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June 12, 2018

Presentations and Audio from the 27th Annual Hyman P. Minsky Conference on the State of the US and World Economies Are Now Available Online



Presentations from the **27th Annual Hyman P. Minsky Conference**, "Financial Stability in a World of Rising Rates and the Repeal of Dodd-Frank," are now available online.

Topics discussed during the two-day event include our recently issued employer

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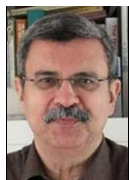
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of last resort study, the reform of financial regulation and monetary policy, the effect of “America first” on trade and globalization, and the tracking of financial fragility in the economy.

In Memoriam



Senior Scholar Fernando Cardim de Carvalho

It is with great sadness that we announce the passing of Fernando J. Cardim de Carvalho on Wednesday, May 16, 2018.

Senior Scholar Fernando J. Cardim de Carvalho taught Macroeconomics and Latin American Finance courses in the Levy Institute's M.S. program. His wisdom, amazing sense of humor, excellent music taste, and incredible charisma will forever remain in our hearts. Prof. Cardim was emeritus professor of economics at the Federal University of Rio de Janeiro and the former chairman of the Brazilian National Association of Graduate Schools in Economics (ANPEC). He worked as a consultant to both public institutions and financial industry associations, including the Central Bank of Brazil, the Brazilian National Bank for Economic and Social Development (BNDES), the Central Statistical Office of Brazil (IBGE), and the National Association of Financial Institutions of Brazil (Anbima), as well as NGOs such as IBASE (Brazil) and ActionAid USA. Cardim de Carvalho's work has been published in, among other journals, the *Cambridge Journal of Economics*, *Banca Nazionale del Lavoro Quarterly Review*, *International Journal of Political Economy*, *Intervention*, *Brazilian Journal of Political Economy*, and *Journal of Post Keynesian Economics*, of which he was associate editor. He wrote several books, including *Mr. Keynes and the Post Keynesians* (Edward Elgar, 1992) and *Liquidity Preference and Monetary Economies* (Routledge, 2015).

Upcoming Event



June 17–23, 2018

The Hyman P. Minsky Summer Seminar

Levy Economics Institute of Bard College
Annandale-on-Hudson, N.Y.

The Institute's annual Summer Seminar provides a rigorous discussion of both theoretical and applied aspects of Minsky's economics, and is geared toward recent graduates, graduate students, and those at the beginning of their academic or professional careers. (Registration is now closed for 2018). For further information, visit levyinstitute.org.

New Publications



Public Policy Brief 145, June 2018

European Sovereign Bond-Backed Securities: An Assessment and an Alternative Proposal

Mario Tonveronachi

In response to a proposal put forward by the European Commission for the regulation of sovereign bond-backed securities (SBBS), Mario Tonveronachi provides his analysis of the SBBS scheme and the attendant regulatory proposal.

Tonveronachi warns the proposal is unlikely to deliver its stated objectives, and may undermine financial stability. He elaborates on his alternative approach to addressing the problems that have motivated this high-level consideration of an SBBS framework.

» [Read complete text \(pdf\)](#)



Policy Note 2018/4, May

Wage Employment and the Prospects of Women's Economic Empowerment: Some Lessons from Ghana and Tanzania

Thomas Masterson and Ajit Zacharias

Research Scholar Thomas Masterson and Senior Scholar Ajit Zacharias use the Levy Institute Measure of Time and Consumption Poverty (LIMTCP) to study connections between wage employment and women's economic empowerment in Ghana and Tanzania. The authors estimate the extent to which the jobs that are likely to be available to potential employment-seeking, working-age individuals in consumption-poor households—who are predominantly female in both countries—can alleviate consumption poverty, and the effects this would have on time deficits.

» [Read complete text \(pdf\)](#)



One-Pager 55, May 2018

The Job Guarantee and the Economics of Fear

Pavlina Tcherneva

The job guarantee (JG) is finally getting the public debate it deserves, according to Research Associate Pavlina R. Tcherneva, and criticism is expected. Following the Levy Institute's latest report analyzing the economic impact of a JG proposal and providing a blueprint for its implementation, Tcherneva responds to alarmist claims that the JG is (1) an expensive big-government takeover, (2) unproductive and impossible to manage, (3) dangerously disruptive to the private sector, and (4) inflationary.

» [Read complete text \(pdf\)](#)



Working Paper No. 908, June 2018

Twenty Years after the Fall of the Berlin Wall: Rethinking the Role of Money and Markets in the Global Economy

W. Lee Hoskins and Walker F. Todd

In a paper based on remarks offered at the **27th Annual Hyman P. Minsky Conference**, W. Lee Hoskins and Walker F. Todd comment on the effects of state-managed intervention in financial markets since the fall of the Berlin Wall in 1989. Reflecting on the increase in moral hazard resulting from a combination of regulatory and monetary policy decisions of the past thirty years, the authors assert that meaningful, market-based solutions will only result from an economically literate citizenry exercising its power at the ballot box.

» [Read complete text \(pdf\)](#)



Working Paper No. 907, June 2018

Some Comments on the Sraffian Supermultiplier Approach to Growth and Distribution

Michalis Nikiforos

Research Scholar Michalis Nikiforos presents a critical discussion of the Sraffian Supermultiplier (SSM) approach to growth and distribution. Arguing that the SSM—which “combines an autonomous role for aggregate demand together with a classical-Sraffian theory of distribution”—only offers novel results in the long run, Nikiforos highlights the role of autonomous expenditure in the model and considers whether it can remain truly “autonomous” in the long-run time horizon over which the model must be evaluated.

» [Read complete text \(pdf\)](#)



Working Paper No. 906, May 2018

The Dynamics of Japanese Government Bonds' Nominal Yields

Tanweer Akram and Huiqing Li

After decades of economic stagnation and deteriorating fiscal conditions in Japan, nominal yields of Japanese government bonds remain stubbornly low. Employing time-series macroeconomic and financial data, Tanweer Akram and Huiqing Li extend a model first developed in **Levy Institute Working Paper 818** to demonstrate that contrary to conventional wisdom, which maintains that chronically high government debt ratios will lead to higher government bond yields, it is the Bank of Japan's monetary policy measures that have the greatest effect.

» [Read complete text \(pdf\)](#)



Working Paper No. 905, May 2018

Reflections on the New Deal: The Vested Interests, Limits to Reform, and the Meaning of Liberal Democracy

John Henry

Senior Scholar John F. Henry subjects aspects of the New Deal to critical analysis, casting doubts on the progressive nature of programs such as the Agricultural Adjustment Act and the Works Progress Administration. Noting that the “programs were to be constrained within the limits of the capitalist order,” Henry discusses the changing meaning of “liberal democracy” and contends that initiatives undertaken during Franklin Roosevelt's administration were created to appease the “vested interests” at the expense of the “common man.”

» [Read complete text \(pdf\)](#)

Media and Web Coverage

Research Associate **Stephanie Kelton**, and the Levy Institute research project report **“Public Service Employment: A Path to Full Employment,”** were featured in ***The Atlantic*** and the **Huffington Post**.

The recent Levy report, **“The Macroeconomic Effects of Student Debt Cancellation,”** was discussed in articles from **Salon** and **NASDAQ.com**.

Research Associate **Pavlina Tcherneva's** income inequality **chart** was featured in David Dayen's article, **“Fears of the Next Recession,”** in *The New Republic*.

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