



EPI LAUNCHES “AGENDA FOR SHARED PROSPERITY” WITH NEW PROPOSALS ON HEALTH CARE AND GLOBALIZATION

NEWS FROM EPI

FOR IMMEDIATE
RELEASE

Thursday, Jan. 11,
2007, AM

CONTACT

Nancy Coleman
Karen Conner
Stephaan Harris
202-775-8810
news@epi.org

The Economic Policy Institute, the nation’s leading think tank on the issues that define the economic lives of working Americans, today launched a new initiative to seek policy solutions to the problems at the heart of the public’s growing economic anxiety. The Agenda for Shared Prosperity, unveiled at a forum in Washington, DC, and keynoted by Sen. James Webb (D-VA), was created to marshal the best research and best minds to tackle, head-on, the big issues that weigh most heavily on Americans’ living standards and hopes.

Convened and coordinated under the leadership of EPI President Lawrence Mishel, Vice President and Policy Director Ross Eisenbrey, and Senior Fellow Mark Levinson, the Agenda for Shared Prosperity has tapped the talents of leading experts on economics and policy from across the country.

“The American public is hungry for and ready for big ideas and solutions to the big problems that have been eating away at their sense of security and optimism,” said Mishel. “We created this initiative to be a forum where those big solutions can grow from ideas into full-fledged, viable, workable plans to bring America’s families long-overdue relief.”

Today’s forum featured proposals for new policy directions on two of the biggest of these core issues: health care and globalization.

The Health Care for America Plan, presented by Yale University political scientist Jacob Hacker, takes aim at the “enormously wasteful, ill-targeted, inefficient, and unfair” American medical system whose runaway costs threaten the economic security of families and also of corporate America. In his paper outlining the Plan, Hacker describes health care as “the epicenter of economic insecurity in the United States today.”

The plan Hacker proposes is built on the tried and true – the demonstrated strengths of Medicare and the Military Health System – to extend insurance to all non-elderly Americans through a new Medicare-like program and workplace health insurance and, at the same time, improve cost controls and health outcomes by providing affordable, quality care to all.

Every legal U.S. resident without access to Medicare or good workplace coverage would be able to buy into the Health Care for America Plan which, teamed up with Medicare, would be able to convert their combined purchasing power into bargaining power for lower prices. Employers would be expected to do their share in one of two ways: either to provide a plan of comparable quality or to make a relatively modest payroll-based contribution to the Health Care for America Plan to help finance coverage for their workers.

-More-

The Health Care for America Plan is the right medicine for what ails the health care system, according to Hacker – a characterization borne out by new public opinion research he cites in the paper. The core elements of the Plan earned very high support (8 out of 10) from all voters and support ranging from 7.8 to 8.0 from three key swing groups. These results support Hacker’s conclusion that the Plan is not only desirable and affordable, but also politically doable.

The second part of today’s event focused on another burning public issue. EPI founder Jeff Faux, an internationally known expert on the promise and perils of globalization, presented “Globalization that Works for Working Americans,” a proposal that challenges the mismanaged policies of the past two decades. Under current policy, Faux asserts, the benefits have been concentrated among those at the top of the income and wealth ladder, while the costs have been paid by working families at the middle and the bottom.

Faux’s paper details the widespread evidence of the broken promises of globalization – in the breakdown of job creation and rising trade deficits in the United States and the rising immigration of impoverished workers who were supposed to be helped but instead have been harmed by current globalization policy.

While the ultimate harm of these policies has been masked for a time by massive borrowing from the rest of the world, he notes, the day of reckoning cannot be postponed indefinitely and America urgently needs a comprehensive strategy that matches the scope and depth of globalization’s challenges.

At risk are Americans’ living standards. “Without an improvement in the fundamental competitiveness of American-made products and services,” he warns, “the dollar will have to fall continuously until U.S. wages and other costs converge with those of our trading partners.”

The new policy direction Faux offers begins with what he calls a “strategic pause” – a determination by lawmakers to stop the headlong rush of following bad trade agreements with more bad agreements – in order to both correct the flaws in current policy and to address the problems it has created. The proposal details a wide array of improvements and additions that are needed to repair the damage and chart a better course forward. These range from negotiating fair currency exchange rates to help U.S. exports, requiring enforceable labor and environmental standards, and eliminating perverse tax incentives, to a national energy development program, to initiatives to train and educate workers and to restore the legal rights and bargaining power of U.S. workers that have been chipped away over time.

Finally, he proposes two major structural changes that would refocus globalization policy away from deal making that sees trade as an end in itself and onto economic policy that benefits American living standards and opportunities. He recommends that the Senate and House should establish a Select Committee on Globalization whose members are drawn from committees dealing with the areas in which globalization policy’s effects are felt: education, labor law, transportation, telecommunications, and other relevant areas.

-More-

Concurrently, he proposes that the Office of the U.S. Trade Representative should be relieved of its cabinet rank and its mission redefined as an instrument for negotiation of larger trade objectives set by policy makers. A new department of industry and trade, he proposes, should be formed out of the USTR and the Commerce Department for the express purpose of supporting job creation in the United States.

In the coming months, further proposals will be forthcoming from the Agenda for Shared Prosperity on issue areas including retirement security, restoring balance to the labor market, building America's infrastructure, energy policy, balancing work and family, education, poverty, the nation's fiscal health, and expanding opportunity for all.

###

The Economic Policy Institute is an independent, nonprofit, nonpartisan research institute – or “think tank” – that researches the impact of economic trends and policies on working people in the United States and around the world.