestall change. But are they right? SCEPA is investigating these arguments in a project on The Economics of Climate Change led by Faculty Fellow Willi Semmler.

On September 23rd and 24th, SCEPA hosted its second conference as part of the project, "The Bottom Line on Climate Change: Transitioning to Renewable Energy." Leading U.S. & E.U. government officials, geoscientists, policy analysts, politicians, business leaders and academics in New York discussed how such a transition would affect the fragile U.S. and global economies. Panels focused on the future of nuclear power, the reality behind green jobs, the practicality of new technologies, and the tensions between developed and developing countries as well as the possible costs of such a transition. The participants included, among others, experts such as Ottmar Edenhofer of the Intergovernmental Panel on Climate Change (IPCC), James Hansen from the NASA Goddard Institute for Space Studies, Peter Schlosser from the Earth Institute at Columbia University, Artur Runge-Metzger from the European Commission and Mark Jacobson from Stanford University.

<u>Communications</u> : <u>The Epoch Times</u> published an article as a follow up to the conference, "<u>Made Green, Made in America</u>," focusing on the presentation of Bob Baugh, Executive Director of the AFL-CIO's Industrial Union Council. The article summarizes, "According to Baugh, American economic strategy is too wishy-washy—it is consumer-driven and depends on Wall Street to set its course. Baugh calls for more government regulation to transform the fossil-fuel industry into a renewable energy industry, and create green jobs." Semmler discussed the economic potential of green jobs. "Semmler cites a University of Massachusetts report, which shows that $100 billion of spending would generate 2 million green jobs. He notes that as green jobs are created, jobs in the high-carbon industries will be lost. Though a net gain cannot be definitively proven, Semmler says it is likely a net gain would result."

<u>Research</u> : Following the conference, two working papers were published as part of the project. The first, under the same name as the conference, summarized research presented showing that public investment and public support of private investments in renewable energy is likely to generate high-skilled jobs, and a tax on carbon-intensive industries may have positive employment effects if high carbon-intensive sectors are reduced and low carbon-intensive industries and renewable energy are promoted at the same time. The second, <u>Economic Growth and the Transition from Non-Renewable to Renewable Energy</u>, argues that the transition to green energy can and should take place before non-renewable energy is exhausted and proposes that, given the cost of future externalities inherent in the continued use of fossil energy, tax rates and subsidies can ensure a more rapid transition to renewable energy.'

<u>Grants</u> : The conference was generously supported by the Alex C. Walker Foundation, the Macroeconomic Policy Institute (IMK) of The Hans-Böckler-Foundation, and the Consulate General of Germany in New York.

Deficit Commission Project

The Great Recession sparked intense public concern about the federal deficit. As a result, policymakers around the world have embraced austerity measures as the solution to the continuing economic malaise. In Washington, DC, panels and commissions called for budget cuts to reduce long-term deficits. With the outcome of this national discussion affecting real people for decades to come, SCEPA economists dedicated themselves to providing a full analysis of suggested policy reforms from the viewpoint of how best to raise living standards, create economic security, and attain full employment.

The project was supported by an event series on the Age of Austerity, which featured New School economists offering an alternative interpretation to the mainstream economic support of austerity policies. This year, we held two events that pursued the questions, "do budget cuts lead to growth?"

The project also presented an online analysis and discussion of the public policy debate to provide an alternative viewpoint to a larger audience. SCEPA economists discussed deficits and taxation, the value-added tax option, lessons to be learned from Europe, the legacy of the Bush tax cuts, the effects on Social Security, and inefficient and ineffective tax expenditures.

This research resulted in a SCEPA Policy Note, **"**Government Debt, Deficits, and Economic Growth: Lessons from Fiscal Arithmetic" by Lance Taylor, Arnhold Professor of International Cooperation and Development**,** Christian Proaño, Assistant Professor of Economics**,** and Laura de Carvalho, SCEPA Research Assistant. The paper presents research that criticizes the notion, associated with research by Harvard Professors Rogoff and Reinhart, that severe austerity is needed to re-establish fiscal sustainability, economic stability, and growth. The authors find that economic growth is a necessary requirement for fiscal restraint, not the other way around.

Macroeconomic Policy and the Standard of Living in Rich Nations

This project, led by SCEPA Senior Fellow Jeff Madrick, investigated the effects of fiscal stimulus on jobs and budget deficits. Beginning in 2009 with a highly successful conference at the Brookings Institution titled, "The Long Term Impacts of Short Term Fluctuations: Theory, Evidence and Policy," it was followed by a complex research project to further explore the effects of demand side stimulus on the economy across several parameters. In November, we held a panel discussion titled, "How Today's Recession

Affects Tomorrow's Economic Growth." Participants included William Dickens, distinguished professor of Economics and Social Policy at Northeastern University; Lawrence Ball, professor of economics at Johns Hopkins University; and, from Columbia University, Assistant Professor Till Marco von Wachter and the Robert Hielbrunn Professor of Finance and Asset Management Bruce Greenwald.

The project culminated in a final paper, "The Unsustainability of America's Low-Wage Economic Model," that concludes with the need to raise wages. The call to action is to discard the model prevalent in the U.S. and elsewhere that supports wage suppression to keep inflation low. A new approach should involve far more aggressive jobs programs, social policies, and well-directed and expansive public investment. It will also provide a path to truer social justice, fulfilling the simple mandate that people should be paid adequately for their work.

RESEARCH PAPERS

Climate Change

The Bottomline on Climate Change: Transitioning to Renewable Energy
Authors: Willi Semmler and Christian Schoder
Date: March 2012
Part of the public skepticism towards the transition to renewable energy and implementing mitigation policies is caused by the fear of job losses. As studies have shown, however, this fear is unjustified. Public investment and public support of private investments in renewable energy is likely to generate high-skilled jobs, and a tax on carbon-intensive industries may have positive employment effects if high carbon-intensive sectors are reduced and low carbon-intensive industries and renewable energy are promoted at the same time.

Economic Growth

Do Cultural Tax Districts Buttress Revenue Growth for Budding Arts Organizations?
Author: Lauren Schmitz
Date: January 2012
What role should the government play in financing the arts in America? While previous research has noted the possibility of public funding 'crowding-out' private dollars, Schmitz finds evidence of a 'crowding in' of private investment in her investigation of Denver's Scientific and Cultural Facilities Districts (SCFD). She puts forward the following theories to explain this effect: (1) SCFD funding may function as a stable source of income, allowing organizations to create the quality programming needed to attract audiences; (2) SCFD organizations may benefit from a "signaling effect" to the community that relays the value of their programming and worthiness of support; and (3) SCFD funds may incentivize organizations to create more mainstream or marketable programming that appeals to a broader population.

Fiscal Deficits, Economic Growth, and Government Debt in the USA
Author: Lance Taylor, Christian R. Proaño, Laura de Carvalho, and Nelson Barbosa
Date: September 2011
An intuitive model that illustrates interactions between the "primary" fiscal deficit (total deficit minus interest payments), economic growth, and debt. The deficit/income ratio responds counter-cyclically to growth while growth may respond positively (a "Keynes" case) or negatively (à la "Merkel") to the deficit. The recent Great Recession in the USA was atypical in that there was a weak counter-cyclical fiscal response. The increase in government net borrowing was significantly less than the decrease in private borrowing – an historically unprecedented asymmetry. Econometric estimates verify the historical pattern and further suggest that there is a strong positive effect on growth of a higher primary deficit, even when possible increases in the interest rate are taken into account.

Employment

Unemployment Benefits and Work Incentives: The U.S. Labor Market in the Great Recession
Published in the Fall 2011 Oxford Review of Economic Policy
Authors: David Howell and Bert M. Azizoglu
Date: July, 2011
In the midst of massive job destruction and sharply rising long-term unemployment, a series of unemployment insurance (UI) eligibility extensions were enacted in 2008-09 that raised the regular 26-week limit to as many as 99 weeks. In response, many leading economists and business press editorials invoked the 'laws of economics' to warn that since extended benefits reduce work incentives, UI extensions would exacerbate the long-term unemployment problem. This paper reviews the evidence put forward in support of the orthodox prediction, which has relied on extrapolating from pre-Great Recession conditions, particularly through the application of "spike at benefit-exhaustion" findings from the early 1980s. Much more compelling evidence can be found by direct examination of the 2008-10 data, which shows no support for UI related work disincentive effects.

Inequality and Poverty

Understanding Elderly Poverty in the United States: Alternative Measures of Elderly Deprivation
Author: Mary Borrowman
Date: April, 2012
There are two conflicting stories about the economic status of elderly people in the United States. The first focuses on the great economic gains of the elderly in the last few decades and the other story is of increasing elderly economic insecurity and deprivation. As the proportion of elderly in the U.S. population grows, elderly economic issues are increasingly critical. This requires policy makers and groups that represent the interests of the elderly to understand and address elderly economic insecurity and vulnerability to deprivation. This report contributes to a broader understanding of elderly poverty and—with hope—better policy responses by examining the extent of elderly poverty using different poverty measures.

Retirement Security

Near Retirees' Defined Contribution Retirement Account Balances

Authors: Joelle Saad-Lessler and Teresa Ghilarducci
Date: July, 2012
Using data from the U.S. Census Bureau's Survey of Income and Program Participation (SIPP), this fact sheet is the first to provide a breakdown of defined contribution (DC) retirement account balances by income. Americans nearing retirement, or the 58 million people ages 50 to 64 in 2010 - will likely not have enough retirement assets to maintain their standard of living when they reach their mid-sixties. Three quarters of near retirees have annual incomes below $52,201, with an average total retirement account balance of $26,395. The median value of retirement account balances for half of near retirees is zero, meaning that over half of this group has no retirement savings. Individuals with high incomes - or those in the highest quartile earning over $52,201 per year - have average balances of $105,012. The median balance is much lower; 50 percent of people in the top 25 percent of the income distribution have retirement account balances of only $52,000.

Understanding Elderly Poverty in the United States: Alternative Measures of Elderly Deprivation

Author: Mary Borrowman
Date: April, 2012
There are two conflicting stories about the economic status of elderly people in the United States. The first focuses on the great economic gains of the elderly in the last few decades and the other story is of increasing elderly economic insecurity and deprivation. As the proportion of elderly in the U.S. population grows, elderly economic issues are increasingly critical. This requires policy makers and groups that represent the interests of the elderly to understand and address elderly economic insecurity and vulnerability to deprivation. This report contributes to a broader understanding of elderly poverty and—with hope—better policy responses by examining the extent of elderly poverty using different poverty measures.

New York City and State Tax Expenditures for Defined Contribution Plans

Authors: Lauren Schmitz and Teresa Ghilarducci
Date: March, 2012
As traditional pensions, or defined benefit plans, are replaced by defined contribution plans, workers in New York City and in the nation have less retirement security. Coverage rates for employer plans are falling. Most defined contribution retirement accounts are in the form of 401(k)-type plans - voluntary, individual, self-directed financial accounts that enjoy tax-favored status under federal, state, and city tax rules. Re-arranging tax subsidies from a tax deduction to a flat tax credit would provide workers with annual accumulations (indexed for inflation) to supplement Social Security and provide an adequate standard of living in retirement. These accumulations could then be invested in a "Guaranteed Retirement Account," a vehicle that allows workers and employers to contribute to a safely and efficiently administered pension account. This change would be revenue neutral for the city, while increasing retirement security for workers at small- and medium-sized businesses without imposing additional cost on their employers.

New York's Retirees: Falling into Poverty
Authors: Joelle Saad-Lessler, Teresa Ghilarducci, and Lauren Schmitz
Date: February, 2012
The financial security of the next generation of New York retirees is at risk. If current trends persist, 37% or close to 750,000 workers approaching retirement who live in metropolitan areas of New York State, are projected to be poor or near poor in retirement. This report looks at workers who are currently ages 25-64 and are living in metropolitan areas of New York State (46% of whom live in New York City), and projects the income stream that will be available to them when they reach age 65. Results show that if current trends persist, many middle and low income workers will experience downward mobility or a steep drop in their living standards when they retire, and several will face severe economic hardship.

Are New Yorkers Ready for Retirement?
Authors: Joelle Saad-Lessler, Teresa Ghilarducci, and Lauren Schmitz
Date: January, 2012
This report, published by New York City Comptroller John C. Liu, reveals that a growing number of New Yorkers don't have enough money to retire. Over one-third of older residents are expected to either subsist on Social Security, or not be able to retire at all. The report found that employers have become less willing or able to sponsor pensions – a trend that is true across most industries and occupations, and affects New Yorkers of nearly all ages and income groups. The brewing retirement crisis cuts across racial, ethnic and gender lines.

The Automatic Stabilizing Effects of Social Security and 401 (k) Plans
Authors: Teresa Ghilarducci, Joelle Saad-Lessler and Eloy Fisher
Date: December, 2011
As the first-ever comparative study of how large pension institutions impact the long-term business cycle, the study compares the effects of Social Security against market-based retirement vehicles such as 401(k) plans. It finds that 401(k) plans magnify the effects of the recession by de-stabilizing the economy. In fact, they significantly undermine the benefits of other stabilizing programs by 15%, including the federal income tax, unemployment insurance, and Medicare and disability insurance.

Wall Street's Stake in Pension Reform
Authors: David Stubbs and Teresa Ghilarducci
Date: July, 2011
This study is the first to examine how major pension proposals will affect Wall Street firms. Any change to the system will greatly affect the nation's financial industry, as 21% of assets under management are retirement assets. The leading reform proposals for the U.S. employer-based pension system will change the configuration of retirement products and management arrangements.

Globalization and Trade

The Euro and the Sustainability of Current Account Imbalances
Authors: Christian Schoder, Christian R. Proaño, and Willi Semmler
Date: July, 2011
SCEPA researchers present policy recommendations based on strong empirical support for the view that the present current account imbalances in the EMU are unsustainable and may jeopardize the long-run stability of the Euro Area. Their research finds that the introduction of the Euro in 1999 contributed significantly to the external imbalances among member countries and makes a case for ambitious coordination of fiscal and wage policies among member states to facilitate macroeconomic adjustment in the context of a common currency.

Political Economy

The Political Economy of Economic Output and Employment, 2001-2010
Author: Duncan Foley
Date: February 2011
Service industries such as Finance, Insurance, and Real Estate, Education and HealthServices, and Professional and Business Services, for which value added is imputed from incomes, are included in Gross Domestic Product, potentially distorting measures of recession and recovery. An alternative index, Narrow Measured Value Added, which excludes all services, has similar historic correlations with employment to GDP, and tracks employment in recent business cycles better. The U.S. economy as measured by NMVA has a lower longterm real rate of growth. Long-term macroeconomic policy requires attention to some version of the productive unproductive labor distinction of the classical political economists.

PUBLIC EVENTS

Conferences

The Bottom Line on Climate Change
On September 23 and 24, 2011, leading U.S. & E.U. government officials, geoscientists, policy analysts, politicians, business leaders and academics met in New York to discuss how transitioning to renewable energy will affect the fragile U.S. and global economies. Panels focused on the future of nuclear power, the reality behind green jobs, the practicality of new technologies, and the tensions between developed and developing countries. Participants included Ottmar Edenhofer of the Intergovernmental Panel on Climate Change (IPCC),James Hansen from the NASA Goddard Institute for Space Studies, Peter Schlosser from the Earth Institute at Columbia, Dr. Runge-Metzger from the European Commission and a member of the German parliament.

The conference was part of SCEPA's Economics of Climate Change project and was made possible by the generous support of the Alex C. Walker Foundation, the Macroeconomic Policy Institute (IMK) of The Hans-Böckler-Foundation, and the Consulate General of Germany in New York.

Structuralism, Development and International Institutions
On October 14, 2011, SCEPA joined the Economics Department in hosting a day-long conference to celebrate Professor Lance Taylor's body of work, in anticipation of his retirement from the faculty at the end of the spring semester, 2012.

Capturing the Gains from Globalization
On October 24, 2011, SCEPA and the Capturing the Gains project out of the Brooks World Poverty Institute at the University of Manchester (UK) jointly hosted, “A Workshop on Industrial Upgrading and Economic Development,” an international meeting of experts to discuss the implications for human welfare and economic development of the reorganization of production into global networks that has occurred over the past twenty years.

The event addressed issues surrounding global production networks and labor standards, gender equity, income distribution, and economic growth. The workshop also addressed the consequences of the new global production structure for measuring trade and value added. A final roundtable focused on the state of industry in the developed world in the light of this new global production structure.

Rediscovering Government
On March 28, SCEPA hosted the The Roosevelt Institute’s launch of Jeff Madrick's Rediscovering Government initiative with a day-long conference. The initiative will employ research, public conferences, and a communications strategy to develop a new narrative about the purpose and vale of public action to counter the anti-government language, attitude, and policies that have dominated American politics for a generation.

Duncan Foley Fechtschrift: Celebrating 40 Distinguished Years in Economics
On April 20-21, 2012, SCEPA and the Economics Department celebrated the contributions of Duncan Foley, Leo Model Professor of Economics, to the fields of economics and political economy over the past four decades.

Growth, Development, and Distributional Asymmetries
On May 16, 2012, Assistant Professor of Economics Lopamudra Banerjee led a student and faculty conference examining the asymmetric aspects of economic development and focus on issues of poverty, inequality and vulnerability. The one-day conference concluded with a reflection on Amartya Sen's classic question, "Development: Which Way Now?"

The Age of Austerity Lecture Series

From Occupy Wall Street to Austerity: Do Budget Cuts Lead to Growth?
On December 13, 2011, SCEPA brought together multi-disciplinary experts from across The New School to discuss how and why draconian budget cuts became the dominant policy prescription in the United States. While many economists and policymakers have supported the illogical contention that cutting public sector jobs and spending will spur employment and consumption, New School economists believe austerity is not a cure for slow growth, but will likely to make things worse. Panelists discussed the deep divide among economists around questions of austerity, and analyzed the politics and economics of austerity in developed and developing countries.

What the U.S. Should Learn From Austerity's Fallout in Europe and Latin America: Do Budget Cuts Lead to Growth?
On April 17, 2012, SCEPA organized an event to encourage a broader discussion for the United States' future budgetary decisions with New School economists offering a different vision to create stability and growth.Specifically, they review the theoretical foundations of austerity economics and the experiences of austerity and intervention in the European Union and South America. The event included a discussion of the practicality of the pursuit of austerity policies in the United States and an analysis of the assumptions made by supporting politicians and policymakers.

Economic Policy Seminar Series

November 15, 2011
Connections Between Inequality, Economic Growth & Stability
Heather Boushey, Senior Economist, Center for American Progress

November 17, 2011
Securing the Right to Work as an Economic Development Strategy
Phil Harvey, Professor of Economics, Rutgers University Law School

December 13, 2011
The Age of Greed
Jeff Madrick, Senior Fellow and Author, Schwartz Center for Economic Policy Analysis

March 6, 2012
Imperialism in an Age of Financial Globalization?
Robin Blackburn, Essex University; Duncan Foley, New School for Social Research; Prabhat Patnaik, Jawaharlal Nehru University in New Delhi; Bob Pollin, University of Massachusetts Amherst; Anwar Shaikh, New School for Social Research; and Sanjay Reddy, New School for Social Research.

April 16, 2012
The Euro Crisis From a European Perspective
Gustav Horn, Scientific Director, Macroeconomic Policy Institute (IMK), Hans-Böckler-Foundation

May 4, 2012
Visions in Heterodox Economics
New School Economics Department faculty members, Professors Ed Nell, Anwar Shaikh, Duncan Foley, Teresa Ghilarducci, Sanjay Reddy and Christian Proaño

Annual Lecture Series

The Irene & Bernard L. Schwartz Lecture
December 12, 2011
The Promise of Public Pensions
The Great Recession's damaging effect on municipal budgets gave urgency to state public pension reform efforts. New York State Comptroller Tom DiNapoli, sole trustee of the $146.9 billion New York State Pension Fund, discussed the health and affordability of the New York State Pension Fund, analyzed the potential economic and human costs of leading pension reform proposals, and considered the wider implications of the ongoing erosion of retirement security for both public and private sector employees.

Robert Heilbroner Memorial Lecture
October 13, 2011
Is Economic Theory to Blame for the Current Crisis?
In celebration of the 80th anniversary of John Maynard Keynes' lectures at The New School, SCEPA's annual Robert L. Heilbroner Memorial Lecture presented an address by Lord John Eatwell, professor of financial policy at the University of Cambridge's Judge Business School, director of the Centre for Financial Analysis and Policy (CFAP) and president of Queens' College. In his address, he acknowledges that today's challenge is the same as that faced by Keynes in the 1930s: how to change the theoretical foundations of economic policy?

SCEPA

Founded in 1995 by the influential political economist David Gordon, SCEPA is the economic policy research arm of the department of economics at The New School for Social Research. Made possible through a generous gift from Irene and Bernard L. Schwartz, SCEPA is distinct from other economic think tanks by its location within The New School. In the heart of New York City, both the university and center are part of a network of leaders dedicated to progressive and innovative education and ideas.

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