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- United States
NEW YORK – In 1981, US President Ronald Reagan came to office famously declaring that, “Government is not the solution to our problem. Government is the problem.” Thirty-two years and four presidents later, Barack Obama’s recent inaugural address, with its ringing endorsement of a larger role for government in addressing America’s – and the world’s – most urgent challenges, looks like it may bring down the curtain on that era.

Reagan’s statement in 1981 was extraordinary. It signaled that America’s new president was less interested in using government to solve society’s problems than he was in cutting taxes, mainly for the benefit of the wealthy. More important, his presidency began a “revolution” from the political right – against the poor, the environment, and science and technology – that lasted for three decades, its tenets upheld, more or less, by all who followed him: George H. W. Bush, Bill Clinton, George W. Bush, and, in some respects, by Obama in his first term.

The “Reagan Revolution” had four main components: tax cuts for the rich; spending cuts on education, infrastructure, energy, climate change, and job training; massive growth in the defense budget; and economic deregulation, including privatization of core government functions, like operating military bases and prisons. Billed as a “free-market” revolution, because it promised to reduce the role of government, in practice it was the beginning of an assault on the middle class and the poor by wealthy special interests.

These special interests included Wall Street, Big Oil, the big health
insurers, and arms manufacturers. They demanded tax cuts, and got them; they demanded a rollback of environmental protection, and got it; they demanded, and received, the right to attack unions; and they demanded lucrative government contracts, even for paramilitary operations, and got those, too.

For more than three decades, no one really challenged the consequences of turning political power over to the highest bidders. In the meantime, America went from being a middle-class society to one increasingly divided between rich and poor. CEOs who were once paid around 30 times what their average workers earned now make around 230 times that amount. Once a world leader in the fight against environmental degradation, America was the last major economy to acknowledge the reality of climate change. Financial deregulation enriched Wall Street, but ended up creating a global economic crisis through fraud, excessive risk-taking, incompetence, and insider dealing.

Maybe, just maybe, Obama’s recent address marks not only the end of this destructive agenda, but also the start of a new era. Indeed, he devoted almost the entire speech to the positive role of government in providing education, fighting climate change, rebuilding infrastructure, taking care of the poor and disabled, and generally investing in the future. It was the first inaugural address of its kind since Reagan turned America away from government in 1981.

If Obama’s speech turns out to mark the start of a new era of progressive politics in America, it would fit a pattern explored by one of America’s great historians, Arthur Schlesinger, Jr., who documented roughly 30-year intervals between periods of what he called “private interest” and “public purpose.”

In the late 1800’s, America had its Gilded Age, with the creation of large new industries by the era’s “robber barons” accompanied by massive inequality and corruption. The subsequent Progressive Era was followed by a temporary return to plutocracy in the 1920’s.

Then came the Great Depression, Franklin Roosevelt’s New Deal, and another 30 years of progressive politics, from the 1930’s to the 1960’s. The 1970’s were a transition period to the Age of Reagan – 30 years of conservative politics led by powerful corporate interests.

It is certainly time for a rebirth of public purpose and government leadership in the US to fight climate change, help the poor, promote sustainable technologies, and modernize America’s infrastructure. If America realizes these bold steps through purposeful public policies, as Obama outlined, the innovative science, new technology, and powerful demonstration effects that result will benefit countries around the world.

Still, Obama has wisely thrown down the gauntlet, calling for a new era of government activism. He is right to do so, because many of today’s crucial challenges – saving the planet from our own excesses; ensuring that technological advances benefit all members of society; and building the new infrastructure that we need nationally and globally for a sustainable future – demand collective solutions.

Implementation of public policy is just as important to good governance as the vision that underlies it. So the next task is to design wise, innovative, and cost-effective programs to address these challenges. Unfortunately, when it comes to bold and innovative programs to meet critical human needs,
America is out of practice. It is time to begin anew, and Obama’s full-throated defense of a progressive vision points the US in the right direction.

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1. Commented

Ronald Abate 14 February 2013

"America was the last major economy to acknowledge the reality of climate change." What an absolutely absurd statement, especially from a professor at Columbia. Ever since the earth has had a climate it’s has been changing. Did he really mean anthropogenic global warming("AGW")? But over the last approximately 13 or so years the global climate has not warmed even though CO2 has increased due to the increased use of fossil fuels by developing economies. Maybe he meant catastrophic anthropogenic global warming ("CAGW"). But that is a highly uncertain theory that has been produced by computer modelers with an alarmist agenda, working for universities with an alarmist agenda, receiving grants from a government with an alarmist agenda. The fact that Sacks used climate change, which is a meaningless term since the climate is always changing, reveals that he is aware of the uncertainty of the theory and the science, but is still committed to the ideology. For those with a more open mind, there are plenty of blogs that attempt to report the science in a more honest fashion. Anthony

2. Commented

Kevin Remillard 1 February 2013
Watts, a meteorologist from Chico, CA moderates one of the most read science blogs on this subject with over 138 million views at www.wattsupwiththat.com. Dr. Judith Curry moderates a climate blog www.judithcurry.com that also provides a balanced approach. Watts, Curry, and others direct readers to many other blogs that are balanced in their coverage. For example www.CO2Science.com. Then you can Google Professor (MIT) Dr. Richard Lindzen or Professor (Princeton) Dr. William Happer, or Dr. David Evans AGO (Australia Greenhouse Office computer modeler) for additional information on the true state of the science.

Leszek Balcerowicz is a Polish economist, the former chairman of the National Bank of Poland and Deputy Prime Minister in Poland. When asked if climate change is the most pressing problem of our time, he says just the opposite. "Climate change," he says, "is a litany of doomsday prophecies that are not supported by the evidence." He then shifts to the problem of the global financial system. "This will destroy the world," he says. "The word crisis is associated with capitalism. While in a comparative way, you see that the largest economic and also human catastrophes happen in non-market systems, when there's a heavy concentration of political power—Stalin, Mao, the Khmer Rouge, many other cases."

Going back to the 19th century, industrializing economies recovered best after a crisis with no or limited intervention. Yet Keynesians continue to insist that only the state can compensate for the flaws of the market, he says.

"This idea that markets tend to fall into self-perpetuating crises and only wise government can extract the country out of this crisis implicitly assumes that you have two kinds of people, normal people who are operating in the market, and better people who work for the state. They deny human nature."

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3. **Commented**

**Meenakshi Srinivasan** 31 January 2013

Being a debater's mom, I have to sit in on teen debates and some of the points made there are far better than this naive article by Mr. Sachs. It is sweet to see that he loves his current president's idea of bigger government. But I, for one, would like to see spending cuts to cut down deficit and increase taxes where appropriate. For too long we have lunched out on our children's futures. Let us draw the line at our grandchildren's.

- Expand all
- Expand

1. **Commented**

**Shane Beck** 31 January 2013

I think you are the one that is being naive- cut too hard and too fast like the austerity being imposed upon Greece and to a lesser extent Spain and Italy and you go into a death spiral. You may have balanced budgets and be cutting the deficit but you also have problems with 50% youth unemployment in Greece and Spain. Do you wish to see spending cuts to cut down deficit and increase taxes where appropriate. For too long we have been using the normal people who work for the state. They deny human nature.

- Expand all
- Expand

4. **Commented**

**Frank O'Callaghan** 31 January 2013

There has been an apparent conspiracy of silence on many issues. I doubt that an actual conspiracy has been in place. Nevertheless, there is a lack of debate on how states and taxes operate.

The public revulsion at a self serving bureaucracy paying itself with taxes that cannot be challenged. This is skillfully used by anti social elements to launch a war on the great majority in the interests of the wealthy.

- Expand all
- Expand

5. **Commented**

**Cher Calusa** 31 January 2013

We live in an integrated, intertwined global social and economic system. Such a silly notion, that a speech, directed to one countries' needs, could inspire the healing of a worldwide addiction. An addiction to greed, which by the way the United States and friends, delivered to the rest of the globe. We have "developing" nations now, that just want continue this model in order to gain a piece of this American Pie. We can't blame them for wanting to become powerful and rich nations. We unleashed the proverbial Pandora's Box. Help the poor? Let's step
back and examine our popular form of world dominance and creative shortages spawned by our outdated notions of progress. We created "the poor" in our own country and across the world by engaging in overproduction and fostering a society based on self-interest. The hypocrisy will not be respected and the United States is not existing in a vacuum. We live or die by the cooperation of all countries. I doubt that we can craft a truly progressive society under the same circumstances and using the same model that created our societal and economic chaos. I doubt that we can craft a truly progressive society under the same circumstances and using the same model that created our societal and economic chaos.

Zsolt Hermann 31 January 2013

At least the speech signals an awareness that there is a problem that needs addressing. But even if we change one software to another it cannot help unless we change the operating system software. We are incapable of solving any problem, inside of the US or around the world from within the present framework, with our present understanding.

We have to fundamentally change the whole outlook and structure based on two basic points:
1. There cannot exist any nation, culture or even individual any more with local, self centered calculations in a global, interconnected and interdependent network. Even the seemingly most irrelevant, most local action or decision influences the whole system, thus without taking the whole system into consideration for any planning or action leads to crisis.
2. The "American Dream" inspired over production, over consumption economic system is artificial, unnatural and thus it is unsustainable and outright destructive in the closed, finite, natural system we exist in.

Without accepting these two principles as cornerstone, there is no hope for any improvements.

pieter Jongejan 31 January 2013

The biggest mistake was the deregulation of the financial sector. The fast growth of the financial sector was followed by artificial low interest rates and artificial low economic growth rates. The first task should be to reduce the present seize of the financial sector from 30%+ to a more sustainable 20-25%. (booming South Korea has 20%) The best way to do this by raising the real long interest rate from the present 0% to the normal 2.5% of the past 200 years. (South Korea has 2%). The problem is that higher interest rate will result in higher deficits in the short run. Therefore politicians from the left and the right dislike higher interest rates too. Without higher real interest rates the saving rate will remain low and the investment rate even lower.

Thomas Haynie 31 January 2013

One of the great thinkers and proponents of the movement has the luxury of several of his ideological flubs being preserved on Youtube. M. Friedman’s comments on crime in Central park being a product of the fact that the park was not in private hands stands out as my favorite. Never mind that Juliani’s efforts are attributed to large portions of the crime reduction in ALL of NYC. The Freakonomics authors might also attribute that to the legalization of abortion. I grow impatient of the attitude that actions by govt. are flawed and inefficient by definition. This is ideology. Why not work on improvements?

Thomas Haynie 31 January 2013

And a good think in my opinion. “... govt. is the problem” is just liberatopian ideology that has been taken WAY too far, however shaky it’s logic or actuality. Decisions based on ideology generally don’t do anybody any good.

Carol Maczinsky 31 January 2013

Financial deregulation might have been a mistake.
The tax cuts were for all. By the time Bush was done almost half of the population had all income taxes eliminated, and many of them were getting earned income rebates, negative taxes, in effect. It's not necessary to lie about what your opponents did in order to debate them.

Reagan was interested in cutting taxes for the benefit of all. And every job created in the subsequent 20 years is witness to the correctness of his vision.