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*107 RECOVERING FROM THE RECOVERY: LAW AND CONTEMPORARY PROCESSES OF ACCUMULATION BY DISPOSSESSION

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Introduction

All economic events have distributive consequences. The structure and impact of those consequences are determined both by the event and by the economic instruments deployed to intervene in the event. Such instruments may be set in motion ostensibly to maintain, correct, or amplify the event. The instruments deployed correspond to the theoretical perspectives of the economists and economic policy makers mobilized to analyze and interpret the event. The theoretical perspectives utilized will determine the data viewed as relevant and the goals viewed as desirable, which in turn express the values, whether tacit or articulated, of those theoretical perspectives.

This essay explores the distributive consequences of the "recovery" from what has been called the "Great Recession." Although the leaders of our financial and economic establishment have proclaimed that the economy is in recovery, the millions of unemployed and underemployed would question that conclusion. [FN1] The divergence of perspectives results from the imposition of analyses constructed to prioritizes certain interests, i.e., the interests of money and capital, above others, the interests of ordinary people. Nonetheless, it is these analyses and the conclusions that flow from them that have been and will continue to be used both to describe the ***108** processes we currently are experiencing and to formulate the remedies for the current crisis.

The conquest and colonization of the terrain of economic theory in the United States by the neoclassical economic paradigm has limited the ability of this society to examine economic processes critically. [FN2] As a result, our understanding of economic events is intermediated by the practitioners and devotees of the neoclassical paradigm and then communicated to society through the media and the academy as "truths." These "truths" are constructed both to validate the theoretical analyses that support them and to support the system of political economy that these theories attempt to justify and rationalize. This phenomenon is amply illustrated by the news bites associated with our current economic contraction, what has come to be known as the Great Recession. We are told that we are experiencing a global financial crisis when in fact we are experiencing a crisis of financialization in those economies and economic communities that indulged in grossly imprudent risk taking enabled by reckless monetary policies and inadequately regulated and poorly understood financial products. [FN3] This distinction is important if we are to understand that the roots of the problem are in the financial economy, "Wall Street," rather than in the real economy, i.e., "Main Street," and that appropriate interventions and solutions should focus on the behaviors and perquisites of capital rather than the livelihoods and opportunities of people. Unfortunately, the consequences of the Great Recession, i.e., the failure of the self-regulating market espoused by economic orthodoxy, are being diverted from the forces of capital that created them to the standards of ***109** living of ordinary people whose lives and wellbeing have been subjected to the whims of the contemporary system of political economy. As a consequence, corporations, the instrumentalities of capital, are experiencing unprecedented profitability while the working and middle classes are experiencing ever expanding hardship.

Economic orthodoxy portrays this situation as unavoidable. Although business - and in particular finance, - is recovering, society at large is informed that at best it must wait several years until it can expect employment levels to attain pre-recession levels. [FN4] At worst we are informed that unemployment has become structural and cannot be remedied by the sort of interventions that were used to prop up Wall Street. [FN5] The verdict of the so-called free market has been reached - we are experiencing and will continue to experience increasing poverty, the contraction of the middle class, the elimination of public services, the privatization of public resources, and the retraction of promises made to public workers. Nevertheless these changes will be accompanied by increased corporate profits, increased wealth for the wealthy, and an ever widening chasm between the ‘haves” and ‘have nots.” And although it will be acknowledged that these changes are related, mainstream economics will insist that the relationship is not causal.

Therefore, the choice is simple. Either we accept the prognostications of the people whose policies created the current economic crisis, [FN6] which are likely to be self-fulfilling, or we recognize the poverty of these perspectives and examine theoretical constructs that better explain our current economic environment and thereby create the opportunity for more successful policy interventions. Unlike the neoclassical economic paradigm whose truth ***110** claims are based on ‘models' generated in the effort to force the social behaviors which constitute economic activity into mathematical expressions, [FN7] other schools of economic thought focus on the behaviors of real economies in real time, [FN8] on historical patterns and the processes of conflict and competition they produce, [FN9] and on the goal of maintaining a sustainable biosphere supportive of human flourishing. [FN10]

For the purposes of encouraging a more complete appreciation of the significance of the current economic crisis and its relationship to society's ability to provide for the needs of its members, this essay will examine the processes of accumulation by dispossession articulated in Marxian theory. Accumulation by dispossession recognizes the ability of business, i.e., capital, to use its power to restructure the relationship between people and their traditional means of providing for their material needs to create cheap labor for industrial purposes. [FN11] Thus, when capital in alliance with the State ***111** forces subsistence farmers from their traditional lands they gravitate towards industrial centers to work for wages. [FN12] However, capital need not precipitate this process intentionally or purposefully in order to benefit from it. Natural disasters, political dislocations, and economic crises can also serve as the impetus for new opportunities for capital accumulation via the exploitation of workers. These insights enable what ultimately is a metaphorical use of Marxian analyses, which undoubtedly will distress those with ideological commitments to this paradigm. However, the goal of this essay is not to advance a competing set of truth claims, but rather to stimulate thinking beyond the parameters of economic orthodoxy.

The paper is organized as follows: Part I focuses on the dimensions of the current problem of persistent unemployment. Part II discusses the relationship between financial crisis, capital, and labor. Part III looks at the Marxian theory of accumulation by dispossession. Part IV concludes with a discussion of the law and accumulation by dispossession.

I. Unemployment

On July 8, 2010, The Wall Street Journal ran a story entitled: Long Recession Ignites Debate on Jobless Benefits. [FN13] The story featured an interview with Karl Dinse, a managing partner at Management Recruiters of Sacramento, CA. In the story Mr. Dinse, complained about the difficulty he has recently encountered in filling six engineering positions at an Oregon manufacturer. The positions paid $60,000 per year, and Mr. Dinse believed it was so difficult to fill the positions because of long-term unemployment benefits - he would contact people about the position who reportedly told him to call them back when their unemployment benefits ran out. This was portrayed as an indictment of the unemployment compensation system, i.e., it is encouraging people to stay at home rather than to accept gainful employment.

That is of course a profoundly ideological position masquerading as a neutral economic conclusion. Mr. Dinse was expressing a position espoused by neoclassical economic theory that jobless benefits are a ***112** damaging intrusion into the processes of the labor market. [FN14] That is correct. The labor market for the most part is governed by the processes of supply and demand. Large numbers of unemployed workers increase the supply of available labor, and increased supply reduces the amount of money labor can command in salary. Although Mr. Dinse's client was willing to pay $60,000 to hire experienced engineers, the median salary for engineers in May 2009 was $89,560. [FN15] The starting salaries for people with undergraduate engineering degrees ranged from a low of $52,000 for civil engineers to a high of $83,000 for petroleum engineers. [FN16] Electrical/electronics and communication engineers received a starting salary of $61,000. Although Mr. Dinse ultimately was able to fill those jobs at $60,000, prior to the commencement of the recession it would have been nearly impossible to find experienced U.S. trained engineers willing to accept such a salary. [FN17]

The question of what happened to the difference between what those engineers would have received as salary in 2007 and what they were coerced in to accept in 2010 is never asked by neoclassical economic theory. The assumption is that salary adjustment made by the labor is neutral recalibration of 'real' value. Nonetheless, it is obvious to anyone with a third grade education that the $30,000 difference between the salaries available in 2007 and 2010 didn't simply disappear. The difference decreased the anticipated liabilities accounts on the corporation's balance sheet, permitting a comparable increase in the corporation's shareholders' equity accounts. This money was transferred from the expectations of the engineers to the bank accounts of their corporate employers to become a potential claim of the corporation's shareholders. We can indulge the fantasy that this transfer was consensual, in the same way that surrendering one's wallet to a well armed robber is ***113** consensual. However, coercion obviates consent regardless of the purported freedom of the marketplace. Markets, and in particular, markets for land, labor, and money, and markets mediated by mediums of exchange are not natural in the sense that they develop spontaneously in human societies. [FN18] Rather, such markets arise as a consequence of the exercise of power. [FN19] Therefore, the contemporary labor market for most workers is deployed as a weapon to provide capital with a variety of points of entry into our assets, resources, and opportunities as well as our expectations, hopes, and dreams. The market is a place where most of us go to be robbed.

The current financial crisis enables these processes to be played out across the economy. Approximately 8.4 million jobs were lost in the United States during the period from 2007 to 2009. In December 2007, the Bureau of Labor Statistics reported that there were 137,951,000 people employed in nonfarm occupations in the United States. By December 2009 that number had fallen to 129,588,000 people, a difference of 8,363,000 people. By December 2010 the number had increased to 130,712,000, an increase of 1,124,000 people. Nonetheless the unemployment rate was 9.4 percent at the close of 2010. Moreover, the recent increase will not meet the increased employment needs resulting from population growth. [FN20] These numbers seriously understate the magnitude of the problem. There are an additional 8.9 million involuntary part time workers, i.e., workers who desire, but have been unable to obtain full time employment. [FN21] The current number of involuntary part time workers is twice as many workers as found themselves in this situation at the beginning of the recession in 2007. [FN22] The official unemployment rate also fails to account for 2.6 million people who are "marginally attached to the labor force," individuals who had not looked for a job in the previous 4 weeks but who had looked for a job at ***114** some point in the prior 12 months. [FN23] The "marginally attached" includes 1.3 million "discouraged" workers, people who have stopped looking for employment because they have concluded that no jobs are available for them. [FN24] This number represents an increase of 389,000 workers from December 2009. [FN25] When these added unemployed workers are taken into consideration, the real unemployment rate rises to approximately 16.7 percent. [FN26]

Although the recession supposedly ended in June 2009, this announcement had little impact on the unemployment rate. In June 2009 the unemployment rate was 9.5 percent and in December 2010 the unemployment rate was 9.4 percent. [FN27] Additionally 44.3 percent of unemployed people actively engaged in the job search are long-term unemployed, i.e., people who have been unemployed for 27 weeks or longer. [FN28] In 2007 the long-term jobless rate was 0.8 percent. By 2009 it had risen to 2.9 percent. [FN29]

In addition to the dramatic reductions in the domestic payroll, those fortunate enough to have jobs have seen their wages increase at the lowest rates recorded in 28 years. Employee wages and benefits were reported to have increased 2 percent in 2010 following a 1.4 percent increase in 2009. [FN30] Real hourly earnings alone rose only 0.4 percent during the period from December 2009 to December 2010. By way of comparison, during the period from December 2005 to December 2006 average weekly earnings increased by 4.5 percent (seasonaly adjusted) [FN31] and during the period from December 1995 to December 1996 average weekly earnings increased by ***115** 5.2 percent (before seasonal adjustment). [FN32]

Therefore, it should come as no surprise that the U.S. poverty rate has been steadily increasing during the recession and since its announced conclusion. The recession has added approximately 4 million additional Americans to the ranks of the impoverished. [FN33] Under recently revised census methodology the poverty rate in 2009 stood at 15.7 percent, approximately 1 in 6 Americans, [FN34] as compared to a poverty rate of 13.8 percent in 2003 (as determined under the old methodology). [FN35] What is at least somewhat surprising is that financial hardship does not appear to be shared equally among natural and artificial persons.

In November 2010, it was reported that U.S. corporations earned profits at an annualized rate of $1.659 trillion, the highest rate of profitability since the government began recorded such data 60 years ago. [FN36] Since 2008 U.S., corporate profits have grown for seven consecutive quarters. [FN37] Corporate profit increases were attributed to, in part, increased productivity and the ability to achieve the same results while expending fewer resources. [FN38] Corporate profitability and the announced end of the recession suggests that the business community may not appreciate or otherwise be concerned with the magnitude of the economic crisis still impacting this country. So, for example, CNNMoney reports that some corporate recruiters are limiting the job applicants who will be considered to people who currently are employed. [FN39] Moreover, if or when the business sector begins significant job ***116** creation most of the new jobs either will be in professional fields, at relatively high pay, or in the service sector at relatively low pay. [FN40]

The relationship between worker distress and corporate profits is an obvious one. One of the most prominent characteristics of contemporary capitalism is its unremitting subordination of labor. [FN41] Through the application of technology and the consolidation of labor activity, i.e., productivity gains, labor has been rendered universally contingent. Capital, particularly in the United States, by its almost exclusive ability to determine the conditions of employment, the technology that will be used by workers, and the place on the planet where a particular job function is performed, has acquired the ability to control its demand for labor thereby increasing its profitability while diminishing labor's share of surplus value. [FN42] Neoclassical economic theory holds a more benign view of technological change, arguing that it benefits labor by requiring additional education and more sophisticated skills. [FN43] The introduction of technological innovation into the industrial labor process is argued to result in the use of more, rather than fewer, employees so that employment increases in newer plants and decreases as plants age. [FN44] However, the mobility of capital enables the decision to invest in higher-skills-demanding technologies in countries with low labor costs and to consign use of lower skill technologies to countries, like the United States, with higher labor costs. Thus, the move from the use of traditional cash registers at McDonalds to touch screens that obviate the workers need to enter numbers or engage in arithmetic is a reflection of the ways in which technological innovation encourages the deskilling of workers rather than the development of valuable new skills. The focus of further employment in this country in the service sector suggest that jobs for U.S. workers will continue to require fewer skills and therefore be able to demand less compensation. Again, ***117** neoclassical theory's failure to appreciate the incommensurability of labor and capital, and its insistence of viewing the labor market as a “free market,” means that the neoclassical analysis will be incomplete and skewed to minimize the injury to workers and its relationship to the increased value of capital.

In order to more fully appreciate the relationship between a thriving business environment and a depressed employment situation, it is necessary to look outside the parameters of the neoclassical paradigm.

II. Crisis, Capital, and Labor

The neoclassical understanding of business profits is that they are derived from efficient product development and production, resulting in successful competition in product markets. However, Marxian theory recognizes that business, i.e., capital, also benefits financially from the expropriation of community or collectively held resources and the opportunities for individual livelihoods that such resources created. Capital also is able to convert the personal assets, resources, and opportunities that individuals are able to acquire to its benefit and possession. An example above the level of the individual would be the privatization of communally held land, like the ejidos in Mexico. [FN45] Allowing commercial farming interests to take over land that was farmed by peasants forces the peasant off the land depriving her of her traditional livelihood and relegating her to a surplus pool of labor, forced to accept whatever wages are offered in order to survive. [FN46]

These processes are not unique to the U.S. or Mexico or even to this current crisis of capitalism. When crises limit the ability of capital to use capital, i.e., investment, to reproduce itself, i.e., earn profits and increase the wealth of the owners of capital, alternative methods for capital are created, through the auspices of the market, to appropriate the difference between market valuations present before the development of crisis and the valuations resulting from the crisis. [FN47]

Financial crises are a fundamental component of the processes of ***118** capitalism. [FN48] During the period 1973 through 1997 there were at least forty-four crises in developed countries and ninety-five crises in developing economies. [FN49] These crises resulted in decreased average output of 6.25 percent and an average 9.21 percent loss of gross domestic product in the affected economies. [FN50] Halac and Schmukler have identified four principal consequences of financial crises: 1) they result in decreased economic activity resulting in decreased demand in the labor markets; 2) they often lead to increased inflation, diminishing the buying power of working people by decreasing real wages and decreasing the purchasing power of cash savings; 3) they frequently result in currency devaluations which greatly impact people who do not have access to foreign exchange; and 4) the post crisis austerity are often imposed, which result in cutbacks in public services. [FN51] Halac and Schmukler argue that financial crises have different distributional consequences impacting poor and working class people more than the wealthy and that financial crises result in financial transfers from the poor and the working class to the wealthy. [FN52] These transfers are based on the magnitude of individual and firm participation in the financial sector. The poor and working classes have minimal participation in the financial sector and therefore do not receive the benefits of the bailouts, bank recapitalizations, and debt relief programs that are designed to benefit businesses, banks and large investors. Instead the benefits to the wealthy and corporations are financed, at least in part, by burdens imposed on the poor and working classes, i.e., the austerity measures used to decrease government debt and the tax relief provided to business and the wealthy to stimulate economic activity.

Dufour and Orhangazi argue that financial crises clearly benefit the international financial system at the expense of domestic developing economies. [FN53] Following financial crises, developing economies generally experienced significant increases in direct foreign investment. The consequences of such crises are financial instability and frequent currency devaluations that make firms in developing economies and their assets ***119** attractive acquisition candidates for foreign investors. [FN54] The introduction of direct foreign investment also results in substantial repatriations of the returns on those investments to the countries of origin of the foreign investors. [FN55] Financial crises in developing economies frequently require those countries to rely on external debt to shore up their economies and move towards recovery. However, as the multilateral lenders, the IMF and the World Bank, have become the principal exponent of neoliberal policies. Therefore, resort to these lenders have rendered the borrowers subservient to the neoliberal agenda. [FN56] Moreover, in order to protect their currencies from significant reversals in future periods of crisis many of these economies make huge acquisitions of foreign exchange, particularly the currencies of the major economic powers. [FN57] Although most of these consequences appear to have been limited to developing economies in crisis, there is one salient feature that they share with the U.S. economy in this current crisis: the relationship between capital and labor. Contemporary financial crises appear to skew the distribution of the social product towards the interests of capital while having a corrosive effect on the interests of workers generally and organized labor in particular. Using the crisis in Turkey during 2000 and 2001 Dufour and Orhangazi observed:

> . . .workers were driven into subservience after the 2000-2001 crisis. Not only did the labor share of income and real wages decline, but labor union lost membership and organized labor became much more quiescent, as evidence by the fact that the number of days lost to strike dropped to historical lows. [FN58]

Similarly, in the United States the rate of union membership of organized labor has been under assault for over a generation. When the ***120** Bureau of Labor statistics began recording the rate of union membership in 1983, 20.1 percent of U.S. workers were union members. [FN59] By 2009 that number had fallen to 12.3 percent. By 2010 union membership had declined to 11.9 percent. [FN60] Although real wages in the U.S. rose in every decade from 1830 to 1970, in the last forty years real wages have steadily declined. [FN61] Real wages (expressed in constant 1982 dollars) peaked in 1974 at $314.94 per week and by 2004 stood at $277.57 per week. [FN62] From 2004 to 2010 U.S. wages fell by an additional 1.7 percent, which includes a 1.3 percent drop since the start of the recession in 2008. [FN63]

III. Accumulation by Dispossession

According to Marx, the initial stage of capitalist development, primitive accumulation, required labor to be made available for employment in industrial applications. This was accomplished by depriving people of the ability to earn a living as traditional agriculturalists and forcing them into the cities to seek work in industry. [FN64] Although these changes established the prerequisites for industrialization, they also constituted a dramatic change in social relations. Traditional agriculturists found themselves divorced from the land and societal institutions associated with their traditional way of life. [FN65] These processes also permitted the "consolidation of 'the pigmy property of the many into the huge property of the few.' [FN66] Marx believed that this stage of development was supplanted by expanded reproduction, i.e., more sophisticated forms of accumulation tied to the processes of production, and he appears to have believed that these patterns of primitive accumulation, followed by more sophisticated forms of ***121** accumulation, would occur in all societies enthralled in capitalist economies. [FN67]

However, Rosa Luxemburg, at the turn of the 20th century, argued that primitive accumulation was not a historical stage but a continual process by which the interests of capital marginalized traditional societies to appropriate both their resources and their labor, while creating capitalist social relations. [FN68] Thus, capitalist development did not follow a linear path but also had recursive tendencies that enabled it to revert to the processes associated with earlier periods of development in response to changes in the economic and/or political environments. While Luxemburg's focus was on the suppression of traditional forms of production and consumption in the European colonies of the late 19th and early 20th centuries, i.e., the use of colonial, neo-colonial, and imperialist processes as means of appropriating the assets and resources of the "other," her essential contribution is that these processes are not limited to particular stages of capitalist development. [FN69] As the economy and economic relations evolve, so too do the mechanisms available to capital to accumulate additional capital by simply taking it from others by, among other things, the coercive power of markets.

Thus, more recently, David Harvey and others have extended Rosa Luxemburg's arguments to the contemporary activities of transnational corporations and transnational finance. [FN70] For example, transnational agribusiness and finance currently is supplanting traditional forms of agriculture with industrial agriculture, patenting traditional agricultural products, and traditional knowledge, and even the genetic heritage of indigenous populations. [FN71] As a consequence, farmers in developing economies are being forced off their lands into the cities where they seek to work in industry in order to survive. [FN72]

Closer to home, the consumer credit system generally, as well as ***122** predatory lending practices in particular, permit business and finance to profit as consumers increasingly rely on credit as a way to maintain their living standards in the face of stagnant wages. [FN73] The ability of capital to benefit financially from these processes, in addition to standard sources of profitability, has been characterized as accumulation by dispossession: "the appropriation and marketisation of hitherto uncommodified realms." [FN74] Although capital is the primary beneficiary of accumulation by dispossession, its ability to effectively employ this pattern of accumulation is facilitated by the action of the state, and in particular, the neoliberal state. [FN75]

Marxian orthodoxy will undoubtedly bristle at this paper's use of accumulation by dispossession as a metaphor. Although the analyses advanced by Harvey and others support inquiry into the relationships between the ability of capital to profit as a result of the devaluations of commodities and financial assets and in the subordination of labor, technical examination of these processes and their role in the extension of capitalist social relations require far deeper exploration of intricacies of demand and production. Nevertheless, the concept is invaluable in appreciating the so-called free market's allocations of burdens and benefits in periods of financial instability and crisis. It is also useful to examine the law's unwillingness to address these concerns as matters of equity and fair dealing, but instead to view the processes primarily if not exclusively within the jurisdiction of markets.

***123** IV. Law and the Processes of Accumulation by Dispossession

In the United States, the victims of the Great Recession have been segregated into two primary categories, "Wall Street" and "Main Street." The impact of the crisis on Wall Street has been viewed as a matter of preeminent concern and the administration and the Congress directed most of their attention at the start of the crisis to the financial, as opposed to the real, sector of the economy. In October 2008 Congress enacted the Emergency Economic Stabilization Act of 2008, [FN76] which created the Troubled Asset Relief Program (TARP). Under TARP the Treasury Department was authorized to spend up to $700 billion to purchase distressed assets from U.S. financial institutions to build their capital and "to increase the flow of financing to U.S. businesses and consumers and to support the U.S. economy." [FN77] However, prior to Congress taking action to address the crisis, the Federal Reserve created a secret "backdoor bailout" that provided approximately $3.3 trillion in liquidity and $9 trillion in short-term loans and other financial arrangements to banks, multinational corporations, and foreign financial institutions. [FN78] The Federal Reserve refused to release information detailing these transactions until required to do so by an act of Congress. [FN79] The backdoor bailout provided $1.8 trillion to Citigroup, $2 trillion to Morgan Stanley, $600 billion to Goldman Sachs and almost $1 trillion in short-term loans to Bear Stearns. Most of the loans were interest free or at near-zero interest rates. In addition to being provided to financial institutions the money was also given to nonfinancial firms including GE, McDonalds, and Verizon. [FN80] Little was required of the recipients of the backdoor bailout. According to Senator Bernie Sanders, "the Fed failed to require loan recipients to invest in building our economy ***124** and protect the needs of ordinary Americans." [FN81] In fact, Senator Sanders has called for an investigation to determine whether some of the backdoor bailout recipients used these funds to "pad their bottom lines" as a form of "direct corporate welfare." [FN82]

The government's response to the interests of capital enabled banks, financial firms, and business corporations to stabilize their financial position, force productivity improvements upon their remaining workers, and move into a period of high profitability. Capturing the benefits of decreased wages and falling asset values, business have been able to increase their bottom lines by jettisoning vast numbers of the working population. Despite the neoliberal rhetoric that low taxes increase job creation, there is no evidence to support this either in the current period or during the administration of George W. Bush. If we remain tethered to the view that the private sector will eliminate the unprecedented unemployment that we currently experience it will take decades, if not a generation, to return to the employment levels present before the start of the crisis. Therefore, true recovery for people as opposed to business will require the deployment of resources comparable to those made available to business firms at the start of the recessions.

The Federal Reserve has been a great deal less solicitous of the interests Main Street. President Obama has suggested that the Federal Reserve support deficit burdened states and municipalities by buying some of their bonds. However, on January 7, 2011 Federal Reserve Chair Ben S. Bernanke ruled out the possibility of a bailout of state governments, which are facing a collective budget deficit of $140 billion. [FN83] Despite unprecedented unemployment, Congress was only willing to enact an extension of unemployment benefits for the long term unemployed if accompanied by an extension of the Bush era tax cuts for the wealthy. [FN84] The tax cuts cost taxpayers $801 billion while the unemployment extension cost taxpayers $57 billion, a somewhat lopsided compromise. Additionally, although tax cuts were provided to the wealthy and middle class, approximately 51 million taxpayers, a majority of who are low-wage workers with incomes below $35,000, will see their taxes increase in ***125** 2011. [FN85]

It is clear that to dislodge the specter of persistent long-term unemployment the government must intervene in the labor market in much the same way as it did during the Great Depression. During the period 1934 to 1941 the federal government created 11 million federal jobs. The Roosevelt administration sought to increase demand by constructing policies that increased both wages and prices. This was accomplished by encouraging market coordination among producers and strengthening the bargaining power of unions. [FN86] The current ideological environment and the Democrat/Republican hegemony prevent any serious consideration of these options. They are rarely discussed in most media outlets and when they are, they are demonized as resorting to the “failed” policies of communism and socialism.

Moreover, the devotees of neoliberalism and neoclassical economics are provided with a presumption of good faith. It is assumed that their policy perspectives represent potentially viable and intellectually and morally justifiable responses to the current economic environment. However, it is clear that the policies inspired by neoliberalism and neoclassical economics created the consequences predicted by heterodox economists. Neoliberalism and neoclassical theory have and continue to transfer assets, resources, and opportunities from the working and middle classes to the wealthy and corporations. They have promoted a seismic increase in inequality this country which accelerates with stagnant wages, underemployment, and job destruction through outsourcing and similar practices.

Conclusion

This essay has employed the Marxian concept of accumulation by dispossession to describe the current state of this country's ‘recovery’ from the Great Recession. It has argued that the development of the financial crisis creates another avenue for capitalist accumulation which has been utilized effectively by U.S. businesses. As the processes of accumulation ***126** by dispossession minimize businesses' incentives to increase employment, that task must fall to the federal government. However, the ideological shackles of neoliberal politics and neoclassical economics have limited the willingness of both Democrats and Republicans to deploy the sort of policy instruments used effectively during the Great Depression. Thus, it appears that only capital has been provided with the resources necessary to recover from the Great Recession while the rest of us are left to attempt to recover from this new environment of dispossession on our own. From the necessarily limited vantage point provided by the immediate consequences of the crisis it seems uncertain if the working class, the middle class, and the poor will ever recover from this recovery.

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[FN1]. On September 20, 2010 the Business Cycle Dating Committee of the National Bureau of Economic Research concluded that a trough in U.S. business activity occurred in June 2009 heralding the end of the recession that began in December 2007 and the beginning of an economic expansion. Announcement of June 2009 business cycle trough/end of last recession, Bus. Cycle Dating Comm., Nat'l Bureau of Econ. Research (Sept. 20, 2010), http:// www.nber.org/cycles/sept2010.html.

[FN2]. Generally, “[n]eoclassical economics describes the economy as a state of equilibrium, in which the forces of supply and demand interact to achieve optimal allocation of society's resources. The focus of neoclassical economics is on the decision-making activity of entrepreneurs, households and firms. It assumes that economic decision-making is voluntary, informed and rational (i.e., utility maximizing). The models used in neoclassical economics are based on transactions occurring in exchange (i.e., barter) markets, in which perfect competition prevails. In these markets, goods are exchanged for goods, with money serving only as a neutral intermediary in the exchange. Economic models based on exchange markets also assume gross substitution effects. The axiom of gross substitution states that the demand for good A will change only in response to a pricing differential between good A and a substitute product. Exchange transactions also are envisioned as being costlessly reversible, and as occurring in an ergodic environment, in which there are no financial institutions. The market becomes the instrument of allocation, and individual self-interested economic decisions collectively achieve an optimal societal equilibrium." Charles R.P. Pouncy, Contemporary Financial Innovation: Orthodoxy and Alternatives, 51 SMU L. Rev. 505, 540-41 (1998) (citations omitted).

[FN3]. Financialization may be described as "'the increasing role of financial motives, financial markets, financial actors and financial institutions"' in the world economy. Dick Bryan et al., Financialization and Marx: Giving Labor and Capital a Financial Makeover, 41 Rev. Radical Pol. Econ. 458 (2009) (quoting Gerald Epstein, Financialization and the World Economy 3 (2005)). Bryan et al. conclude that the unduly rapid growth of financialization, including the processes of securitization and the creation of new financial derivatives, fueled by imprudent lending and borrowing in an environment devoid of meaningful regulation, enabled the current financial crisis. Id. at 459.

[FN4]. Federal Reserve Chairman Bernanke predicted that the economy was expected to grow by up to 4 percent in 2011. Nonetheless, the end of 2012 was likely to see an unemployment rate of 8 percent, significantly higher that the pre-recession rate. Sewell Chan, Increasingly Confident Fed Is Set for First Meeting of 2011, N.Y. Times, Jan. 24, 2011, at B2.

[FN5]. Narayana Kocherlakota, the president of the Federal Reserve Bank of Minneapolis, is quoted as saying: "[f]irms have jobs, but can't find appropriate workers. The workers want to work, but can't find appropriate jobs" .... "It is hard to see how the Fed can do much to cure this problem." Paul Krugman, Structure of Excuses, N.Y. Times, Sept. 27, 2010, at A23. Krugman argues that Kocherlakota's statement is an example of the position that persistent unemployment in the U.S. is 'structural', i.e., it results from a sudden mismatch between worker skills and employer needs. Id.

[FN6]. "In an attempt to jumpstart the economy out of recession, Greenspan slashed the federal funds target from 6.5% in January 2001 down to a ridiculous 1% by June 2003 .... [I]t looked like a classic example of the Misesian theory of the business cycle, in which artificially low interest rates lead to malinvestments, which then require a recession to correct." Robert P. Murphy, Are Central Banks Really to Blame for the Housing Bubble?, MoneyWeek, Apr. 18, 2008, available at http://www.moneyweek.com/investments/property/are-central-banks-really-to-blame-for-the-housing-bubble.aspx. Murphy goes on to demonstrate that Hummel and Henderson's arguments that the Fed was not to blame are inconsistent with the empirical evidence. See Id.

[FN7]. See Paul Krugman, How Did Economists Get it So Wrong?, N.Y. Times, Sept. 6, 2009, at MM36. According to Krugman, "the economics profession went astray because economists, as a group, mistook beauty, clad in impressive-looking mathematics, for truth." Id.; see also Philip Mirowski, More Heat than Light: Economics as Social Physics, Physics as Nature's Economics 3 (1989).

Once one starts down that road [of analyzing economics from the perspective of physics], one rapidly discovers that the resemblances of the theories are uncanny, and one reason they are uncanny is because the progenitors of neoclassical economic theory boldly copied the reigning physical theories in the 1870s. The further one digs, the greater the realization that those neoclassicals did not imitate physics in a desultory or superficial manner; no, they copied their models mostly term for term and symbol for symbol, and said so.

[FN8]. Unlike neoclassical economics which focuses on models with a tenuous relationship to reality, institutional economics is an American school of economic thought focused on the study of the behavior of real economies in real time and their efforts to provision their respective societies. See William M. Dugger, Underground Economics: a Decade of Institutionalist Dissent xix (1992); see also James Ronald Stanfield, The Scope, Method, and Significance of Original Institutional Economics, 33 J. Econ. Issues 231, 234 (1999). "Institutional theory focuses on human needs and the resources available to meet them. Power and habit, rather than markets and competition, shape economic processes and institutions. Their development and change impacts the structure of the economy and society. Institutional economics is, therefore, an evolutionary paradigm neither seeking nor valuing equilibrium, but focused instead on the forces and processes of change." Charles R.P. Pouncy, The Rational Rogue: Neoclassical Economic Ideology in the Regulation of the Financial Professional, 26 Vt. L. Rev. 263, 270 n.18 (2002).

[FN9]. In addition to role of class conflict in economic processes, Marxian theory,

provides us with the notion of overdetermination, namely, 'the ceaseless dialectical interplay between the process of theory and all other processes in society.' An appreciation of overdetermination illustrates the contingency and contestability of all theoretical constructs. As each theory has its own indicia of truth, each theory's understanding of 'reality' and of the truths associated with that reality is different. Theory becomes what its practitioners understand it to be. Therefore, attempting to understand the economy and economic processes by reference to particular theoretical constructions can produce an analysis that is consistent with the theory being applied, but that has no necessary relationship to objective reality.

Charles R.P. Pouncy, Applying Heterodox Economic Theory to the Teaching of Business Law: The Road not Taken, 41 San Diego L. Rev. 211, 220 (2004).

[FN10]. See generally Kristen A. Sheeran, Ecological Economics: A Progressive Paradigm? 17 Berkeley La Raza L.J. 21(2006) (introducing reforms that ecological economics can use to limit the economy's destructive effect on the environment while still being productive).

[FN11]. Jim Glassman, Primitive Accumulation, Accumulation by Dispossession, Accumulation by 'Extra-Economic' Means, 30 Progress in Human Geography 608, 610 (2006) (describing the beginning of the shift from "social means of production" to the "production of capital").

[FN12]. Philip McMichael, A Food Regime Analysis of the 'World Food Crisis,' 26 Agriculture and Human Values 281, 282 (2009) (stating that the shift away from subsistence farming has led to a food dependence through the liberalization of trade in food stuffs and the necessity to earn a wage in order to eat).

[FN13]. Sara Murray, Long Recession Ignites Debate on Jobless Benefits, Wall St. J., July 8, 2010, at A1.

[FN14]. See E.g., Bruce D. Meyer, Unemployment Insurance and Unemployment Spells, 58 Econometrica 757, 757 & 760 (1990), which concluded that unemployment benefits increase the likelihood that a recipient will remain unemployed as long as the benefits are available. Meyer also observed that similar studies found that approximately 60 percent of the subjects were recalled to their prior employment. Currently there are no indications that significant numbers of the people currently unemployed will be recalled to their former positions.

[FN15]. U.S. Bureau of Labor Statistics, U.S. Department of Labor, Occupational Employment and Wages, May 2009, 17-2199 Engineers, All other (2009), available at http://www.bls.gov/oes/2009/may/oes172199.htm.

[FN16]. U.S. Bureau of Labor and Statistics, U.S. Department of Labor, Occupational Outlook Handbook, 2010-11 Ed., Engineers, available at http:// www.bls.gov/oco/ocos027.htm#earnings.

[FN17]. This is a mild illustration of the everyday violence of the market. What is stunning is that this violence is amplified by the current crisis of capitalism, which is merely the latest in a stream of crises of capitalism.

[FN18]. See generally Karl Polanyi, The Great Transformation 68-76 (1944) (discussing the development of self-regulating markets).

[FN19]. See Gregory Baum, Karl Polanyi on on Ethics and Economics 15-19 (McGill-Queen's University Press 1996). Polanyi distinguishes local and internal markets, i.e., exchange or barter markets and markets arising from the internal organization of society from external markets, i.e., markets devoted to non local trade. External markets process would eventually lead to the creation of markets for what Polanyi describes as fictitious commodities, labor, land and money. Polanyi, supra note 18, at 68-76.

[FN20]. Adam Hersh & Isha Vij, Employment Growth Continues, but Too Slowly to Secure Recovery, Center for American Progress, Jan. 7, 2011, http:// www.americanprogress.org/issues/2011/01/december_jobs.html (last visited Sept. 23, 2011).

[FN21]. U.S. Bureau of Labor Statistics, U.S. Department of Labor, Economic News Release: Employment Situation News Release (Jan. 7, 2011), available at http://www.bls.gov/news.release/archives/empsit_01072011.htm.

[FN22]. Hersh & Vij, supra note 20 (discussing the number of involuntary part-time workers).

[FN23]. U.S. Bureau of Labor Statistics, supra note 21.

[FN24]. Id.

[FN25]. Id.

[FN26]. Michael Powell & Sewell Chan, Slow Job Growth Dims Expectation of Early Revival, N.Y. Times, Jan. 7, 2011, at A1.

[FN27]. Heidi Shierholz, Labor Force Smaller than Before Recession Started, Economic Policy Institute, Jan. 7, 2011, http:// www.epi.org/publications/entry/labor_force_smaller_than_before_recession_ started1. The Economic Policy Institute reports that some of the decrease in the unemployment rate resulted from 260,000 leaving the labor force rather than from an actual increase in employment. Id.

[FN28]. Randy Ilg, Long-Term Unemployment Experience of the Jobless, U.S. Department of Labor, Issues In Labor Statistics, June 2010, available at http://www.bls.gov/opub/ils/summary_10_05/long_term_unemployment.htm.

[FN29]. U.S. Bureau of Labor Statistics, U.S. Department of Labor, Issues in Labor Statistics (June 2010), available at http:// www.bls.gov/opub/ils/pdf/opbils82.pdf.

[FN30]. U.S. Bureau of Labor Statistics, U.S. Department of Labor, Employment Cost Index Historical Listing Current-Dollar March 2001-December 2010 34 (2011), available at http://www.bls.gov/web/eci/echistrynaics.pdf.

[FN31]. U.S. Bureau of Labor Statistics, U.S. Department of Labor, Real Earnings in December 2006 (2006), available at http:// www.bls.gov/news.release/archives/realer_01182007.pdf.

[FN32]. U.S. Bureau of Labor Statistics, U.S. Department of Labor, Real Earnings in December 1996 (1997), available at http:// www.bls.gov/news.release/history/realer_011497.txt.

[FN33]. See Erik Eckholm, Recession Raises Poverty Rate to a 15-Year High, N.Y. Times, Sept. 16, 2010, at A1. It appears that the increase in poverty would have been even higher if people did not have access to relatives and friends with whom they could live. “The Census study found an 11.6 percent increase in the number of such multifamily households over the last two years.” Id.

[FN34]. Hope Yen, Census: Number of Poor May Be Millions Higher, Associated Press, Jan. 5, 2011, http://www.msnbc.msn.com/id/40930573/ns/us_news-life/t/census-number-poor-may-be-millions-higher/.

[FN35]. Sharon M. Stern, U.S. Census Bureau, Poverty Dynamics: 2001-2003 18 (2008), http:// www.census.gov/hhes/www/poverty/publications/dynamics01/PovertyDynamics.pdf.

Under the old methodology the 2009 poverty rate was 14.3% or 43.6 million people. Yen, supra note 34.

[FN36]. U.S. Bureau of Economic Analysis, U.S. Department of Commerce, Gross Domestic Product: Third Quarter 2010 (Third Estimate) Corporate Profits: Third Quarter 2010 (Revised Estimate) 13 (2010), available at http:// www.bea.gov/newsreleases/national/gdp/2010/pdf/gdp3q10_3rd.pdf; see Catherine Rampell, Corporate Profits Were the Highest on Record Last Quarter, N.Y. Times, Nov. 23, 2010, at B2 (reporting that American businesses earned profits at a rate higher than at any other time since the recording began sixty years ago, in non-inflation adjusted terms).

[FN37]. See Rampell, supra note 36 (noting that since their cyclical low in the fourth quarter of 2008, corporate profits have grown for seven consecutive quarters).

[FN38]. See Rampell, supra note 36 (attributing increased profitability to U.S. corporations' foreign earnings).

[FN39]. Chris Isidore, Looking for Work? Unemployed Need Not Apply, CNNMoney.com, June 16, 2010,http:// money.cnn.com/2010/06/16/news/economy/unemployed_need_not_apply/index.htm. (discussing the practice of limiting applicants to those who are currently employed).

[FN40]. Christopher S. Rugaber & Michael Liedtke, Future Hiring Will Mainly Benefit the High-Skilled, Associated Press, Sept. 5, 2010, available at http:// themes.thestar.com/article/05Cbc437rLbVQ (noting that high-skill workers will have an easier time finding jobs when the market improves).

[FN41]. This paper will rely on Bina and Davis' definition of capitalism "as a system of hegemonic social relations that tend to unify the world economy through the incessant creation of real subsumption and renewal of the subordination of labor universally under social capital." Cyrus Bina & Chuck Davis, Contingent Labor and Omnipotent Capital: The Open Secret of Political Economy, 4 Political Economy Quarterly 166, 167-68 (2008) (emphasis in the original).

[FN42]. Id. at 167 (discussing the "unending cheapening of labor power" under capitalism).

[FN43]. Id. at 183 (summarizing the neoclassical take on technological advances and its effects on labor).

[FN44]. Thomas F. Cooley, et al., The Replacement Problem, 40 Journal of Monetary Economics 457, 459 (1997) (noting studies finding that plants using the latest technologies have more employees).

[FN45]. "Ejidos are communities that own land communally and work it under a system of permanent but nontransferable use rights." Nancy L. Johnson, Tierra y Libertad: Will Tenure Reform Improve Productivity in Mexico's Ejido Agriculture?, 49 Economic Development and Cultural Change 291, 292 (2001).

[FN46]. Until recently Mexico was the largest exporter of labor in the world. See generally Gabriela Pechlaner & Gerardo Otero, The Neoliberal Food Regime: Neoregulation and the New Division of Labor in North America, 75 Rural Sociology 179 (2010).

[FN47]. Marina Halac & Sergio L. Schmukler, Distributional Effects of Crises: The Financial Channel, 5 Economa 1, 3 (2004).

[FN48]. Marxian theory characterizes the capitalist business cycle of slump, boom and crisis as one of the most striking aspects of the capitalist economy. See Rosa Luxemburg, The Accumulation of Capital (A. Schwarzchild trans.

Routledge 1913) (2003).

[FN49]. Halac & Schmukler, supra note 47, at 1 (reporting the number of crises around the world).

[FN50]. Id. (discussing the economic effects of recent crises).

[FN51]. Id. at 1-2 (listing the channels that allow crises to affect households and the poor).

[FN52]. Id. at 1-3 (noting that crises, generally speaking, affect the wealthy to a lesser degree).

[FN53]. Mathieu Dufour & Özgür Orhangazi, International Financial Crises: Scourge or Blessings in Disguise?, 39 Rev. of Radical Pol. Econ. 342, 343 (2007) (summarizing how international capital invades domestic economies during crises).

[FN54]. Id.

[FN55]. Id. at 344 (positing that an increase of foreign direct investment in times of crisis should lead to great profit outflows).

[FN56]. Id. at 346 (arguing that international financial institutions often take advantage of weakened countries in crisis to impose conditions on its funding).

[FN57]. Id. 346-7 (stating that purchasing foreign exchange from developed countries is often the only way to protect against future crises).

[FN58]. Id. at 374-78. Gezici found similar results in his study of the financial crises of the 1990s. Gezici found that the economic crises in Mexico and Turkey in 1994, Korea in 1997, and Brazil in 1999 all had similar effects on the relationship between people and capital. The Mexican financial crisis caused by NAFTA increased the poverty rate from 13.5% in 1994 to 18.7% in 1996. The Asian financial crisis of 1997 caused a constriction of over 3% of the total labor [formal] market and it took 5 years for significant recovery to occur; poverty increased from 11% to 18% in Indonesia and from 8.5% to 18% in Korea. In each instance the percentage of GDP going to labor decreased and the percentage of GDP going to capital, despite the crisis, increased. Armagan Gezici, Distributional Consequences of Financial Crises: Evidence from Recent Crises, 42 Review of Radical Political Economics 373, 374-78 (2010).

[FN59]. U.S. Bureau of Labor Statistics, U.S. Department of Labor, Economic News Release, Union Members Summary 1 (2011), available at http:// www.bls.gov/news.release/union2.nr0.htm (reporting union membership rates).

[FN60]. Id.

[FN61]. Rick Wolff, The Fallout from Falling U.S. Wages, Monthly Review, Dec. 6, 2006, available at http:// mrzine.monthlyreview.org/2006/wolff120606.html (discussing the long-term trends in U.S. real wages).

[FN62]. Id.

[FN63]. U.S. Bureau of Labor Statistics, U.S. Department of Labor, Employment Cost Index Historical Listing Current-Dollar March 2001-December 2010 34 (2011), available at http://www.bls.gov/web/eci/echistrynaics.pdf.

[FN64]. Much of these changes resulted from the application of the coercive power of the state and/or violence at the hands of the state.

[FN65]. Glassman, supra note 11. "Marx saw capital not as a 'thing', but as a comprehensive social context whose description was intertwined with its explanation. The context of capital included the production process, the division of labour, technological progress and, above all, the institutional and power arrangements shaping the collective consciousness." Jonathan Nitzan, Differential Accumulation: Towards a New Political Economy of Capital, 5 Review of Int. Pol. Econ.169, 172 (1998).

[FN66]. Glassman, supra note 11.

[FN67]. Id. at 611 (characterizing Marx's description of primitive accumulation as a "process confined to a particular ... period ....").

[FN68]. Luxemburg, supra note 48, at 351 (arguing that the exploitative and dispossessing forces associated with primitive accumulation continue to operate today as part of capitalism's self-sustaining mechanism).

[FN69]. Id. ("[T]he accumulation of capital, seen as an historical process, employs force as a permanent weapon, not only at its genesis, but further on down to the present day.").

[FN70]. David Harvey, The New Imperialism 145-49 (Oxford University Press 2003) (describing how the modern global structure of business and finance perpetuates the processes of dispossession and exploitation that Luxemburg identified as inherent forces of capitalism).

[FN71]. See Charles R.P. Pouncy, Food, Globalism and Theory: Marxian and Insitutionalist Insights into the Global Food System, 43 U. Miami Inter-Am. L. Rev. (forthcoming 2011).

[FN72]. Edward Nell, Cyclical Accumulation: A Marxian Model of Development, 63 Am. Econ. Rev. 152, 157-58 (1973) (using economic formulae to illustrate the causes and effects of this phenomenon).

[FN73]. Steven Pressman & Robert H. Scott, III, Who are the Debt Poor?, 43 J. Econ. Issues 423, 424-25 (2009) (arguing that this reliance on credit has resulted in a level of debt that increases the national poverty rate).

[FN74]. Bill Dunn, Accumulation by Dispossession or Accumulation of Capital? The Case of China, 60 J. Australian Pol. Econ. 5, 5 (2007). Contemporary analyses have also sought to include within the notion of primitive accumulation the capitalist appropriation of the value flowing from gendered and racialized forms of production and social reproduction as accumulation by extra-economic means. Id.

[FN75]. Accumulation by dispossession thus is dependent on state adoption of neoliberal policies including the mobility of capital, the enforcement of fiscal discipline by the IMF, World Bank and other multilateral transnational organizations, the ideologies of free market fundamentalism, and the implementation of these policies by:

> (1) The commodification and privatization of land and the forceful expulsion of peasant populations ...(2) conversion of various forms of property rights (common, collective, state, etc.) into exclusively private property rights; (3) suppression of rights to the commons; (4) commodification of labor power and the suppression of alternative (indigenous) forms of production and consumption; (5) colonial, neo-colonial, and imperial processes of appropriation of assets (including natural resources); (6) monetization of exchange and taxation, particularly of land; (7) the slave trade (which continues, particularly in the sex industry); and (8) usury, the national debt, and most devastating of all, the use of the credit system as a radical means of primitive accumulation.

Id. at 8-9, (quoting David Harvey, Neoliberalism as Creative Destruction, 610 Annals 22, 34-35 (2007).

[FN76]. Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, 122 Stat. 3765 (2008).

[FN77]. Board of Governors of the Federal Reserve System, Troubled Asset Relief Program (TARP) Information, Apr. 21, 2010, http:// www.federalreserve.gov/bankinforeg/tarpinfo.htm.

[FN78]. John Nichols, Fed's 'Backdoor Bailout' Provided $3.3 Trillion in Loans to Banks, Corporations, The Nation, Dec. 2, 2010, http:// www.thenation.com/print/blog/156794/feds-backdoor-bailout-provided-33-trillion-loans-banks-corporations (discussing the Fed's emergency loans to financial institutions); see also Luca di Leo & Maya Jackson Randall, Fed Data Show Firms on the Brink, WSJ.Com, Dec. 1, 2010, http:// online.wsj.com/article/SB10001424052748704594804575648740948074 (describing "some $3.3trillion in loans made to financial firms, companies and foreign central banks during the crisis").

[FN79]. Nichols, supra note 78 (mentioning how "the Fed did not want to release this information"); Board of Governors of the Federal Reserve System, Usage of Federal Reserve Credit and Liquidity Facilities, http:// www.federalreserve.gov/newsevents/reform_transaction.htm (describing the Fed's response to the financial crisis in the summer of 2007).

[FN80]. Nichols, supra note 78 (discussing how loans were also given to "many of our largest corporations - including GE, McDonalds and Verizon").

[FN81]. Id.

[FN82]. Id.

[FN83]. Ellen Brown, The Fed has Spoken: No Bailout for Main Street, Huffington Post, Jan. 13, 2011, http://www.huffingtonpost.com/ellen-brown/the-fed-has-spoken-no-bai_b_808094.html?view=screen (describing the collective budget deficit of $140 billion for 2011).

[FN84]. David M. Herszenhorn, Congress Passes Tax Cut Package for $801 Billion, N.Y. Times, Dec. 17, 2010, at A1 (noting the extension of the Bush-era tax cuts).

[FN85]. Shawn Fremstad, The Tax Deal's Biggest Losers: 40 Million Low-Wage Workers Who Will see their Taxes Go Up This Year, Jan. 10, 2011, http:// www.cepr.net/index.php/blogs/cepr-blog/the-tax-deals-biggest-losers-40-million-low-wage-workers-who-will-see-their-taxes-go-up-this-year. The increase results from the elimination of the Making Work Pay tax credit for low income workers and its replacement with a 2 percent payroll tax rate reduction which will result in a married couple earning $25,000 paying $300 more in taxes in 2011 than they did in 2010. Id.

[FN86]. Harold L. Cole & Lee E. Ohanian, New Deal Policies and the Persistence of the Great Depression: A General Equilibrium Analysis, 112 J. Pol. Econ. 779, 783-87 (2004) (mentioning how "Congress passed industrial and labor policies to limit competition and raise labor bargaining power").

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