

## Econ 105: Introduction to Political Economy

Assignment Four (100 points) Handed out in class, Dec. 4, Due in class, Dec. 11

### 1. Inflation and Deflation (30 points)

- Who benefits, who loses from inflation?
- The latest Bureau of Labor Statistics new release for October 2008, says the following about the Consumer Price Index:



“The Consumer Price Index for All Urban Consumers (CPI-U) decreased 1.0 percent in October, before seasonal adjustment, the Bureau of Labor Statistics of the U.S. Department of Labor reported today.”

(<http://www.bls.gov/news.release/cpi.nr0.htm>)

Does this mean the economy experienced inflation or deflation last month?

- What are some causes of *inflation*? What are the economic consequences of *deflation*? (Hint: E4E Ch. 17)

### 2. PE of Gender (20 points)

- What is meant by the term “care economy?” Why is it invisible?
- When you were growing up, what was the division of labor in your household? Who did the housework? Who worked outside the home? Do you think unpaid housework was viewed with the same respect as paid work? Why or why not?

### 3. PE of Race (10 points)

“Individual people may be prejudiced or racist but racism is no longer a systemic problem in the US.” Critique this statement offering at least three different pieces of evidence. Does the evidence convince you that racism is still an institutional problem?

### 4. Ecology (20 points)

Based on Majora Carter’s talk “Greening the Ghetto” (video available on the course blog: <http://blogs.umass.edu/econ105-abasole/>) answer the following questions (5 points each):

- What does Carter mean by the statement “Those of us living in environmental justice communities are the canary in the coal mine”?
- What are some of the problems faced by the South Bronx area?
- Use the example of the highway from Westchester to Manhattan to explain how development can leave community interests out of the picture.
- What is the triple bottom line?

### 5. Consumption (20 points)

Based on the Introduction to Juliet Schor’s “The Overspent American” answer the following questions:

- What connections does Schor draw between rising inequality and rising consumerism? (10 points)
- What is “voluntary downshifting?” (5 points)
- What type of evidence does Schor present to make the case that the American Dream has been upscaled in recent years? (5 points)