

Macro Roundup Article

Headline: [Trade Wars are Class Wars, 34 Months Later](#)

Article Link: <https://theovershoot.co/p/trade-wars-are-class-wars-34-months>

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Tweet: [.@M_C_Klein cites the end of a spike in compensation for low-skilled workers and longer-term forward real interest rates well within their post-financial crisis range and argues against a deliberate economic downturn to curb inflation.](#)

Summary: In the US, the earlier spike in lower-end wages relative to other workers' pay has completely stopped, while the split between labor income and profits has, if anything, moved in favor of investors. For better or worse, the popular and elite reactions to the inflation outbreak suggest that policymakers are not going to respond to future downturns the way they did to the pandemic. Soft budget constraints do not appear to be on the menu. And while there have been some constructive increases in public investment (and military spending) in the major economies, they do not seem large enough to move the needle. Financial markets may be wrong, but it is noteworthy that longer-term forward real interest rates are well within their post-financial crisis range, even if they have jumped over the past 12 months.

Primary Topic: Inflation

Topics: GDP, Inflation, Op-Ed/Blog Post, Savings Glut/Trade Deficit

Permalink: https://www.edwardconard.com/macro-roundup/m_c_klein-argues-cites-the-end-of-a-spike-in-compensation-for-low-skilled-workers-and-longer-term-forward-real-interest-rates-well-within-their-post-financial-crisis-range-and-argues-against-a-deliberate-economic-downturn-to-curb-inflation?view=detail

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