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1. PERI’S WORK ON AFRICAN ECONOMIES: GHANA, SOUTH AFRICA, KENYA

For the past three years, PERI researchers have been working with the United Nations Development Programme to explore alternative strategies for economic growth in sub-Saharan Africa. One recent product of this work is Gerald Epstein and James Heintz’s Monetary Policy and Financial Sector Reform for Employment Creation and Poverty Reduction in Ghana. The report examines the structure of Ghana’s financial sector, central bank policy, and employment policies, and recommends a series of reforms that would improve the financial sector’s capacity to move Ghana onto an employment-intensive growth path.

Professor Heintz adds this study to a number of other papers on the Ghanaian economy. Using data from the Ghana Living Standards Survey, Employment, Poverty, and Gender in Ghana examines the segmentation of the labor force in Ghana, particularly by gender, and considers the implications of these findings on anti-poverty programs for the country. His earlier study, Elements of an Employment Framework for Poverty Reduction in Ghana, was the result of a U.N. initiative to analyze the first stage of the Ghanaian government’s Ghana Poverty Reduction Strategy. It identified challenges to the plan and recommended ways to enhance the government’s anti-poverty efforts through employment-growth strategies.

PERI’s work in Ghana will soon be joined by the publication of An Employment-Targeted Economic Program for South Africa, a UNDP-sponsored report recommending a course of action to address the extremely high unemployment levels in South Africa. The study, by PERI’s Robert Pollin, James Heintz, Gerald Epstein and Léonce Ndikumana, recommends ways to stimulate growth in both subsidized and unsubsidized employment; suggests ways to influence macroeconomic variables such as exchange rates, inflation, and capital controls; and proposes the appropriate supporting government spending levels and tax...
Forum on Social Wealth

April 7, 2006, 1:30-3:00 PM
Marc Breslow, Massachusetts Climate Action Network
Gordon Hall - 3rd floor

April 10, 4:00 PM
Relative Prices and the Fallacy of Composition in Export-Led Growth: An Empirical Investigation
Arslan Razmi, UMass Amherst
Thompson Hall - 9th floor
UMass Amherst
Economic Theory Workshop

April 11, 2006, 4:00 PM
Middle-Class Retirement in Peril: Rising Risks and Ways to Address Them
Beth Almeida, International Association of Machinists and Aerospace Workers, and Christian Weller, Center for American Progress
Thompson Hall - 9th floor
Co-sponsored by PERI and the Political Economy Workshop

April 11, 2006, 8:00 PM
How Progressive Economic Policies Can Help Cure America’s Ills
Christian Weller, Center for American Progress
Gordon Hall - 3rd floor

April 14, 2006, 1:30-3:00 PM
The 2002 Toxic 100
Bengi Akbulut, UMass

Policies. Publication of the South Africa report is planned for later this spring.

Professors Pollin and Heintz are also involved with the UNDP in Kenya, where they are examining policy options for the struggling Kenyan economy. Recent estimates suggest that over 60% of Kenyans live on the equivalent of less than one dollar a day. In September 2005, Pollin and Heintz spent a week in Nairobi assessing the economic situation. They observed a steady rise in the proportion of informal, rather than formal, employment opportunities, as well as deep poverty among both rural and urban workers and their families. At the same time, there are also positive developments, including a strongly expanding export sector and a range of successful cooperative enterprises. Pollin and Heintz returned to Kenya in March 2006 to consider in more depth the next steps toward advancing an employment-based anti-poverty strategy for Kenya.

ONLINE RESOURCES:
>> Monetary Policy and Financial Sector Reform for Employment Creation and Poverty Reduction in Ghana
>> Employment, Poverty, and Gender in Ghana
>> Elements of an Employment Framework for Poverty Reduction in Ghana
>> Can Macroeconomic Policy Stimulate Private Investment in South Africa?
>> United Nations Development Programme

1. THE CORPORATE TOXICS INFORMATION PROJECT: TRANSLATING THE RIGHT TO KNOW INTO THE RIGHT TO CLEAN AIR AND WATER

With the Corporate Toxics Information Project (CTIP), James K. Boyce, director of PERI’s environment program, and UMass Professor of Economics Michael Ash “want to make the invisible more visible, because we know that what you can’t see can hurt you.”

The CTIP translates the right to know into the right to clean air and water. Boyce and Ash have analyzed data from the U.S. Environmental Protection Agency on corporate releases of toxic chemicals and the resulting air and water pollution hazards. The project aims to deliver usable, relevant information to community-based activists and socially responsible investors. The PERI website now features an interview with Boyce and Ash. The Toxic 100—the 100 worst-offending air polluting corporations in America—are now posted on the PERI website, along with Canada’s Toxic 50 and Ohio’s Toxic 12.

The CTIP is the first place where EPA data on toxic emissions is analyzed factoring in the toxicity of the pollutants, local population density, and corporate ownership of multiple sites. PERI researchers added up facility-by-facility data from the EPA to create corporate rankings.

Still to come on the Corporate Toxics Information Project site are regular updates to the Toxic 100, a web-accessible database, (with the ability to zoom in on particular facilities or toxins), an extension of the database to include smaller corporations, and a measure of the impact of pollutants across communities as they vary by income, race, and ethnicity.
ONLINE RESOURCES

>> CTIP home page
>> Interview with Boyce & Ash
>> Toxic 100
>> Canada's Toxic 50
>> Ohio's Toxic 12

3. NEW PERI DISSERTATIONS ARCHIVE

The PERI website now features the first two of a planned series of Ph.D. dissertations by PERI-affiliated scholars.

Posted this month is *The Distributional Consequences of Financial Liberalization: Evidence from Cross Country and Case Studies* by Arjun Jayadev, University of Massachusetts, Amherst Ph.D. 2005. Professor Jayadev's thesis uses panel data analysis to test the effects of international capital mobility on labor's share of national income. He finds evidence that enhanced capital mobility detracts from the bargaining power of labor. He examines the repercussions of these findings in case studies of Indonesia and India. In an accompanying interview with Professor Jayadev he discusses his research and his experience as a graduate student at UMass Amherst.

The first dissertation in the series, posted in March, is *Mandated Wage Floors and the Wage Structure: Analyzing the Ripple Effects of Minimum and Prevailing Wage Laws*, the 2005 dissertation of PERI Research Fellow Jeannette Wicks-Lim. Wicks-Lim explores the economic impact of mandated wage floor laws beyond the workers receiving legally-required raises. Who else gets a raise when the wage floor rises, and why? How does this affect employers’ bottom lines? How far up the wage ladder do these ripple effects extend? And what might be the implications of these findings for the living wage movement, where wage floors are set significantly higher?

Wicks-Lim discusses her findings, and plans for future research, in an interview posted on the PERI interview archive page. Her interview joins those of James Boyce & Michael Ash, Robert Pollin, Gerald Epstein, Mark Brenner, James Heintz and Bob Sutcliffe.

ONLINE RESOURCES:

>> PERI Dissertation Archives
>> The Distributional Consequences of Financial Liberalization
>> Interview with Arjun Jayadev
>> Mandated Wage Floors and the Wage Structure
>> Interview with Jeannette Wicks-Lim

4. UPDATE ON THE LIVING WAGE MOVEMENT
The tally of jurisdictions—states, cities, counties, and schools—that have enacted living wage ordinances continues to climb, standing at last count at 130. On January 15, 2006, living wage ordinances in Santa Fe and elsewhere were the cover story in the New York Times Magazine, and the issue seems poised to become a major plank in the 2006 and 2008 Democratic Party platforms.

PERI continues to be a vital part of the movement, providing economic impact research and technical assistance to campaigns around the country. Most recently, the Center for American Progress has hired Robert Pollin and Jeannette Wicks-Lim of PERI to assess the economic impact of a proposed minimum wage law in Arizona, where polling has indicated 81% support for a statewide minimum wage of $6.75/hour. With such strong popular support, minimum wage opponents are likely to bring quasi-academic research findings into the campaign debate, and PERI’s reputable analysis of the actual impact on Arizona’s businesses is likely to play a critical role.

**ONLINE RESOURCES:**

>> PERI Living Wage Program

>> New York Times Magazine article

**5. NEW WORKING PAPERS**

A number of new working papers and reports have been released since the last edition of this newsletter. Short descriptions of each of these new research studies and links for downloading the papers off the PERI website are listed below.

**Monetary Policy and Financial Sector Reform For Employment Creation and Poverty Reduction in Ghana** (704k)
Gerald Epstein & James Heintz, March 2006

This report summarizes the findings of a UNDP-sponsored study on the structure of the financial sector, central bank policy, and employment outcomes in Ghana. The report develops a critique of financial programming and inflation targeting, presents a series of empirical estimates on the impact of monetary policy variables in Ghana, and describes the elements of an alternative monetary policy. Econometric estimates of the determinants of investment explicitly link financial variables to real economic activity. The report summarizes a series of financial sector reforms that would improve the financial sector’s capacity to move Ghana onto an employment-intensive growth path.

**The Effects of Neoliberal "Reforms" on the Post-Crisis Korean Economy** (385k)
James Crotty & Kang-Kook Lee, September 2005

In December 1997 the IMF offered Korea loans to help alleviate its financial crisis. These loans were accompanied by what the IMF called “extreme structural conditionality.” Korea was required to replace its traditional East Asian economic system with a neoliberal model. We review economic performance in the neoliberal era. Growth has slowed, poverty and inequality have risen, and investment spending has stagnated, while foreign ownership of Korean firms and banks has skyrocketed. We conclude that the eight-year experiment with radical neoliberal restructuring has turned out well for foreign capital and wealthy Koreans, but has been a failure for the majority of Korea’s people.
Border Wars: Tax Revenues, Annexation, and Urban Growth in Phoenix
Carol E. Heim, January 2006
Phoenix and neighboring municipalities, like many in the South and West, pursued a growth strategy based on annexation in the decades after World War II. The paper argues that tax revenues have been a key motivation for annexation, particularly since the 1970s. It then considers several related policy issues and argues that while opportunities for annexation are becoming more limited, competition for tax revenues (particularly sales tax revenues) continues to be fierce and creates dilemmas for municipalities in the region.

ONLINE RESOURCES:
PERI's on-line database of research studies and conference papers can be found at: wwwx.oit.umass.edu/~peri/html/all.html

NEW PERI STAFF
Debbie Zeidenberg has recently joined the PERI staff as Director of Communications. Debbie returned to the east coast in August 2005 with her husband and two children, after thirteen years in Washington State. For the prior six years, she was a welfare policy analyst in Olympia, Washington. She has worked as analyst and evaluator on a range of topics concerning opportunity and equity for low-income families. She has a B.A. from Harvard College and an M.P.A. from the University of Washington. Contact Debbie at dzeiden@peri.umass.edu or 413.577.3147.