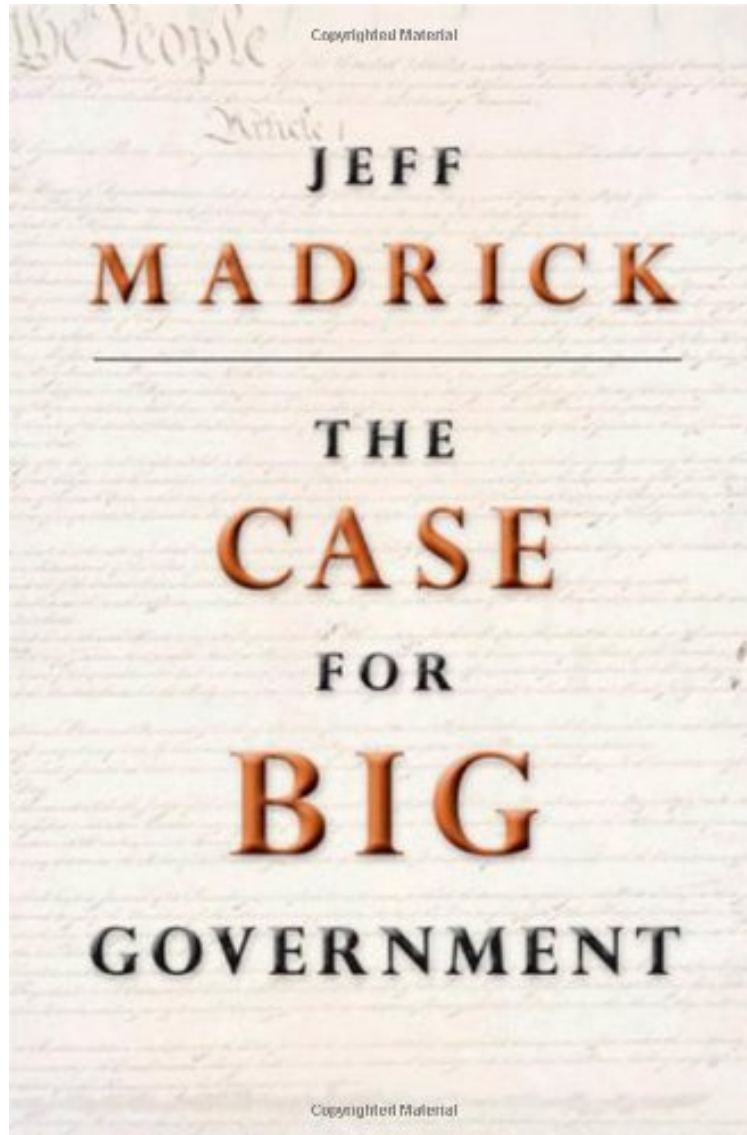


(Mobile book) The Case for Big Government (The Public Square)

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Jeff Madrick

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Jeff Madrick : The Case for Big Government (The Public Square) before purchasing it in order to gage whether or not it would be worth my time, and all praised The Case for Big Government (The Public Square):

4 of 6 people found the following review helpful. historical perspective bought up-to-dateBy jhopyyJeff Madrick presents an historical outline of an active U.S. government and how it must maintain an active role if we are to continue our prosperity through a mainly capitalist economic system.3 of 6 people found the following review helpful. Common wealth for the common goodBy J. M. OrrThe book arrived promptly as advertised, and was in great

condition. The content is stunning, and contradicts almost all of conventional wisdom about the virtues of small government. This book gives no comfort to the anti-tax, anti-government crowd. It is written by an economist who has done his homework. 32 of 41 people found the following review helpful. Backward Rather than Forward Looking Policies for Liberals By Herbert Gintis Well, conservatism is in retreat in the United States and 'liberal' is no longer a term of abuse. So, what are liberals going to do about long term social policy? I don't mean how should we deal with the current crisis, but rather how should we set and meet social goals to make a better society in the long run? I say "we" advisedly because I am neither a liberal nor a conservative. Rather I am more of a social planner-type who just wants to get the job done. This tends to make me critical of, and exasperated by, traditional political ideologies, which often substitute political correctness for solid ideas. This is why I read Madrick's book. Madrick is a true liberal of Michael Dukakis vintage, so his ideas will be in the running for such a vision in the next several years, provided we emerge healthy from the current financial meltdown. If you want a well documented exposition of the thesis that the size of the government sector is not a problem, this is your book. I know that this finding will come as a shock to many, especially younger, readers who have been lectured to all their lives about the sins of drug abuse and big government, but Madrick is quite correct. It is not the size of government that affects social welfare, but rather the content of its taxation, expenditure and regulatory policies. The simple fact is that there is no advanced economy without a large state sector, and traditional economic theory tells us exactly why: market failures and unintended outcome must be corrected by social intervention, in the absence of which a high level of wealth cannot be sustained. If you want innovative ideas about new ways that government can serve the people, Madrick is not your man. His recipe list for social policy is basically, "let's go back to where Michael Dukakis left off, and finish the job." What this approach forgets is that there is a reason why conservatism took over, and if liberals make the same mistakes that they did in incurring voter wrath, the same thing will happen all over again. The idea, for instance, that trade unionism should be a considerable part of a progressive coalition is simply the kiss of death. In a global economy, unions cannot thrive in a competitive sector, because there is no monopoly surplus generated by firms that can be shared with the workers---profits fall to their competitive levels. This is why unions only do well in the state sector. This, by the way, is true the world over, not just the United States (e.g., the level of unionization in France is only 8%). Of course, one can also oppose globalization, but Madrick is not obtuse enough to suggest an anti-globalization policy (indeed, he tends to say that globalization is not a serious problem---p. 76). Madrick also does not understand that the public's rejection of liberal social policy was not on grounds of economic efficiency and growth, but rather moral legitimacy. People believed the government wasted money, funneled perks to cronies, and administered a welfare state that rewarded sloth and anti-social behavior. The brilliance of Clinton as president was his clear recognition of this fact, and his support for policies that restored the appearance of legitimacy to the welfare system. Nowhere does Madrick recognize or affirm this point. All he says, over and over, is "big government does not lead to a low rate of economic growth." Central to Madrick's vision of social policy is a redistribution of wealth to the lower middle class (non-college working class) through severe taxation of the rich and some vague transfer to wage earners (e.g., through unions, lower payroll taxes, and the like). I believe this is just a non-starter. The whole idea that the income distribution is "too unequal" and that voters are dissatisfied with the distribution of income is almost certainly incorrect. Only the liberal-left fringe care about the income distribution. Most voters care about the legitimacy of the private economy and the capacity of government to improve this legitimacy. For instance, the public is now pissed at the financial elite because they are feathering their nests while everyone else suffers, and their misdeeds are the cause of the crisis. This is a legitimacy issue, not one of abstract notions of inequality. A progressive social policy must be based on the notion that attractive social programs are both efficiency enhancing and can be legitimated on general moral grounds. The so called "Employee Free Choice Act," which in fact severely reduces workers' democratic participation in union affairs, is a case in point. There is zero chance the public will not see right through the hypocrisy of abolishing the secret ballot in union elections. Similarly, liberal hostility to voucher and charter schools will be clearly seen as a payoff to the venal teachers' unions, the major enemies of better schooling, especially for the poor. Rather than taxing and subsidizing, or strengthening unions, expanding day care for working parents and voucher/charter educational systems that transfer power to parents and communities will be heartily supported by voters, as will a heightened American leadership in the development of alternative energies sources and creating sustainable environments. We need more policies of this sort in the liberal reform dossier. I hope that my alternative vision comes about, but I would not be surprised if the Democrats are no less pigs than the Republicans they have replaced, and avidly feed at the public trough just as Republicans did when their turn at the helm came to pass. What happens depends not on the politicians, but rather the progressive culture that develops on the local level around pressing social problems that we face.

Political conservatives have long believed that the best government is a small government. But if this were true, noted economist Jeff Madrick argues, the nation would not be experiencing stagnant wages, rising health care costs, increasing unemployment, and concentrations of wealth for a narrow elite. In this perceptive and eye-opening book, Madrick proves that an engaged government--a big government of high taxes and wise regulations--is necessary for

the social and economic answers that Americans desperately need in changing times. He shows that the big governments of past eras fostered greatness and prosperity, while weak, laissez-faire governments marked periods of corruption and exploitation. *The Case for Big Government* considers whether the government can adjust its current policies and set the country right. Madrick explains why politics and economics should go hand in hand; why America benefits when the government actively nourishes economic growth; and why America must reject free market orthodoxy and adopt ambitious government-centered programs. He looks critically at today's politicians--at Republicans seeking to revive nineteenth-century principles, and at Democrats who are abandoning the pioneering efforts of the Great Society. Madrick paints a devastating portrait of the nation's declining social opportunities and how the economy has failed its workers. He demonstrates that the government must correct itself to address these serious issues. A practical call to arms, *The Case for Big Government* asks for innovation, experimentation, and a willingness to fail. The book sets aside ideology and proposes bold steps to ensure the nation's vitality.

From Publishers Weekly Former New York Times economics columnist Madrick takes aim at what he perceives as a dominant American antigovernment ideology with this overly ambitious text. The author's decidedly left-of-center thesis rests on the argument that "active and sizable government" is "essential to growth and prosperity." To make his case, Madrick begins with a too brief history of the relationship between the American government and the economy, from Hamilton and Jefferson's attitude toward laissez-faire economics through Jacob Riis's famous documentation of urban squalor near the turn of the 20th century to the Great Society initiatives of the 1960s. The author details the country's economic problems since the 1970s, despite the relative prosperity of the 1990s. In elaborating these points, Madrick attacks both the right and the left, and he returns consistently to the persistent influence of Milton Friedman on the antigovernment bias in American politics. This well-researched but somewhat formless book concludes with an extensive progressive agenda for redressing the limited influence of American government, covering a wide range of issues, from same-sex marriage to universal pre-k education. (Nov.) Copyright Reed Business Information, a division of Reed Elsevier Inc. All rights reserved. From Booklist Former New York Times economics columnist Madrick announces this book as a refutation of laissez-faire economics encapsulated in Milton Friedman's classic *Capitalism and Freedom* (1962). Friedman's low-tax, deregulation principles, laments Madrick, have spread from its Republican Party bastion into the Clintonian centrist segment of the Democratic Party, impeding an expansion of the kind of government Madrick desires. His argument for hiking taxes, increasing spending, and creating new bureaucracies runs on parallel tracks: one maintains that such measures have not historically impeded economic growth; the other asserts social-justice reasons for transforming the American welfare state into the Euro-style version. Both tracks carry Madrick's data-heavy citations of studies and statistics, which, if a fair sampling of professional economic research, seem convincing. However, Madrick's dismissive coverage of free-market-oriented scholars as ideological and simplistic raises doubt, though perhaps not among proponents of government-run day care, government-paid universal health care, government-equalized K12 spending, government-paid college tuition, and much more that Madrick urges. Helpful to debaters, Madrick's work succinctly summarizes a perspective from the Left on America's economic problems. --Gilbert Taylor Finalist for the 2009 PEN/John Kenneth Galbraith Award for Nonfiction, PEN American Center "In this new economic, political, and ideological environment, *The Case for Big Government* shows how yesterday's contrarianism can become today's consensus. A leading economist, a former financial columnist for *The Times* and an adviser to Senator Edward Kennedy, Jeff Madrick makes the case that the nation faces social and economic challenges requiring higher taxes, increased public investment and more rigorous regulation of corporate conduct. Researched and well-written . . . fact-filled and well-reasoned."--David Kusnet, *New York Times Book Review* "The Case for Big Government comes at an auspicious time. With the global economy in crisis, experts of all stripes have supported government intervention. At the same time, Americans have elected Democrat Barack Obama, who has favored greater federal involvement, to lead the country. Author Jeff Madrick argues that government involvement in economic affairs is not only beneficial in times of crisis, but can also enhance long-term growth by giving incentives for industries and households to prosper."--Pedro Nicolaci da Costa, Reuters "Helpful to debaters, Madrick's work succinctly summarizes a perspective from the Left on America's economic problems."--Gilbert Taylor, Booklist "[Madrick's] book is a thoroughgoing defense of government's role in the economy, written with the broad perspective of an economic historian rather than a mere policy polemicist. Thus, a book that could have been a thudding discourse on the efficiency of the French medical system instead takes us on a bracing survey of government's role as a driver--not merely an enabler--of a growing, fair, economy."--Ezra Klein, *The American Prospect* "If Obama's election to the presidency seems to be the realization of part of King's dream, we still are left with the question of what, exactly, Obama is going to do. Jeff Madrick thinks he knows exactly what we should do, and has a three page, bulleted list of spending suggestions in the back of his slender new book. Madrick is one of a select group of liberal economist--Robert Reich, Robert Kuttner, Paul Krugman, and UT's James Galbraith are perhaps the most prominent members of this fraternity--who until recently formed the Greek chorus of opposition to our country's economic policy drift. . . . If the case for big government isn't closed, here, it is, at least, vigorously opened."--Roger Gathman, *Austin American-Statesman* "It is both Jeff Madrick's fortune and misfortune to have *The Case for Big Government* published in this

climate. Madrick has for many years been a voice crying in the wilderness. His essays in the *The New York Times* in particular have been acerbic and astute critiques of the absurd and glaring inequalities of modern American laissez-faire capitalism. Some of the current spending plans, as well as the ideological shift in Washington away from the dogmatism of the past, are a vindication of much of what he has been championing for years."--Zachary Karabell, Truthdig.com "Madrick leaves no room for doubt; government has often been and remains the answer. The Case for Big Government is a straightforward, historically based and engaging argument for the centrality of government as a real contributor to both prosperity and progress. His references are overwhelmingly American but the conclusions have resonance in most Western societies. . . . Demonstrating a commendable knowledge of the history of the American republic, he tests the myths of laissez-faire economic policy, which date from the election of Thomas Jefferson in 1800, and the influence of Adam Smith's *The Wealth of Nations*, as reflected in the guiding 'invisible hand'. Madrick finds the myths to be just that, unfounded in fact."--Stephen Loosley, *The Australian "Economist"* "Madrick has written a powerful case for the US government to play a stronger role in society. . . . Madrick is especially strong in critiquing economic studies that support the antigovernment case. . . . Crystal clear and easily accessible to undergraduate students, this work is exceedingly timely but will be useful even after the current economic crisis has passed."--M. Perelman, *Choice*