

Economics for Activists

by **Mary Zepernick**

Below are a number of recent economic justice related resources and subjects that democracy activists should be aware of. There's a direct link between growing economic injustice and growing political injustice.

Putting Families First: Good Jobs for All

This is the title of a new report by a coalition of progressive groups across the country. They include the Center for Community Change, Center for Popular Democracy, Jobs with Justice, and the Leadership Conference on Civil and Human Rights.

Elizabeth Warren (D-Mass) spoke at the coalition's kickoff event in Washington, D.C in late April. In her remarks, Warren harked back to the Great Depression, from which the country emerged due in part to government policies aimed at the 'common good'. "We were investing in opportunity in the 1930s and '40s era, spending on education and large-scale infrastructures. We weren't perfect, we didn't get it all right, but we were moving in the right direction."

Senator Warren declared, "The game is rigged. Because oil companies have great lobbyists. Because NASCAR owners and race horse owners have friends in Washington — and those who don't have lobbyists get less and less."

Program on Inequality and the Common Good by Josh Hoxie &

Chuck Collins, Institute for Policy Studies

This organization, along with its progressive allies, generated 316,000 signatures on a petition opposing cancellation of the estate tax. It sent a strong message that we don't want to see billionaires and multi-millionaires get a massive tax break. While conservative lawmakers succeeded in pushing estate tax repeal through the House of Representatives, the fight is far from over. Along with 72 other national groups, we sent a letter to Congress, stating unequivocally that "arguments made for repealing the estate tax are fraudulent and cloak the real aim of this legislation, which is to provide a large tax cut for the wealthy."

Washington Post columnist Dana Milbank recently wrote in a scathing rebuke of the estate tax repeal, "Never in the history of plutocracy has so much been given away to so few who need it so little."

Stop Corporate Welfare Kings by Ralph Nader

According to Citizens for Tax Justice, "American Fortune 500 corporations are avoiding up to \$600 billion in U.S. federal income taxes by holding more than \$2.1 trillion of retained profits offshore, which they designate as "permanently reinvested" to avoid a tax liability.

And of course, millionaires and billionaires often pay less in taxes than middle class Americans do,

taking full advantage of tax loopholes, deductions, deferrals, and other forms of creative accounting.

Systemic Disorder

This blog is an apt description of the dysfunctional US economic system, especially its impact on low-income families. The subtitle is "Essays on economic crisis, decoding dominant ideologies, creating a better world -- a tall order, fitting for an ambitious agenda.

Low Wages Don't Come Cheap: "When we think of the externalized costs of capitalist enterprise we think of environmental damage and infrastructure assaults. But low wages are another burden foisted onto society, costing the public more than \$150 billion annually in the United States. So widespread have low wages become that a majority of federal and state money going toward public assistance programs is paid to people in working families. This amounts to one more subsidy for U.S. business, already the recipients of massive largesse.

"When it is impossible to live on meager wages — a position millions of families find themselves in — there is no alternative to turning to public assistance programs. The total scale of these programs was calculated by researchers at the University of California's Berkeley Center for Labor Research and Education. The report, released in April of 2015, is

titled "The High Public Cost of Low Wages."

The authors of the report - Ken Jacobs, Ian Perry and Jennifer McGillvary - examined the cost to the federal government and the fifty state governments of four programs — the Medicaid and Children's Health Insurance Program; Temporary Aid to Needy Families; the Earned Income Tax Credit; and the Supplemental Nutrition Assistance Program (SNAP). Almost three-quarters of those enrolling in at least one of these programs are members of a working family with at least one member who works at least ten hours a week for no fewer than 27 weeks a year.

Overall, \$153 billion from these four programs goes to working families, representing 56% of total public assistance spending by federal and state governments.

This massive amount of public money is a generous subsidy to corporations. The less they spend on wages and benefits, the more goes to profits that stuff the bloated bank accounts of corporate executives and financiers.

Pay Equity

The slice of the economic pie in this country that goes to workers is near the smallest on record in data going back to 1947, and the gap between worker pay and labor productivity has widened since the 1970s. A healthy economy would see wages and productivity rising together. However, in recent decades greater productivity gains have increasingly gone to executive compensation and shareholder returns, rather than to wages and benefits.

Our national politics enable these patterns to persist. According to a *New York Times* editorial on May 1st: "These dynamics are not inevitable. Low wage employers, in particular, pay low wages

because they can and the main reason they can is that Congress has failed over decades to adequately mandate minimum wages and other labor standards, including rules for overtime pay, employee benefits and union organizing. ...the low wage business model has turned into a form of corporate welfare."

The Gender GAP

Closing the wage gap would slash poverty in half for families headed by single mother breadwinners, according to the Institute for Women's Policy Research. April 14th was Equal Pay Day, but it's understandable if you missed it. Originated by the National Committee on Pay Equity, a coalition of women's civil rights and labor groups, it spotlight how much longer women must work to earn what men did in the previous year. President Kennedy signed the Equal Pay Act in 1963 when women working full time earned 59 cents to the men's dollar. By 2013, the latest such census data, it was 78 cents. In 2014 the Institute for Women's Policy Research reports the ratio at 82.5%. Progress, but the gender differential persists. In 2010, '12 & '14, President Obama supported the Paycheck Fairness Act, but congressional Republicans blocked every effort.

Children

Children are first in the lifeboat, it's said, but in the real world of rights and resources this is not always the case. Only two nations still refuse to ratify the UN Convention on the Rights of the Child: Sudan and the United States. UNICEF reports that "children's material.

In summary, the United States bombs nations in the name of democracy, yet has one of the least democratic and poorest functioning states calling themselves a democracy. The US

has the lowest voter turnout among wealthy nations and even ranks below many poor countries. The United States does not use national public initiatives or referenda in the way that some countries do. So its low voter turnout (often more than 60% of eligible voters choosing not to vote) is of great consequence.

A Publication of the PROGRAM ON CORPORATIONS, LAW & DEMOCRACY

By What Authority (ISSN: 524-1106) is published by the Program on Corporations, Law & Democracy. The title is English for *quo warranto*, a legal phrase that questions illegitimate exercise of privilege and power. We the people and our federal and state officials have long been giving giant business corporations illegitimate authority. Today, a minority directing giant corporations and backed by police, courts, and the military, define our culture, govern our nation and plunder the earth. **By What Authority** reflects an unabashed assertion of the right of the sovereign people to govern themselves.

POCLAD is a group of 10 people instigating democratic conversations and actions that contest the authority of corporations to govern. Our analysis evolves through historical and legal research, writing, public speaking and working with organizations to develop new strategies that assert people's rights over property interests.

BWA is a tool for democracy proponents to rethink and reframe their work. To that end we encourage readers to engage us with comments, questions and suggestions.

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