
America's Deepening Moral Crisis - Jeffrey D. Sachs

NEW YORK – America's political and economic crisis is set to worsen following the upcoming November elections. President Barack Obama will lose any hope for passing progressive legislation aimed at helping the poor or the environment. Indeed, all major legislation and reforms are likely to be stalemated until 2013, following a new presidential election. An already bad situation marked by deadlock and vitriol is likely to worsen, and the world should not expect much leadership from a bitterly divided United States.

Much of America is in a nasty mood, and the language of compassion has more or less been abandoned. Both political parties serve their rich campaign contributors, while proclaiming that they defend the middle class. Neither party even mentions the poor, who now officially make up 15% of the population but in fact are even more numerous, when we count all those households struggling with health care, housing, jobs, and other needs.

The Republican Party recently issued a "Pledge to America" to explain its beliefs and campaign promises. The document is filled with nonsense, such as the fatuous claim that high taxes and over-regulation explain America's high unemployment. It is also filled with propaganda. A quotation by President John F. Kennedy states that high tax rates can strangle the economy, but Kennedy's was speaking a half-century ago, when the top marginal tax rates were twice what they are today. Most of all, the Republican platform is devoid of compassion.

America today presents the paradox of a rich country falling apart because of the collapse of its core values. American productivity is among the highest in the world. Average national income per

person is about \$46,000 – enough not only to live on, but to prosper. Yet the country is in the throes of an ugly moral crisis.

Income inequality is at historic highs, but the rich claim that they have no responsibility to the rest of society. They refuse to come to the aid of the destitute, and defend tax cuts at every opportunity. Almost everybody complains, almost everybody aggressively defends their own narrow and short-term interests, and almost everybody abandons any pretense of looking ahead or addressing the needs of others.

What passes for American political debate is a contest between the parties to give bigger promises to the middle class, mainly in the form of budget-busting tax cuts at a time when the fiscal deficit is already more than 10% of GDP. Americans seem to believe that they have a natural right to government services without paying taxes. In the American political lexicon, taxes are defined as a denial of liberty.

There was a time, not long ago, when Americans talked of ending poverty at home and abroad. Lyndon Johnson's War on Poverty in the mid-1960's reflected an era of national optimism and the belief that society should make collective efforts to solve common problems, such as poverty, pollution, and health care. America in the 1960's enacted programs to rebuild poor communities, to fight air and water pollution, and to ensure health care for the elderly. Then the deep divisions over Vietnam and civil rights, combined with a surge of consumerism and advertising, seemed to end an era of shared sacrifice for the common good.

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For 40 years, compassion in politics receded. Ronald Reagan gained popularity by cutting social benefits for the poor (claiming that the poor cheated to receive extra payments). Bill Clinton continued those cuts in the 1990's. Today, no politician even dares to mention help for poor people.

The big campaign contributors to both parties pay to ensure that their vested interests dominate political debates. That means that both parties increasingly defend the interests of the rich, though Republicans do so slightly more than Democrats. Even a modest tax increase on the rich is unlikely to find support in American politics.

The result of all of this is likely to be a long-term decline of US power and prosperity, because Americans no longer invest collectively in their common future. America will remain a rich society for a long time to come, but one that is increasingly divided and unstable. Fear and propaganda may lead to more US-led international wars, as in the past decade.

And what is happening in America is likely to be repeated elsewhere. America is vulnerable to social breakdown because it is a highly diverse society. Racism and anti-immigrant sentiments are an important part of the attack on the poor, or at least the reason why so many are willing to heed the propaganda against helping the poor. As other societies grapple with their own increasing diversity, they may follow the US into crisis.

Swedes recently gave enough votes to a right-wing, anti-immigrant party to give it representation in parliament, reflecting a growing backlash against the rising number of immigrants in Swedish society. In France, Nicolas Sarkozy's government has tried to regain popularity with the working class by deporting Roma migrants, a target of widespread hatred and ethnic attacks.

Both examples show that Europe, like the US, is vulnerable to the politics of division, as our societies become more ethnically diverse.

The lesson from America is that economic growth is no guarantee of wellbeing or political stability. American society has become increasingly harsh, where the richest Americans buy their way to political power, and the poor are abandoned to their fate. In their private lives, Americans have become addicted to consumerism, which drains their time, savings, attention, and inclination to engage in acts of collective compassion.

The world should beware. Unless we break the ugly trends of big money in politics and rampant consumerism, we risk winning economic productivity at the price of our humanity.

Jeffrey D. Sachs is Professor of Economics and Director of the Earth Institute at Columbia University. He is also Special Adviser to United Nations Secretary-General on the Millennium Development Goals.