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F.E. Seidman Distinguished Award in Political Economy

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"It Was the Best of Times and the Worst of Times"

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sent), is well below the highs for this expansion achieved in mid-1984. Overall, industrial production is well below that achieved at this stage by the postwar expansions of similar duration.

Labor Market Stagnating

Along with these developments, the situation in the overall labor market has been stagnating in recent months. Although there have been a million new jobs since January, and although there is an obvious and growing shortfall of workers in minimum-wage service jobs, the overall unemployment rate has virtually been unaffected. At 7 percent, the unemployment rate is essentially where it was a year ago. What economic growth we have had has been too low to push the unemployment rate down.

One sector of total demand that is expected to be lower over the near-term is business investment spending on plants and equipment. The recent decline will probably continue, and could even accelerate, in the near future due to the

pending changes in the tax law that repeal the investment tax credit on new investment and render unprofitable real estate construction strictly for tax-shelter purposes.

The other sector of the economy that is still deteriorating is the foreign trade sector. Imports are still rising far more rapidly than exports, and are currently averaging \$150 billion above exports. Even with the lag implied by the "J" curve (whereby net exports fall for a while after depreciation has its effect), the deficit is too large and still growing.

There are several reasons for this growing deficit. First, the 30 percent depreciation of the dollar we thought had occurred was really much smaller, closer to 6 percent, when the dollar is priced in terms of the currencies of all our current trading partners. The 30 percent decline was calculated against the currencies of the countries that were major trading partners in the mid-1970s. Many of our new trading partners, such as the newly industrialized countries of Southeast Asia (Hong Kong, Singapore, Korea, and For-

mosa), have currencies that have depreciated in step with the dollar. Our imports from them have continued to rise. Also, the German economy remains sluggish, and the Japanese economy may be in recession due to the rise in the value of their currencies in terms of the dollar. Thus, their demand for our goods remains slow. Pleas by the Administration to their policymakers to stimulate their economies have, in the case of Germany, fallen on deaf ears and, in the case of Japan, have yet to be implemented. Faster growth in those countries would increase U.S. exports and lessen our trade deficit.

Another reason U.S. imports are holding up is that the Japanese producers have been trying to hold the line on their U.S. prices to maintain market share, rather than raising their prices as called for by the rise of the yen and the mark and the depreciation of the dollar. But, make no mistake about it, the massive rise in the value of the Japanese yen has hurt Japanese competitiveness and appears to have brought on recession there.

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Facilities Management Awards

The International Facilities Management Association (IFMA), an international association of over 3,500 professions in the Facilities Management area, has announced its educator of the year and student scholarship awards for 1986.

Robert D. Vrancken, Director and Professor of Facilities Management in the Seidman School of Business, has been selected as the recipient of the IFMA

educator of the year award. The selection was based on his success in teaching the Facilities Management program at Grand Valley State, in research and publications, in presentations at formal seminars, and his development of the first facilities undergraduate program in a business school.

Kate Jarman, a graduate student in the Seidman School, has been selected to

receive a five hundred dollar student grant. Ms. Jarman was selected by judges who reviewed submissions from senior or graduate level students enrolled in a full-time degree-granting facility management program at an accredited college or university.

The awards were presented at a meeting of IFMA in Chicago on October 27, 1986.

F.E. Seidman Distinguished Award in Political Economy

Dr. Amartya Kumar Sen, Drummond Professor, Political Economy at Oxford University, received the 1986 Frank E. Seidman Distinguished Award in Political Economy.



Amartya Kumar Sen

The award, which carries a stipend of \$10,000, is given annually to an economist who has distinguished himself or herself by con-

tributing internationally, in the judgment of his or her peers, to the interdisciplinary advancement of economic thought as it applies to the implementation of public policy. Previous recipients of the award have included Gunnar Myrdal, John Kenneth Galbraith, Kenneth Boulding, Thomas Schelling, Arthur Burns, Arthur Okun, Albert Hirshman, Richard Musgrave, Janos Kornai, Robert Solow, James Buchanan, and Gary Stanley Becker.

The award was established by Mr. and Mrs. P.K. Seidman in 1974 in honor of

Mr. Seidman's deceased brother Frank E. (for whom the business school at Grand Valley was named). The award program is directed by Mr. Mel G. Grinspan, Distinguished Service Professor, Department of Economics and Business Administration, Rhodes College in Memphis, Tennessee. Dr. Richard Gonce, Professor of Economics in the Seidman School of Business, attended this year's banquet which took place in Memphis on September 18.