DOWNLOAD PDF 4. THE NATURE OF OIL POLICY ISSUES DURING THE HIGH GROWTH ERA

Chapter 1 : The U.S. Economy in the s

Oil has been unique as a vital resource owing to its pervasiveness in the civilian economy and its continuing centrality to military power, and maintaining access to the great oil-producing areas of the world has been a key goal of U.S. foreign policy since World War I.

Energy policy Energy policies are the actions governments take to affect the demand for energy as well as the supply of it. These actions include the ways in which governments cope with energy supply disruptions and their efforts to influence energy consumption and economic growth. The energy policies of the United States government have often worked at cross purposes, both stimulating and suppressing demand. Taxes are perhaps the most important kind of energy policy, and energy taxes are much lower in the U. This is partially responsible for the fact that energy consumption per capita is higher than elsewhere, and there is less incentive to invest in conservation or alternative technologies. Following the Arab oil embargo , the federal government instituted price controls which kept energy prices lower than they would otherwise have been, thereby stimulating consumption. Yet the government also instituted policies at the same time, such as fuel-economy standards for automobiles, which were designed to increase conservation and lower energy use. Thus, policies in the period after the embargo were contradictory: The United States government has a long history of different types of interference in energy markets. The Natural Gas Act of gave the Federal Power Commission the right to control prices and limit new pipelines from entering the market. In The Supreme Court extended price controls to field production. Before , the Texas Railroad Commission effectively controlled oil output in the United States through prorationing regulations that provided multiple owners with the rights to underground pools. The federal government provided tax breaks in the form of intangible drilling expenses and gave the oil companies a depletion allowance. A program was also in place from to which limited oil imports and protected domestic producers from cheap foreign oil. The ostensible purpose of this policy was maintaining national security, but it contributed to the depletion of national reserves. After the oil embargo, Congress passed the Emergency Petroleum Allocation Act giving the federal government the right to allocate fuel in a time of shortage. In President Gerald Ford announced Project Independence which was designed to eliminate dependence on foreign imports. Congress passed the Federal Non-Nuclear Research and Development Act in to focus government efforts on non-nuclear research. Finally, in Congress approved the cabinet-level creation of the U. Department of Energy DOE which had a series of direct and indirect policy approaches at its disposal, designed to encourage and coerce both the energy industry as well as the commercial and residential sectors of the country to make changes. After Ronald Reagan became president, many DOE programs were abolished, though DOE continued to exist, and the net impact has probably been to increase economic uncertainty. Energy policy issues have always been very political in nature. Different segments of the energy industry have often been differently affected by policy changes, and various groups have long proposed divergent solutions. The energy crisis, however, intensified these conflicts. They have been opposed by proponents of free markets, some of whom considered the government itself responsible for the crisis. Few issues were subject to such intensive scrutiny and fundamental conflicts over values as energy policies were during this period. Interest groups representing causes from energy conservation to nuclear power mobilized. Business interests also expanded their lobbying efforts. An influential advocate of the period was Amory Lovins, who helped create the renewable energy movement. His book, Soft Energy Paths: Toward A Durable Peace , argued that energy problems existed because large corporations and government bureaucracies had imposed expensive centralized technologies like nuclear power on society. Lovins argued that the solution was in small scale, dispersed, technologies. He believed that the "hard path" imposed by corporations and the government led to an authoritarian, militaristic society while the "soft path" of small-scale dispersed technologies would result in a diverse, peaceful, self-reliant society. Because coal was so abundant, many in the s considered it a solution to American dependence on foreign oil, but this expectation has proved to be mistaken. During the s, the industry had been controlled by an alliance between management and the union, but this alliance disintegrated by the time of the energy crisis, and wildcat strikes hurt productivity. Productivity also declined because of the need to address safety problems following passage of the Coal Mine Health and Safety Act. Worker productivity in the mines dropped sharply from 19 tons per worker day to 14 tons, and this decreased the advantage coal had over other fuels. The Energy Supply and Environmental Coordination Act and the Fuel Use Act, which required utilities to switch to coal, had little effect on how coal was used because so few new plants were being built. Other energy-consuming nations responded to the energy crises of â€”74 and â€”80 with policies that were different from the United States. Japan and France, although via different routes, made substantial progress in decreasing their dependence on Mideast oil. Great Britain was the only major industrialized nation to become completely self-sufficient in energy production, but this fact did not greatly aid its ailing economy. When energy prices declined and then stabilized in the s, many consuming nations eliminated the conservation incentives they had put in place. Japan is the most heavily petroleum-dependent industrialized nation. To pay for a high level of energy and raw material imports, Japan must export the goods which it produces. When energy prices increased after , it was forced to expand exports. The rate of economic growth in Japan began to decline. In France, energy resources at the time of the oil embargo were extremely limited. It possessed some natural gas , coal, and hydropower, but together these sources constituted only 0. By , French dependence on foreign energy had grown to France had long been aware of its dependence on foreign energy and had taken steps to overcome it. Political instability in the Mideast and North Africa had led the government to take a leading role in the development of civilian nuclear power after World War II. In Charles de Gaulle set up the French Atomic Energy Commission to develop military and peaceful uses for nuclear power. France now exports electricity to nearly all its neighbors, and its rates are about the lowest in Europe. Starting in the French government also subsidized 3, conservation projects at a cost of more than 8. Concerned about oil supplies during World War I , the British government had taken a majority interest in British Petroleum and tried to play a leading role in the search for new oil. After the World War II , the government nationalized the coal, gas, and electricity industries, creating, for ideological reasons as well as for postwar reconstruction, the National Coal Board, British Gas Corporation, and Central Electricity Generating Board. After the discovery of oil reserves in the s in the North Sea , the government established the British National Oil Company. All the energy sectors in the United Kingdom were thus either partially or completely nationalized. Government relations with the nationalized industries often were difficult, because the two sides had different interests. The government intervened to pursue macroeconomic objectives such as price restraint, and it attempted to stimulate investment at times of unemployment. The electric and gas industries had substantial operating profits and they could finance their capital requirements from their revenues, but profits in the coal industry were poor, the work force was unionized, and opposition to the closure of uneconomic mines was great. Decision-making was highly politicized in this nationalized industry, and the government had difficulty addressing the problems there. New power-plant construction was also poorly managed, and comparable coal-fired power stations cost twice as much in Great Britain as in France or Italy. The Conservative Party proposed that the nationalized energy industries be privatized. However, with the exception of coal, these energy industries had natural monopoly characteristics: The Conservative Party called for regulation after privatization to deal with the natural monopoly characteristics of these industries, and it took many steps toward privatization. In only one area, however, did it carry its program to completion, abolishing the British National Oil Company and transferring its assets to private companies.

Chapter 2 : Postâ€"World War II economic expansion - Wikipedia

But even if growth slowed to as little as 4 percent during , China would still escape the so-called trapâ€"and energy consumption would continue to grow at about 2 percent per year without a big change of policy.

At various times, other factors have contributed as well. The increase in U. These increases, in turn, are a product of the proliferation in nearly every state and in the federal system of laws and guidelines providing for lengthy prison sentences for drug and violent crimes and repeat offenses, and the enactment in more than half the states and in the federal system of three strikes and truth-in-sentencing laws. The increase in the use of imprisonment as a response to crime reflects a clear policy choice. In the s and s, state and federal legislators passed and governors and presidents signed laws intended to ensure that more of those convicted would be imprisoned and that prison terms for many offenses would be longer than in earlier periods. No other inference can be drawn from the enactment of hundreds of laws mandating lengthier prison terms. The Growth of Incarceration in the United States: Exploring Causes and Consequences. The National Academies Press. A has increased the percentage of convicted violent offenders sentenced to prison; B has increased the average prison time which will be served in prison by convicted violent offenders sentenced to prison; C has increased the percentage of sentence which will be served in prison by violent offenders sentenced to prison. Yet while individual laws clearly reflected a policy choice to increase the use and length of incarceration, it is unlikely that anyone intended, foresaw, or wanted the absolute levels of incarceration that now set the United States far apart from the rest of the world. In this chapter, we describe and then assess the development of U. The first section reviews the profound shifts in the U. The second section details principles of justice that have undergirded punishment policies in the United States and other democratic countries since the Enlightenment and demonstrates that many policies enacted over the past 40 years are inconsistent with those principles. The third section examines the disjunction in recent decades between policy-making processes and the available social science evidence on the effects of punishment policies. The fourth section surveys and analyzes disproportionate and damaging effects of recent U. In , the incarceration rate had been falling since see Figure in Chapter 2. The federal system and every U. Indeterminate sentencing had been ubiquitous in the United States since the s. Statutes defined crimes and set out broad ranges of authorized sentences. Sentence appeals were for all practical purposes unavailable. Because sentencing was to be individualized and judges had wide discretion, there were no standards for appellate judges to use in assessing a challenged sentence Zeisel and Diamond, For the prison-bound, judges set maximum and sometimes minimum sentences, and parole boards decided whom to release and when. Prison systems had extensive procedures for time off for good behavior Rothman, ; Reitz, Few people questioned the desirability of indeterminate sentencing. Within a few years, however, the caseâ€"and supportâ€"for indeterminate sentencing collapsed. University of Chicago law professor Albert Alschuler described the sea change: Criticisms of indeterminate sentencing grew. Researchers argued that the system did not and could not keep its rehabilitative promises Martinson, Unwarranted disparities were said to be common and risks of racial bias and arbitrariness to be high e. Critics accused the system of lacking procedural fairness, transparency, and predictability Davis, ; Dershowitz, Others asserted that parole release procedures were unfair and decisions inconsistent Morris, ; von Hirsch and Hanrahan, Not all objections focused primarily on consistency and procedural fairness. A first set of sentencing guidelines developed by the Pennsylvania Sentencing Commission was rejected by the legislature after conservatives characterized them as being insufficiently severe Martin, Those criticisms sparked major changes in American sentencing and punishments, and ultimately in the scale of imprisonment. In retrospect, three distinct phases are discernible. The second phase, from the mids through , aimed primarily to make sentences for drug and violent crimes harsher and their imposition more certain. Three strikes laws typically required minimum year sentences for people convicted of a third felony. State truth-in-sentencing laws typically required that people sentenced to imprisonment for affected crimes serve at least 85 percent of their nominal sentences. The third phase, since the mids, has been a period of drift. The impetus to undertake comprehensive overhauls or make punishments substantially harsher has dissipated. No states have created new comprehensive sentencing systems, none has enacted new truth-in-sentencing laws, and only one has enacted a three strikes law. Mandatory minimum sentence laws have been enacted that target carjacking, human smuggling, and child pornography, but they are much more narrowly crafted than were their predecessors. Most of these laws are relatively minor and target less serious offenses. The National Conference of State Legislatures for many years compiled annual summaries of uncertain comprehensiveness and maintains a searchable database beginning with developments in http: The Sentencing Project e. None of these, however, is comprehensive or cumulative. Page 74 Share Cite Suggested Citation: In the first of these examples, severe mandatory penalties for many offenses continued to be required New York State Division of Criminal Justice Services, ; in the second, a lower but still highâ€"to-1â€"drug quantity differential for offenses involving pharmacologically indistinguishable crack and powder cocaine was established Reuter, Changes Aimed at Increased Consistency and Fairness Sentencing reform initiatives proliferated in the aftermath of the rejection of indeterminate sentencing. These initiatives were followed by statutory determinate sentencing systems and presumptive sentencing guidelines. Parole Guidelines Parole guidelines were the first major policy initiative of the sentencing reform movement, although one foot remained firmly in the individualization logic of indeterminate sentencing. In the s, the U. Parole Board and boards in Minnesota, Oregon, and Washington created guideline systems for use in setting release dates. Sentencing Commission, , p. In federal fiscal year , nearly 40 percent of defendants sentenced under mandatory minimum sentence laws benefited from this provision U. Sentencing Commission, b, Table Page 75 Share Cite Suggested Citation: The four pioneering systems were abandoned in the s, replaced in each case by presumptive sentencing guideline systems that also sought to achieve greater procedural fairness and consistency. One advantage of parole guidelines is that they can make case-by-case decision making within a well-run administrative agency faster, less costly, and more easily reviewable than decisions made by judges. A second advantage is that, as commonly happened during the indeterminate sentencing era, parole boards can address prison overcrowding problems by adjusting release dates e. A major disadvantage, however, is that parole boards have authority only over those sentenced to imprisonment. Parole guidelines can reduce unwarranted sentence-length disparities among prisoners, but not between them and others sentenced to local jails or community punishments. Voluntary Sentencing Guidelines During the s, local courts and, occasionally, state judiciaries in most states created systems of voluntary sentencing guidelines Kress, ; National Research Council, Most early voluntary guideline systems were abandoned or fell into desuetude. Evaluations through the late s, most notably of judicially crafted systems in Maryland and Florida, showed that they had few or no effects on sentencing decisions or disparities Rich et al. Voluntary guidelines have attracted renewed interest because of two recent U. Supreme Court decisions U. A small number of states now operate voluntary guideline systems, but credible research evidence on their effects on sentencing disparities is not available. However, prison population growth in two especially well-known systems using voluntary guidelinesâ€"in Delaware and Virginiaâ€"has long been below national averages. Page 76 Share Cite Suggested Citation: California came second, enacting the Uniform Determinate Sentencing Act of ; the act abolished parole release and set forth recommended normal, aggravated, and mitigated sentences for most offenses. Evaluations concluded, however, that the laws had little if any effect on sentencing disparities Cohen and Tonry, ; Tonry, No additional states have created comprehensive statutory determinate sentencing systems since the mids. Presumptive Sentencing Guidelines In , Minnesota enacted legislation to create a specialized administrative agencyâ€"a sentencing commissionâ€"with authority to promulgate presumptive sentencing guidelines. Judges were required to provide reasons for sentences not indicated in the guidelines; the adequacy of those reasons could be appealed to higher courts. Oregon, Pennsylvania, and Washington created similar systems in the s. Evaluations showed that well-designed and -implemented presumptive guidelines made sentencing more predictable, reduced racial and other unwarranted disparities, facilitated systems planning, and controlled correctional spending

Tonry, , Chapter 3. Kansas, North Carolina, and Ohio created similar systems. The population constraint policies worked. During the periods when they were in effect, those states experienced prison population growth well below national averages. The primary policy goal of the early presumptive guideline systems was to reduce disparities and unfairness Lieb and Boerner, ; Frase, ; Kramer and Ullmer, The approach was proceduralist and technocratic, focusing primarily on the development of procedures for improving consistency and predictability and of population projection models for use Page 77 Share Cite Suggested Citation: This aim was realized: Population constraint policies made obvious sense to the early sentencing commissions and the legislatures that established them. From the mids through , policy making in this area ceased to be significantly influenced by concerns about evidence, fairness, and consistency. In Minnesota, the legislature in instructed the commission to abandon its population constraint policy. In Oregon, the committee that had drafted and monitored the guidelines was disbanded, and the guidelines were trumped by a broad-based mandatory minimum sentence law enacted in The Pennsylvania Commission on Sentencing survived, but state supreme court decisions effectively converted the nominally presumptive guidelines into voluntary ones Reitz, ; Kramer and Ulmer, More generally, presumptive sentencing guidelines fell from favor. The three most recent presumptive guideline systemsâ€”those of Kansas, North Carolina, and Ohio abandoned in â€"were established in the mids. A few voluntary systems have been developed since then. A number of studies have concluded that sentencing guidelines, especially with population constraints, help control the size of the prison population. Marvell compared prison population growth from to in nine states that had voluntary or presumptive guidelines with the national average and concluded that guidelines based on population constraints produced lower rates of population increase. Nicholson-Crotty , using prison data for in a state analysis, concluded that guidelines based on capacity constraints tend to moderate growth in incarceration and that guidelines not based on such constraints exacerbate it. Stemen and colleagues analyzed state sentencing patterns in the period and concluded that states that adopted presumptive guidelines and abolished parole release had lower incarceration and prison population growth rates than other states. The promulgation of federal sentencing guidelines, which took effect in , signaled the end of the phase of modern U. The Sentencing Reform Act of directed the U. Commission on Sentencing to develop guidelines for reducing disparities, to provide for nonincarcerative punishments for most nonviolent and nonserious first offenses, and to be guided by a prison population constraint policy.

Chapter 3 : The political economy of foreign oil policy - Oil

4 Critical Energy Issues to Watch in The president-elect will likely start rolling back eight years of Obama administration climate regulations and restrictions on coal, oil and gas development.

Reduce the growth of government spending. Milton Friedman , the monetarist economist who was an intellectual architect of free-market policies, was a primary influence on Reagan. Inflation was reduced by more than ten percentage points, reaching a low of 1. The misery index sank to 9. The number of children, ages 18 years and younger, below the poverty level increased from Also, the situation of low income groups was affected by the reduction of social spending, and inequality increased. In contrast, the share of total income of the lowest fifth of households fell from 4. However, the marginal cuts were partially offset by bracket creep and increased Social Security rates the following year. These policies were labeled by some as " Trickle-down economics ," [26] though others argue that the combination of significant tax cuts and a massive increase in Cold War related defense spending resulted in large budget deficits, [27] an expansion in the U. John Kenneth Galbraith called it "the largest and costliest venture in public misfeasance, malfeasance and larceny of all time. Burford , resigned over alleged mismanagement of funds. The President never told me what he believed or what he wanted to accomplish in the field of economics. The subject came up in a cabinet meeting and he summarized what he had heard perfectly. He had a remarkably good memory for oral presentation and could fit information into his own philosophy and make decisions on it. However, fuel efficiency in cars and light trucks driven by Americans still increased by a larger amount between and compared to previous decades or the decades since. Mundell wrote that the tax cuts "made the U. Bush , reneged on a campaign promise and raised taxes. What we got in the Reagan years was a deep recession and then half a dozen years of fine growth as we climbed out of the recession, but nothing beyond that. Corporate self-interest, he felt, would steer the country in the right direction. It resulted in six convictions, including James G. Watt was indicted on 24 felony counts and pleaded guilty to a single misdemeanor. In , to protect domestic auto sales the Reagan administration signed an agreement with Japan that it would not import more than 1. Reagan fired 11, strikers who did not return to work. Reagan announced that the situation had become an emergency as described in the Taft Hartley Act , and held a press conference on August 3, in the White House Rose Garden regarding the strike. Reagan stated that if the air traffic controllers "do not report for work within 48 hours, they have forfeited their jobs and will be terminated. The breaking of the strike had a significant impact on labor-management relations in the private sector. Although private employers nominally had the right to permanently replace striking workers under the National Labor Relations Act, that option was rarely used prior to , but much more frequently thereafter. The intended goal was to make the US invulnerable to a Soviet missile attack by placing missiles in space and vaporizing those of the Soviets, upon a nuclear attack. Following air defense laser testing in , work continued throughout the s, and the first above earth laser intercept test was completed. During the presidential campaign, Gov. Reagan called for the total elimination of the U. Department of Education, severe curtailment of bilingual education, and massive cutbacks in the federal role in education. When he left office in it stood at just 6 percent. The Final Report of the Commission, which was returned on April 26, , [67] noted the almost uninterrupted decline in student achievement in standardized test scores during the previous two decades, decades in which the Federal presence in education grew. High school graduates in the early s scored almost 40 points below their counterparts on standard mathematical tests and 50 points lower on verbal tests. About 13 percent of year-olds were considered functionally illiterate, and for minority youth, the figure was estimated to be as high as 40 percent. Remedial math courses then comprised one-fourth of all the math courses that are taught in public 4-year colleges. Four-fifths of American year-olds could not write a persuasive essay. Two-thirds could not solve mathematical problems involving more than one step, and nearly 40 percent could not draw inferences from reading. Attendance is up, and the number of kids who drop out of high school is down," and stressed that the bounty of Western civilization was owed to American children. He suggested that the report entitled James Madison Elementary School, [70] produced by Education Secretary Bill Bennett , be used to influence curricula at schools across the nation. War on Drugs[edit] Not long after being sworn into office, Reagan declared more militant policies in the " War on Drugs ". Today, there are still hundreds of "Just Say No" clinics and school clubs in operation around the country aimed at helping and rehabilitating children and teenagers with drug problems. Wade decision and had supported the federal Equal Rights Amendment , Senate Republicans and the vast majority of Americans approved of the pick, the Senate confirming her unanimously. By the end of the s, a conservative majority on the Supreme Court had put an end to the perceived "activist" trend begun under the leadership of Chief Justice Earl Warren. Wade of the previous three decades still standing as binding precedent. Reagan appointed 83 judges to the United States Courts of Appeals , and judges to the United States district courts. His total of appointments is the most by any president. However, he also experienced a number of judicial appointment controversies , as nine nominees for various federal appellate judgeships were not confirmed. During the press conference in , Reagan expressed skepticism in allowing children with AIDS to continue in school although he supported their right to do so, stating: I can well understand the plight of the parents and how they feel about it. On the other hand, I can understand the problem with the parents. It is true that some medical sources had said that this cannot be communicated in any way other than the ones we already know and which would not involve a child being in the school. And yet medicine has not come forth unequivocally and said, This we know for a fact, that it is safe. And until they do, I think we just have to do the best we can with this problem. I can understand both sides of it. Until celebrities, first Joan Rivers , and soon afterwards Elizabeth Taylor spoke out publicly about the increasing number of people quickly dying from this new disease, most public officials and celebrities were too afraid of dealing with this subject. Reagan prevented his Surgeon General , C. This approach brought Koop into conflict with other administration officials such as Education Secretary William Bennett. This information included the use of condoms as the decisive defense against contracting the disease. On the campaign trail , he spoke of the gay civil rights movement: Reagan was offended that some accused him of racism. In Reagan said the Voting Rights Act was "humiliating to the South", although he later supported extending the Act. Reagan was unsuccessful in trying to veto another civil rights bill in March of the same year. At first Reagan opposed the Martin Luther King holiday , and signed it only after an overwhelming veto-proof majority to 90 in the House of Representatives and 78 to 22 in the Senate voted in favor of it. Reagan said the Restoration Act would impose too many regulations on churches, the private sector and state and local governments. Ronald Wilson Reagan ". Retrieved November 23,

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Chapter 4 : Why we get bad diagnoses for the worldâ€™s energy-economy problems | Our Finite World

Major Macroeconomic Policy Tools Meet the Instructors. if the rate of inflation exceeds the rate of growth in our paycheck that a high unemployment rate.

Downloadable PDF Download citation Worries about global economic growth frequently made headlines in and worsened early this year. There are bearish views even in the United States, which is enjoying a steady, if not typical, recovery from the Great Recession. Playing a big factor in this gloomier outlook are the growth prospects in China. Since then, however, growth has decelerated sharply, down to 6. A slower-growing GDP could derail optimistic government plans for economic and environmental reform if the pressure to maintain growth results in a familiar pattern of energy-intensive investment in low-return infrastructure projects, such as buildings that sit empty and roads that go unused. Reform Ambitions Meet Reality In , newly installed leaders of the Communist Party announced their plans to reform the economy and government. The plan was to rebalance the economy away from the previous investment- and export-led growth and toward growth driven by consumption. Such a switch of production away from investment goods, such as steel and cement, would lead to a less energy-intensive economy. The unexpected slowdown since then has shifted emphasis back to maintaining growth. Such an emphasis on growth might mean a delay, or a revision, of the reform plans. China has a decentralized government, where provincial officials wield substantial authority over local economic decisions, and it is easy to imagine many provinces returning to a familiar path of investment in infrastructure to reach such targets. Whether or not such a high investment path would succeed in sustaining 6â€”7 percent growth, production of steel, cement, electricity, and other energy-intensive commodities would increase, resulting in higher levels of pollution and carbon emissions than envisioned in the earlier plans for a smooth rebalancing of the economy. There are indications of this return to investment. In â€”, the investment share of GDP exceeded 46 percent, even higher than the 40 percent that prevailed in the years before the global financial crisis. This higher investment has replaced the greatly diminished trade surplus and left the consumption share around 38 percent, which is similar to the share in â€” For comparison, the investment share in Korea peaked at 37 percent in , while the US share was 20 percent during the dot-com boom. Growth deceleration has been a topic of intense discussion within China. The debate held around had many arguing then that China would be able to sustain 8 percent growth rates for two more decades. But even if growth slowed to as little as 4 percent during â€”, China would still escape the so-called trapâ€”and energy consumption would continue to grow at about 2 percent per year without a big change of policy. The second is the creation of the Asian Infrastructure Investment Bank, championed by China to facilitate financing of large infrastructure projects in Asia, arguing that existing institutions such as the World Bank are too cumbersome. The primary motivation behind these two initiatives may be political considerations to expand Chinese influence along the New Silk route and in Asia. The economic slowdown introduces an additional need to sustain demand for Chinese industrial output. For example, Silk Road investments in Greece have turned the port of Piraeus into one of the fastest growing in the region. At a minimum, the Chinese leadership believes these initiatives will serve as new flexible institutions to implement an investment-led strategy. These international initiatives may be complemented by domestic investment initiatives. Whether such investment strategies will lead to greater energy and emission intensities depends on the nature of the investments. A common criticism of the recent policies, including those in the stimulus following the global financial crisis, is that the investments were made in low-return projects, as symbolized by empty buildings and little-used roads. A continuation of such poor project choices would contribute little to future GDP and to more energy use and pollution. I believe there is an alternate response to the economic slowdown that would maintain a high level of investment and have a high social return: Currently, roads sit empty in some places, while elsewhere, such as in Beijing, too-few roads and a lack of public transportation spell ever-worse congestion. Integration of wind and solar energy into the power system has been very poor for various institutional and structural reasons but could be much better. Promoting exports of such environmental equipment and construction would contribute to maintaining employment and reducing global pollution. The social return would also include a more flexible and reliable electricity grid that would help lower the costs of mitigating greenhouse gas emissions. This would be a win-win-win strategyâ€"it allows the government to follow a familiar path of economic development policy, it would maintain aggregate demand and employment, and it would promote energy conservation and pollution reduction in the future, even if the short-run impact is greater output of energy-intensive goods. Over the longer term, whether growth slows to 6 percent or 2 percent, further government reform is essential to sustainable growth. The party communique of November outlines many good ideas, including a more balanced set of incentives and tools for local officials instead of a singular focus on growth, a better social security system that would encourage a more typical level of consumption, and a richer set of environmental policies that would reduce the use of fossil fuelâ€"burning vehicles and emissions from industry. Developing specific policies for these general themes is the key to healthy development in the age of the New Normal. Green Growth for China? Project Syndicate, January Building a Modern, Harmonious, and Creative Society.

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This paper discusses how changes in the political and economic context in Vietnam during the reform era have influenced the nature of the country's think tanks. Drawing on policy studies, we.

Oil - The political economy of foreign oil policy Photo by: Gino Santa Maria Oil has been unique as a vital resource owing to its pervasiveness in the civilian economy and its continuing centrality to military power, and maintaining access to the great oil-producing areas of the world has been a key goal of U. The objective of maintaining access to economically vital overseas areas resonated with the global conception of U. Control of oil helped the United States contain the Soviet Union, end destructive political, economic, and military competition among the core capitalist states, mitigate class conflict within the capitalist core by promoting economic growth, and retain access to the raw materials, markets, and labor of the periphery in an era of decolonization and national liberation. Moreover, the strategic forces necessary for maintaining access to overseas oil were fungible; that is, they could, and were, used for other purposes in other parts of the world. Likewise, as the Gulf War demonstrated, strategic forces from other parts of the world could be used to help maintain access to oil. Thus, there has been a symbiotic relationship between maintaining power projection capabilities in general and relying on strategic forces to maintain access to overseas oil. In short, control of oil has been a key component of American hegemony. While national security concerns have been an important source of foreign oil policy, definitions of national security and national interest have not been shaped in isolation from the nature of the society they were designed to defend. Arguments that claim a noncapitalist United States would have followed the same policies, even when sincere, assume no changes in domestic economic, social, and political structures, and thus miss the point entirely. They also ignore the constraints, opportunities, and contradictions that the structure of society, and in particular the operation of the economic system, impose on public policy. The expansion of U. Although the United States became a net importer of oil in the late s, it was able to meet its oil needs from domestic resources until the late s. This realization led to a determination to maintain access to the great producing areas abroad, especially in the Middle East. Once the issue was defined in terms of access to additional oil, the interests of the major oil companies, which possessed the means to discover, develop, and deliver this oil, coincided with the national interest. In these circumstances, the major international oil companies have been vehicles of the national interest in foreign oil, not just another interest group. To maintain an international environment in which private corporations could operate with security and profit, the U. Although there was a broad consensus in favor of policies aimed at ensuring U. Like much of U. Within these divisions the competing strategies of different firms often led to intense conflict and to efforts to enlist government agencies as allies in the competitive struggle. Any public policy that seemed to favor one group of companies was certain to be opposed by the rest of the industry. In addition, oil companies shared the general distrust of the democratic state that prevailed throughout American business. Coal, in contrast, was used mainly for heating and electricity generation, as was natural gas, which increased its share of overall U. There was less conflict with industries that were themselves heavy oil users, in part because most of them were able to pass increased costs along to consumers. Competing bureaucracies and institutions, each with their own set of organizational interests, supported different policies. While these divisions often influenced the specific contours of foreign oil policy, they generally reflected the divisions in the U. For both organizational and ideological reasons, the Department of State has represented the interests of the major oil companies whose actions can have a great impact on U. Congress, in contrast, has played its traditional role as the protector of small business and often backed the numerically dominant independent oil companies and the coal industry, whose interests have been mostly within the United States. Presidents have tried to mediate the conflicts among government agencies, with Congress, and among competing industry groups, and craft compromises acceptable to the greatest number of groups possible. Almost all segments of the oil industry agreed on policies aimed at creating and maintaining an international environment in which all

U. Thus, the impact of business conflict was not a free hand for government agencies but rather strict limits on government actions and control of the world oil economy by the most powerful private interests. Foreign oil policy has been shaped not only by the structure of the oil industry, which has changed over time, but also by the privileged position of business in the United States. The oil industry has operated in a political culture that favored private interests and put significant limits on public policy. Thus, the fact that business interests were often divided and that specific business interests at times did not prevail does not mean, as some analysts argue, that the oil industry and other business sectors had little influence on U. On the contrary, the overall structure of power within the United States had a profound impact on U. Corporate power not only influenced the outcome of specific decisions but more importantly, significantly shaped the definitions of policy objectives. The realization that U. The alternative of reducing, or at least slowing, the growth of rapidly rising consumption has only rarely been seriously considered. Part of the reason for a supply side focus has been the obvious strategic and economic advantages of controlling world oil. Nevertheless, the degree to which U. The consideration and adoption of alternative policies limiting the consumption of oil has also clashed with well-organized political and economic interests, deep-seated ideological beliefs, and the structural weight of an economic system in which almost all investment decisions are in private hands. The oil industry has been one of the most modern and best-organized sectors of the U. Domestic producers have argued that greater incentives for domestic production are the answer to U. Demand-side planning, in contrast, involves end-use and other restrictions that clash with the interests of the oil industry and other industries using oil. Planning for publicly defined purposes, such as limiting demand for oil products, requires a role for public authorityâ€”supplanting the market in some areasâ€”that has been unacceptable to the dominant political culture of the United States. In addition, the patterns of social and economic organization, in particular the availability of inexpensive private automobiles, the consequent deterioration of public transportation, and the continuing trend toward increased suburbanization, all of which were premised upon high oil consumption, have been regarded as natural economic processes not subject to conscious control, rather than as the results of identifiable, and reversible, social, economic, and political decisions. Conservation also goes against the ideology of growth and the desire, reinforced by the experiences of depression and war, to escape redistributionist conflicts by expanding production and the absolute size of the economic "pie. The structure of power within the United States has also deeply affected the U. While abundant oil has helped fuel American power and prosperity, it also helped entrench social and economic patterns dependent on ever-higher levels of energy use. Whether or not these patterns are sustainable on the basis of world oil resources, it has become increasingly clear that they are not sustainable ecologically, either for the United States or as a model of development for the rest of the world. At the beginning of the twenty-first century, oil accounted for 40 percent of world energy demand, and energy use was the primary source of carbon dioxide, the main greenhouse gas. Increased energy demand will only make the situation worse. In short, there are environmental limits to continuing, let alone expanding, the high productionâ€”high consumption lifestyle associated with the U. Therefore, the most important question facing the United States in regard to oil in the twenty-first century may not be how to ensure access to oil to meet growing demands, but rather how to move away from what is clearly an unsustainable development path. Comment about this article, ask questions, or add new information about this topic:

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Chapter 6 : Domestic policy of the Ronald Reagan administration - Wikipedia

This paper chronicles the evolution of industry in Ghana over the post-independence era from an inward over- The emerging policy issues relate to the key developmental objectives of the.

Aftermath of World War II Among the causes can be mentioned the rapid normalization of political relations between former Axis powers and the western Allies. After the war, the major powers were determined not to repeat the mistakes of the Great Depression , some of which were ascribed to postâ€”World War I policy errors. The Marshall Plan for the rebuilding of Europe is most credited for reconciliation, though the immediate post-war situations was more complicated. Institutional arrangements[edit] Institutional economists point to the international institutions established in the post-war period. Structurally, the victorious Allies established the United Nations and the Bretton Woods monetary system , international institutions designed to promote stability. This was achieved through a number of policies, including promoting free trade , instituting the Marshall Plan , and the use of Keynesian economics. US Council of Economic Advisers[edit] In the United States, the Employment Act of set the goals of achieving full employment, full production, and stable prices. It also created the Council of Economic Advisers to provide objective economic analysis and advice on the development and implementation of a wide range of domestic and international economic policy issues. In its first 7 years the CEA made five technical advances in policy making: Japan and West Germany caught up to and exceeded the GDP of the United Kingdom during these years, even as the UK itself was experiencing the greatest absolute prosperity in its history. In France, this period is often looked back to with nostalgia as the Trente Glorieuses , or "Glorious Thirty", while the economies of West Germany and Austria were characterized by Wirtschaftswunder economic miracle , and in Italy it is called Miracolo economico economic miracle. Most developing countries also did well in this period. Belgian economic miracle Belgium experienced a brief but very rapid economic recovery in the aftermath of World War II. Economic growth in the period was accompanied by low inflation and sharp increases in real living standards. This contributed to the start of deindustrialisation in Wallonia and the emergence of regional economic disparities. The economic growth occurred mainly due to productivity gains and to an increase in the number of working hours. Indeed, the working population grew very slowly, the " baby boom " being offset by the extension of the time dedicated to study. Productivity gains came from catching up with the United States. Among the "major" nations, only Japan had faster growth in this era than France. The service sector grew rapidly and became the largest sector, generating a large foreign-trade surplus, chiefly from the earnings from tourism. Italian economic miracle The Italian economy experienced very variable growth. In the s and early s the Italian economy boomed , with record high growth-rates, including 6. This rapid and sustained growth was due to the ambitions of several[quantify] Italian businesspeople, the opening of new industries helped by the discovery of hydrocarbons, made for iron and steel, in the Po valley , re-construction and the modernisation of most Italian cities, such as Milan, Rome and Turin, and the aid given to the country after World War II notably through the Marshall Plan. Japanese economic miracle A transistor radio made by Sanyo in Japan emerged as a significant power in many economic spheres, including steel working, car manufacturing and the manufacturing of electronics. Japan rapidly caught up with the West in foreign trade, GNP, and general quality of life. The high economic growth and political tranquility of the mid to late s were slowed by the quadrupling of oil prices in The United States pressured Japan to remedy the imbalance, demanding that Tokyo raise the value of the yen and open its markets further to facilitate more imports from the United States. The nation ranked in the top 15 most prosperous countries. However, the growth slowed and ended by , as the Khrushchev regime poured resources into large military and space projects, and the civilian sector languished. While every other major nation greatly expanded its service sector, that sector in the Soviet Union medicine, for example was given low priority. Record years Sweden emerged almost unharmed from World War II, and experienced tremendous economic growth until the early s, as Social Democratic Prime Minister Tage

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Erlander held his office from to Sweden used to be a country of emigrants until the s, but the demand for labor spurred immigration to Sweden, especially from Finland and countries like Greece, Italy and Yugoslavia. Urbanization was fast, and housing shortage in urban areas was imminent until the Million Programme was launched in the s. United Kingdom[edit] The national debt of the United Kingdom was at a record high percentage of the GDP as the war ended, but was largely repaid by A speech by UK Prime Minister Harold Macmillan [30] captures what the golden age felt like, even before the brightest years which were to come in the s. Let us be frank about it: Go round the country, go to the industrial towns, go to the farms and you will see a state of prosperity such as we have never had in my lifetime â€” nor indeed in the history of this country. Unemployment figures [31] show that unemployment was significantly lower during the Golden Age than before or after: Epoch Percentage of British labour force unemployed.

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Chapter 7 : The Jeffersonian Era

The congressional cap-and-trade proposals discussed during the past few years would have limited the price of carbon to $25 to $50 per metric ton out of fear that higher CO2 prices would impede economic growth.

Posted on November 7, by Gail Tverberg The world economy seems to be seriously ill. The problem is not overly high oil prices, but that does not rule out energy as being a major underlying problem. Tariffs are being used as solutions to these issues. Radical leaders are increasingly being elected. If the economy were a human being, we would send it to a physician for a diagnosis regarding what is wrong. What really is needed is a physician who has a wide overview, and thus can understand the many symptoms. Hopefully, the physician can also provide a reasonable prognosis of what lies ahead. They assume that the other aspects have little or no influence on their particular result. What we really need is an analysis of the overall economic malady from a broader perspective. In some ways, the situation is analogous to having no physician with a sufficient overview of where the world economy is headed. Instead, we have a number of specialists perhaps analogous to a psychiatrist, a urologist, a podiatrist, and a dermatologist , none of whom really understands the underlying problem the patient is facing. This happens because workers around the world increasingly cannot afford to buy the goods and services that the world economy produces. Inadequate wage growth within countries, growing globalization and rising interest rates all contribute to this growing affordability problem. Any upward price bounce would appear to leave the price still much lower than oil producers need in order to reinvest sufficiently to allow future oil production to be maintained at current levels. Down sloping diagonal line at the top of chart gives an estimate of the trend in maximum affordable West Texas Intermediate WTI oil prices. The downward trend line starts in July , when oil prices hit a maximum. This high point occurred when the US real estate debt bubble started unwinding. Later maximum points correspond to points when oil prices stopped rising and crude oil reservoirs started refilling. Thus, our concern about adequate future oil supplies should perhaps be focused on keeping oil prices high enough. It takes a growing debt bubble to keep oil demand high; perhaps our concern should be keeping this debt bubble high enough to allow extraction of commodities of all kinds, including oil. Needless to say, climate analyses do not consider the severity of our energy problems, nor do they consider the extent to which there is a connection between energy supply and the ability of the economy to operate as usual. If the real issue is a near-term financial crash that will radically affect future fossil fuel consumption, the climate analysis will certainly miss this event. The Real Nature of the Limits to Growth Problem To truly understand the headwinds that the economy is facing, we should be looking at the combined effect of all of the limits that the individual specialists have been studying. We might also include other issues not listed. Other considerations included likely resource needs based on prior economic and population growth trends and efficiency gains. The Base Scenario shown in the book Figure 3 showed collapse taking place about nowâ€"in other words, in the early part of the 21st century. In the time since the Limits to Growth analysis was prepared, there has been a major discovery relating the importance of energy to the economy. Ilya Prigogine tackled the problem of the physics of thermodynamically dynamic open systems , earning a Nobel prize for his efforts in When energy flows are available, many structures, called dissipative structures, can grow and change over time. Examples include plants and animals, hurricanes, stars they expand in size, then collapse at the end of their lives , ecosystems, and economies. These structures are utterly dependent on energy flows. The economy needs energy in almost the same way that humans need food. Without sufficient energy flows, the world economy will collapse. It is because of the laws of physics and energy flows that markets are able to set price levels. Indirectly, physics sets the maximum affordable price for energy products based upon the total quantity of goods and services individual workers can afford. These maximum affordable prices may be invisible, but they are very real. Debt can provide time-shifting services if an economy does not have sufficient energy supplies to permit the equivalent of bartering of finished goods and services for new capital goods. Debt can allow future goods and services manufactured with energy products to serve as payment for capital goods and other goods purchased using debt. Thus, debt acts as a promise of future energy supplies. These future energy supplies may not, in fact, actually be available at prices that consumers can afford. This is why debt bubbles so often collapse and have a devastating impact on economies. In theory, the new physics discoveries might also be added to the Limits to Growth model. If this were done, I would expect the downslopes in Figure 3 to be much steeper. Also, the date when the population decline starts would likely move forward, relative to other declines. The actual dates of the declines would of course be expected to change as well, because of updated knowledge regarding resources, population, and other factors. Including the physics aspect of the economy would lead to many periods when sharp changes take place. When these sharp changes take place, there might be wars, collapsing governments, and epidemics, all causing large numbers of deaths. Debt bubbles might pop, causing deflation and widespread banking problems. These types of events are similar to those that economies have experienced in the past. Of course, modeling one piece of the economy at a time, as described at the beginning of this post, leaves out such troublesome implications. Economists tell us all we need to worry about is price fluctuations as the economy substitutes one product for another. If a person has blinders on, perhaps this a good description of the world we live in. Otherwise, the model leaves a lot to be desired. They would like us to believe that adding more technology can solve all of our problems. They would like us to believe that citizens can make a significant difference by voluntarily cutting back on their own energy consumption. They would also like us to believe that countries can cut back on their debt levels without the whole Ponzi Scheme unraveling. Anyone who has watched bread rise in a bowl can see the implications of growth within a finite structure. Even if the bread maker pushes the dough back down again, the effect is only temporary. The bread dough quickly rises again to overfill the bowl it is in. One possible implication of the financial and oil price crash is that we are very close to limits, right now. Regulators can try to fine tune how the economy operates by raising and lowering interest rates sometimes using Quantitative Easing QE in the process , but they are, in some sense, playing with fire. Figure 4 shows the dramatic impact that popping the real estate debt bubble seems to have had in It also shows the impact that adding and removing QE has had. Figure showing collapsing debt bubble at the time US oil prices peaked. Ending US QE seems to have had the reverse effect. Or the economy could again reach limits, by itself, with just a little economic growth. In some sense, the world economy is very close to filling the bread bowl, as it was before the crash pushed it back down. The following represent some problem areas: With globalization, workers are indirectly competing with workers around the world regarding who can produce goods and services most cheaply. They are also competing with computers and robots that can easily replicate their functions. The net impact is a world where a large share of the citizens find themselves living at a level not much above the subsistence level. In more developed countries, young people may live with their parents longer and may delay having children almost indefinitely, because wages are not keeping up with living costs. Many studies have shown rising wage disparity. In some ways, the wage disparity now seems to be as bad as in the s. Interest rates are the lever that economists like to adjust upward or downward to try to stimulate the economy or push the economy downward. Short term interest rates, up until about the end of , were at the level they were at during the Depression of the s. Monthly average 3-month term treasury bill rates in chart prepared by FRED. Amounts shown through October Grey bars indicate recessions. Raising interest rates is like adding a little more dough to the already over-full bread bowl. With these higher interest rates, borrowers need to pay more for monthly payments, making the strain on their finances even worse than it was previously. Figure 6 shows that raising interest rates very often creates a recession. In fact, the Great Recession of seems to be the result of an increase in short term interest rates. Falling long-term interest rates between and seem to be an indirect reflection of falling long-term return on capital investment. If capital returns had been higher, there would be more demand for debt, forcing interest rates up to levels closer to where they had been when the economy was growing more quickly. Another way we can look at how productive the addition of debt has been is by comparing the debt increase each year with the GDP increase including inflation each year. We use current year GDP as the denominator in both calculations. Amounts based on FRED data. Comparing the red and blue lines on Figure 8, GDP rose fairly reliably in the pre period, as the amount of core debt rose. The core debt increases tended to be higher than the GDP increases, but not a great deal higher. Thus, the US ratios on Figure 1 could be close to 1. Once interest rates started falling after see Figures 6 and 7 , core debt growth and GDP growth greatly diverged. I expect that quite a bit of this change was related to asset price inflation as interest rates fell. With lower interest rates, assets of all types started becoming more affordable. Thus, a greater number of buyers could be expected, driving up prices of assets of all kinds, including homes, stores, and factories. In theory, these activities might somewhat stimulate the economy. At first glance, it appears that Financial Debt blue line has provided no benefit whatsoever for the Goods and Services part of the economy red line. But clearly the bankers who created these financial products benefitted from the income they received from them. So did the low-income home buyers who bought homes that they could not really afford in the early s.

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Chapter 8 : 4 Critical Energy Issues to Watch in - Scientific American

Real GNP growth during the s was relatively rapid, percent a year from to according to the most widely used estimates. (Historical Statistics of the United States, or HSUS,) Real GNP per capita grew percent per year between and

Gene Smiley, Marquette University Introduction The interwar period in the United States, and in the rest of the world, is a most interesting era. The decade of the s marks the most severe depression in our history and ushered in sweeping changes in the role of government. Economists and historians have rightly given much attention to that decade. However, with all of this concern about the growing and developing role of government in economic activity in the s, the decade of the s often tends to get overlooked. This is unfortunate because the s are a period of vigorous, vital economic growth. It marks the first truly modern decade and dramatic economic developments are found in those years. There is a rapid adoption of the automobile to the detriment of passenger rail travel. Though suburbs had been growing since the late nineteenth century their growth had been tied to rail or trolley access and this was limited to the largest cities. The flexibility of car access changed this and the growth of suburbs began to accelerate. The demands of trucks and cars led to a rapid growth in the construction of all-weather surfaced roads to facilitate their movement. The rapidly expanding electric utility networks led to new consumer appliances and new types of lighting and heating for homes and businesses. The introduction of the radio, radio stations, and commercial radio networks began to break up rural isolation, as did the expansion of local and long-distance telephone communications. Recreational activities such as traveling, going to movies, and professional sports became major businesses. The period saw major innovations in business organization and manufacturing technology. The Federal Reserve System first tested its powers and the United States moved to a dominant position in international trade and global business. These things make the s a period of considerable importance independent of what happened in the s. National Product and Income and Prices We begin the survey of the s with an examination of the overall production in the economy, GNP, the most comprehensive measure of aggregate economic activity. Real GNP growth during the s was relatively rapid, 4. By both nineteenth and twentieth century standards these were relatively rapid rates of real economic growth and they would be considered rapid even today. There were several interruptions to this growth. In mid the American economy began to contract and the depression lasted about a year, but a rapid recovery reestablished full-employment by From through growth was much smoother. There was a very mild recession in and another mild recession in both of which may be related to oil price shocks McMillin and Parker, The Great Depression began in the summer of , possibly as early as June. The initial downturn was relatively mild but the contraction accelerated after the crash of the stock market at the end of October. Real total GNP fell Price changes during the s are shown in Figure 2. The Consumer Price Index, CPI, is a better measure of changes in the prices of commodities and services that a typical consumer would purchase, while the Wholesale Price Index, WPI, is a better measure in the changes in the cost of inputs for businesses. As the figure shows the depression was marked by extraordinarily large price decreases. Consumer prices fell After that consumer prices were relatively constant and actually fell slightly from to and from to Wholesale prices show greater variation. The depression hit farmers very hard. Prices had been bid up with the increasing foreign demand during the First World War. As European production began to recover after the war prices began to fall. Though the prices of agricultural products fell from to , the depression brought on dramatic declines in the prices of raw agricultural produce as well as many other inputs that firms employ. In the scramble to beat price increases during firms had built up large inventories of raw materials and purchased inputs and this temporary increase in demand led to even larger price increases. With the depression firms began to draw down those inventories. The result was that the prices of raw materials and manufactured inputs fell rapidly along with the prices of agricultural produceâ€"the WPI dropped The price changes probably tend to overstate the severity of the depression. Wholesale prices in the rest of the s were relatively stable though they were more likely to fall than to rise.

Economic Growth in the s Despite the depression and the minor interruptions in and , the American economy exhibited impressive economic growth during the s. Though some commentators in later years thought that the existence of some slow growing or declining sectors in the twenties suggested weaknesses that might have helped bring on the Great Depression, few now argue this. Economic growth never occurs in all sectors at the same time and at the same rate. Growth reallocates resources from declining or slower growing sectors to the more rapidly expanding sectors in accordance with new technologies, new products and services, and changing consumer tastes. Economic growth in the s was impressive. Ownership of cars, new household appliances, and housing was spread widely through the population. New products and processes of producing those products drove this growth. The combination of the widening use of electricity in production and the growing adoption of the moving assembly line in manufacturing combined to bring on a continuing rise in the productivity of labor and capital. Though the average workweek in most manufacturing remained essentially constant throughout the s, in a few industries, such as railroads and coal production, it declined. Whaples New products and services created new markets such as the markets for radios, electric iceboxes, electric irons, fans, electric lighting, vacuum cleaners, and other laborsaving household appliances. This electricity was distributed by the growing electric utilities. The stocks of those companies helped create the stock market boom of the late twenties. RCA, one of the glamour stocks of the era, paid no dividends but its value appreciated because of expectations for the new company. Like the Internet boom of the late s, the electricity boom of the s fed a rapid expansion in the stock market. Fed by continuing productivity advances and new products and services and facilitated by an environment of stable prices that encouraged production and risk taking, the American economy embarked on a sustained expansion in the s. Population and Labor in the s At the same time that overall production was growing, population growth was declining. As can be seen in Figure 3, from an annual rate of increase of 1. These changes in the overall growth rate were linked to the birth and death rates of the resident population and a decrease in foreign immigration. Though the crude death rate changed little during the period, the crude birth rate fell sharply into the early s. Figure 4 There are several explanations for the decline in the birth rate during this period. First, there was an accelerated rural-to-urban migration. Urban families have tended to have fewer children than rural families because urban children do not augment family incomes through their work as unpaid workers as rural children do. Immigration also fell sharply. A new act in lowered this to 2 percent of the resident population at the census and more firmly blocked entry for people from central, southern, and eastern European nations. The limits were relaxed slightly in The American population also continued to move during the interwar period. Two regions experienced the largest losses in population shares, New England and the Plains. For New England this was a continuation of a long-term trend. The population share for the Plains region had been rising through the nineteenth century. In the interwar period its agricultural base, combined with the continuing shift from agriculture to industry, led to a sharp decline in its share. The regions gaining population were the Southwest and, particularly, the far West. During the s the labor force grew at a more rapid rate than population. This somewhat more rapid growth came from the declining share of the population less than 14 years old and therefore not in the labor force. In contrast, the labor force participation rates, or fraction of the population aged 14 and over that was in the labor force, declined during the twenties from This was entirely due to a fall in the male labor force participation rate from The primary source of the fall in male labor force participation rates was a rising retirement rate. Employment rates for males who were 65 or older fell from With the depression of the unemployment rate rose rapidly from 5. The recovery reduced unemployment to an average rate of 4. The unemployment rate rose to 5. Otherwise unemployment remained relatively low. The onset of the Great Depression from the summer of on brought the unemployment rate from 4. Figure 5 Earnings for laborers varied during the twenties. Table 1 presents average weekly earnings for 25 manufacturing industries. For these industries male skilled and semi-skilled laborers generally commanded a premium of 35 percent over the earnings of unskilled male laborers in the twenties. Unskilled males received on average 35 percent more than females during the twenties. Real average weekly earnings for these 25 manufacturing industries rose somewhat during the s. For skilled and semi-skilled male workers real average weekly earnings rose 5. Real average weekly earnings for females rose on 1. Real weekly earnings for bituminous and lignite coal miners fell as the coal industry encountered difficult times in the late twenties and the real daily wage rate for farmworkers in the twenties, reflecting the ongoing difficulties in agriculture, fell after the recovery from the depression. The s were not kind to labor unions even though the First World War had solidified the dominance of the American Federation of Labor among labor unions in the United States. The rapid growth in union membership fostered by federal government policies during the war ended in A committee of AFL craft unions undertook a successful membership drive in the steel industry in that year. Steel refused to bargain, the committee called a strike, the failure of which was a sharp blow to the unionization drive. Brody, In the same year, the United Mine Workers undertook a large strike and also lost. These two lost strikes and the depression took the impetus out of the union movement and led to severe membership losses that continued through the twenties. The AFL officially opposed any government actions that would have diminished worker attachment to unions by providing competing benefits, such as government sponsored unemployment insurance, minimum wage proposals, maximum hours proposals and social security programs. But Irving Bernstein concludes that, on the whole, union-management cooperation in the twenties was a failure.

Chapter 9 : The New Politics of Oil Abundance | National Affairs

- growth of issue oriented politics that cut across party lines for voters who feel intensely about certain policy matters - emphasis on personality politics by mass media & political consultants â€¢ development of parties in U.S. has been inevitable.

The United States remained a largely agricultural nation until late in the 19th century. Unskilled workers fared poorly in the early U. About 40 percent of the workers in the cities were low-wage laborers and seamstresses in clothing factories, often living in dismal circumstances. With the rise of factories, children, women, and poor immigrants were commonly employed to run machines. The late 19th century and the 20th century brought substantial industrial growth. Many Americans left farms and small towns to work in factories, which were organized for mass production and characterized by steep hierarchy, a reliance on relatively unskilled labor, and low wages. In this environment, labor unions gradually developed clout. Eventually, they won substantial improvements in working conditions. They also changed American politics; often aligned with the Democratic Party, unions represented a key constituency for much of the social legislation enacted from the time of President Franklin D. Organized labor continues to be an important political and economic force today, but its influence has waned markedly. Manufacturing has declined in relative importance, and the service sector has grown. More and more workers hold white-collar office jobs rather than unskilled, blue-collar factory jobs. Newer industries, meanwhile, have sought highly skilled workers who can adapt to continuous changes produced by computers and other new technologies. A growing emphasis on customization and a need to change products frequently in response to market demands has prompted some employers to reduce hierarchy and to rely instead on self-directed, interdisciplinary teams of workers. Organized labor, rooted in industries such as steel and heavy machinery, has had trouble responding to these changes. Unions prospered in the years immediately following World War II, but in later years, as the number of workers employed in the traditional manufacturing industries has declined, union membership has dropped. Employers, facing mounting challenges from low-wage, foreign competitors, have begun seeking greater flexibility in their employment policies, making more use of temporary and part-time employees and putting less emphasis on pay and benefit plans designed to cultivate long-term relationships with employees. They also have fought union organizing campaigns and strikes more aggressively. Meanwhile, many younger, skilled workers have come to see unions as anachronisms that restrict their independence. Only in sectors that essentially function as monopolies -- such as government and public schools -- have unions continued to make gains. Despite the diminished power of unions, skilled workers in successful industries have benefited from many of the recent changes in the workplace. But unskilled workers in more traditional industries often have encountered difficulties. The s and s saw a growing gap in the wages paid to skilled and unskilled workers. While American workers at the end of the s thus could look back on a decade of growing prosperity born of strong economic growth and low unemployment, many felt uncertain about what the future would bring. Employers say that their ability to compete depends in part on having the freedom to hire or lay off workers as market conditions change. American workers, meanwhile, traditionally have been mobile themselves; many see job changes as a means of improving their lives. On the other hand, employers also traditionally have recognized that workers are more productive if they believe their jobs offer them long-term opportunities for advancement, and workers rate job security among their most important economic objectives. The history of American labor involves a tension between these two sets of values -- flexibility and long-term commitment. Since the mids, many analysts agree, employers have put more emphasis on flexibility. Perhaps as a result, the bonds between employers and employees have become weaker. Still, a wide range of state and federal laws protect the rights of workers. Some of the most important federal labor laws include the following. The Fair Labor Standards Act of sets national minimum wages and maximum hours individuals can be required to work. It also sets rules for overtime pay and standards to prevent child-labor abuses. In , the act was amended to prohibit wage discrimination against women. Congress adjusts the minimum wage periodically, although the issue often is politically contentious. Some individual states set higher wage floors. The Civil Rights Act of establishes that employers cannot discriminate in hiring or employment practices on the basis of race, sex, religion, and national origin the law also prohibits discrimination in voting and housing. The Age and Discrimination in Employment Act of protects older workers against job discrimination. The Occupational Health and Safety Act of requires employers to maintain safe working conditions. Under this law, the Occupational Safety and Health Administration OSHA develops workplace standards, conducts inspections to assess compliance with them, and issues citations and imposes penalties for noncompliance. It was enacted in The Family and Medical Leave Act of guarantees employees unpaid time off for childbirth, for adoption, or for caring for seriously-ill relatives. The Americans With Disabilities Act, passed in , assures job rights for handicapped persons. Pensions and Unemployment Insurance In the United States, employers play a key role in helping workers save for retirement. About half of all privately employed people and most government employees are covered by some type of pension plan. Employers are not required to sponsor pension plans, but the government encourages them to do so by offering generous tax breaks if they establish and contribute to employee pensions. Another federal agency, the Pension Benefit Guaranty Corporation, insures retiree benefits under traditional private pensions; a series of laws enacted in the s and s boosted premium payments for this insurance and stiffened requirements holding employers responsible for keeping their plans financially healthy. The nature of employer-sponsored pensions changed substantially during the final three decades of the 20th century. Many employers -- especially small employers -- stopped offering traditional "defined benefit" plans, which provide guaranteed monthly payments to retirees based on years of service and salary. Instead, employers increasingly offer "defined contribution" plans. In a defined contribution plan, the employer is not responsible for how pension money is invested and does not guarantee a certain benefit. Instead, employees control their own pension savings many employers also contribute, although they are not required to do so , and workers can hold onto the savings even if they change jobs every few years. The amount of money available to employees upon retirement, then, depends on how much has been contributed and how successfully the employees invest their own the funds. The number of private defined benefit plans declined from , in to 53, in , while the number of defined contribution plans rose from , to , -- a shift that many people believe reflects a workplace in which employers and employees are less likely to form long-term bonds. The federal government administers several types of pension plans for its employees, including members of the military and civil service as well as disabled war veterans. But the most important pension system run by the government is the Social Security program, which provides full benefits to working people who retire and apply for benefits at age 65 or older, or reduced benefits to those retiring and applying for benefits between the ages of 62 and Although the program is run by a federal agency, the Social Security Administration, its funds come from employers and employees through payroll taxes. While Social Security is regarded as a valuable "safety net" for retirees, most find that it provides only a portion of their income needs when they stop working. Moreover, with the post-war baby-boom generation due to retire early in the 21st century, politicians grew concerned in the s that the government would not be able to pay all of its Social Security obligations without either reducing benefits or raising payroll taxes. Many Americans considered ensuring the financial health of Social Security to be one of the most important domestic policy issues at the turn of the century. Many people -- generally those who are self-employed, those whose employers do not provide a pension, and those who believe their pension plans inadequate -- also can save part of their income in special tax-favored accounts known as Individual Retirement Accounts IRAs and Keogh plans. Unlike Social Security, unemployment insurance, also established by the Social Security Act of , is organized as a federal-state system and provides basic income support for unemployed workers. Wage-earners who are laid off or otherwise involuntarily become unemployed for reasons other than misconduct receive a partial replacement of their pay for specified periods. Each state operates its own program but must follow certain federal rules. Employers pay taxes into a special fund based on the unemployment and benefits-payment experience of their own work force. The federal government also assesses an unemployment insurance tax of its own on employers. States hope that surplus funds built up during prosperous times can carry them through economic downturns, but they can borrow from the federal government or boost tax rates if their funds run low. States must lengthen the duration of benefits when unemployment rises and remains above a set "trigger" level. The federal government may also permit a further extension of the benefits payment period when unemployment climbs during a recession, paying for the extension out of general federal revenues or levying a special tax on employers. Whether to extend jobless-pay benefits frequently becomes a political issue since any extension boosts federal spending and may lead to tax increases. Unlike labor groups in some other countries, U. There was no history of feudalism in the United States, and few working people believed they were involved in a class struggle. Instead, most workers simply saw themselves as asserting the same rights to advancement as others. Another factor that helped reduce class antagonism is the fact that U. Since the early labor movement was largely industrial, union organizers had a limited pool of potential recruits. The first significant national labor organization was the Knights of Labor, founded among garment cutters in in Philadelphia, Pennsylvania, and dedicated to organizing all workers for their general welfare. By , the Knights had about , members, including blacks, women, wage-earners, merchants, and farmers alike. But the interests of these groups were often in conflict, so members had little sense of identity with the movement. The Knights won a strike against railroads owned by American millionaire Jay Gould in the mids, but they lost a second strike against those railroads in Membership soon declined rapidly. In , Samuel Gompers, a Dutch immigrant cigar-maker, and other craftsmen organized a federation of trade unions that five years later became the American Federation of Labor AFL. Its members included only wage-earners, and they were organized along craft lines. Gompers was its first president. He followed a practical strategy of seeking higher wages and better working conditions -- priorities subsequently picked up by the entire union movement. AFL labor organizers faced staunch employer opposition. Management preferred to discuss wages and other issues with each worker, and they often fired or blacklisted agreeing with other companies not to hire workers who favored unions. Sometimes they signed workers to what were known as yellow-dog contracts, prohibiting them from joining unions. Between and , the government and the courts were generally sympathetic to management or, at best, neutral. The government, in the name of public order, often provided federal troops to put down strikes. Violent strikes during this era resulted in numerous deaths, as persons hired by management and unions fought. The principle of the "open shop," the right of a worker not to be forced to join a union, also caused great conflict. The s were not productive years for organizers, however. Times were good, jobs were plentiful, and wages were rising. Workers felt secure without unions and were often receptive to management claims that generous personnel policies provided a good alternative to unionism. The good times came to an end in , however, when the Great Depression hit. Although AFL membership fell to fewer than 3 million amidst large-scale unemployment, widespread economic hardship created sympathy for working people. At the depths of the Depression, about one-third of the American work force was unemployed, a staggering figure for a country that, in the decade before, had enjoyed full employment. With the election of President Franklin D.