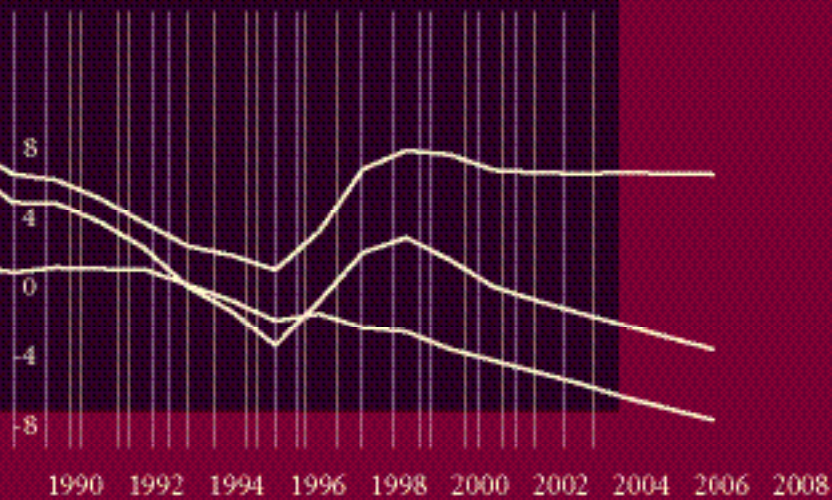





Biennial Report 2004–2005

THE LEVY ECONOMICS INSTITUTE OF BARD COLLEGE





The Levy Economics Institute of Bard College was founded in 1986, through the generous support of Bard College Trustee Leon Levy, as a nonprofit, nonpartisan, public policy research organization. It is independent of any political or other affiliation and encourages diversity of opinion in the examination of economic issues.

The purpose of all Levy Institute research and activities is to enable scholars and leaders in business, labor, and government to work together on problems of common interest. Levy Institute findings are disseminated—via publications, conferences, workshops, seminars, congressional testimony, and other activities—to an international audience of public officials, private sector executives, academics, and the general public.

Through this process of scholarship, analysis, and informed debate, the Levy Institute generates effective public policy responses to economic problems that profoundly affect the quality of life in the United States and abroad.

The Levy Institute's main conference and research facility is Blithewood Manor, on the campus of Bard College, located 90 miles north of New York City.



The Levy Institute is housed in Blithewood Manor at Bard College.

2 MESSAGE FROM THE PRESIDENT

4 NEW INITIATIVE

PROGRAM IN GENDER EQUALITY AND THE ECONOMY

6 RESEARCH AND PUBLICATIONS

PROGRAM 1: THE STATE OF THE U.S. AND WORLD ECONOMIES, AND STRATEGIC ANALYSIS

PROGRAM 2: DISTRIBUTION OF INCOME AND WEALTH, AND THE LEVY INSTITUTE
MEASURE OF ECONOMIC WELL-BEING (LIMEW)

PROGRAM 3: GENDER EQUALITY AND THE ECONOMY

PROGRAM 4: ECONOMIC POLICY FOR THE 21ST CENTURY

PROGRAM 5: IMMIGRATION, ETHNICITY, AND SOCIAL STRUCTURE

ADDITIONAL SCHOLARS

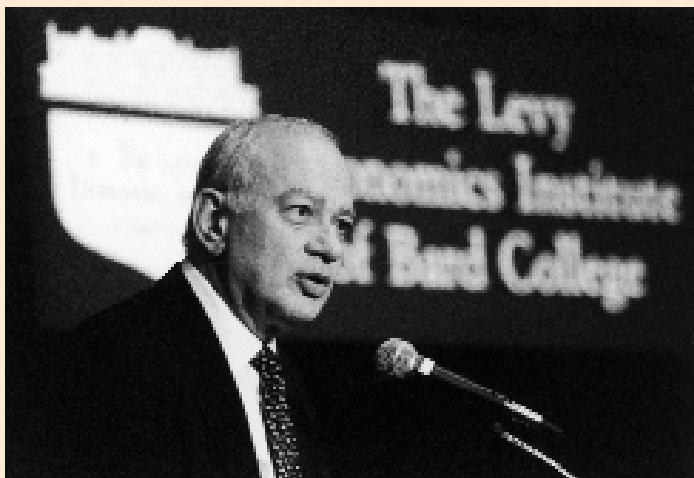
26 CONFERENCES

36 THE LEVY INSTITUTE BOOK SERIES

37 BIOGRAPHIES OF INSTITUTE SCHOLARS

44 BOARD, ADMINISTRATION, AND RESEARCH STAFF

MESSAGE FROM THE PRESIDENT



In the biennial reports of previous years, I described how the Levy Institute draws inspiration and guidance not only from its founders and scholars but from a world facing many new and daunting challenges. Our efforts to redefine economics and public policy continue to attract notice and exert influence, nationally and internationally. As we begin our 20th year, we can look back on the Institute's accomplishments in 2004 and 2005. The Institute continued to provide leadership in its long-standing core programs, in addition to launching a number of new initiatives that will shape its agenda for years to come.

Of particular importance to the Institute is its new program in Gender Equality and the Economy, led by our new Senior Scholars Diane Elson and Caren A. Grown. This program was developed in the recognition that gender equality is both an important influence on economic outcomes and a salient outcome in its own right. Though these insights are rapidly finding their way into modern economics, the way is still clear for development of a new body of gender-aware macroeconomic thought and policy, and the Levy Institute hopes to be at the forefront of this movement. The Gender Equality and the Economy program joins the Institute's four long-existing programs: the State of the U.S. and World Economies, and Strategic Analysis; the Distribution of Income and Wealth, and the Levy Institute Measure of Economic Well-Being; Economic Policy for the 21st Century; and Immigration, Ethnicity, and Social Structure.

We are interested not only in today's research, but in developing the best economic minds of the future; in this regard, we have begun the process of extending our mission with the establishment of a Ph.D. program in economics. The curriculum will specialize in our uniquely defined areas of research and will consist of a series of core and elective courses, followed by the completion of a dissertation. Our plans call for a rigorous and predominantly research-based academic program, in which students will have the opportunity to study with some of the world's leading scholars in three fields of concentration: macroeconomics in theory, modeling, and policy; distribution of well-being; and gender-aware macroeconomics and policy. Our aim is to matriculate the first class in the fall of 2007.

New scholars in several different fields have joined the Levy Institute during the past two years. Diane Elson, professor at the University of Essex in the United Kingdom, and Caren A. Grown, formerly director of the poverty alleviation program at the International Center for Research on Women, codirect the new gender program, as mentioned earlier, while Research Scholar Rania Antonopoulos coordinates all projects of that program. The arrival of Edward Chilcote, previously a vice president of Citibank, expanded our macromodeling team, and Marina Durano and Hyunsub Kum, new Ph.D.s from the University of Manchester and the University of Texas at Austin, respectively, joined our distribution of income and wealth program team. Our research associate roster grew with the addition of Nilüfer Çağatay, Marzia Fontana, Indira Hirway, Stephanie Seguino, and Imraan Valodia.

In 2004 we welcomed two new members to our Board of Governors: Lakshman Achuthan, managing director of the Economic Cycle Research Institute, and J. Ezra Merkin, managing partner of Gabriel Capital Group. We look forward to their continued guidance and wise counsel in the active years ahead.

The Institute held a number of conferences in 2004 and 2005. The distribution of income and wealth team organized two conferences, one on time use and well-being, the other on the distributional effects of government spending and taxation. Our two Hyman P. Minsky conferences focused on economic imbalances and the sustainability of the current economic expansion. And the gender equality and the economy team held its inaugural conference, which was jointly sponsored with the United Nations Development Programme (UNDP). Among the speakers at our conferences were a member of the Federal Reserve Board of Governors, Federal Reserve Bank presidents, a former vice president of Costa Rica, many UNDP officials, a *New York Times* journalist who has written an important series of articles on the U.S. tax system, and an unusual mix of some of the most distinguished scholars, government policymakers, and private-sector experts in their fields. The conferences stimulated many new thoughts among our own scholars and, we hope, the other attendees.

The Institute was the recipient of four foundation and agency grants: from the Smith Richardson Foundation, for convening a conference, “Government Expenditures on the Elderly”; the International Working Group on Gender, Macroeconomics, and International Economics, for our conference on time use; the Bureau of Policy Analysis of the UNDP, for convening a conference on unpaid work; and the World Bank, for a cost assessment relating to the Millennium Development Goals. We are very grateful for their support.

This biennial report documents in more detail the activities and events of the past two years. I hope that readers will come away with a better understanding of the Institute’s unique vision and programs.

In closing, I want to express my gratitude to all our supporters, those who review our research, the members of the Board of Governors, and the president and trustees of Bard College. I take great pride in the passionate enthusiasm of my gifted research and administrative colleagues, who believe that we can strike out in new directions, discover and undertake innovative research, and expand our educational goals—and who, above all, are committed to seeing it happen.

DIMITRI B. PAPADIMITRIOU, *President*



Panelists (left to right) Cecilia Valdivieso, Rebeca Grynspan, Alfred A. R. Latigo, Indira Hirway, and Aster Zaoude at the UNDP, BDP–Levy Institute Conference, “Unpaid Work and the Economy: Gender, Poverty, and the Millennium Development Goals”

NEW INITIATIVE

PROGRAM IN GENDER EQUALITY AND THE ECONOMY

The Levy Institute is extending its long-standing concern with economic inequality by developing a new program, Gender Equality and the Economy (GEE). As a 2005 report from the World Economic Forum shows, no country in the world has eliminated gender gaps in economic participation, political empowerment, educational attainment, general health, and physical security. These gender gaps undermine economic growth and development and are costly to individuals and households.

The new program will consider how economic processes and policies affect gender equality, and how existing gender inequalities influence economic outcomes. The program will stimulate reexamination of key economic concepts, models, and indicators—with a particular view to reformulating policy. It will offer a broader view of what an economy is and how it functions, bringing into the analysis not only paid work, but the unpaid work (e.g., caring for families and community volunteerism) that enables the market economy to function. The purpose of the program is to contribute knowledge that improves women’s status and helps them realize their rights, in the United States and other countries.

GEE research will concentrate on three primary themes: gender equality and public finance; gender dimensions of macroeconomic and international economic policy; and gender equality, poverty, and well-being in national and international perspective.

Public finance (which includes taxation, spending by public bodies on goods and services, provision of income transfers from governments to households, government borrowing and debt, and

the financial relations among levels of government) has the potential to reduce or increase gender inequalities. Yet, with the exception of public expenditure, very little research exists on the ways that various public finance policies influence gender inequality within and across countries and over time. How much do tax and transfer policies offset market-based gender income inequalities? Do user fees for public services increase gender inequality? Does a greater voice for women in public policy result in changes in the size and composition of government budgets? What are the gender biases of taxation and tax-policy reforms?

In the past decade, a growing body of work has explored how macroeconomic outcomes are affected by gender inequalities and how gender inequalities are influenced by macroeconomic policies. Although gender equality is not the focus of macroeconomic policy, such policies cannot be assumed to be gender neutral. Does a requirement to balance budgets make it harder to reduce gender inequality? Is a focus on public investment and full employment sufficient for achieving gender equality? How can economic growth and gender equality be made compatible? Can gender equality improve the employment/inflation trade-off? Can gender equality improve trade performance?

Within this theme, the World Bank has commissioned GEE to carry out a study on the level of investment required in low- and middle-income countries for interventions to promote gender equality and empower women. This study will enable an estimate to be made of the amount of domestic and foreign resources poor countries will need in order to meet the Millennium Development Goal of gender equality.

Official measures of economic well-being need to be improved to allow for cross-country and intertemporal comparisons. The picture of economic well-being can vary significantly, depending on how it is measured. GEE will enhance this area of the Levy Institute's work by developing research on the intersection of gender inequality and other forms of deprivation. Research will include the reexamination of UN indicators for measuring gender inequality and women's empowerment, new analyses of time-use data, and the preparation of recommendations for the refinement of existing measures and/or the development of alternative indicators that can be used in policy formulation.

GEE will organize workshops, symposia, and conferences on topics of contemporary policy interest (see page 26 for more information on conferences) and will contribute actively to the Levy Institute's publications program. A book addressing contemporary debates among scholars and nongovernmental organizations on the implications of trade liberalization for poverty and gender equality is forthcoming from Routledge in 2006. The program will also foster a vibrant community of research associates and visiting scholars, from throughout the United States and abroad.

GEE is codirected by Diane Elson and Caren A. Grown, with Rania Antonopoulos serving as projects coordinator. Diane Elson has held a chair at the University of Manchester and was visiting professor at Ruhr University Bochum and at the Institute of Social Studies in The Hague. She is vice president of the International Association for Feminist Economics and professor of sociology at the University of Essex, U.K. For the past four years, Caren A. Grown directed the Poverty Reduction and Economic Governance Program at the International Center for Research on Women. Previously, as senior program officer at the John D. and Catherine T. MacArthur Foundation, she conceived and implemented a five-year initiative, awarding grants for research, graduate training, and communication/application of new ideas in economics. She served on the boards of the Committee on the Status of Women in the Economics Profession and the Women's Self-Employment Project. Rania Antonopoulos is a professor at New York University, where she has won awards for her teaching. She is one of the coordinators of the summer course organized by the International Working Group on Gender, Macroeconomics and International Economics.

RESEARCH AND PUBLICATIONS

RESEARCH

From 2004 through 2005, the Levy Institute's research activities comprised five major program areas.

The State of the U.S. and World Economies, and Strategic Analysis This program uses the Levy Institute Macro Model to develop strategic analyses of the U.S. and world economies. The analyses project the outcomes of alternative scenarios, thereby providing policymakers with an understanding of the implications of various policy options.

Distribution of Income and Wealth, and the Levy Institute Measure of Economic Well-Being (LIMEW) The core of this program is the LIMEW, which presents a comprehensive accounting of people's access to the goods and services that determine economic well-being for households.

Gender Equality and the Economy This new program considers the impact of economic processes and economic policy on gender equality, examines gender asymmetries within and outside labor markets, and investigates the extent to which a gender perspective necessitates rethinking key economic concepts, models, and measures.

Economic Policy for the 21st Century Under this program, scholars analyze macroeconomic, microeconomic, and other policy issues. The analyses aid in developing policies that promote prosperity and well-being.

Immigration, Ethnicity, and Social Structure This program examines the socioeconomic assimilation and achievements of American immigrants, past and present. Social phenomena, such as intermarriage and graduation rates, are compared across immigrant groups of different periods and ethnicities.

PUBLICATIONS

The Levy Institute's publications program forms the main pillar of its public education activities. In an effort to raise the level of public debate on a broad spectrum of economic matters, the Levy Institute publishes research findings, conference proceedings, policy discussions and analyses, and other material. Publications are aimed at academic, general, and policymaking audiences.

Working Papers—research in progress by Levy Institute scholars and conference participants

Strategic Analyses—reports based on Levy Institute models

Public Policy Briefs—examinations of the policy aspects of contemporary economic issues

Public Policy Brief Highlights—condensed statements of the basic arguments and recommendations contained within *Public Policy Briefs*

Policy Notes—short articles by Levy Institute scholars and other contributors, presenting up-to-date research conclusions or policy statements on a wide range of topics. *Policy Notes* are designed to reach policymakers, as well as business and general audiences.

Report—a quarterly newsletter designed to reach a diverse, general audience interested in policy matters. It includes summaries of new publications, synopses of conferences and other events, infor-



mation on Levy Institute activities, interviews with prominent scholars and public officials who can provide insights into current topics, and editorials by members of the Levy Institute research staff.

Summary—published three times a year and designed to reach an academic audience. It reports on current research by providing synopses of new publications, special features on continuing research projects, accounts of professional presentations by Levy Institute research staff, and overviews of Levy Institute events.

Levy Institute Measure of Economic Well-Being (LIMEW) Reports—a series of statistical reports on the Levy Institute’s own gauge of the ways in which three key institutions (market, state, and household) mediate access to the goods and services produced in a modern market economy

Conference, symposium, and forum proceedings—summaries of presentations and discussion sessions

The Levy Institute book series

The Levy Institute website (www.levy.org)—with information on research projects, publications, scholars, and upcoming events, the website provides a critical means of outreach to the global community. Full-text versions of all Levy Institute publications can be downloaded or ordered from the website. Audio archives of past conferences and registration information for future events are also available.

The Levy Institute website averages 20,418 hits per day (more than half a million hits per month). The source of those hits underscores the international character of the community served by the site; visitors from 49 countries use the website to access Levy Institute publications and information. Those countries include United States, Sweden, Russia, Republic of South Africa, United Kingdom, Canada, People’s Republic of China, Germany, France, Netherlands, Brazil, Japan, South Korea, Australia, Turkey, Italy, Spain, Singapore, Norway, Switzerland, Belgium, India, Greece, Mexico, Hong Kong, Denmark, Finland, Argentina, Austria, Taiwan, Philippines, Poland, and Ireland.



Wynne Godley (*right*) speaks with Anthony M. Santomero, president of the Federal Reserve Bank of Philadelphia.

PROGRAM 1: THE STATE OF THE U.S. AND WORLD ECONOMIES, AND STRATEGIC ANALYSIS

This program, which began in 1999, uses accounting-based models, created by Distinguished Scholar Wynne Godley, of the U.S. and world economies. The U.S. model is a macroeconomic one, employing a complete and consistent system (i.e., all sectors “sum up” with no unaccounted leakages) of stocks and flows (including income, production, and wealth). The world model is a “closed” one in which 11 trading blocs are represented. The United States, Japan, China, and Western Europe are included in the model, which is based on a matrix wherein each bloc’s imports are described in terms of exports from the other blocs. Using this information (in conjunction with data on energy demands and supplies, growth rates, and trade shares) trends are identified and patterns of trade and production are analyzed.

Projections derived from the models are not intended as short-term forecasts but as a means of deriving reasonable expectations based on careful analysis of recent developments—assuming current trends, policies, and relationships continue. Such projections can alert leaders to the dangers of unsustainable processes and can serve as a guide to policymaking.

Research Group

WYNNE GODLEY, *Distinguished Scholar*

EDWARD CHILCOTE, *Research Scholar*

CLAUDIO H. DOS SANTOS, *Research Scholar*

DIMITRI B. PAPADIMITRIOU, *President*

ANWAR M. SHAIKH, *Senior Scholar*

GENNARO ZEZZA, *Research Scholar*

“The work of The Levy Economics Institute is literally indispensable, and probably irreplaceable. Levy researchers delve deeply into areas to which other think tanks barely pay attention, such as income inequality, for example. Thank heaven for Levy.”

— Alan S. Blinder, Gordon J. Rentschler Memorial Professor of Economics and codirector, Center for Economic Policy Studies, Princeton University; former vice chairman of the Federal Reserve Board

Publications

Note: All Levy Institute publications can be located at www.levy.org.

STRATEGIC ANALYSES

The United States and Her Creditors: Can the Symbiosis Last?

WYNNE GODLEY, DIMITRI B. PAPADIMITRIOU, CLAUDIO H. DOS SANTOS, GENNARO ZEZZA
Strategic Analysis, September 2005

This analysis offers two main arguments. The first argument posits that, if U.S. output grows quickly enough to keep unemployment constant between now and 2010, and if there is no further depreciation in the dollar, the deficit in the balance of trade is likely to worsen. In the second scenario, in which the trade deficit does not improve, or worsens, there will be considerable further deterioration in the United States’s net foreign asset position, interest rates will rise, net income payments from abroad will turn negative, and the deficit in the current account could reach at least 8.5 percent of GDP.

How Fragile Is the U.S. Economy?

DIMITRI B. PAPADIMITRIOU, ANWAR M. SHAIKH, CLAUDIO H. DOS SANTOS, GENNARO ZEZZA
Strategic Analysis, March 2005

As the authors projected in a previous strategic analysis, in 2004 the U.S. economy experienced growth rates higher than 4 percent. Will these rates persist or go back down? The authors, believing that several signs point in the latter direction, analyze the evidence and explore alternatives facing the U.S. economy.

Prospects and Policies for the U.S. Economy: Why Net Exports Must Now Be the Motor for U.S. Growth

WYNNE GODLEY, ALEX IZURIETA, GENNARO ZEZZA

Strategic Analysis, August 2004

The U.S. economy has grown reasonably quickly since the second half of 2003. This analysis argues that, although the expansion may continue through 2004 and beyond, medium-term growth cannot be maintained without a large, sustained, and discontinuous increase in net export demand. While eschewing a short-term forecast, the authors use a model rooted in a consistent system of stock and flow variables to trace a range of medium-term scenarios and evaluate strategic predicaments and policy options.

Is Deficit-Financed Growth Limited? Policies and Prospects in an Election Year

DIMITRI B. PAPADIMITRIOU, ANWAR M. SHAIKH, CLAUDIO H. DOS SANTOS, GENNARO ZEZZA

Strategic Analysis, April 2004

This strategic analysis examines budget deficits, which, at the time of writing, had replaced private borrowing as the main force driving economic growth. In the text's first scenario, which assumes fiscal policy will remain unchanged, economic growth is strong but the current account deficit balloons unacceptably. A second scenario, in which spending is cut, improves the current account deficit but leads to a prolonged period of slow economic growth.

WORKING PAPERS

A Simplified Stock-Flow Consistent Post-Keynesian Growth Model

CLAUDIO H. DOS SANTOS, GENNARO ZEZZA

Working Paper No. 421, April 2005

Keynesian Theorizing During Hard Times: Stock-Flow Consistent Models as an Unexplored "Frontier" of Keynesian Macroeconomics

CLAUDIO H. DOS SANTOS

Working Paper No. 408, May 2004

Some Simple, Consistent Models of the Monetary Circuit

GENNARO ZEZZA

Working Paper No. 405, April 2004

A Stock-Flow Consistent General Framework for Formal Minskyan Analyses of Closed Economies

CLAUDIO H. DOS SANTOS

Working Paper No. 403, February 2004

A Post-Keynesian Stock-Flow Consistent Macroeconomic Growth Model: Preliminary Results

CLAUDIO H. DOS SANTOS, GENNARO ZEZZA

Working Paper No. 402, February 2004

POLICY NOTES

Some Unpleasant American Arithmetic

WYNNE GODLEY

Policy Note 2005/5

Is there sufficient realization of how intractable U.S. imbalances have now become—and of how dangerous their potential consequences are, at home and abroad?

Imbalances Looking for a Policy

WYNNE GODLEY

Policy Note 2005/4

The yawning current account deficit must be turned around, and it is unlikely that this will happen through the unaided action of the free market. A solution will require a new international order. However, there is little motivation for moving in that direction, as many Asian countries focus on developing industrial might and the United States continues consuming beyond its means. The most worrisome aspect of the U.S. predicament is the fact that aggregate demand is being supported by a precarious and unsustainable buildup of private debt.

Is the Dollar at Risk?

KORKUT A. ERTÜRK

Policy Note 2005/3

The United States is now dependent on a handful of foreign central banks to cover its current account deficit. There are three ways this deficit could be reversed, each with profound consequences: a renewal of America's role as the engine of world economic growth; a complete collapse of the dollar (the effect of which would be disastrous both in the United States and the rest of the world); or a geopolitical realignment with a diminished role for American power. The first scenario is growing more and more implausible, and the second is too dire to contemplate. Therefore, the third scenario is becoming ever more conceivable, particularly as the rising Asian powers begin to flex their economic muscles.

Those “D” Words: Deficits, Debt, Deflation, and Depreciation

L. RANDALL WRAY

Policy Note 2004/2

Wray argues that widespread concerns over the four “Ds” that are listed in the title of this Policy Note are overdrawn. A sovereign nation with its own currency can never fail to pay its bills. Moreover, the burden of government debt remains fairly low, when measured against the overall size of the economy.



Ajit Zacharias speaks at a Levy Institute conference, “The Distributional Effects of Government Spending and Taxation.”

PROGRAM 2: DISTRIBUTION OF INCOME AND WEALTH, AND THE LEVY INSTITUTE MEASURE OF ECONOMIC WELL-BEING (LIMEW)

Economic inequality is a prominent and perennial concern. An increase in inequality during the 1970s and early 1980s stimulated interest in studying the causes and consequences of the phenomenon. Information from the 1990s suggests that economic growth and prosperity no longer reduce economic equality dramatically.

Persistent inequalities, within and across nations, can only be resolved using innovative policies based on sound scholarship. Recognizing this fact, the Levy Institute has, since its inception, maintained an active research program on the distribution of earnings, income, and wealth. Recent Levy Institute research has included studies of economic well-being among the elderly, public and private pensions, well-being over the life cycle, the role of assets in economic well-being, and determinants of wealth accumulation.

The Levy Institute Measure of Economic Well-Being (LIMEW)

The LIMEW, established to improve upon existing official measurements of economic well-being, is informed by the understanding that three key institutions—market, state, and household—mediate household members’ access to the goods and services of a modern market economy. Therefore, the economic well-being of a household is shaped by the interdependent forces exerted by all three institutions.

Two crucial elements characterize the LIMEW: it focuses on components that can be converted into money equivalents, and its household-level measures can be applied to different economic and demographic groups.

The LIMEW is constructed as the sum of base money income (gross money income less government cash transfers and property income); the value of certain employer-provided, in-kind benefits;

“The Levy Institute has made and continues to make valuable contributions to the understanding of the complexities entailed in policy problems, appropriate analytic approaches to these problems, and promising avenues to their resolution.”

—William J. Baumol, Professor of Economics, New York University; Professor Emeritus and Senior Research Economist, Princeton University

income from wealth; net government expenditures (transfers and public consumption net of taxes); and value of household production. In the absence of an ideal unified database, the LIMEW draws information from sources such as the Annual Demographic Supplement of the Current Population Survey conducted by the U.S. Census Bureau and the National Income and Product Accounts.

One of the goals of the LIMEW is to provide, at regular intervals, estimates of well-being for the United States and a number of other nations and to relate those estimates to economic policies.

Research Group

EDWARD N. WOLFF, *Senior Scholar*
MARINA DURANO, *Research Scholar*
JAMES K. GALBRAITH, *Senior Scholar*
HYUNSUB KUM, *Research Scholar*
DIMITRI B. PAPADIMITRIOU, *President*
AJIT ZACHARIAS, *Research Scholar*

Publications

Note: All Levy Institute publications can be located at www.levy.org.

LIMEW

Interim Report: The Effects of Government Deficits and the 2001–02 Recession on Well-Being

EDWARD N. WOLFF, AJIT ZACHARIAS, HYUNSUB KUM
LIMEW/May 2005

This report compares the LIMEW and official measures of economic well-being for 1989–2002, a period marked by the U.S. economic boom of the late 1990s and a mild recession in 2001–02.

Economic Well-Being in U.S. Regions and the Red and Blue States

EDWARD N. WOLFF, AJIT ZACHARIAS

LIMEW/March 2005

This report finds increased economic polarization between the very rich and the very poor in all regions of the country. Average households in the South and Northeast were the least and most well-off, respectively, in all years and by all measures. The “Blue” (Kerry) states consistently lead the “Red” (Bush) states in median well-being, a gap that narrowed between 1989 and 2001. Inequality among households increased in all regions, and this increase was greater in the Blue states.

How Much Does Public Consumption Matter for Well-Being?

EDWARD N. WOLFF, AJIT ZACHARIAS, ASENA CANER

LIMEW/December 2004

In this report, which supplements previous findings of the LIMEW, the authors explore the sensitivity of their key findings to changes in the set of assumptions that they use to impute public consumption. The authors consider alternative assumptions regarding three components of public consumption: general public consumption, highways, and schooling. New calculations for 1989 and 2000 show that the authors’ initial major findings remain intact, even when alternative estimation procedures are used.

How Much Does Wealth Matter for Well-Being? Alternative Measures of Income from Wealth

EDWARD N. WOLFF, AJIT ZACHARIAS, ASENA CANER

LIMEW/September 2004

This document reexamines the sensitivity of the LIMEW to underlying assumptions on imputing income from wealth and provides new calculations for 1989 and 2000. The new figures verify the LIMEW’s initial major findings, even when alternative estimation procedures are used. The authors conclude that mean income from wealth increases by LIMEW decile, the share of mean income from wealth rose between 1989 and 2000, and inequality was higher in 2000 than it was in 1989.

Levy Institute Measure of Economic Well-Being: United States, 1989, 1995, 2000, and 2001

EDWARD N. WOLFF, AJIT ZACHARIAS, ASENA CANER

LIMEW/May 2004

This report compares LIMEW’s figures with the U.S. Census Bureau’s most comprehensive measure of well-being and uses several yardsticks to examine the factors contributing to inequality. The report’s findings suggest that two Census Bureau measures understate the level of inequality in the distribution of command over commodities.

Levy Institute Measure of Economic Well-Being: Concept, Measurement, and Findings: United States, 1989 and 2000

EDWARD N. WOLFF, AJIT ZACHARIAS, ASENA CANER

LIMEW/February 2004

Largely owing to the factor of stock market wealth, inequality in access to commodities is greater when measured in terms of the LIMEW than it is when using the Census Bureau’s “extended income” measure. Government expenditures and taxation mitigate inequality, to some extent, but this effect has lessened in recent years. Overall, LIMEW grew twice as fast as money income from 1989 to 2000, and LIMEW was much larger than monetary income, reflecting its inclusive nature.

WORKING PAPERS

Is the Equalizing Effect of Retirement Wealth Wearing Off?

EDWARD N. WOLFF

Working Paper No. 420, March 2005

Occupational and Industrial Mobility in the United States 1969–93

ERIC PARRADO, ASENSA CANER, EDWARD N. WOLFF

Working Paper No. 416, January 2005

Household Wealth Distribution in Italy in the 1990s

ANDREA BRANDOLINI, GIOVANNI D’ALESSIO, LUIGI CANNARI, IVAN FAIELLA

Working Paper No. 414, November 2004

Changes in Household Wealth in the 1980s and 1990s in the U.S.

EDWARD N. WOLFF

Working Paper No. 407, May 2004

The “War on Poverty” after 40 Years: A Minskyan Assessment

STEPHANIE BELL, L. RANDALL WRAY

Working Paper No. 404, April 2004

Inequality of the Distribution of Personal Wealth in Germany 1973–1998

RICHARD HAUSER, HOLGER STEIN

Working Paper No. 398, January 2004

PUBLIC POLICY BRIEFS

The War on Poverty after 40 Years: A Minskyan Assessment

STEPHANIE BELL, L. RANDALL WRAY

Public Policy Brief No. 78, 2004 (Highlights, No. 78A)

In recent years, despite the fact that the extent of poverty has not significantly diminished since the early 1970s, the debate over poverty has seemingly ended. In a country in which middle-class citizens struggle to afford health insurance and other necessities, the problems of the worst-off Americans seem, to many, remote. Moreover, the welfare reform bill of 1996 has deflected much of the criticism of the welfare state by, among other measures, ending the individual-level entitlement to Aid to Families with Dependent Children benefits (now known as Temporary Assistance for Needy Families) and putting time limits on welfare.

Asset Poverty in the United States: Its Persistence in an Expansionary Economy

ASENSA CANER, EDWARD N. WOLFF

Public Policy Brief No. 76, 2004 (Highlights, No. 76A)

According to the authors of this brief, poverty measures should include wealth, as well as income. Their study of asset poverty in the United States between 1984 and 1999 focuses on the lower end of the wealth distribution. The authors show that asset poverty rates did not decline during the period studied, the severity of poverty increased, and asset poverty is much more persistent than income poverty.



Diane Elson at the UNDP, BDP–Levy Institute Conference, “Unpaid Work and the Economy: Gender, Poverty, and the Millennium Development Goals”

PROGRAM 3: GENDER EQUALITY AND THE ECONOMY

In this, the newest program to emerge from the Levy Institute, gender equality is considered in intersection with other factors, including occupation, race, ethnicity, and location.

The program focuses on three areas of research: gender equality and public finance; gender dimensions of macroeconomic and international economic policy; and gender equality, poverty, and well-being in national and international perspective. In addition, the program addresses contemporary policy debates. To what extent do tax and transfer policies offset market-based gender-income inequalities? Do user fees for public services increase gender inequality in “capabilities,” as defined by Amartya Sen? Does a greater voice for women in public policy result in changes in the size and composition of government budgets? Does downsizing the public sector increase the time that women and girls spend on unpaid work? Is a focus on public investment and full employment sufficient for achieving gender equality? Can gender equality improve the employment/inflation trade-off? Does globalization promote gender equality? Can gender equality improve trade performance? How does unpaid household work impact the economic well-being of households and women?

Research Group

DIANE ELSON, *Codirector of the program on Gender Equality and the Economy; Senior Scholar*

CAREN A. GROWN, *Codirector of the program on Gender Equality and the Economy; Senior Scholar*

RANIA ANTONOPOULOS, *Research Scholar*

DIMITRI B. PAPADIMITRIOU, *President*

NILÜFER ÇAĞATAY, *Research Associate*

MARIA SAGRARIO FLORO, *Research Associate*

*“Over my considerable years I have discovered that independent,
well-designed research is a decisive source of knowledge and guidance.
In this, the Levy Institute is indispensable.”*

— John Kenneth Galbraith, Professor Emeritus, Department of Economics, Harvard University

MARZIA FONTANA, *Research Associate*
INDIRA HIRWAY, *Research Associate*
STEPHANIE SEGUINO, *Research Associate*
IMRAAN VALODIA, *Research Associate*

Publications

Note: All Levy Institute publications can be located at www.levy.org.

WORKING PAPERS

Gender Inequality in a Globalizing World

STEPHANIE SEGUINO
Working Paper No. 426, July 2005

Asset Ownership along Gender Lines: Evidence from Thailand

RANIA ANTONOPOULOS, MARIA SAGRARIO FLORO
Working Paper No. 418, February 2005



Dimitri B. Papadimitriou (*right*) and James K. Galbraith converse at the 15th Annual Hyman P. Minsky Conference on the State of the U.S. and World Economies: “Economic Imbalance: Fiscal and Monetary Policy for Sustainable Growth.”

PROGRAM 4: ECONOMIC POLICY FOR THE 21ST CENTURY

The Levy Economics Institute is widely known for its use of economic analyses in informing policy-making strategies. The Economic Policy for the 21st Century program emphasizes research in monetary policy and financial institutions, federal budget policy, and the labor market. Past studies have included an examination of the introduction of the euro and its effects upon the monetary conditions and institutions of the European community; and a Minskyan analysis of economic problems in the United States, Japan, and Brazil. In addition, the program has analyzed the impact of federal budget policies on economic growth, the need for fiscal expansion in order to combat economic torpor, and the Social Security and health care systems. In exploring labor market policies, the Economic Policy for the 21st Century program has examined trends in productivity, the effects of technology on earnings, policies that promote full employment, and the impact of an increase in minimum wage on hiring practices and earnings.

Research Group

DIMITRI B. PAPANIMITRIOU, *President*

PHILIP ARESTIS, *Senior Scholar*

JAMES K. GALBRAITH, *Senior Scholar*

GREG HANNSGEN, *Resident Research Associate*

W. RAY TOWLE, *Resident Research Associate*

EDWARD N. WOLFF, *Senior Scholar*

L. RANDALL WRAY, *Senior Scholar*

AJIT ZACHARIAS, *Research Scholar*

JÖRG BIBOW, *Research Associate*

ROBERT E. CARPENTER, *Research Associate*

“The Levy Institute regularly brings novel and creative perspectives to a wide range of economic topics [and] it provides first-rate analyses of important economic issues. These attributes make the Levy Institute an essential of the economics profession.”

—Bruce Greenwald, Robert Heilbrunn Professor of Finance and Asset Management and director,
Heilbrunn Center for Graham and Dodd Investing, Columbia Business School

KORKUT A. ERTÜRK, *Research Associate*
MATHEW FORSTATER, *Research Associate*
THOMAS L. HUNGERFORD, *Research Associate*
WILLIAM H. LAZONICK, *Research Associate*
JAMEE K. MOUDUD, *Research Associate*
MARY O’SULLIVAN, *Research Associate*
JAMES B. REBITZER, *Research Associate*
MALCOLM SAWYER, *Research Associate*
STEPHANIE SEGUINO, *Research Associate*
WILLEM THORBECKE, *Research Associate*

Publications

Note: All Levy Institute publications can be located at www.levy.org.

WORKING PAPERS

All Types of Inequality are *Not* Created Equal: Divergent Impacts of Inequality on Economic Growth

STEPHANIE SEGUINO

Working Paper No. 433, December 2005

Job-Hopping in Silicon Valley: Some Evidence Concerning the Micro-Foundations of a High Technology Cluster

BRUCE FALICK, CHARLES A. FLEISCHMAN, JAMES B. REBITZER

Working Paper No. 432, December 2005

Monetary Policy Strategies of the European Central Bank and the Federal Reserve Bank of the U.S.

CLAUDIO SARDONI, L. RANDALL WRAY

Working Paper No. 431, November 2005

Are Long-run Price Stability and Short-run Output Stabilization All that Monetary Policy Can Aim For?

GIUSEPPE FONTANA, ALFONSO PALACIO-VERA

Working Paper No. 430, November 2005

Bad for Euroland, Worse for Germany: The ECB's Record

JÖRG BIBOW

Working Paper No. 429, November 2005

Europe's Quest for Monetary Stability: Central Banking Gone Astray

JÖRG BIBOW

Working Paper No. 428, August 2005

Liquidity Preference Theory Revisited: To Ditch or to Build on It?

JÖRG BIBOW

Working Paper No. 427, August 2005

Refocusing the ECB on Output Stabilization and Growth through Inflation Targeting?

JÖRG BIBOW

Working Paper No. 425, July 2005

Macroeconomics of Speculation

KORKUT A. ERTÜRK

Working Paper No. 424, June 2005

Is More Mobility Good? Firm Mobility and the Low Wage–Low Productivity Trap

STEPHANIE SEGUINO

Working Paper No. 423, May 2005

The Disutility of International Debt: Analytical Results and Methodological Implications

GREG HANNSGEN

Working Paper No. 422, April 2005

FDIC-Sponsored Self-Insured Depositors: Using Insurance to Gain Market Discipline and Lower the Cost of Bank Funding

PANOS KONSTAS

Working Paper No. 419, March 2005

Measuring Capacity Utilization in OECD Countries: A Cointegration Method

ANWAR M. SHAIKH, JAMEE K. MOUDUD

Working Paper No. 415, November 2004

Visions and Scenarios: Heilbroner's Worldly Philosophy, Lowe's Political Economics, and the Methodology of Ecological Economics

MATHEW FORSTATER

Working Paper No. 413, October 2004

The Transmission Mechanism of Monetary Policy: A Critical Review

GREG HANNSGEN

Working Paper No. 412, October 2004

Financial Liberalization and Poverty: Channels of Influence

PHILIP ARESTIS, ASENA CANER

Working Paper No. 411, July 2004

Gibson's Paradox, Monetary Policy, and the Emergence of Cycles

GREG HANNSGEN

Working Paper No. 410, July 2004

Assessing the ECB's Performance since the Global Slowdown: A Structural Policy Bias Coming Home to Roost?

JÖRG BIBOW

Working Paper No. 409, July 2004

Investigating the Intellectual Origins of Euroland's Macroeconomic Policy Regime: Central Banking Institutions and Traditions in West Germany after the War

JÖRG BIBOW

Working Paper No. 406, May 2004

Borrowing Alone: The Theory and Policy Implications of the Commodification of Finance

GREG HANNSGEN

Working Paper No. 401, January 2004

Fiscal Consolidation: Contrasting Strategies & Lessons from International Experiences

JÖRG BIBOW

Working Paper No. 400, January 2004

Does Financial Structure Matter?

PHILIP ARESTIS, AMBIKA D. LUINTEL, KUL B. LUINTEL

Working Paper No. 399, January 2004

POLICY NOTES

Social Security's 70th Anniversary: Surviving 20 Years of Reform

L. RANDALL WRAY

Policy Note 2005/6

Although the Social Security system—the nation's most successful social program, and one of its longest lived—has allowed generations of Americans to live with dignity in retirement, top policymakers in

Washington continue to suggest that it is “unsustainable.” They claim it is necessary to shift more responsibility to individuals and scale back the promises made to the coming waves of retiring baby boomers.

Manufacturing a Crisis: The Neocon Attack on Social Security

L. RANDALL WRAY

Policy Note 2005/2

Calls for Social Security “reforms” are based on alarmist claims that the system will soon “go bankrupt.” But rumors of the fund’s demise are greatly exaggerated—they rest on the faulty notion that a single government program can face bankruptcy on its own. A constructive response to current demographic trends is not to gut the nation’s most healthy and popular social program, but to see to it that long-term care facilities, senior citizen–friendly public transit systems, and retirement communities are available in time for the much-anticipated wave of baby boomer retirements.

The Case for an Environmentally Sustainable Jobs Program

MATHEW FORSTATER

Policy Note 2005/1

Forstater argues that, since the unfortunate existence of mass unemployment in capitalist economies serves many economic functions, it is no surprise that unemployment is stubbornly high. He posits that a government “employer of last resort” (ELR) program could overcome many of the barriers to full employment. For example, ELR workers could serve as a labor pool for the private sector during economic booms, a function now performed by the unemployed. Furthermore, ELR projects could be chosen for their environmental sustainability, typically a weak point in the way the private sector approaches job generation.

Inflation Targeting and the Natural Rate of Unemployment

WILLEM THORBECKE

Policy Note 2004/1

An increasing number of central banks around the world are adopting inflation targets, and some economists believe the U.S. Federal Reserve should do the same. The theoretical foundations for inflation targeting lie in the doctrine of the “natural rate of unemployment,” which says that it is impossible for the Fed to keep unemployment low without causing inflation to accelerate. But this doctrine has proven false in recent years, as unemployment has fallen well below its purported “natural rate” without an acceleration of inflation.

PUBLIC POLICY BRIEFS

The Ownership Society: Social Security Is Only the Beginning . . .

L. RANDALL WRAY

Public Policy Brief No. 82, 2005 (Highlights, No. 82A)

In his second term, President Bush has focused his domestic agenda on what he calls the “ownership society,” a sweeping vision of an America in which more citizens would hold significant assets and be free to make their own choices about providing for their health care and retirement, and educating their children. The author of this Public Policy Brief evaluates the premises and logic of Bush’s program

and concludes that, while the program would increase the choices and power of those who have property, many gains for the wealthy would come at the expense of the poor, the sick, and the elderly.

Breaking Out of the Deficit Trap: The Case Against the Fiscal Hawks

JAMES K. GALBRAITH

Public Policy Brief No. 81, 2005 (Highlights, No. 81A)

While accepting the value of some econometric findings made by those who argue that supply and demand of saving determine the interest rate, the author of this brief forwards an alternative, Keynesian, view. He suggests that deficits can increase overall output without increasing the ratio of the debt to GDP, monetary policy plays a large role, and strong demand for goods and services is more important than the supply of capital in determining the pace of technological advance and the rate of growth of output per worker. The text constitutes a powerful rebuttal of the reflexively anti-deficit view.

The Fed and the New Monetary Consensus: The Case for Rate Hikes, Part Two

L. RANDALL WRAY

Public Policy Brief No. 80, 2004 (Highlights, No. 80A)

This Public Policy Brief examines flaws in the Fed's logic and traces several strands of current central bank thinking back to the Fed's mid-1990s internal discussions. Recently released transcripts of those discussions have yielded disturbing insights into the way in which monetary policy is formed. This is especially disturbing in view of the fact that the current economic environment and contemporary justifications for tight policies are reminiscent of 1994.

The Case for Rate Hikes: Did the Fed Prematurely Raise Rates?

L. RANDALL WRAY

Public Policy Brief No. 79, 2004 (Highlights, No. 79A)

This brief evaluates the Fed's concern about a coming inflation and its decision to begin raising interest rates. The author examines key market developments that might signal inflation and concludes that the job market will not be a source of inflation, any more than it was during the Clinton boom.

The Sustainability of Economic Recovery in the United States: The Risks to Consumption and Investment

PHILIP ARESTIS, ELIAS KARAKITSOS

Public Policy Brief No. 77, 2004 (Highlights, No. 77A)

In the second half of 2003, a rebound of consumption, investment, and consumer confidence raised hopes that the U.S. economic recovery from the 2001 recession is on a sustainable course. However, although they suggest that the current administration will find it difficult to refrain from additional procyclical fiscal stimulus, the authors recommend slow, rather than rapid, economic growth. They fear that the latter would result in higher long-term interest rates, which would threaten the property market boom and weaken investment in 2005 and beyond.



Joel Perlmann (*right*) engages in a discussion with Bard students.

PROGRAM 5: IMMIGRATION, ETHNICITY, AND SOCIAL STRUCTURE

The program in Immigration, Ethnicity, and Social Structure focuses on the processes by which immigrants and their descendants assimilate into U.S. social and economic life. Senior Scholar Joel Perlmann recently completed a multiyear study, *Italians Then, Mexicans Now: Immigrant Origins and Second-Generation Progress, 1890–2000*, and is currently engaged in a multiyear demographic study of ethnic and racial intermarriage in the American past and present. The latter study, funded in part by a major new grant from the Russell Sage Foundation, gives special attention to cross-generational outcomes (i.e., mixed-ethnicity and mixed-race offspring) and the connection between intermarriage and upward socioeconomic mobility.

Perlmann is also at work on a long-term project that addresses a classic issue in immigrant and ethnic history—the rapid socioeconomic rise of eastern European Jewish immigrants who entered America at the turn of the 20th century. This project rests on a close analysis of Russian Empire census data, U.S. records of individual immigrant arrivals, and U.S. Census Bureau data. Perlmann has rendered the first two data sets “machine readable” for the first time, and public-use samples from the American census had been unavailable to researchers until recently. These databases make it possible to examine the social origins of immigrants—and of those members of the population who did not emigrate—in much greater depth than was previously possible.

In addition, Perlmann participates in American debates about ethnic and racial classifications used in data collection and examines the bureaucratic, cultural, and political contexts within which these debates occur. He is completing a book on “racialization” and “de-racialization” of European immigrants in American federal statistics ca. 1900.

Yuval Elmelech, research associate and assistant professor of sociology at Bard College, is a coinvestigator with Perlmann on two projects related to the ethno-racial intermarriage project: demonstrating the prevalence of multiracial origins among blacks born out of wedlock and establishing the geographic distribution of native whites born out of wedlock. Elmelech also investigates issues of wealth inequality in America and socioeconomic inequality in Israel.

“A hallmark of the Institute has been that while it provides space for insightful, unorthodox economic analysis, it is also one of the few places that encourages debate between orthodox and unorthodox thinkers. . . . I look forward with great anticipation to the Institute’s new work, in the face of the complex challenges of the 21st century.”

—Ajit Singh, Professor of Economics and Senior Fellow, Queens College, Cambridge University

Research Group

JOEL PERLMANN, *Senior Scholar*

DIMITRI B. PAPADIMITRIOU, *President*

YUVAL ELMELECH, *Research Associate*

ROGER WALDINGER, *Research Associate*

Publications

Note: All Levy Institute publications can be located at www.levy.org.

Determinants of Minority-White Differentials in Child Poverty

YUVAL ELMELECH

Working Paper No. 417, February 2005

ADDITIONAL SCHOLARS

The Levy Institute’s work extends beyond the five program areas designated in the preceding text. A number of scholars who are affiliated with the Levy Institute conduct research in areas such as econometrics, microeconomics, unemployment, labor law, poverty and prosperity, urban policy, poverty and social policy, benefit-cost analysis, family structure, tax incentives, quality of life, and intergenerational economic mobility. A partial list of these additional scholars includes:

WILLIAM J. BAUMOL, *Research Associate*

BARRY BLUESTONE, *Research Associate*

ROBERT HAVEMAN, *Research Associate*

CHRISTOPHER JENCKS, *Research Associate*

THOMAS KARIER, *Research Associate*

SUSAN E. MAYER, *Research Associate*

BARBARA WOLFE, *Research Associate*



Panelists (left to right) Younghwan Song, Elsa Fontainha, Ronald Schettkat, and Ajit Zacharias at the Levy Institute conference “Time Use and Economic Well-Being”

CONFERENCES

PROGRAM: DISTRIBUTION OF INCOME AND WEALTH, AND THE LEVY INSTITUTE MEASURE OF ECONOMIC WELL-BEING (LIMEW)

“Time Use and Economic Well-Being”

October 28–29, 2005

The Levy Economics Institute of Bard College

This conference addressed issues of time allocation. Data were used to investigate determinants of time allocation according to gender and other demographic or economic characteristics, examine the value of unpaid household work, develop measures of individual or household economic well-being that include household production, and analyze the distribution of household production and augmented measures of household well-being. The conference also examined problems of statistical methodology.

Participants

RANIA ANTONOPOULOS, *New York University; Levy Institute*

SUZANNE M. BIANCHI, *University of Maryland*

JENS BONKE, *Danish National Institute of Social Research, Copenhagen, Denmark*

LYN CRAIG, *Social Policy Research Centre, University of New South Wales, Australia*

DIANE ELSON, *University of Essex; Levy Institute*

KIMBERLY FISHER, *Institute for Social and Economic Research, University of Essex*

NANCY FOLBRE, *University of Massachusetts Amherst; Russell Sage Foundation*

ELSA FONTAINHA, *ISEG-Technical University of Lisbon, Portugal*

MARZIA FONTANA, *Institute of Development Studies, University of Sussex*



Nancy Folbre speaks at a Levy Institute conference, “Time Use and Economic Well-Being.”

HARLEY FRAZIS, *U.S. Bureau of Labor Statistics*

DANIEL S. HAMERMESH, *University of Texas at Austin; National Bureau of Economic Research (NBER); Institute for the Study of Labor (IZA)*

GREG HANNSGEN, *Levy Institute*

SUSAN HIMMELWEIT, *Open University, United Kingdom*

INDIRA HIRWAY, *Centre for Development Alternatives, Ahmedabad, India; GEM-IWG; Levy Institute*

CHARLENE KALENKOSKI, *Ohio University*

JEAN KIMMEL, *Western Michigan University*

N. ANDERS KLEVMARKEN, *Uppsala University, Sweden*

HYUNSUB KUM, *Levy Institute*

ALFRED A. R. LATIGO, *United Nations Economic Commission for Africa, Addis Ababa, Ethiopia; GEM-IWG*

JOACHIM MERZ, *Universität Lüneburg, Research Institute on Professions (FFB), Center for Research in Entrepreneurship, Professions, and Small Business Economics (CREPS); Institute for the Study of Labor (IZA)*

LARS OSBERG, *Dalhousie University*

IRINA PALEY, *United States Department of the Treasury*

DIMITRI B. PAPADIMITRIOU, *Levy Institute*

JAMES MAHMUD RICE, *Australian National University, Canberra*

RONALD SCHETTKAT, *Bergische Universität Wuppertal*

IRINA SOBOLEVA, *Laboratory for Human Development, Institute of Economics, Russian Academy of Sciences*

YOUNGHWAN SONG, *Union College*

FRANK STAFFORD, *University of Michigan*

JAY STEWART, *U.S. Bureau of Labor Statistics*

W. RAY TOWLE, *Levy Institute*

EDWARD N. WOLFF, *New York University; Levy Institute*

AJIT ZACHARIAS, *Levy Institute*



Holly Sutherland speaks at a Levy Institute conference, “The Distributional Effects of Government Spending and Taxation.”

PROGRAM: DISTRIBUTION OF INCOME AND WEALTH, AND THE LEVY INSTITUTE MEASURE OF ECONOMIC WELL-BEING (LIMEW)

“The Distributional Effects of Government Spending and Taxation”

October 15–16, 2004

The Levy Economics Institute of Bard College

This conference was organized as a contribution to the Levy Institute’s ongoing research into the distribution of income and wealth, and how this distribution affects the quality of life. Particular focus was placed on examining the distributional consequences of the public sector, including effects on personal distribution and the relationship between the public sector and functional distribution of national income. Papers analyzed government activity on the federal, state, and local levels; considered the distribution of the costs and benefits of a single government program (such as the Social Security system in the United States); and compared studies among a set of countries.

Participants

RANIA ANTONOPOULOS, *New York University; Levy Institute*

ELISSA BRAUNSTEIN, *Political Economy Research Institute (PERI), University of Massachusetts Amherst*

BARBARA A. BUTRICA, *Urban Institute*

KWANG SOO CHEONG, *Johns Hopkins University*

HOWARD CHERNICK, *Hunter College, CUNY*

HARVEY CUTLER, *Colorado State University*

STEPHEN DAVIES, *Colorado State University*

DIANE ELSON, *University of Essex; Levy Institute*

MICHAEL ERIKSEN, *The Maxwell School, Syracuse University*

MICHAEL FÖRSTER, *European Centre Vienna; OECD*

WILLIAM G. GALE, *The Brookings Institution*



Panelists (left to right) Teresa Ghilarducci, Howard M. Iams, Barbara A. Butrica, William R. Johnson, and Caren A. Grown at the Levy Institute conference “The Distributional Effects of Government Spending and Taxation”

IRWIN GARFINKEL, *Columbia University*

TERESA GHILARDUCCI, *University of Notre Dame*

CAREN A. GROWN, *International Center for Research on Women*

GREG HANNSGEN, *Levy Institute*

ANN HARDING, *National Centre for Social and Economic Modelling (NATSEM), University of Canberra, Australia*

HOWARD M. IAMS, *U.S. Social Security Administration*

MARKUS JÄNTTI, *Åbo Akademi University, Finland*

WILLIAM R. JOHNSON, *University of Virginia*

DAVID CAY JOHNSTON, *New York Times*

MARC LEE, *Canadian Centre for Policy Alternatives*

JOSEPH T. MARCHAND, *The Maxwell School, Syracuse University*

LARS OSBERG, *Dalhousie University*

DIMITRI B. PAPADIMITRIOU, *Levy Institute*

PIERRE PESTIEAU, *University of Liège; Center for Operations Research and Econometrics (CORE); CEPR; Delta*

LEON PODKAMINER, *The Vienna Institute for International Economic Studies (WIIW)*

JONATHAN SCHWABISH, *The Maxwell School, Syracuse University*

AMY ELLEN SCHWARTZ, *New York University*

TIMOTHY SMEEDING, *The Maxwell School, Syracuse University*

PAUL STURM, *Hunter College, CUNY*

HOLLY SUTHERLAND, *University of Cambridge; University of Essex; DIW Berlin*

W. RAY TOWLE, *Levy Institute*

EDWARD N. WOLFF, *New York University; Levy Institute*

AJIT ZACHARIAS, *Levy Institute*

SOURUSHE ZANDVAKILI, *University of Cincinnati*



Shahra Razavi (*left*) and Rebeca Grynspan (*center*) at the UNDP, BDP–Levy Institute Conference, “Unpaid Work and the Economy: Gender, Poverty, and the Millennium Development Goals”

PROGRAM: GENDER EQUALITY AND THE ECONOMY

UNDP, BDP–Levy Institute Conference: “Unpaid Work and the Economy: Gender, Poverty, and the Millennium Development Goals”

October 1–3, 2005

The Levy Economics Institute of Bard College

This global conference was organized by the Bureau for Development Policy (BDP), United Nations Development Programme (UNDP), in partnership with the Levy Institute. The conference was held with the purpose of sharing views, experiences, and methodologies, from around the world, on women’s unpaid work (including unpaid care work) and its relationship to achieving the Millennium Development Goals. Participants discussed the growing body of research on unpaid work and its application to pro-poor economics, as well as related tools (such as time-use surveys and economic modeling) that are used in policy analysis.

Participants

MEENA ACHARYA, *Tanka Prasad Acharya Memorial Foundation, Nepal*

OLAGOKE AKINTOLA, *University of KwaZulu-Natal, Durban, South Africa*

RANIA ANTONOPOULOS, *New York University; Levy Institute*

TONY BARNETT, *London School of Economics*

MARK BLACKDEN, *Office of the Sector Director, Poverty Reduction and Economic Management, Africa Region, World Bank*

NALINI BURN, *Consultant on Unpaid Work, Poverty, and Gender Budgeting, Africa*

NILÜFER ÇAĞATAY, *University of Utah; Levy Institute; International Working Group on Gender, Macroeconomics and International Economics*

NAOMI CASSIRER, *International Labour Office*

LEKHA S. CHAKRABORTY, *National Institute of Public Finance and Policy, India; International Working Group on Gender, Macroeconomics and International Economics*

JACQUES CHARMES, *Institut de Recherche pour le Développement*

DIANE ELSON, *Levy Institute; University of Essex*

VALERIA ESQUIVEL, *Universidad Nacional de General Sarmiento; International Working Group on Gender, Macroeconomics and International Economics*

MARIA S. FLORO, *American University, Washington, D.C.; International Working Group on Gender, Macroeconomics and International Economics*

NANCY FOLBRE, *University of Massachusetts Amherst; Russell Sage Foundation*

MARZIA FONTANA, *Institute of Development Studies, University of Sussex*

BARBARA FRAUMENI, *Muskie School of Public Service, University of Southern Maine*

COUMBA MAR GADIO, *United Nations Development Programme, West Africa*

GRAZIANO GRAZIUSSI, *Alumnus, School of International and Public Affairs, Columbia University*

CAREN A. GROWN, *Levy Institute*

REBECA GRYNSPAN, *Economic Commission for Latin America and the Caribbean*

INDIRA HIRWAY, *Centre for Development Alternatives, Ahmedabad, India; International Working Group on Gender, Macroeconomics and International Economics; Levy Institute*

NANAK KAKWANI, *International Poverty Centre, United Nations Development Programme, Brasilia, Brazil*

ASLIHAN KES, *International Center for Research on Women*

HYUNSUB KUM, *Levy Institute*

ALFRED A. R. LATIGO, *United Nations Economic Commission for Africa, Addis Ababa, Ethiopia*

MARIA DE LA PAZ LOPEZ, *Government of Castile, Mexico*

EUGENIA GÓMEZ LUNA, *Instituto Nacional de Estadística, Geografía e Informática (INEGI), México*

MARCELO MEDEIROS, *International Poverty Centre, United Nations Development Programme, Brasilia; Institute of Applied Economic Research, Ipea, Brazil*

MARTHA MELESSE, *International Development Research Center, Canada*

CHRISTINE MUSISI, *United Nations Development Programme, Regional Service Centre, Johannesburg, South Africa*

MONICA OROZCO, *Ministry of Social Development, Mexico*

DIMITRI B. PAPADIMITRIOU, *Levy Institute*

HRACHYA PETROSYAN, *State Council on Statistics, Republic of Armenia*

HAMIDOU POUFON, *Ministry of Economy and Finance Cameroon; International Working Group on Gender, Macroeconomics and International Economics*

SHAHRA RAZAVI, *United Nations Research Institute for Social Development, Geneva, Switzerland*

RATHIN ROY, *Bureau for Development Policy, United Nations Development Programme*

BHARATI SILAWAL, *United Nations Development Programme, Nepal*

STEPHANIE URDANG, *Development Connections, Inc.*

DANIELLE SIMONE VACARR, *Institute of Political Science, Paris*

CECILIA VALDIVIESO, *United Nations Development Programme, Regional Center, Colombo, Sri Lanka*

IMRAAN VALODIA, *University of KwaZulu-Natal, Durban, South Africa*

JOANN VANEK, *Women in Informal Employment: Globalizing and Organizing (WIEGO)*

MARIJKE VELZEBOER-SALCEDO, *United Nations Development Fund for Women*

AJIT ZACHARIAS, *Levy Institute*

ASTER ZAOUDE, *Bureau for Development Policy, United Nations Development Programme*



Panelists (left to right) James K. Galbraith, Lakshman Achuthan, and Ajit Zacharias at the 15th Annual Hyman P. Minsky Conference

PROGRAM: ECONOMIC POLICY FOR THE 21ST CENTURY

The 15th Annual Hyman P. Minsky Conference on the State of the U.S. and World Economies: “Economic Imbalance: Fiscal and Monetary Policy for Sustainable Growth”

April 21–22, 2005

The Levy Economics Institute of Bard College

Central bankers and academic and private-sector economists gathered to discuss possible policy responses to several significant imbalances in the U.S. economy, including the current account deficit and negative private-sector balance. Individual papers focused on such topics as monetary policy, the possible existence of a real estate “bubble,” the impact of government deficits, and the effects of Asian competition on the U.S. job market. Four speeches proved to be conference highlights. In one speech, Sandra Pianalto of the Federal Reserve Bank of Cleveland argued that, in spite of imbalances, the Fed should remain focused primarily on price stability. In another, David D. Hale of Hale Advisors LLC asserted that a devaluation of the dollar would almost certainly bring higher interest rates and would, thereby, threaten the nation’s strong residential property market. In his talk, Paul Davidson of the New School for Social Research and the *Journal of Post Keynesian Economics* urged the creation of a new international reserve asset. And, in his presentation, Donald L. Kohn, who serves on the Board of Governors of the Federal Reserve System, pointed out that reasonable assumptions about the behavior of economic actors indicated that current economic imbalances were “unsustainable.”



Sandra Pianalto (*center*) speaks with colleagues at the 15th Annual Hyman P. Minsky Conference.

Participants

LAKSHMAN ACHUTHAN, *Economic Cycle Research Institute*

PAUL DAVIDSON, *Journal of Post Keynesian Economics; New School for Social Research*

JAMES K. GALBRAITH, *University of Texas at Austin; Levy Institute*

DAVID D. HALE, *Hale Advisors LLC*

GREG HANNSGEN, *Levy Institute*

STEVEN B. KAMIN, *Federal Reserve Board*

BRUCE C. KASMAN, *JPMorgan Chase*

DONALD L. KOHN, *Board of Governors of the Federal Reserve System*

ROBERT Z. LAWRENCE, *Harvard University; Institute for International Economics*

DIMITRI B. PAPADIMITRIOU, *Levy Institute*

JAMES W. PAULSEN, *Wells Capital Management*

RICHARD W. PEACH, *Federal Reserve Bank of New York*

SANDRA PIANALTO, *Federal Reserve Bank of Cleveland*

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Michael H. Moskow answers questions from the press at the 14th Annual Hyman P. Minsky Conference.

PROGRAM: ECONOMIC POLICY FOR THE 21ST CENTURY

**The 14th Annual Hyman P. Minsky Conference on Financial Structure:
“Can the Recovery Be Sustained? U.S. and International Perspectives”**

April 23–24, 2004

The Levy Economics Institute of Bard College

As part of its research program on financial markets, the Levy Institute organized this conference to examine a number of topics within the context of current economic trends and their implications for world economies and the United States. Topics included fiscal and monetary policies for the expansion of national economies and the global economy as a whole, exchange rate misalignments and their possible cures, and trade and capital flows that could affect monetary and fiscal policies. The role of the United States was considered vis-à-vis the international climate. Participants generally agreed that the current recovery was fragile. Some expressed concern that the household sector had accumulated an enormous debt burden and that policymakers do not appreciate the role government could play in restoring stability.



L. Randall Wray speaks at the 14th Annual Hyman P. Minsky Conference.

Participants

LAKSHMAN ACHUTHAN, *Economic Cycle Research Institute*

ROBERT Z. ALIBER, *University of Chicago*

PHILIP ARESTIS, *Levy Institute*

CLAUDIO H. DOS SANTOS, *Levy Institute*

JAMES K. GALBRAITH, *University of Texas at Austin; Levy Institute*

ILENE GRABEL, *University of Denver*

GREG HANNSGEN, *Levy Institute*

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DOREEN ISENBERG, *University of Redlands*

MICHAEL H. MOSKOW, *Federal Reserve Bank of Chicago*

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MARTIN SHUBIK, *Yale University*

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L. RANDALL WRAY, *University of Missouri–Kansas City; Levy Institute*

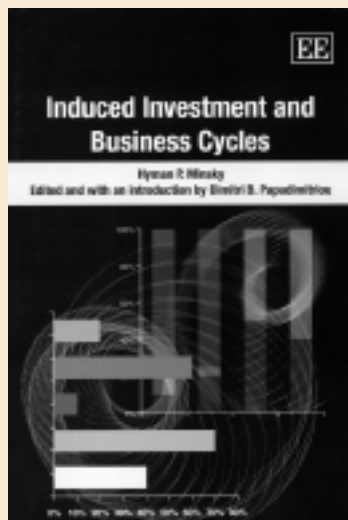


The Distributional Effects of Government Spending and Taxation

DIMITRI B. PAPADIMITRIOU, ed.
Palgrave Macmillan Ltd.
Forthcoming, 2006

International Perspectives on Household Wealth

EDWARD N. WOLFF, ed.
Edward Elgar Publishing
Forthcoming, 2006

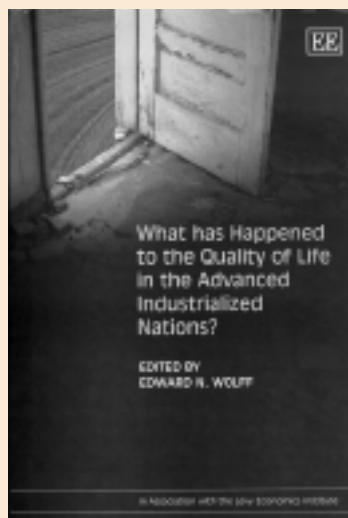


Italians Then, Mexicans Now: Immigrant Origins and Second-Generation Progress, 1890 to 2000

JOEL PERLMANN
Levy Institute and Russell Sage Foundation, 2005

Induced Investment and Business Cycles

HYMAN P. MINSKY
DIMITRI B. PAPADIMITRIOU, ed.
Edward Elgar Publishing, 2004



What has Happened to the Quality of Life in the Advanced Industrialized Nations?

EDWARD N. WOLFF, ed.
Edward Elgar Publishing, 2004

BIOGRAPHIES OF INSTITUTE SCHOLARS



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WYNNE GODLEY

Ph.D., University of Oxford. *Current Positions:* Distinguished Scholar, Levy Institute; Senior Visiting Research Scholar, Cambridge Endowment for Research in Finance, Judge Institute of Management, University of Cambridge; Professor Emeritus of Applied Economics, University of Cambridge; Fellow, King's College. *Areas of Interest:* Stock-flow consistent macroeconomic models; analysis of accounting-based macroeconomic models, in order to reveal structural imbalances

SELECTED RECENT PUBLICATION

“The U.S. Economy: Weaknesses of the ‘Strong’ Recovery”

(with A. Izurieta). *Banca Nazionale del Lavoro Quarterly Review*, June 2004.



Rania Antonopoulos

RANIA ANTONOPOULOS

Ph.D., New School for Social Research. *Current Positions:* Research Scholar, Levy Institute; Assistant Professor of Economics, New York University. *Areas of Interest:* International competition and long-run determinants of exchange rates, gender and economics, gender dimensions of asset ownership

SELECTED RECENT PUBLICATIONS

“Asset Ownership along Gender Lines: Evidence from Thailand”

(with M. Floro). *Journal of Income Distribution*, forthcoming.

“A Classical Approach to Real Exchange Rate Determination with an Application for the Case of Greece.”

Review of Radical Political Economics, Vol. 31, No. 3, Summer 1999.



Philip Arestis

PHILIP ARESTIS

B.A., Athens Graduate School of Economics and Business Studies; M.Sc., London School of Economics; Ph.D., University of Surrey. *Current Positions:* Senior Scholar, Levy Institute; University Director of Research, Cambridge Center for Economic and Public Policy, Department of Land Economy, University of Cambridge; External Adviser, UK Government Economic Service; member of the editorial board of numerous academic journals. *Areas of Interest:* Economic policies of the Economic and Monetary Union; current monetary and fiscal policies, especially inflation targeting; the finance and growth nexus; macroeconomic modeling; applied economics

SELECTED RECENT PUBLICATIONS

Re-examining Monetary and Fiscal Policy for the 21st Century

(with M. Sawyer). Edward Elgar, 2004.

The Post-Bubble U.S. Economy: Implications for Financial Markets and the Economy

(with E. Karakitsos). Palgrave Macmillan, 2004.



Nilüfer Çağatay

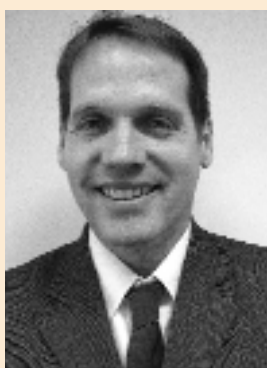
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B.A. in economics and political science, Yale University; M.A. and Ph.D., Stanford University. *Current Positions:* Research Associate, Levy Institute; Associate Professor of Economics, University of Utah. *Areas of Interest:* Gender and development, international trade theories, engendering macroeconomics and international trade theories and policies

SELECTED RECENT PUBLICATION

Growth, Trade, Finance and Gender Inequalities

(special *World Development* issue, edited with C. A. Grown and D. Elson), July 2000.



Edward Chilcote

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B.A., University of California, Berkeley; Ph.D., New School for Social Research. *Current Position:* Research Scholar, Levy Institute. *Areas of Interest:* Macroeconomics, banking, input-output analysis, history of economic thought

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SELECTED RECENT PUBLICATIONS

“Keynesian Theorizing during Hard Times: Stock-Flow Consistent Models as an Unexplored ‘Frontier’ of Keynesian Macroeconomics.”

Cambridge Journal of Economics, forthcoming, 2006.

“A Stock-Flow Consistent General Framework for Formal Minskyan Analyses of Closed Economies.”

Journal of Post Keynesian Economics, Vol. 27, No. 4, Summer 2005.



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Ph.D. in sociology, Columbia University. *Current Positions:* Research Associate, Levy Institute; Assistant Professor of Sociology, Bard College; Assistant Director, Center for the Study of Wealth and Inequality, Columbia University. *Areas of Interest:* Social stratification; distribution and inter-generational transmission of wealth; issues related to poverty, housing, race, and immigration

SELECTED RECENT PUBLICATIONS

“Race, Ethnicity, and the Gender Poverty Gap”

(with H.-H. Lu). *Social Science Research*, 2004.

“Attitudes toward Familial Obligation in the US and in Japan.”

Sociological Inquiry, Vol. 75, No. 4, November 2005.



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B.A. in philosophy, politics, and economics, University of Oxford; Ph.D., University of Manchester. *Current Positions:* Codirector, Program on Gender Equality and the Economy; Senior Scholar, Levy Institute; Professor of Sociology, University of Essex, U.K. *Areas of Interest:* Gender and fiscal policy, gender and international trade

SELECTED RECENT PUBLICATIONS

“Engendering Government Budgets in the Context of Globalization(s).”

International Feminist Journal of Politics, Vol. 6, No. 4, December 2004.

“Social Policy and Macroeconomic Performance: Integrating ‘the Economic’ and ‘the Social.’”

T. Mkandawire, ed. *Social Policy in a Development Context*. Palgrave Macmillan Ltd., 2004.

KORKUT A. ERTÜRK

Ph.D., New School for Social Research. *Current Positions:* Research Associate, Levy Institute; Professor and Chair of the Department of Economics, University of Utah. *Areas of Interest:* Monetary theory, economic growth and development, gender and development, mathematical modeling, political economy, history of economic thought

SELECTED RECENT PUBLICATIONS

“Economic Volatility and Capital Account Liberalization.”

International Review of Applied Economics, Vol. 19, No. 4, October 2005.

“Asset Price Bubbles, Liquidity Preference, and the Business Cycle.”

Metroeconomica, forthcoming.

MARIA SAGRARIO FLORO

B.A., University of the Philippines in Diliman; M.A., Monash University, Australia; Ph.D., Stanford University. *Current Positions:* Research Associate, Levy Institute; Associate Professor, American University, Washington, D.C. *Areas of Interest:* Gender dimensions of savings, time use, and overlapping activities; effects of financial crisis on gender relations

SELECTED RECENT PUBLICATIONS

“Financial Crisis, Gender, and Power”

(with G. Dymksi). *World Development*, 2000.

“Structural Adjustment, Gender and Labor Markets: The Philippines and Zambia”

(with K. Schaefer). *Journal of Developing Areas*, 1999.



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M.Phil. in development studies and D.Phil., Institute of Development Studies, University of Sussex. *Current Position:* Research Associate, Levy Institute. *Areas of Interest:* Gender constraints in general equilibrium models

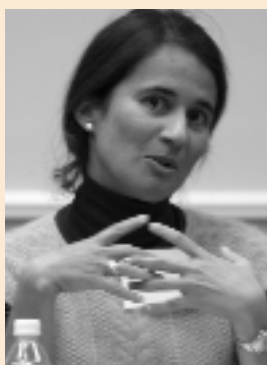
SELECTED RECENT PUBLICATIONS

“Gender Dimensions in the Analysis of Macro-poverty Linkages”

(with Y. van der Meulen Rodgers). *Development Policy Review*, Vol. 23, No. 3, May 2005.

“Modeling the Effects of Trade on Women, at Work and at Home”

(with A. Wood). *World Development*, Vol. 28, No. 7, July 2000.



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James K. Galbraith

JAMES K. GALBRAITH

B.A., Harvard University; Ph.D., Yale University. *Current Positions:* Senior Scholar, Levy Institute; Professor, Lyndon B. Johnson School of Public Affairs and Department of Government, University of Texas at Austin; Director, University of Texas Inequality Project; Chair of the Board of Economists for Peace and Security. *Areas of Interest:* Employment and inequality, especially determinants of global inequality

SELECTED RECENT PUBLICATIONS

“Estimating the Inequality of Household Incomes: A Statistical Approach to the Creation of a Dense and Consistent Global Data Set”

(with H. Kum). *Review of Income and Wealth*, Vol. 51, No. 1, March 2005.

“Notes sur L’Economie de la Guerre et de L’Empire.”

(Notes on the Economics of War and Empire, with English summary). *Innovations*, No. 21, January 2005.



Caren A. Grown

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B.A. in political science, University of California, Los Angeles; M.A., Ph.D., New School for Social Research. *Current Positions:* Codirector, Program on Gender Equality and the Economy; Senior Scholar, Levy Institute. *Areas of Interest:* Gender and development

SELECTED RECENT PUBLICATIONS

Taking Action: Achieving Gender Equality and Empowering Women

(with G. R. Gupta and A. Kes). Earthscan Press, 2005.

“Growth, Trade, Finance, and Gender Inequality: Introduction”

(with D. Elson and N. Çağatay). *World Development*, Vol. 28, No. 7, June 2000.



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B.A., Swarthmore College; M.A., Humphrey School of Public Affairs, University of Minnesota; M.A., Ph.D., University of Notre Dame. *Current Position:* Resident Research Associate and Editor, Levy Institute. *Areas of Interest:* Macroeconomics, monetary economics, social economics

SELECTED RECENT PUBLICATIONS

“Minsky’s Acceleration Channel and the Role of Money.”

Journal of Post Keynesian Economics, Vol. 27, No. 3, Spring 2005.

“Borrowing Alone: The Theory and Policy Implications of the Commodification of Finance.”

B. J. Clary, W. Dolfsma, and D. M. Figart, eds. *Ethics and the Market: Insights from Social Economics*. Routledge, forthcoming, 2006.



Indira Hirway

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B.A. in economics and statistics, Gujarat University, Ahmedabad; M.A. in economics and statistics, Delhi School of Economics, University of Delhi; Ph.D., University of Bombay. *Current Positions:* Research Associate, Levy Institute; Director and Professor of Economics, Centre for Development Alternatives, Ahmedabad, India; GEM-IWG. *Areas of Interest:* Women's employment, time-use surveys, and integrating unpaid work into macropolicies; poverty and human development, social protection, and safety nets; labor market structures and issues in employment generation; sustainable and regional development; entrepreneurship development programs for economic diversification

SELECTED RECENT PUBLICATIONS

"Employment Programmes for Protecting the Vulnerable Poor: Lessons from the Past Experiences in India."

G. P. Bordignon, ed. *Protecting the Vulnerable Poor in India: The Role of Safety Nets*. World Food Programme, 2005.

Applications of Time Use Statistics

(ed.). UNIFEM and the Government of India, 2003.



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B.A., M.P.A., Seoul National University, Korea; M.P.P., University of Michigan, Ann Arbor; Ph.D. in public policy, University of Texas at Austin. *Current Position:* Research Scholar, Levy Institute. *Areas of Interest:* Measurement of inequality, inequality and economic growth; distributional effects of government spending, including cross-country comparisons

SELECTED RECENT PUBLICATIONS

"Estimating the Inequality of Household Incomes: A Statistical Approach to the Creation of a Dense and Consistent Global Data Set"

(with J. K. Galbraith). *Review of Income and Wealth*, Vol. 51, No. 1, March 2005.

"Inequality and Economic Growth: A Global View Based on Measures of Pay"

(with J. K. Galbraith). *CESifo Economic Studies*, Vol. 49, No. 4, 2004.



Dimitri B. Papadimitriou

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B.A., Columbia University; M.A., Ph.D., New School for Social Research. *Current Positions:* President, Levy Institute; Executive Vice President and Jerome Levy Professor of Economics, Bard College. *Areas of Interest:* Macroeconomic modeling and policy; the Federal Reserve; monetary and fiscal policy; banking and financial structure; community development banking; the distribution of income, wealth, and well-being

SELECTED RECENT PUBLICATIONS

Induced Investment and Business Cycles

(ed.). Edward Elgar, 2004.

The Distributional Effects of Government Spending and Taxation

(ed.). Palgrave Macmillan Ltd., forthcoming, 2006.



Joel Perlmann

JOEL PERLMANN

B.A., Hebrew University, Jerusalem; Ph.D. in history and sociology, Harvard University. *Current Positions:* Senior Scholar, Levy Institute; Levy Institute Research Professor, Bard College. *Areas of Interest:* American ethnic and racial intermarriage, people of mixed origin, and upward mobility since 1880; the social profile of Russian Jewish immigration around 1900 and its connection to explanations of the group's rapid economic improvement; the use of ethnic categories in the collection of government data

SELECTED RECENT PUBLICATIONS

Italians Then, Mexicans Now: Immigrant Origins and Second-Generation Progress, 1890 to 2000.

Levy Institute and Russell Sage Foundation, 2005.

The New Race Question: How the Census Counts Multiracial Individuals

(ed. with M. C. Waters). Levy Institute and Russell Sage Foundation, 2002.

STEPHANIE SEGUINO

Ph.D., American University. *Current Positions:* Research Associate, Levy Institute; Associate Professor and Chair of the Economics Department, University of Vermont. *Areas of Interest:* Macroeconomics, gender, and development; income distribution; effects of globalization on gender inequality; determinants of well-being

SELECTED RECENT PUBLICATIONS

“Does Gender Matter for Aggregate Saving? An Empirical Analysis”

(with M. S. Floro). *International Review of Applied Economics*, 2003.

“Macroeconomic Effects of Reducing Gender Wage Inequality in an Export-Oriented, Semi-Industrialized Economy”

(with R. Blecker). *Review of Development Economics*, 2002.

ANWAR M. SHAIKH

B.S.E., Princeton University; M.A., Ph.D., Columbia University. *Current Positions:* Senior Scholar, Levy Institute; Professor, Department of Economics, New School for Social Research. *Areas of Interest:* International trade; mathematical economics; growth and cycle theory; national economic accounts; history of economic thought; macroeconomics; long-term determinants of exchange rates in OECD countries, of the U.S. stock market, and of inflation in advanced economies

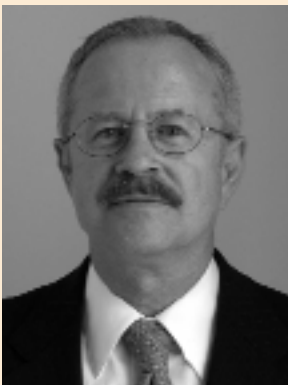
SELECTED RECENT PUBLICATIONS

“The Bush Agenda”

(with D. Hamilton and J. Madrick). *Challenge*, Vol. 48, No. 1, Jan.–Feb. 2005.

“Labor Market Dynamics within Rival Economic Frameworks.”

G. Argyrous, M. Forstater, and G. Mongiovi, eds. *Growth, Distribution, and Effective Demand: Alternatives to Economic Orthodoxy: Essays in Honor of Edward J. Nell*. M. E. Sharpe, 2004.



W. Ray Towle

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B.Sc., M.A., University of Alberta; Executive M.S., Zicklin School of Business, Baruch College, City University of New York; Ph.D., University of London. *Current Position:* Resident Research Associate and Editor, Levy Institute. *Areas of Interest:* Macroeconomic forecasting, international financial systems, regional economic development, balanced budgets, deregulation



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A.B., Harvard College; M. Phil., Ph.D., Yale University. *Current Positions:* Senior Scholar, Levy Institute; Professor of Economics, New York University; Research Associate, National Bureau of Economic Research. *Areas of Interest:* Distribution of income and wealth, productivity growth

SELECTED RECENT PUBLICATIONS

“Asset Poverty in the United States, 1984–99: Evidence from the Panel Study of Income Dynamics”

(with A. Caner). *Review of Income and Wealth*, Vol. 50, No. 4, December 2004.

Downsizing in America: Reality, Causes, and Consequences

(with W. J. Baumol and A. S. Blinder). Russell Sage Foundation, 2003.



L. Randall Wray

L. RANDALL WRAY

B.A., University of the Pacific; M.A., Ph.D., Washington University in St. Louis. *Current Positions:* Senior Scholar, Levy Institute; Professor of Economics and Director of Research, Center for Full Employment and Price Stability, University of Missouri–Kansas City. *Areas of Interest:* Employer of last resort programs, Social Security, monetary economics, macroeconomics, monetary policy

SELECTED RECENT PUBLICATIONS

“Loanable Funds, Liquidity Preference, and Endogenous Money: Do Credit Cards Make a Difference?”

Journal of Post Keynesian Economics, Vol. 26, No. 2, Winter 2003–2004.

“Neocons and the Ownership Society.”

Challenge, January/February 2006.



Ajit Zacharias

AJIT ZACHARIAS

B.A., University of Kerala; M.A., University of Bombay; Ph.D., New School for Social Research. *Current Position:* Research Scholar, Levy Institute. *Areas of Interest:* Concepts and measurement of economic well-being, effects of taxes and government spending on well-being, valuation of noncash transfers, time use

SELECTED RECENT PUBLICATIONS

“Household Wealth, Public Consumption, and Economic Well-Being in the United States”

(with E. N. Wolff and A. Caner). *Cambridge Journal of Economics*, Vol. 29, No. 6, November 2005.

“The Levy Institute Measure of Economic Well-Being”

(with E. N. Wolff). *Indicators*, Vol. 2, No. 4, Fall 2003.



Gennaro Zezza

GENNARO ZEZZA

Degree in economics, University of Naples. *Current Positions:* Research Scholar, Levy Institute; Associate Professor, Faculty of Law, University of Cassino, Italy. *Areas of Interest:* Macroeconomic modeling; economic growth, innovation, and regional convergence; distance learning

SELECTED RECENT PUBLICATION

“The Role of Monetary Policy in Post-Keynesian Stock-Flow Consistent Macroeconomic Models”

(with C. H. Dos Santos). M. Lavoie and M. Seccareccia, eds. *Central Banking in the Modern World: Alternative Perspectives*. Edward Elgar, 2004.

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BARD COLLEGE: AN ALLIANCE OF EXCELLENCE

The founders of The Levy Economics Institute envisioned it as part of a vibrant, growing educational institution with high ideals and inspired leadership. They designed the Levy Institute as a place of higher learning that would foster cooperative, innovative, and entrepreneurial spirit and a willingness to take risks.

In allying itself with The Levy Economics Institute, Bard College took a major step forward in its effort to build a community of diverse intellectual centers. According to Bard President Leon Botstein, “Bringing the Levy Institute to Bard College was one of the most important events in the development of the College’s intellectual and academic excellence.”



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