

# Obama Gives Hope for an Era of Progressive Politics

By [Jeffrey Sachs](#)

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In 1981, U.S. President Ronald Reagan came to office famously declaring that "government is not the solution to our problem. Government is the problem." Now, 32 years and four presidents later, President Barack Obama's recent inaugural address, with its ringing endorsement of a larger role for government in addressing the United States' 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 the 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 were 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, 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. It was billed as a "free-market revolution" because it promised to reduce the role of government, but 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, health insurers and arms manufacturers. They demanded tax cuts and got them. They demanded a rollback of environmental protection and got it. . They also 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, the U.S. 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, the U.S. 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 the U.S. away from government in 1981.

If Obama's speech turns out to mark the start of a new era of progressive politics in the U.S., it would fit a pattern explored by one of the United States' 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 1800s, the U.S. 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 1920s.

Then came the Great Depression, President Franklin Roosevelt's New Deal and another 30 years of progressive politics, from the 1930s to the 1960s. The 1970s 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 U.S. to fight climate change, help the poor, promote sustainable technologies and modernize U.S. infrastructure. If the United States 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.

It is certainly too early to declare a new progressive era in the U.S. Vested interests remain powerful, certainly in Congress — and even within the White House. These wealthy groups and individuals gave billions of dollars to presidential candidates in the recent election

campaign, and they expect their contributions to yield benefits. Moreover, 30 years of tax cutting has left the U.S. government without the financial resources needed to carry out effective programs in key areas such as the transition to low-carbon energy.

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 demand collective solutions. The more important challenges include 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.

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, the U.S. is out of practice. It is time to begin anew, and Obama's full-throated defense of a progressive vision points the U.S. in the right direction.

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