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OP-ED COLUMNIST

The Obama Agenda

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Tuesday, Nov. 4, 2008, is a date that will live in fame (the opposite of infamy) forever. If the election of our first African-American president didn't stir you, if it didn't leave you teary-eyed and proud of your country, there's something wrong with you.

But will the election also mark a turning point in the actual substance of policy? Can Barack Obama really usher in a new era of progressive policies? Yes, he can.

Right now, many commentators are urging Mr. Obama to think small. Some make the case on political grounds: America, they say, is still a conservative country, and voters will punish Democrats if they move to the left. Others say that the financial and economic crisis leaves no room for action on, say, health care reform.

Let's hope that Mr. Obama has the good sense to ignore this advice.

About the political argument: Anyone who doubts that we've had a major political realignment should look at what's happened to Congress. After the 2004 election, there were many declarations that we'd entered a long-term, perhaps permanent era of Republican dominance. Since then, Democrats have won back-to-back victories, picking up at least 12 Senate seats and more than 50 House seats. They now have bigger majorities in both houses than the G.O.P. ever achieved in its 12-year reign.

Bear in mind, also, that this year's presidential election was a clear referendum on political philosophies — and the progressive philosophy won.

Maybe the best way to highlight the importance of that fact is to contrast this year's campaign with what happened four years ago. In 2004, President Bush concealed his real agenda. He basically ran as the nation's defender against gay married terrorists, leaving even his supporters nonplussed when he announced, soon after the election was over, that his first priority was Social Security privatization. That wasn't what people thought they had been voting for, and the privatization campaign quickly devolved from juggernaut to farce.

This year, however, Mr. Obama ran on a platform of guaranteed health care and tax breaks for the middle class, paid for with higher taxes on the affluent. John McCain denounced his opponent as a socialist and a "redistributor," but America voted for him anyway. That's a real mandate.

What about the argument that the economic crisis will make a progressive agenda unaffordable?

Well, there's no question that fighting the crisis will cost a lot of money. Rescuing the financial system will probably require large outlays beyond the funds already disbursed. And on top of that, we badly need a program of increased government spending to support output and employment. Could next year's federal budget deficit reach \$1 trillion? Yes.

But standard textbook economics says that it's O.K., in fact appropriate, to run temporary deficits in the face of a depressed economy. Meanwhile, one or two years of red ink, while it would add modestly to future federal interest expenses, shouldn't stand in the way of a health care plan that, even if quickly enacted into law, probably wouldn't take effect until 2011.

Beyond that, the response to the economic crisis is, in itself, a chance to advance the progressive agenda.

Now, the Obama administration shouldn't emulate the Bush administration's habit of turning anything and everything into an argument for its preferred policies. (Recession? The economy needs help — let's cut taxes on rich people! Recovery? Tax cuts for rich people work — let's do some more!)

But it would be fair for the new administration to point out how conservative ideology, the belief that greed is always good, helped create this crisis. What F.D.R. said in his second inaugural address — “We have always known that heedless self-interest was bad morals; we know now that it is bad economics” — has never rung truer.

And right now happens to be one of those times when the converse is also true, and good morals are good economics. Helping the neediest in a time of crisis, through expanded health and unemployment benefits, is the morally right thing to do; it's also a far more effective form of economic stimulus than cutting the capital gains tax. Providing aid to beleaguered state and local governments, so that they can sustain essential public services, is important for those who depend on those services; it's also a way to avoid job losses and limit the depth of the economy's slump.

So a serious progressive agenda — call it a new New Deal — isn't just economically possible, it's exactly what the economy needs.

The bottom line, then, is that Barack Obama shouldn't listen to the people trying to scare him into being a do-nothing president. He has the political mandate; he has good economics on his side. You might say that the only thing he has to fear is fear itself.

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