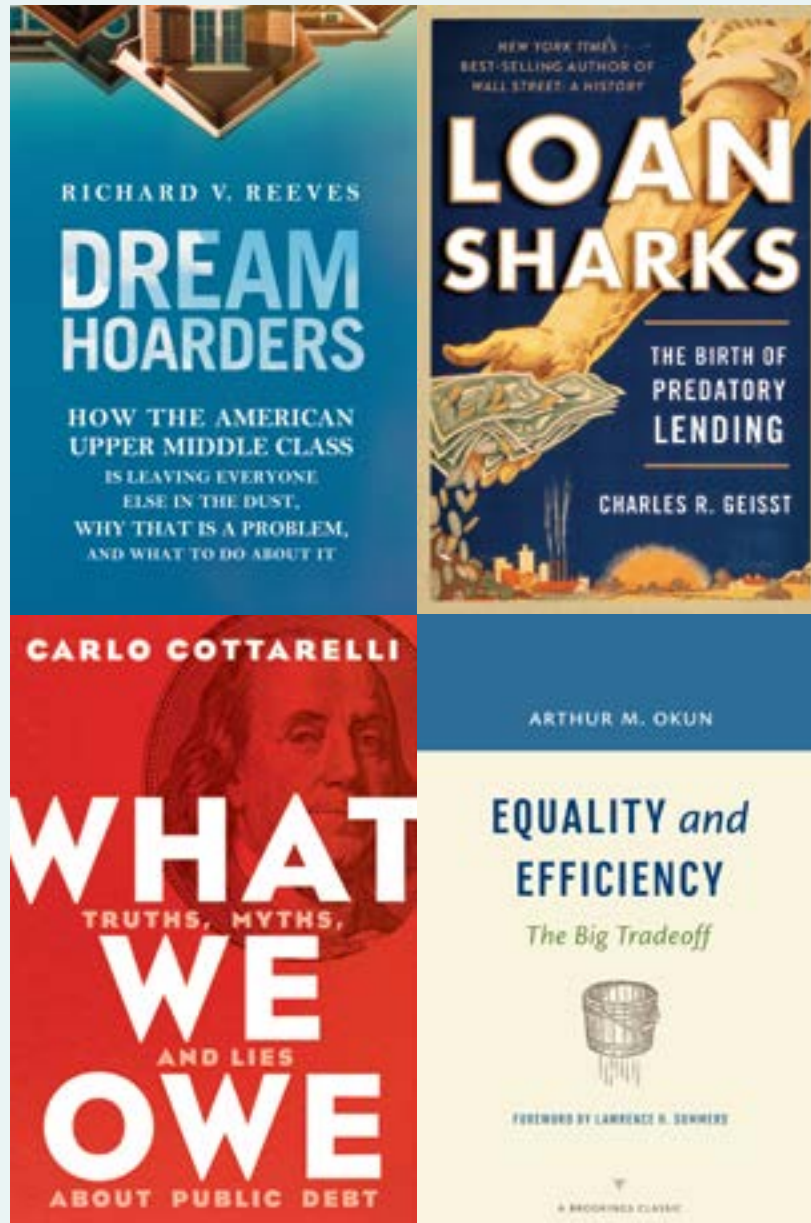


SPRING 2018 ECONOMICS



Dream Hoarders

How the American Upper Middle Class Is Leaving Everyone Else in the Dust, Why That Is a Problem, and What to Do About It

RICHARD V. REEVES

"Reading Richard Reeves on social mobility is like going for a good walk: he is bracing, head clearing, and ultimately inspiring. With rigor and wit, his new book shows how millions of successful, hardworking Americans, often with the best of intentions, have helped build a society where birth matters more than brilliance. Impassioned, data-driven, and focused on practical solutions, *Dream Hoarders* is a fine cure for an age of stale, cynical politics."

—David Rennie, *The Economist*

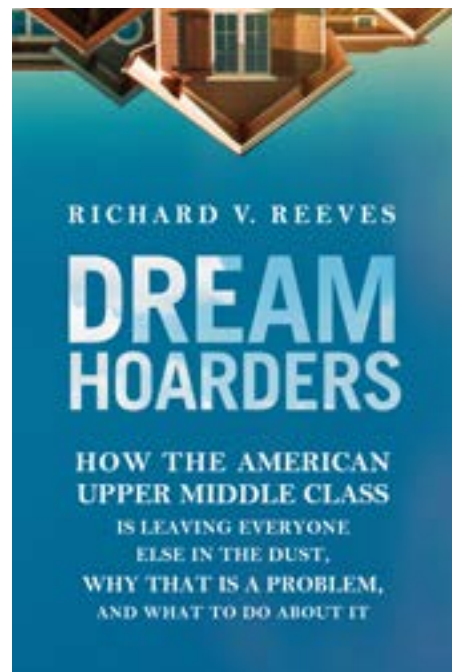
It is now conventional wisdom to focus on the wealth of the top 1 percent—especially the top 0.01 percent—and how the ultra-rich are concentrating income and prosperity while incomes for most other Americans are stagnant. But the most important, consequential, and widening gap in American society is between the upper middle class and everyone else.

As Reeves shows, the growing separation between the upper middle class and everyone else can be seen in family structure, neighborhoods, attitudes, and lifestyle. Those at the top of the income ladder are becoming more effective at passing on their status to their children, reducing overall social mobility. The result is not just an economic divide but a fracturing of American society along class lines. Upper-middle-class children become upper-middle-class adults.

These trends matter because the separation and perpetuation of the upper middle class corrode prospects for more progressive approaches to policy. Various forms of "opportunity hoarding" among the upper middle class make it harder for others to rise up to the top rung. Examples include zoning laws and schooling, occupational licensing, college application procedures, and the allocation of internships. Upper-middle-class opportunity hoarding, Reeves argues, results in a less competitive economy as well as a less open society.

Inequality is inevitable and can even be good, within limits. But Reeves argues that society can take effective action to reduce opportunity hoarding and thus promote broader opportunity. This fascinating book shows how the United States has become the very class-defined society that earlier Americans rebelled against—and what can be done to restore a more equitable society.

Richard V. Reeves is a senior fellow in Economic Studies, co-director of the Center on Children and Families, and editor-in-chief of the Social Mobility Memos blog at the Brookings Institution.



June 2017, 6 x 9, 240 pp.
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ebook, 9780815729136, \$23.99

**Stop pretending
you're not rich**

Equality and Efficiency

The Big Tradeoff

ARTHUR M. OKUN

Originally published in 1975, *Equality and Efficiency: The Big Tradeoff* is a very personal work from one of the most important macroeconomists of the last hundred years. And this new edition includes "Further Thoughts on Equality and Efficiency," a paper published by the author two years later.

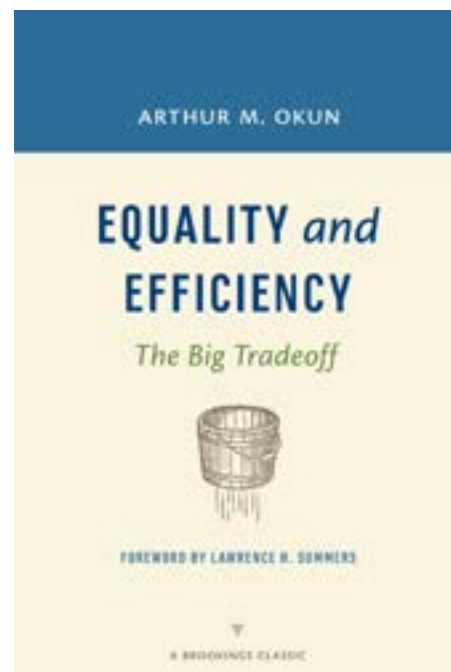
In classrooms Arthur M. Okun may be best remembered for Okun's Law, but his lasting legacy is the respect and admiration he earned from economists, practitioners, and policymakers. *Equality and Efficiency* is the perfect embodiment of that legacy, valued both by professional economists and those readers with a keen interest in social policy. To his fellow economists, Okun presents messages, in the form of additional comments and select citations, in his footnotes. To all readers, Okun presents an engaging dual theme: the market needs a place, and the market needs to be kept in its place.

As Okun puts it: Institutions in a capitalist democracy prod us to get ahead of our neighbors economically after telling us to stay in line socially. This double standard professes and pursues an egalitarian political and social system while simultaneously generating gaping disparities in economic well-being.

Today, Okun's dual theme feels incredibly prescient as we grapple with the hot-but-ton topic of income inequality. In his foreword, Lawrence H. Summers declares: "On what one might think of as questions of 'economic philosophy,' I doubt that Okun has been improved on in the subsequent interval. His discussion of how societies rely on rights as well as markets should be required reading for all young economists who are enamored with market solutions to all problems."

With a new foreword by Lawrence H. Summers

Arthur Melvin Okun is widely considered among the most important macroeconomists of the twentieth century. Born in 1928, in Jersey City, New Jersey, he received his A.B. and his Ph.D. from Columbia University and went on to teach economics at Yale University. In the 1960s he served as a senior economist, member, and, finally, as chairman of the Council of Economic Advisers in the Kennedy and Johnson administrations.



April 2015, 8½ x 5½, 156 pp.
paper, 9780815726531, \$18.99
ebook, 9780815726548, \$18.99

Inequality

A Short History

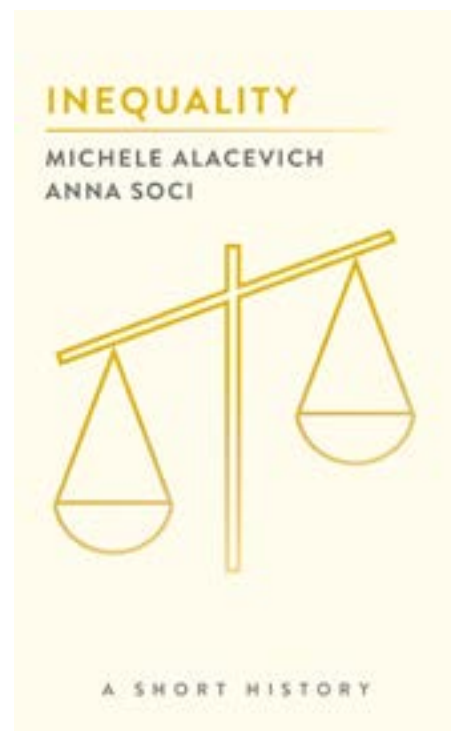
MICHELE ALACEVICH *and* ANNA SOCI

Inequality endangers the fabric of our societies, distorts the functioning of democracy, and derails the globalization process. Yet, it has only recently been recognized as a problem worth examining. Why has this issue been neglected for so long?

In *Inequality: A Short History*, Michele Alacevich and Anna Soci discuss the emergence of the inequality question in the twentieth century and explain how it is related to current issues such as globalization and the survival of democracy. The authors also discuss trends and the future of inequality. Inequality is a pressing issue that not only affects living standards, but is also inextricably linked to the way our democracies work.

Michele Alacevich is associate professor of economic history at the University of Bologna. He is a former director of global studies at Loyola University Maryland and a research fellow at Harvard University, Columbia University, the Institute for New Economic Thinking (INET), and the World Bank.

Anna Soci is professor of economics at the University of Bologna. The author of scholarly articles, books, and textbooks in macroeconomics and international economics, she is a life-member of Clare Hall College, University of Cambridge, and was recently research fellow of the Italian Academy for Advanced Studies in America at Columbia University, and Jemolo Fellow at the Nuffield College, University of Oxford. Her current research focuses on economics and politics.



November 2017, 4 $\frac{3}{8}$ x 7 $\frac{1}{8}$, 256 pp.

paper, 9780815727613, \$14.95

ebook, 9780815727620, \$14.99

Loan Sharks

The Birth of Predatory Lending

CHARLES R. GEISST

"Charles R. Geisst, an investment banker and professor, combines scholarship and a practitioner's eye to analyse the nineteenth-century origins of 'loan sharking,' as prevalent today as it was when the term was coined in the 1880s."

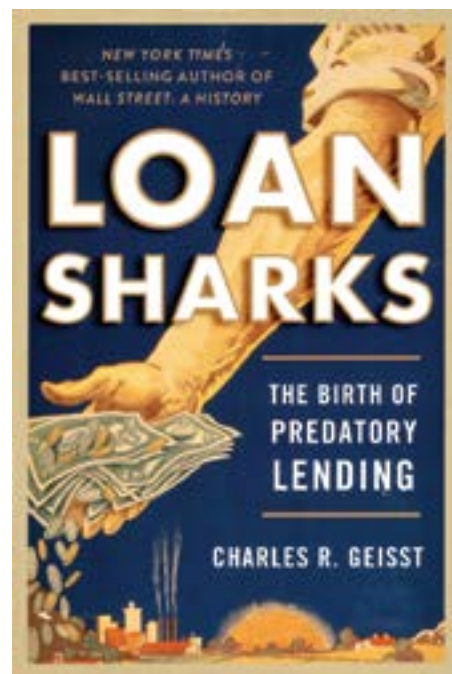
—*Times Literary Supplement*

Looking for an investment return that could exceed 500 percent annually; maybe even twice that much?

Private, unregulated lending to high-risk borrowers is the answer, or at least it was in the United States for much of the period from the Civil War to the onset of the early decades of the twentieth century. Newspapers called the practice "loan sharking" because lenders employed the same ruthlessness as the great predators in the ocean. Slowly state and federal governments adopted laws and regulations curtailing the practice, but organized crime continued to operate much of the business. In the end, lending to high-margin investors contributed directly to the Wall Street crash of 1929.

Loan Sharks is the first history of predatory lending in the United States. It traces the origins of modern consumer lending to such older practices as salary buying and hidden interest charges. Yet, as Geisst shows, no-holds-barred loan sharking is not a thing of the past. Many current lending practices employed today by credit card companies, payday lenders, and providers of consumer loans would have been easily recognizable at the end of the nineteenth century. Geisst demonstrates the still prevalent custom of lenders charging high interest rates, especially to risky borrowers, despite attempts to control the practice by individual states. Usury and loan sharking have not disappeared a century and a half after the predatory practices first raised public concern.

Charles R. Geisst is a former investment banker who currently is the Ambassador Charles A. Gargano Professor of Finance at Manhattan College in Riverdale, New York.



April 2017, 6 x 9, 272 pp.
cloth, 9780815729006, \$26.00
ebook, 9780815729013, \$25.99

Predatory lending: A problem rooted in the past that continues today

The Public Wealth of Cities

How to Unlock Hidden Assets to Boost Growth and Prosperity

DAG DETTER and STEFAN FÖLSTER

"Cities are the locomotives of economic progress. But not all cities are successful. This fascinating and important book has divided them into the 'treadmill towns' that fail and the 'turbo-cities' that succeed. The difference, argue the authors, is that successful cities focus intelligently on developing their long-term assets. They build economic, social, and human wealth."
—Martin Wolf, *Financial Times*

Crumbling streets and bridges. Poorly performing schools and inadequate social services. These are common complaints in cities, which too often struggle just to keep the lights on, much less make the long-term investments necessary for future generations.

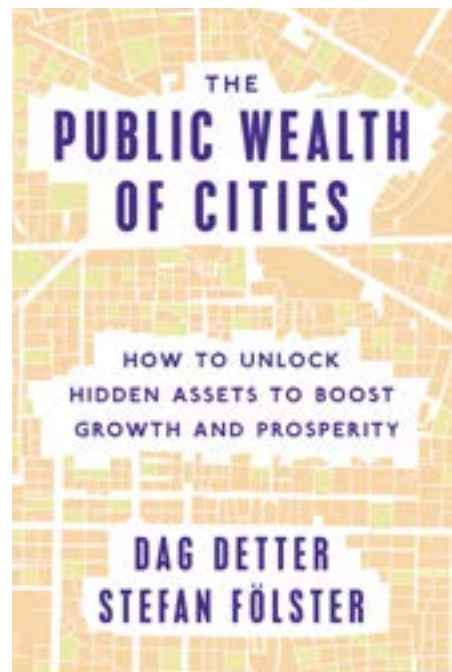
This book by two internationally recognized experts in public finance describes a new way of restoring economic vitality and financial stability to cities, using steps that already have been proven remarkably successful. The key is unlocking social, human, and economic wealth that cities already own but is out of sight—or "hidden." A focus on existing public wealth helps to shift attention and resources from short-term spending to longer-term investments that can vastly raise the quality of life for many generations of urban residents.

A crucial first step is to understand a city's balance sheet—too few cities comprehend how valuable a working tool this can be. With this in hand, taxpayers, politicians, and investors can better recognize the long-term consequences of political decisions and make choices that mobilize real returns rather than rely on more taxes, debt, or austerity.

Another hidden asset is real estate. Even poor cities own large swathes of poorly utilized land, or they control underperforming utilities and other commercial assets. Most cities could more than double their investments with smarter use of these commercial assets. Managing the city's assets smartly through the authors' proposed Urban Wealth Funds—at arm's-length from short-term political influence—will enable cities to ramp up much needed infrastructure investments.

Dag Detter is managing director of Detter & Co, specializing in unlocking public wealth.

Stefan Fölster is director of the Reform Institute in Sweden and associate professor of economics at the Royal Institute of Technology, Stockholm.



July 2017, 6 x 9, 272 pp.
cloth, 9780815729983, \$29.99†
ebook, 9780815729990, \$29.99

**How to leverage
existing resources to
meet the current and
future needs of cities**

What We Owe

Truths, Myths, and Lies about Public Debt

CARLO COTTARELLI

"This is essential reading for all those concerned about current high levels of public debt—and for those who are not concerned but should be." —*Foreign Affairs*

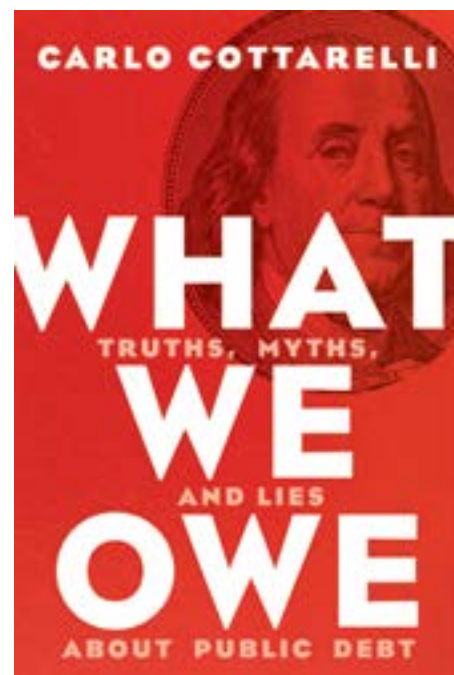
The euro crisis, Japan's sluggish economy, and partisan disagreements in the United States about the role of government all have at least one thing in common: worries about high levels of public debt. Nearly everyone agrees that public debt in many advanced economies is too high to be sustainable and must be addressed. There is little agreement, however, about when and how that addressing should be done—or even, in many cases, just how serious the debt problem is.

As the former director of the International Monetary Fund's Fiscal Affairs Department, Carlo Cottarelli has helped countries across the globe confront their public finance woes. He also had direct experience in advising his own country, Italy, about its chronic fiscal ailments. In this straightforward, plain-language book, Cottarelli explains how and why excessive public debt can harm economic growth and can lead to crises such as those experienced recently in Italy and several other European countries.

But Cottarelli also has some good news: reducing public debt often can be done without trauma and through moderate changes in spending habits that contribute to economic growth. His book focuses on positive remedies that countries can adopt to deal with their public debt, analyzing both the benefits and potential downsides to each approach, as well as suggesting which remedies might be preferable in particular situations.

Too often, public debate about public debt is burdened by lies and myths. This book not only explains the basic facts about public debt but also aims to bring truth and reasoned nonpartisan analysis to the debate.

Carlo Cottarelli has devoted almost all of his career to studying and working on public finance. After receiving degrees in economics from the University of Siena and the London School of Economics, he joined the Research Department of the Bank of Italy, where he worked from 1981 to 1987 in the Monetary and Financial Sector Division. He joined the IMF in 1988, working for the European Department, the Monetary and Capital Markets Department, the Policy Development and Review Department, and the Fiscal Affairs Department, which he headed from November 2008 to October 2013. Cottarelli served in 2013–14 as commissioner of public spending reform in his native Italy.



September 2017, 6 x 9, 208pp
cloth, 9780815730675, \$21.99
ebook, 9780815730699, \$21.99

Bringing clarity to what should, and can, be done about public debt

Circus Maximus

The Economic Gamble Behind Hosting the Olympics and the World Cup

Updated and Expanded

ANDREW ZIMBALIST

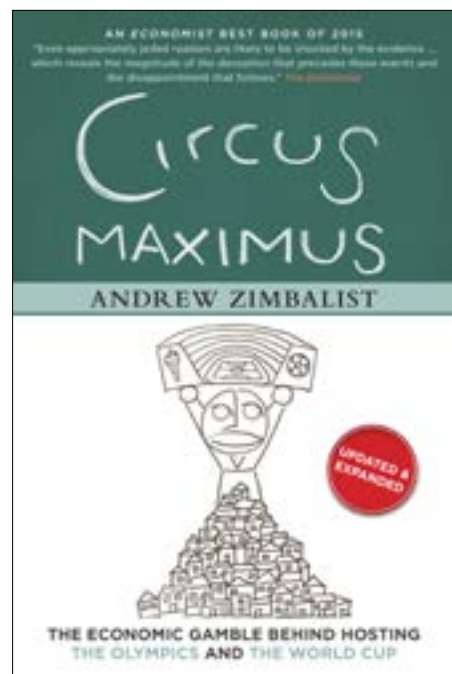
"Even appropriately jaded readers are likely to be shocked by the evidence . . . which reveals the magnitude of the deception that precedes these events and the disappointment that follows."
—*The Economist*

Author Andrew Zimbalist looks beyond the headlines of two of the world's most beloved sporting events: the Olympics and the World Cup.

In the expanded and updated edition of his bestselling book, *Circus Maximus: The Economic Gamble Behind Hosting the Olympics and the World Cup*, Zimbalist tackles the bogus claim that the cities chosen to host these high-profile sporting events experience an economic windfall. He now takes aim at the outrageous FIFA scandal, Boston's bid for the 2024 summer Olympics, and the criticism surrounding the 2015 Women's World Cup.

Circus Maximus focuses on major cities like London and Barcelona that have previously hosted these sporting events to provide context for cities like Tokyo and Rio de Janeiro, which are currently bearing the weight of exploding expenses, corruption, and protests. Zimbalist offers a sobering look at the Olympics and the World Cup outside of the echo chamber.

Andrew Zimbalist earned a B.A. from the University of Wisconsin at Madison and an M.A. and Ph.D. from Harvard University. He has been in the economics department at Smith College since 1974 and has been a visiting professor at Doshisha University, the University of Geneva, and Hamburg University. Zimbalist has consulted in Latin America for the United Nations Development Program, the U.S. Agency for International Development, and numerous companies. He has consulted in the sports industry for players' associations, cities, companies, teams, and leagues, and has published twenty-five books.



February 2016, 6 x 9, 224 pp.
paper, 9780815727248, \$22.00
ebook, 9780815727279, \$21.99

Dilemmas of a Trading Nation

Japan and the United States in the Evolving Asia-Pacific Order

MIREYA SOLÍS

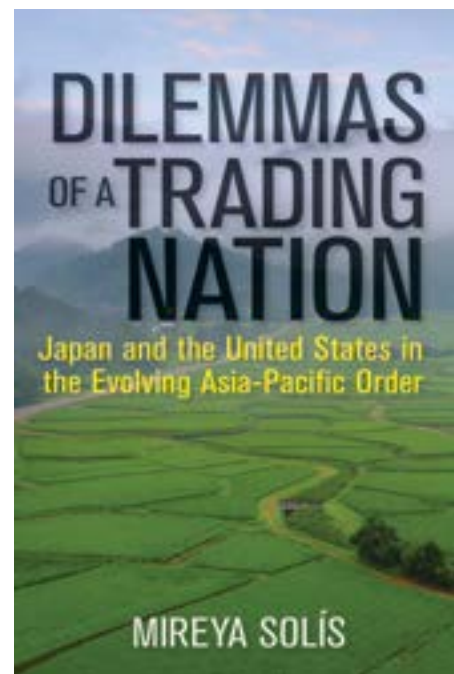
"Solís argues solidly against the current practice of permitting trade policy to be overwhelmed and held hostage by domestic politics. Recommended." —CHOICE

Japan and the United States face difficult choices in charting their paths ahead as trading nations. Tokyo has long aimed for greater decisiveness, which would allow it to move away from a fragmented policymaking system favoring the status quo in order to enable meaningful internal reforms and acquire a larger voice in trade negotiations. And Washington confronts an uphill battle in rebuilding a fraying domestic consensus in favor of internationalism essential to sustain its leadership role as a champion of free trade.

In *Dilemmas of a Trading Nation*, Mireya Solís describes how accomplishing these tasks will require the skillful navigation of vexing tradeoffs that emerge from pursuing desirable, but to some extent contradictory goals: economic competitiveness, social legitimacy, and political viability.

Trade policy has catapulted front and center to the national conversations taking place in each country about their desired future direction—economic renewal, a relaunched social compact, and projected international influence. *Dilemmas of a Trading Nation* underscores the global consequences of these defining trade dilemmas for Japan and the United States: decisiveness, reform, internationalism. At stake is the ability of these leading economies to upgrade international economic rules and create incentives for emerging economies to converge toward these higher standards. At play is the reaffirmation of a rules-based international order that has been a source of postwar stability, the deepening of a bilateral alliance at the core of America's diplomacy in Asia, and the ability to reassure friends and rivals of the staying power of the United States. In the execution of trade policy today, we are witnessing an international leadership test dominated by domestic governance dilemmas.

Mireya Solís is the Philip Knight Chair in Japan Studies and Senior Fellow in the Foreign Policy Program at the Brookings Institution.



August 2017, 6 x 9, 180 pp
cloth, 9780815729198, \$34.99
ebook, 9780815729204, \$27.99

The balancing of competing interests and goals will have momentous consequences for Japan—and the United States—in their quest for economic growth, social harmony, and international clout.

Open for Business

Building the New Cuban Economy

RICHARD E. FEINBERG

"A masterful and very readable sojourn through the new Cuban economy as it moves toward market socialism—the problems that triggered the sweeping reform changes of 2011, the remedies prescribed, the expansion of private business, and the opening to foreign direct investment, topped off with vignettes of how a talented group of Cuban millennials sees the future—and hope to shape it."

—William LeoGrande, professor of government at American University

Ninety miles off the coast of Florida a new revolution is afoot. This time instead of guerillas marching through the streets of Havana, it is a global economy that will revolutionize Cuba. Now open to the world, how will this nascent economy develop?

Open for Business: Building the New Cuban Economy, Richard Feinberg's new book, examines the Cuban economy from its long held and outdated economic model to its early steps into developing a dynamic market economy. He examines key issues like the role foreign investors will play, how Cubans will forge a path to entrepreneurship, and the roadmap from other emerging economies.

As Cuba's economy awakens from the post-Castro dream, it will do so on its own terms and with a flavor that is entirely Cuban. Feinberg's book speaks both to Cuba's legacy and to its new horizons on the world stage.

Richard E. Feinberg is a nonresident senior fellow in the Latin America Initiative at Brookings and a professor of international political economy in the School of Global Policy and Strategy at the University of California, San Diego. Previously, Feinberg served as special assistant to President Clinton for National Security Affairs and senior director of the National Security Council's (NSC) Office of Inter-American Affairs.



August 2016, 6 x 9, 272 pp.
cloth, 9780815727675, \$22.00
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Made in Africa

Learning to Compete in Industry

CAROL NEWMAN, JOHN PAGE, JOHN RAND, ABEBE SHIMELES,
MÅNS SÖDERBOM, and FINN TARP

The role of industry in low income countries is important. Industry is good for growth, job creation, and poverty reduction. All of these factors depend on the size and the rate of growth of industry. Africa doesn't have enough industry to reach the Sustainable Development Goals for growth, job creation, and poverty reduction. Africa's share of global manufacturing has fallen from about three percent in 1970 to less than two percent in 2010. Why is there so little industry in Africa?

Made in Africa: Learning to Compete in Industry outlines a new industrialization strategy to help Africa compete in global markets. This book draws on case study and qualitative research from Africa and emerging Asia to understand what drives firm-level productivity in low income countries. The results show that while traditional concerns such as infrastructure, skills, and the regulatory environment are important, they alone will not be sufficient for Africa to industrialize. The book also addresses how industrialization strategies will need to adapt to the region's growing resource abundance.

Carol Newman is an associate professor in the Department of Economics, Trinity College Dublin. Her main research and publications are in the microeconomics of development with a focus on both household and enterprise behavior.

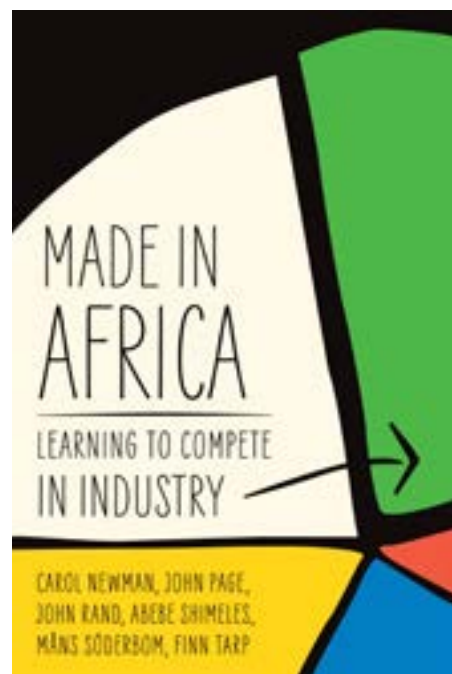
John Page is senior fellow in the Global Economy and Development Program of the Brookings Institution, Washington, DC and nonresident senior fellow of UNU-WIDER. He was the World Bank's chief economist for Africa until 2008 and has published widely on industrial development and industrial policy in Africa and Asia. He is the co-author of UNIDO's *Industrial Development Report, 2009*.

John Rand is a professor in development microeconomics at the University of Copenhagen. He has published extensively on the economics of the firm in developing countries, and in 2001 and 2008 he was an economic advisor to leading think tanks in Vietnam and Mozambique.

Abebe Shemeles is acting director of the Research Department of the African Development Bank. His main research interests and publications are in poverty analysis and labor economics.

Måns Söderbom is professor of economics, University of Gothenburg. His research centers on development economics and applied econometrics. He has published widely on the decisions and performance of firms.

Finn Tarp is professor of economics, University of Copenhagen, and Director, UNU-WIDER. He is a leading international expert on development strategy and foreign aid. He has held senior posts and advisory positions in government and with donor organizations and is a member of a large number of international committees and advisory bodies.



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