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Editors' Note

Downturn. Recession? Depression? The bad economic news has come in relentless waves: increasing food prices, ailing banks, rising unemployment, declining job creation, growing consumer debt, skyrocketing oil prices, a tidal wave of mortgage defaults and home foreclosures. And the poor, as always, are hurt the most. Although economic downturns can cause harm indiscriminately, the poor have the fewest resources to protect themselves.

It was just a few short months ago that the inaugural issue of *Pathways* boldly asked whether and how a new war on poverty might be fought. With budget dollars scarce and attention focused on the economy as a whole, that question might now seem quaint and Pollyannaish. We simply have to be realistic now and drop all that heady talk of eliminating poverty as we know it. Or so the conventional wisdom goes. But does a downturn instead provide, like the Depression did, an opportunity to step back and rethink how a modern market economy is best fashioned? Does it also provide an opportunity to reduce poverty in the course of delivering economic stimulus? These are the questions we asked our second issue's distinguished contributors to address.

The answers presented here are bold and wide-ranging. In some cases, our commentators suggest that downturns can indeed have silver linings, as they typically cast in sharp relief problems that were before concealed or papered over by prosperity. The unemployment insurance system is a case in point: The former chief economist at the U.S. Department of Labor, Alan Krueger, argues that we have too long lived with an antiquated unemployment insurance system, and that the system can and should be reformed to both meet the needs of the poor and steady our unsteady economy. The newly appointed director of economic policy for the Obama presidential campaign, Jason Furman, likewise suggests that a modern economy should be built on automatic stabilizers that could wean us from exclusive reliance on politically negotiated stimulus packages. And Dalton Conley, recent winner of the National Science Foundation's Alan T. Waterman Award, lays out a radical new vision of the ownership society, one that recasts all of us, poor and nonpoor alike, as investors and capital managers.

If some of our commentators find a silver lining in the downturn, others counsel realism and eyes-wide-open appreciation of the difficulties in fighting poverty and inequality in a downturn. The former senior advisor to the president for welfare policy, Ron Haskins, notes that conventional economic stimulus is a temporary poverty band-aid, while the former policy advisor to President Clinton, William Galston, suggests that a winning antipoverty program will have to be aggressively bipartisan and wide in appeal. And Benjamin Friedman, the William Maier Professor of Political Economy at Harvard University, reminds us that this broad-based support is difficult to secure in times, such as our own, in which so many people feel deprived of the fruits of economic progress.

Do these conversations matter? Absolutely. It is precisely such conversations that define our view of what's feasible and what's not—and ultimately determine what happens. Although there has been much useful (some would say endless!) debate about how to overhaul financial markets and otherwise strengthen the economy, the articles published here open new ground by referring to the disparate impact of the downturn and how and whether it might be redressed. We are committed to moving such conversations about winners and losers to the foreground. The objective of *Pathways*, as always, is to expose matters of distribution to the same open debate that is usually reserved for discussions of the economy and how to maximize total economic output.

—David Grusky & Christopher Wimer,
Senior Editors