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IMMEDIATE RELEASE
Tuesday
January 24, 2006

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SLIDING U.S. LIVING STANDARDS TIED TO RISING NEW GLOBAL ELITE

New book by Jeff Faux charts impact of the “Party of Davos” and its abandonment of the social contract that promised workers their fair share

As evidence gathers from the U.S. government on the continued erosion of living standards for the majority of Americans, a very different sort of gathering is taking place across the Atlantic. On January 25, the world’s super-elite will convene again in Davos, Switzerland, for this year’s World Economic Forum. A new book released today by the Economic Policy Institute maps the strong and troubling connections between these two events for the first time, showing how the rise of this new global superpower spells a continuing slide for people who rely on their paychecks, not their investment portfolios, for their living.

In **The Global Class War: How America’s Bipartisan Elite Lost Our Future—and What it Will Take to Win it Back** (Wiley), economist Jeff Faux offers a compelling and original analysis of globalization’s dramatic impact on American domestic politics. Among other issues, the book explains why Washington seems not to care about the catastrophic consequences of our out-of-control international debt and the futility of current efforts to curb illegal immigration from Mexico.

“A new cross-border elite, beyond democracy’s reach, controls the global game board,” said Faux. “And unless we change the rules, working people all over the world will be the losers.”

Over the past two decades, both Republican and Democratic leaders have encouraged trade deficits, off-shoring of jobs and technology, energy dependence and the unsustainable piling up of foreign debt – all of which is inevitably leading to a dramatic decline in the living standards of the average American.

Why is America’s governing class so indifferent to the fate of her people? Faux argues that now that they can find workers and investment opportunities elsewhere, the rich and powerful are abandoning the social contract that until recently had united the economic interests of all Americans.

Faux explains how globalization is creating a new global political elite – “The Party of Davos” – who have more in common with each other than with their fellow citizens. Their so-called trade agreements (like NAFTA) and the World Trade Organization act as a global constitution that protects only one kind of citizen—the corporate investor. Not surprisingly, NAFTA, for example, made the distribution of wealth and power more unequal in all three North American countries.

Still, globalization is here to stay, writes Faux. The central task is to democratize it. Here he breaks through the current abstract discussions with a new strategy for rebuilding the social contract region-by-region, beginning in our own North American “neighborhood.”

The Global Class War tackles the issues vital to the future of America's economy, political capital, and relevance on the world stage, among them:

- **In Whose "National" Interest?** - The world economy has created a global elite who have more interests in common with each other than with the middle classes and poor who share their nationality.
- **Politics Undercutting the American Worker** – Today, by their own admission, corporate CEOs are indifferent to the nation's long-term future. Yet they remain the most powerful influence on policies that will affect that future.
- **U.S. Competitiveness: Washington Doesn't Care** – Despite occasional hand-wringing, Washington ignores the unsustainable rise in the nation's trade deficit and the off-shoring of the skilled jobs that were supposed to mean economic survival for American workers.
- **Immigration & Mexico** - NAFTA backfired. Politicians promised it would create a prosperous Mexican middle class and reduce immigration. Instead, the rich got richer, and millions of Mexicans were forced to risk their lives crossing the border, which is now becoming a major political problem on both sides of the border.
- **Economics: After the Fall** - The standard of living of the average American worker is certain to drop for a sustained period of time. This is the inevitable, if unintended, consequence of a policy of permitting a chronic trade imbalance and the off-shoring of good jobs in the face of a low savings rate.
- **Creating a Continental Democracy** - We cannot reverse NAFTA. But North America could become a model for developing a cross-border social contract in a globalizing economy.

In **The Global Class War**, Jeff Faux argues passionately and intelligently for all Americans to wake up to the coming crisis, and demands we regain control of our economic future. He concludes this blistering expose with a convincing vision of a prosperous and democratic North America that could benefit every American, not just those at the top. Faux's insights into our current economic situation, analysis of how the global elite has manipulated our future and his compelling strategy for changing it are certain to alter America's economic dialogue for years to come.

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About the author:

Jeff Faux, the founder and former president of the Economic Policy Institute, is a widely cited expert on the impact of globalization on U.S. living standards and politics. He is a contributing editor to *The American Prospect*, and a member of the editorial board of *Dissent*. His articles and commentary have appeared in *The New York Times*, *The Washington Post*, *The American Prospect*, *Foreign Affairs en Español*, *The Nation*, *The Columbia Journalism Review*, and many other popular and professional publications. He has been widely interviewed on national TV and radio, and is a frequent speaker at universities, government agencies, and other organizations in the United States and abroad. *The Global Class War* is his fifth book.

The Global Class War is available in bookstores (\$27.95/cloth), through Amazon.com or Powells.com, or by calling 1-800-225-5945 in the U.S or 1-800-567-4797 in Canada.