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Special Note: Moyers and Co. often examines US capitalism. Just Google the title.

The Price of Inequality

How Today's Divided Society Endangers Our Future
Joseph E. Stiglitz (Author, Columbia University)
Overview | Inside the Book
A forceful argument against America's vicious circle of growing inequality by the Nobel Prize-winning economist.
The top 1 percent of Americans control 40 percent of the nation’s wealth. And, as Joseph E. Stiglitz explains, while those at the top enjoy the best health care, education, and benefits of wealth, they fail to realize that “their fate is bound up with how the other 99 percent live.”

Stiglitz draws on his deep understanding of economics to show that growing inequality is not inevitable: moneyed interests compound their wealth by stifling true, dynamic capitalism. They have made America the most unequal advanced industrial country while crippling growth, trampling on the rule of law, and undermining democracy. The result: a divided society that cannot tackle its most pressing problems. With characteristic insight, Stiglitz examines our current state, then teases out its implications for democracy, for monetary and budgetary policy, and for globalization. He closes with a plan for a more just and prosperous future.

Joseph Stiglitz: Man who ran World Bank calls for bankers to face the music
Joseph Stiglitz tells Ben Chu that rogue financiers have proven that regulation must get tougher.  Ben Chu Monday 02 July 2012

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Joseph Stiglitz, an economist and a professor at Columbia University
Charlie Forgham-Bailey
The Barclays Libor scandal may have shocked the British public, but Joseph Stiglitz saw it coming decades ago. And he's convinced that jailing bankers is the best way to curb market abuses. A towering genius of economics, Stiglitz wrote a series of papers in the 1970s and 1980s explaining how when some individuals have access to privileged knowledge that others don't, free markets yield bad outcomes for wider society. That insight (known as the theory of "asymmetric information") won Stiglitz the Nobel Prize for economics in 2001.
And he has leveraged those credentials relentlessly ever since to batter at the walls of "free market fundamentalism".
It is a crusade that has taken Stiglitz from Massachusetts Institute of Technology, to the Clinton White House, to the World Bank, to the Occupy Wall Street camp and now, to London, to promote his new book The Price of Inequality.
And kind fortune has engineered it so that Stiglitz's UK trip has coincided with a perfect example of the repellent consequences of asymmetric information.
When traders working for Barclays rigged the Libor interest rate and flogged toxic financial derivatives – using their privileged position in the financial system to make profits at the expense of their customers – they were unwittingly proving Stiglitz right.
"It's a textbook illustration," Stiglitz said. "Where there are these asymmetries a lot of these activities are directed at rent seeking [appropriating resources from someone else rather than creating new wealth]. That was one of my original points. It wasn't about productivity, it was taking advantage."
Yet Stiglitz's interest in the abuses of banks extends beyond the academic. He argues that breaking the economic and political power that has been amassed by the financial sector in recent decades, especially in the US and the UK, is essential if we are to build a more just and prosperous society. The first step, he says, is sending some bankers to jail. "That ought to change. That means legislation. Banks and others have engaged in rent seeking, creating inequality, ripping off other people, and none of them have gone to jail."

Next, politicians need to stop spending so much time listening to the financial lobby, which, according to Stiglitz, demonstrates its spectacular economic ignorance whenever it claims that curbs on banks' activities will damage the broader economy.

This talk of economic ignorance brings us to the eurozone crisis and the extreme austerity policies being pursued. Stiglitz is depressed. In 2000 he resigned from the World Bank and launched an excoriating attack on the way it and its sister institution, the International Monetary Fund, handled the Asian financial crisis of the late 1990s. He condemned the IMF for imposing brutal and inappropriate adjustment policies on bailed out nations – medicine which, he argued, merely pushed nations further into crisis. "For me there's some nostalgia here," he says.

Does he see any hope for the eurozone, I ask, or is it now heading, inevitably, for a breakup? "It is a train that can still be stopped" he says. "But the relevant question is the politics in Germany. Have they created in their rhetoric a dynamic that makes it difficult to stop? In particular [German Chancellor] Angela Merkel's rhetoric that the crisis was caused by profligacy. She's framed the issue as profligacy, rather than framing it as 'the European system is fundamentally flawed'."

The central argument of his latest oeuvre is that the huge inequalities of income and wealth that have developed in the US and elsewhere in the West over recent decades are not only unjust in themselves but are retarding growth.

"Every economy needs lots of public investments – roads, technology, education," he says. "In a democracy you're going to get more of those investments if you have more equity. Because as societies get divided, the rich worry that you will use the power of the state to redistribute. They therefore want to restrict the power of the state so you wind up with weaker states, weaker public investments and weaker growth."

It's an elegantly simple proposition. And one that logically points to a radical manifesto of redistribution and higher taxation in the name of the general public good. Time will tell whether this comes to be regarded as another manifestation of towering economic genius. But, for now, crusading Stiglitz has one more weapon in his hands with which to batter down those walls of folly.

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**Mitt Romney and the New Gilded Age**

*Robert B. Reich*

June 27, 2012  |  *This article appeared in the July 16-23, 2012 edition of The Nation.*
Republican presidential candidate, former Massachusetts Gov. Mitt Romney speaks during a campaign stop at Cornwall Iron Furnace on Saturday, June 16, 2012, in Cornwall, Penn. (AP Photo/Evan Vucci)

The election of 2012 raises two perplexing questions. The first is how the GOP could put up someone for president who so brazenly epitomizes the excesses of casino capitalism that have nearly destroyed the economy and overwhelmed our democracy. The second is why the Democrats have failed to point this out.

Robert Reich: Mitt Romney's Casino Capitalism

Robert Reich, Chancellor’s Professor of Public Policy at the University of California, Berkeley, was secretary...

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The White House has criticized Mitt Romney for his years at the helm of Bain Capital, pointing to a deal that led to the bankruptcy of GS Technologies, a Bain investment in Kansas City that went belly up in 2001 at the cost of 750 jobs. But the White House hasn’t connected Romney's Bain to the larger scourge of casino capitalism. Not surprisingly, its criticism has quickly degenerated into a “he said, she said” feud over what proportion of the companies that Bain bought and loaded up with debt subsequently went broke (it’s about 20 percent), and how many people lost their jobs relative to how many jobs were added because of Bain’s
financial maneuvers (that depends on when you start and stop the clock). And it has invited a Republican countercharge that the administration gambled away taxpayer money on its own bad bet, the Solyndra solar panel company.

But the real issue here isn’t Bain’s betting record. It’s that Romney’s Bain is part of the same system as Jamie Dimon’s JPMorgan Chase, Jon Corzine’s MF Global and Lloyd Blankfein’s Goldman Sachs—a system that has turned much of the economy into a betting parlor that nearly imploded in 2008, destroying millions of jobs and devastating household incomes. The winners in this system are top Wall Street executives and traders, private-equity managers and hedge-fund moguls, and the losers are most of the rest of us. The system is largely responsible for the greatest concentration of the nation’s income and wealth at the very top since the Gilded Age of the nineteenth century, with the richest 400 Americans owning as much as the bottom 150 million put together. And these multimillionaires and billionaires are now actively buying the 2012 election—and with it, American democracy. MORE: http://www.thenation.com/article/168623/mitt-romney-and-new-gilded-age

So Rich, So Poor: Why It’s So Hard to End Poverty in America

Peter Edelman  Spring 2012.

An uncompromising look at the increasing poverty in America today—especially among young people—by the man who famously resigned from the Clinton administration to protest the treatment of the nation’s poor.

If the nation’s gross national income—over $14 trillion—were divided evenly across the entire U.S. population, every household could call itself middle class. Yet the income-level disparity in this country is now wider than at any point since the Great Depression. In 2010 the average salary for CEOs on the S&P 500 was over $1 million—climbing to over $11 million when all
forms of compensation are accounted for—while the current median household income for African Americans is just over $32,000. How can some be so rich, while others are so poor?

In this provocative book, lifelong antipoverty advocate Peter Edelman offers an informed analysis of how this country can be so wealthy yet have a steadily growing number of unemployed and working poor. According to Edelman, we have taken important positive steps without which 25 to 30 million more people would be poor, but poverty fluctuates with the business cycle. The structure of today’s economy has stultified wage growth for half of America’s workers—with even worse results at the bottom and for people of color—while bestowing billions on those at the top.

So Rich, So Poor delves into what is happening to the people behind the statistics, and takes a particular look at the continuing crisis of young people of color, whose possibility of a productive life too often is lost on their way to adulthood. This is crucial reading for anyone who wants to understand the most critical American dilemma of the twenty-first century.

Peter Edelman is a professor at Georgetown University Law Center. A top adviser to Senator Robert F. Kennedy from 1964 to 1968, he went on to fill various roles in President Bill Clinton’s administration, from which he famously resigned in protest after Clinton signed the 1996 welfare reform legislation.

The Great Disparity

William Julius Wilson

This article appeared in the July 30-August 6, 2012 edition of The Nation.

Between 1947 and 1970, every income group in America experienced economic advancement. As James K. Galbraith reminds us in Created Unequal, the 1950s and '60s were unique because government policies—social as well as economic—provided a firm foundation for the gains experienced by families across the board. Lower-wage workers benefited from a wide range of protections, including steady increases in the minimum wage, and the government made full employment a high priority. There was also a strong union
movement that ensured higher wages and more nonwage benefits for ordinary workers.

**The Great Divergence**  
*America’s Growing Inequality Crisis and What We Can Do About It.*  
By Timothy Noah.  
[Buy this book.](#)

**Coming Apart**  
By Charles Murray.  
[Buy this book.](#)

**About the Author**

*William Julius Wilson*

William Julius Wilson is the Lewis P. and Linda L. Geyser University Professor at Harvard University.

But by the ’80s, the trends for lower-wage workers had been reversed. Families in the higher income groups—the top 20 percent—continued to enjoy steady income gains, adjusted for inflation, while families in the lower income brackets experienced stagnating or declining incomes. The labor movement began its downward spiral; macroeconomic policy was no longer geared to tight labor markets; and monetary policy, focused on lowering inflation above all else, became dominant. As part of the “Reagan experiment,” the tax structure became more regressive and Social Security taxes increased; also, when George W. Bush took office, tax cuts were passed that distinctly favored the wealthy at the expense of ordinary families. Finally, Congressional resistance to raising the minimum wage further threatened the economic security of disadvantaged families.

The growing American disparity became a hotly debated issue in academic circles, and concerns about rising inequality generated numerous research studies. Economists focused mainly on the causes of income inequality, while many sociologists and political scientists examined the related factors of social inequality, such as the increasingly limited access to affluent neighborhoods and elite colleges and universities. Before the emergence of Occupy
Wall Street last year, Americans remained largely ignorant of these trends. But OWS, which morphed into Occupy as the protests spread to other cities across the country, had one important effect: it raised public awareness of the growing economic inequality in the United States. As a result, research by social scientists on the subject, which had been largely ignored in public debates, has figured prominently in op-eds and news articles about the recession.

Giving this public attention, the publication of Timothy Noah’s *The Great Divergence* and Charles Murray’s *Coming Apart* could not be more timely. Unlike the growing mountains of academic research being filtered through the press, these two well-written and engaging books are clearly meant for a general readership (Noah’s book originated as a series of articles in *Slate*). But that is all they have in common, because their analyses of the growing economic and social disparities in America are strikingly different.

Although scholars of inequality will find little that’s new in *The Great Divergence*, it is nonetheless a very impressive and important book. Fully aware of the public’s belated—but growing—interest in the rising inequality, Noah thinks the problem has to be fully understood before it can be adequately addressed. Accordingly, he has attempted “to synthesize the best [social science research] for nonexperts who would like to know, at long last, what’s been happening to the economy, especially in the United States.”

Noah documents the drastic changes between the Great Compression (the period of growing income equality between 1932 and 1979) and the Great Divergence (the period of increasing income inequality after 1979). He shows that the level of inequality in the United States is not only more extreme than in other advanced industrialized democracies, but has also increased at a much faster rate. This trend, he points out, is not linked to the usual factors, such as
black/white income disparity, the unequal treatment of women or the influx of immigrants. Although African-Americans have certainly felt the adverse effects of the Great Divergence, black/white income disparity hasn’t been a factor in its emergence, as both the black middle class and the white middle class have fallen behind. Nor has the unequal treatment of women been a factor, since the male/female wage gap has actually shrunk by nearly half during the past several decades. As for immigration, the most dramatic difference between the Great Compression and the Great Divergence is the pronounced and widening income gap between the rich and the middle class, not between the rich and the poor. And immigration’s impact on the income of middle-class Americans—as distinct from its impact on the income of high school dropouts—has been minimal.

* * *

So what have been the significant factors underlying the Great Divergence? Noah identifies four: the increasing importance of a college degree due to the shortage of better-educated workers; trade between the United States and low-wage nations; changes in government policy in labor and finance; and the decline of the labor movement. He also considers the extreme changes in the wage structure of corporations and the financial industry, in which American CEOs typically receive three times the salaries earned by their European counterparts.

Noah cites a widely discussed study by the Harvard economists Claudia Goldin and Lawrence Katz, *The Race Between Education and Technology*, which estimates, in Noah’s words, that the increase in the economic returns to “people with college diplomas or advanced degrees, whose limited supply bid up their salaries,” accounts for roughly 60 percent of the growth in wage inequality between 1973 and 2005. The American education
system has not been able to supply a sufficient number of better-educated workers to meet demand during the Great Divergence, which he calls “terrible news for everyone else.”

The research Noah draws on reveals that trade with low-wage nations, “which was negligible until the twenty-first century,” is responsible for around 12 to 13 percent of the Great Divergence. Why? The increasing trade in manufactured goods with developing countries has resulted in a larger number of trading partners whose workers earn considerably less than their counterparts in the United States. “As recently as 1975,” states Noah, “America’s top ten trading partners had included Italy, the Netherlands, and Belgium, all high-wage nations. China didn’t make the cut. By 1990, China made the top ten, but just barely; it ranked tenth. By 2005, the three European nations had all been displaced by Asian nations, of which the biggest player by far was China.” As of 2005, China paid workers 3 percent of what workers in the United States received. This recent dramatic shift in international trade, Noah argues, drove up the wage gap between skilled and low-skilled workers in this country, as the latter found themselves in greater competition with workers producing the same goods for lower wages in developing nations. We replaced high-wage nations with low-wage nations as our main trading partners, and this lowered average wages in the United States.

The evidence on how government policy—particularly under Republican presidents—and a resurgent business lobby altered income distribution tends to be less comprehensive and more impressionistic, but, according to Noah, “the impact of government action (and inaction) in three particular areas—labor, finance, and corporate compensation—is relatively clear and well documented.” As for the fortunes of the labor movement during the Great Divergence, Noah cites a 2007 study by the Harvard economist Richard Freeman, which estimates that the decline of union membership accounts for about 20 percent of the Great Divergence
among all workers. And a 2011 study by the sociologists Bruce Western and Jake Rosenfeld concludes that the demise of unions has contributed as much to men’s wage inequality as the relative increase in salaries for college graduates. Western and Rosenfeld associate the demise of organized labor with changes in the economy and intensified political opposition. In particular, employment growth outside the traditional union stronghold of manufacturing created a newly competitive economic environment and prompted employers in unionized industries to intensify their opposition to organized labor’s demands. Employer resistance unfolded in an increasingly adverse political environment for unions, especially corporate donations to anti-union policy-makers and the rightward shift of the National Labor Relations Board under Republican administrations, which made union organizing more difficult. “Draw one line on a graph charting the decline of union membership,” Noah writes, “then superimpose a second line charting the decline in middle-class income share (with ‘middle class’ defined broadly as the middle 60 percent), and you will find that the two lines are nearly identical.”

Finally, one cause of the spectacular rise in top income gains in the United States during the Great Divergence has been the shift in the principal activity and structure of investment banks—from banking to trading, and from partnership structures to publicly traded corporations—as well as the government deregulation of Wall Street. While top income gains have increased in many developed countries, nowhere are they growing as fast as in the United States. For example, the top 1 percent’s increase in the share of income during the Great Divergence (through 2005) was 17 percent in the United States, in comparison with an increase of 2 percent or less in France and Germany.

To reverse these trends, Noah recommends enacting a more progressive tax code to prevent
budget cuts from eliminating programs that aid the poor and the middle class. He also calls for enlarging the federal payroll to accommodate a jobs program—patterned after the Works Project Administration—that would provide time-limited work for lower- and middle-income people struggling to find employment, as well as relaxing immigration barriers to attract more skilled labor and enlarge the applicant pool, which would depress wages somewhat in high-skill industries and thereby deflate the college and grad-school wage premium. Noah advocates a number of other measures as well, such as universalizing preschool education (because research suggests that early schooling can dramatically affect income distribution in later life); using government levers to impose price controls on colleges and universities (thereby enlarging the pool of educated workers to meet demand and reducing the currently high inequality between educated and uneducated workers); and building on the 2010 Dodd-Frank financial reform bill with additional regulation of Wall Street (to create greater competition within the banking sector and thereby reduce unseemly compensation levels). Finally, Noah stresses the importance of electing Democratic presidents, because, as he explains, the research of political scientist Larry Bartels reveals that “Democratic administrations since 1948 presided over income gains that diminish as you move up the income scale, while Republican administrations have presided over income gains that diminish as you move down the income scale.”

Conservatives will denounce—and some liberals will question—these recommendations. But as Noah points out, the problem is acute, and we need to “get started while the vast disparities in how people live and what they have still have the power to offend our sense of fair play. The worst thing we could do to the Great Divergence is get used to it.”

* * *

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With *Coming Apart*, Charles Murray provides a starkly different account of the growing economic and social disparities in the United States. Murray argues that America is “coming apart at the seams—not the ethnic seams, but the seams of class.” He elaborates his thesis by methodically chronicling the formation of two very distinct classes that have significantly diverged in core values and behavior—so much so that their underlying American roots are now barely recognizable, in his view. The two classes are a new upper class, which is a subset of the upper middle class, and a new lower class, which is a subset of the working class; their polarization, Murray argues, is not linked to income inequality, because this divergence of values and behavior has occurred in both good economic times and bad.

Thanks to Murray’s rhetorical adroitness, his passion against government encroachment, and his strong belief in the bootstrap ethic and untrammeled individualism, many conservatives and libertarians have already hailed *Coming Apart* as a powerful statement on current conditions in American society. Yet despite Murray’s detailed presentation of statistical data to support his arguments about the role of values in the growing separation of the new upper class and the new lower class, he consistently neglects to cite evidence that competes with or contradicts his powerfully stated conclusions.

Murray claims to have devised “an intuitively understandable way to think about the trends in the larger classes from which they are drawn”: a comparison of two emblematic neighborhoods named Belmont and Fishtown. These neighborhoods are real places: Belmont is an affluent white suburb of Boston, and Fishtown is a predominantly white working-class neighborhood in Philadelphia. Murray restricts his analysis to the white population and describes how both places have evolved over the past half-century.

Belmont represents the neighborhood of the new upper class, or “cognitive elite,” which
Murray defines as “the most successful 5 percent of adults ages 25 and older who are working in managerial positions, in the professions (medicine, the law, engineering and architecture, the sciences, and university faculty), and in content-production jobs in the media.” The new upper class has accumulated greater wealth because of the sharp increase in financial returns on intelligence. This greater brainpower is conspicuously on display in elite universities such as Harvard, Yale and Princeton, which attract the smartest students, many of them offspring of the new upper class (which, according to Murray, now produces a disproportionate number of the brightest children). These students tend to interact, marry and then have children who are themselves more likely to become members of the “cognitive elite.” Thus, Murray argues, an aristocracy of inherited intelligence has replaced an aristocracy of inherited wealth.

Moreover, in places like Belmont, members of the new upper class have walled themselves off in “SuperZips”—urban or suburban pockets where nearly everyone is wealthy and interactions with Americans unlike themselves are few or nil. Insulated in the same neighborhoods, new upper-class families develop distinct tastes, habits and lifestyles that further distinguish them from ordinary American families.

Nowhere are these cultural differences more evident, Murray claims, than when comparisons are made between Belmont and Fishtown. People in Fishtown tend to be unhappy and dysfunctional because of a sharp decline in the traditional bonds of civil society. Marriage has declined in both places, but Fishtown has experienced a more substantial decline, represented by the significant percentage of poor, unwed mothers. And though industriousness is still a characteristic feature of Belmont, it has plummeted among white males in Fishtown, whose high rate of joblessness can be attributed not to a lack of
employment opportunities but to a preference for leisure. In other words, white males in Fishtown are lazy. Also, crime is far worse in Fishtown than in Belmont, with an alarming rate of men either incarcerated, on parole or on probation. Finally, although religion and church attendance have declined in Belmont, they have declined much more sharply in Fishtown.

According to Murray, these trends reveal a withering away of the traditional bonds of civil society in lower-class white America, accompanied by a decline in neighborliness, trust, civic engagement and political awareness, all of which contribute to feelings of unhappiness. Murray argues that the new upper class should be partly blamed for this predicament: it has suffered a collapse in self-confidence and therefore is reluctant to preach what it practices—to insist that others uphold and protect marriage, industriousness, honesty and religiosity. This reluctance emerges from a code of ecumenical niceness—people should respect the ways of others, regardless of race, national origin, gender, sexual preference or cultural practices—that the new upper class teaches its children. “The new upper class still does a good job of practicing some of the virtues, but it no longer preaches them,” Murray states. “It has lost self-confidence in the rightness of its own customs and values, and preaches nonjudgmentalism instead.”

Murray dismisses the idea of ameliorating the social and economic disparities with the sort of programs proposed by Noah, such as higher taxes on the rich and greater spending on the poor. And he categorically rejects programs that could be associated with the European welfare state, which, he maintains, is imploding. For Murray, “institutions deteriorate in the advanced welfare states for reasons that are intrinsic to the nature of the welfare state,” and the richest and most robust institutions are in “states that allow people to work out their lives on their own and in company with other people around them.”
Murray leans hard on a tone of authority that he hasn’t earned. For starters, he never presents any evidence directly linking the poor social outcomes of the white working class with its “crumbling” moral values. Indeed, it is impossible to verify or conclusively prove such causal relationships without conducting longitudinal studies based on direct interviews with randomly drawn samples of people from carefully defined geographic areas. In the absence of such rigorous research, Murray could at least have tried to make a plausible case for his arguments by attempting to engage studies or empirical arguments that present fundamentally different points of view.

Noah points out in The Great Divergence that the wage stagnation experienced by working-class families and the income gains enjoyed by the top 20 percent of the population—and even more so by the top 5 and top 1 percent—are not unique to the United States. Severe wage stagnation and income inequality have also occurred recently in other industrialized democracies, though the gains of the affluent are more extreme in the United States. Are we to assume that values play a role in the poorer outcomes of lower-wage workers in these countries as well? And if not, why? A discussion of similar cross-cultural trends is missing from Coming Apart.

Moreover, as Noah shows, many factors have contributed to the income stagnation in the bottom tiers and the overall increasing inequality in the United States. Paramount among these are changes in the economy that have placed a greater premium on college-educated workers, advances in technology and the offshoring of manufacturing jobs to lower-wage countries. One can hardly understand the impact of these dynamic contributing structural factors to our rising inequality by focusing almost exclusively on so-called changes in the
values of the American population.

Furthermore, as Greg Duncan of the University of California, Irvine, and Richard Murnane of Harvard University have pointed out, recent social science research reveals that growing income inequality has widened the disparity in resources that rich and poor families can invest in their children, thereby exacerbating residential segregation and diminishing the interaction between rich and poor in a number of social settings. Lacking the financial, human and political resources of the wealthy, institutions in poorer neighborhoods (such as schools) decline in quality, which in turn adversely affects the education and life chances of children born in poor families. Also, Duke University researchers have shown that layoffs triggered by plant closings not only disrupt children’s family life but also deplete the pool of resources available for school improvement. In short, these divergent outcomes can be thoroughly explained by analyzing the structural factors, and without introducing the subject of values.

As Paul Krugman has demonstrated, since 1973 the entry-level wages of male high school graduates, after adjusting for inflation, have plummeted 23 percent. To make matters worse, a collapse in employment benefits has accompanied these changes. For example, a 2010 study by the Economic Policy Institute revealed that employer-provided health insurance coverage among private sector workers who are high school graduates (ages 18 to 64) declined from 70 percent in 1979 to 50 percent in 2008. Murray fails to address the impact of any of these factors in his discussion of the collapse of moral values in Fishtown, just as he fails to address how the increasing returns to higher education so painstakingly documented by Noah and others create greater social and economic inequalities. Accordingly, more disadvantaged groups fall further and further behind as economic and social inequality become more entrenched, thereby curtailing social mobility.
The considerable shortcomings of *Coming Apart* are also evident in Murray’s failure to address the well-documented literature that challenges his interpretation of why marriages have declined so drastically among working-class women. Increased participation in the labor market over the past four decades has made women more financially independent, and therefore less dependent on marriage for economic survival. As Murray demonstrates, the decline in marriage rates has been unevenly distributed across income levels, with higher rates of decline prevailing at lower income levels. But is this decline a clear indication that values concerning the desirability of marriage have changed?

Ethnographic research conducted in Philadelphia and Camden, New Jersey, by sociologists Kathryn Edin of Harvard and Maria Kefalas of St. Joseph’s University has shown that low-income white, Puerto Rican and black single women all value marriage and hope to be married someday. But Edin and Kefalas argue that when poor women postpone marriage, it is because they face a shortage of “marriageable” men in their social world, where economic changes have severely reduced employment opportunities for low-income men. Not surprisingly, better-off men partner with better-off women, and poor women therefore wait until they find a man they can trust—a man who has, over time, proven to be a responsible partner and father. The dreams of these women include financial security and owning a house before getting married, and consequently some end up never getting married at all.

Nor can Murray reconcile his argument about the collapse of moral values among working-class whites with data from two key sources: the National Vital Statistics System, which shows a sharp drop in teenage pregnancies among all racial and ethnic groups since 1991, and the Justice Department’s Uniform Crime Reports, which show a significant drop in violent
crimes among all racial and ethnic groups during the same period. Relatedly, research by Brian Jacob and Tamara Wilder Linkow reveals that the percentage of children expecting to obtain a four-year college degree has rapidly increased over the past twenty years, and this increase was greater for children whose parents were not college graduates. Obviously, the expectations of these children have either been thwarted or were unrealistic to start. But such expectations hardly reinforce the view of a collapse in the perceived value of higher education. The most generous conclusion one can reach about Murray’s book is that, if changing values are the root of the great economic and social disparities between the new upper and lower classes in America, Coming Apart does a very poor job of proving it.

William Julius Wilson
July 10, 2012 | This

How Does Inequality Define the Health of a Nation?
Richard Wilkinson, Video Report, NationofChange, July 27, 2012: Just because a country tops the charts for GDP and high income doesn’t mean it’s the most equal, happiest, or healthiest of nations. Research is showing that some of the wealthiest countries also have the greatest equality gaps between rich and poor as well as the highest rates of health problems and mental illnesses. Richard Wilkinson has done extensive research on the effects and consequences of inequality. READ | DISCUSS | SHARE

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