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# American Challenges

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# American Challenges

## **Abstract**

In the autumn of 2008, with the United States facing myriad problems both foreign and domestic and entering the final stage of a historic election, The Boston Globe asked Mosakowski Institute Director Jim Gomes to write a series of op-ed pieces about critical issues on the nation's agenda. The result is the six columns collected here in American Challenges. "When I wrote these pieces," said Gomes, "the country had entered a period of great uncertainty. So much of what had been taken as a given in the last half of the 20th century, from broadly shared prosperity to the health of our political system to America's place of leadership in the world, was being called into question." These columns appeared in the Globe between October 27 and December 1, 2008. Together, they touch upon many enduring questions about the public enterprise in America.

## **Keywords**

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MOSAKOWSKI INSTITUTE  
FOR PUBLIC ENTERPRISE



# AMERICAN CHALLENGES

*Jim Gomes*

**CLARK UNIVERSITY**  
CHALLENGE CONVENTION, CHANGE OUR WORLD

## Introduction



*In the autumn of 2008, with the United States facing myriad problems both foreign and domestic and entering the final stage of a historic election, The Boston Globe asked Mosakowski Institute Director Jim Gomes to write a series of op-ed pieces about critical issues on the nation's agenda. The result is the six columns collected here in American Challenges.*

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*These columns appeared in the Globe between October 27 and December 1, 2008. Together, they touch upon many enduring questions about the public enterprise in America. The degree of inequality the nation will tolerate. The ability of a government that typically moves slowly and incrementally to deal with urgent and extraordinary problems. The gap between good intentions and good policy implementation. The paradox of a government that seems at times to be too responsive to popular will, and at other times not enough so.*

*The columns also suggest questions for future research and experimentation. For example, what are the best models for transforming our economy from one that relies heavily on fossil fuels to one based more on clean, renewable energy? How might we change the ways in which our society evaluates and compensates health and education professionals? Would a different system of taxation make massive borrowing and deficits less likely?*

*Clark University's Mosakowski Institute for Public Enterprise is dedicated to increasing our understanding of the challenges confronting our nation and our world so that we can better address them. We hope that this collection will stimulate further thinking, discussion, and research.*

*Political discourse in America often seems to skirt the real problems facing the country in favor of vague and optimistic platitudes. Must this be the case?*

## Some straight talk about today's America

IN THIS YEAR'S PRESIDENTIAL CAMPAIGN, both candidates have attempted to position themselves as champions of change. However, neither John McCain nor Barack Obama has devoted much attention to the obvious and troubling ways that America has already changed.

It wasn't so long ago that America was in a class by itself. American industrial, military, and scientific strengths played a vital role in winning World War II. In the postwar period, the standard of living enjoyed by the average American family was beyond the imagination of most of the world. American cars, appliances, and electronics set the global standard. And when a challenge did arise, from the Soviet Union's emergence as a nuclear power and its launch of Sputnik, America's response was to increase investment in education, research, and development, and to pledge to put a man on the moon within a decade.

That was then. Today's America:

Achieves inferior health outcomes and life expectancies compared with many other developed nations despite spending more money on healthcare and covering fewer people;

Has an education system that produces mediocre results and leaves millions of high school dropouts behind every year;

Holds only 3 percent of the world's oil reserves but consumes 25 percent of the world's oil, building up the economic, political, and military power of petroleum-exporting countries and spewing more greenhouse gases into the atmosphere than any other nation;

Spends more on its military than the 14 next highest-spending countries combined, but finds itself bogged down in two wars still seeking an elusive security;

Supports its consumption and lifestyle by tapping into home equity, maxing out credit cards, and becoming the biggest debtor nation in the history of the world by borrowing hundreds of billions of dollars from other countries.

These are certainly among the most critical challenges facing our country in the coming decades. But for the most part, you wouldn't know it from the candidates' speeches and debates.

One candidate or the other may tiptoe up to one of these inconvenient truths if he thinks he can blame the other party for them. Obama and McCain have both tried to pin responsibility for the massive financial meltdown on the opposing party. But much of the campaign has been devoted to blather about how we can drill and mine our way to energy independence. Or tired platitudes about how our workers can out-innovate and out-compete anyone. Or outright falsehoods about American medical care being the envy of the world. And, of course, studied silence about how a country so deep in hock can maintain its standing in the world and afford all its spending commitments.

Hey guys, it's not 1958 anymore.

There's no secret why candidates tend to speak so bullishly yet vaguely about America's future: Voters like optimism. Such different presidents as George W. Bush, and before him Ronald Reagan and John Kennedy, and before them

***It wasn't so long ago that America was in a class by itself.***

Franklin Roosevelt made optimism the hallmarks of their political personae.

Projecting confidence in the future is one element of leadership. But if candidates largely avoid candid talk about the most important challenges ahead, our election campaigns, for all their length, expense,

and 24/7 news coverage, do less than they should to engage voters on the issues facing the country. Maybe this is smart electoral strategy. However, if so it comes at a cost - namely, a lost opportunity to build popular support for critical decisions the new government will have to make.

The stakes are very high in this election, and there are passionate partisans on both sides. But whomever the voters choose next week, America will not magically become more prosperous, healthy, competitive, and secure next Jan. 20.

As our new president-elect contemplates the awesome responsibility he soon will inherit, he should consider this: More Americans than ever believe the country is on the wrong track. On some level, the American people know that the sunny bromides of politicians do not reflect America as it is today and will not help to build the future Americans hope for.

Maybe once the campaigning is over and the governing begins, they will be ready for some straight talk. ♦

*For a long time, Americans have put off choosing between less government spending and higher levels of taxation, but a time of reckoning may be at hand.*

## No more having it both ways

OUR NATIONAL ARGUMENT about who our next president will be ends tomorrow. Then the argument about future spending, taxing, and borrowing policies can be joined in earnest.

On one side are the deficit hawks. They are alarmed by the national debt, which mounts with each year of budget deficits. They worry over our low, even negative, national savings rate. They are concerned about America's trade deficit, which means we are paying more to other countries for their goods and services than they are paying for ours. Their core message is that we cannot go on consuming more than we produce, spending more than we take in, and borrowing to make up the difference.

It seems to me they have a point.

On the other side are the new-priorities advocates. They say the government should raise more revenue by closing loopholes and letting current temporary tax cuts expire. They point to a peace dividend once the Iraq war winds down. They believe we can save billions in the Medicare and Medicaid budget by reforming the healthcare system. Moreover, they are going to need all that revenue and savings to fund their new priorities, such as healthcare for nearly 50 million uninsured Americans, investments in worker training and new clean energy technologies, and rebuilding the nation's crumbling roads, bridges, and transit lines.

I think they have a point too.

For most of the last three decades, America has tried to have it both ways. A nation born amid cries of "no taxation without representation" has evolved to where taxation itself is suspect, but borrowing to fund current consumption is business as usual. President Bush missed the opportunity to call on Americans to sacrifice in the wake of the 9/11 attacks. But it may say as much about us as it does about him that he urged us to go shopping instead.

As Des Moines Register reporter David Yepsen put it in the recent deficit hawk documentary "I.O.U.S.A.": "This is America. We don't do anything

until something reaches a crisis, whether it's military rearmament before World War II or this question now. We're not going to be willing to [sacrifice] until it gets to be a real problem."

Well, it's getting to be a real problem. One year's interest on our national debt is now more than the federal government spends on education, housing, homeland security, environment, agriculture, transportation, and veterans programs combined. If we go deeper into debt, the interest payments will rise, creating even more downward pressure on other spending.

Yet for all of America's borrowing and spending, there remain critical unmet needs. Most economists believe we are entering a recession, and Congress is likely to enact a new economic stimulus package. And don't forget the baby boomers – like me – who are beginning to retire and develop expensive medical conditions.

**Trends that cannot continue indefinitely won't.**

The situation, though serious, is not yet dire. America is still a wealthy, innovative, dynamic, and resourceful country. But finding a sustainable path forward will require America to put some difficult questions on the table:

Is a country that ranks 27th in total tax burden among the 30 Organization for Economic Cooperation and Development countries – that's us – really overtaxed?

What kind of defense does a post-Cold War America really need? Are there military bases and weapons systems that once made sense but no longer do?

Might we not learn some lessons from countries that provide healthcare of comparable quality to ours but at far lower cost?

How can we accelerate the transition away from fossil fuels in ways that create jobs, stabilize the climate, and reduce our expensive and dangerous military involvements in oil-producing regions of the world?

Could we perhaps plan to retire a bit later, relieving pressure on Social Security and tapping the productivity and experience of older workers?

Trends that cannot continue indefinitely won't. Our current spending, taxing, or borrowing – probably all three – will need to change. The new president and Congress will need to balance the concerns of both the deficit hawks and the new-priorities advocates. Perhaps more important, they will have to explain the choices we face to the American people. ♦

*If climate change is the most important issue of our generation, and the new President has promised to take strong action to reverse it, are solutions on the way? Not so fast.*

## A climate plan in peril?

WHAT WILL THE ELECTION of Barack Obama and increased Democratic majorities in Congress mean for the prospects for a change in course on global warming?

It's hard to say.

During his campaign, Obama proposed that the federal government spend \$150 billion over the next 10 years "to catalyze private efforts to build a clean-energy future." He also pledged to increase automotive fuel economy standards by 4 percent per year and to institute a national cap on greenhouse gases.

On few issues is there greater contrast between the positions of the incoming and outgoing presidents. After eight years of Bush administration denial, obfuscation, stalling, and litigation, America has chosen a president who promised change. In his Grant Park victory speech last Tuesday, he referred to "a planet in peril" and of "new energy to harness."

Nevertheless, President-elect Obama will confront several obstacles to making his visions a reality.

The most obvious problem is fiscal. The federal budget was already deep in red ink before the recent \$700 billion financial bailout bill. Any climate initiative involving new dollars will be in competition with other spending proposals at a time when all expenditures will be facing tough scrutiny.

The public's lukewarm, even conflicted, feelings about global warming are also problematic. Even after Al Gore's Nobel Prize and his Oscar-winning film "An Inconvenient Truth," polling reveals that Americans continue to rank the issue far down on their list of concerns. By contrast, as gasoline prices rose above \$4 a gallon earlier this year, people demanded action from politicians and were quick to embrace offshore oil drilling, revealing a preference to feed our fossil fuel habit rather than reduce greenhouse gas emissions.

A budget out of balance and a populace more worried about the economic present than our atmospheric future does not bode well for global warming emerging as a top-tier issue in the early days of the new administration. An agenda crowded with critical items - an economy in recession, wars in Iraq and Afghanistan, the continuing mortgage meltdown, healthcare - awaits our newly elected leaders. There are only so many priorities that an administration and Congress can focus on, and

they will need to make choices on how to use their initial honeymoon period and their finite supply of political capital.

Perhaps the best hope for a climate change initiative making the cut will be to include it as part of the administration's economic recovery plan. This would not be mere packaging: Both investment in developing new energy technologies and deployment of off-the-shelf conservation and efficiency measures are likely to create many new jobs and generate significant returns.

Even if the president and Congress manage to fund and launch a new climate initiative, there will be pressures and temptations to get it wrong. Some interests, including coal, oil, and automobile companies, will exert their influence to try to soften the effects of any climate program. These industries are disproportionately located in what we have come to know so well as battleground states. The election of 2012 is just around the corner.

There will be other political pressures as well. The president-elect took some heat in the closing weeks of the campaign for his remark to Joe the Plumber about "spreading the wealth around." Broad distribution of

government benefits is, of course, a fundamental feature of democracy's DNA - it is no accident that military bases and post offices dot the landscape.

However, a national research program to accelerate green energy development ought to make its investment decisions on the merits, which is to say, according to the best judgment of experts about the promise of proposed technologies to blossom and diminish our demand for carbon-emitting

fuels. On the other hand, energy conservation and efficiency programs could be spread around - all states and regions have a need for tightening buildings, tuning heating and cooling systems, and replacing old, inefficient appliances and light fixtures.

There is no longer any debate about the fundamental scientific question: The earth's climate is already changing, and human activities are the cause. Whether America's political climate will be favorable enough to produce action remains to be seen. ♦

***There are only so many priorities that an administration and Congress can focus on.***

*Most people agree that public education and health care systems are in need of reform. Here is a novel take on just how in need of reform they are.*

## Healthcare, education through the looking glass

TRANSITIONS ARE EXCITING TIMES, buzzing with possibility and new ideas. Task forces, academics, and bloggers seek attention and support for their reform proposals, dreaming things that never were and asking, “Why not?”

Many people believe that American education and healthcare are overdue for reform. However, meaningful change is unlikely unless we recognize the irrational elements of both systems, flaws we may not even notice because we have become accustomed to them.

A thought experiment may be helpful: What if public education worked like our healthcare system?

First, children’s education would depend on where their parents worked. If the employer provided it as part of a benefits package, kids would receive an education. Some employers would offer high-quality educations to their employees’ kids, while others would offer stripped-down schooling that omitted whole subjects or stopped after sixth grade. Students would bring daily co-payments to school with their lunch money.

America would also have a program for poor children whose parents did not have jobs or had jobs without education benefits. However, the quality of education would vary widely depending on how much funding each state provided. One child in seven would have no education plan at all, although they could receive instruction on an emergency basis, for example, just before the SAT exams.

Teachers would be paid in piecemeal fashion, their compensation depending on how many lessons they taught each day. Much of the nation’s education budget would be spent determining whether students’ educational payment plans covered a particular subject, and on TV ads pushing new materials for teaching various subjects.

Of course, no one is proposing that public education emulate our healthcare system, and for good reason. It would strike most people as wrong-headed to tie the availability and quality of kids’ schooling to their parents’ jobs. We would quickly see that paying teachers by the lesson creates the wrong

incentives. We wouldn’t stand for all the haggling, delay, and administrative cost of deciding whether a benefits plan covered a particular subject.

Yet we tolerate just such bizarre arrangements in our healthcare system. Tens of millions lack access to care. Doctors get paid to do procedures, not to get or keep people healthy. Insurance companies waste untold billions playing the “your plan doesn’t cover that” game.

So, now imagine if American healthcare worked the way our education system does.

The three most important factors in the quality of your healthcare would be “location, location, location.” Adjoining towns or counties would have dramatically different levels of care and health outcomes. Young couples would stretch their budgets and lengthen their commutes to live in communities with the best doctors and hospitals.

After doctors had practiced for three years, they would become tenured. But they would receive only modest salaries, and our most promising young people would choose different careers. Many doctors would not be able to

pass exams in anatomy or physiology, but all would have taken the required course in theories of medicine in order to be certified.

This is not a world most of us would want to live in. Yet we do – it’s the world of American K-12 education. Access is universal, but quality varies widely and is often poor.

Both systems are deeply flawed, but their weaknesses and irrationalities can be hard to see simply because we are so used to them. Flip them, and it’s easier to recognize their problems.

In the real world, of course, healthcare and education have a few things in common. Both doctors and teachers resist being evaluated or paid based on the outcomes achieved by their patients and students, claiming that it is unfair or too complicated to sort out their own contributions to results. Poor people and people of color get disproportionately bad outcomes from both systems. And, of course, the wealthy can buy their way out of either, choosing “concierge medicine” or elite private schools.

Reforming these critical sectors will not be easy. But our economic competitiveness, quality of life, and basic fairness all make change imperative. ♦

***A thought experiment may be helpful: What if public education worked like our healthcare system?***



*The legitimacy of American government rests on the integrity of the electoral process. So just how honest are our elections, and where are the major threats?*

## Thinking ahead on electoral reform

WHATEVER SIDE YOU WERE ON in the presidential election, there is one thing everyone can agree on.

Barack Obama won.

This time no one is talking about butterfly ballots in Florida or skullduggery in Ohio. We chose a president without the intervention of the courts. The system worked.

But what about next time?

We should not delude ourselves that the postelection warfare of 2000 and the suspicions of 2004 are behind us. This year, pre-election polls consistently showed Obama comfortably ahead in most of the erstwhile battleground states. The lack of voter challenges, lawsuits, and so on was due in large part to both sides expecting that the result wasn't going to be close. If polls had indicated a tighter race, we probably would have witnessed more contention and more problems.

There are competing "red" and "blue" diagnoses and prescriptions for our elections. Republicans tend to focus on people voting who are not properly registered or qualified. Democrats are more concerned about impediments to legally qualified people casting their votes and having them counted.

While both concerns are legitimate, they are not equally threatening to the integrity of American democracy.

When it comes to trying to steal an election, only chumps pay retail. Yes, there are many ways to get individuals to cast fraudulent votes. Bribe a derelict to claim he is a recently deceased registered voter. Have a campaign worker impersonate a shut-in who is unlikely to venture out to vote. This kind of activity is, of course, illegal. Get convicted and you wind up in prison. However, little evidence exists that much of this takes place, and no wonder: The risks of retail vote fraud simply aren't worth it. In big races – president, governor – the likelihood that it will affect the outcome is infinitesimal.

More serious and troubling are wholesale methods of stealing elections. These include election officials stuffing piles of premarked ballots into the

boxes, or making ballots from an opponent's geographic base disappear. Or programming election machines to undercount opposing votes or overcount yours. Get convicted of this and you will go to jail too, although the potential competitive benefit is higher than retail vote fraud, and fewer people need to be in on the conspiracy.

Best of all, for those with electoral larceny in their hearts, is voter suppression. Order too few voting machines for polling places in your opponent's strongholds and create long lines that discourage voters. Delete from voter rolls names that resemble those of convicts. Bloodless, bureaucratic, and effective: Thousands of demographically inconvenient voters are disenfranchised. It's also harder to be prosecuted for this.

Criminal activity is not the only cause of electoral mishap and may not be the most significant. Innocent machine malfunctions can also cause votes not to be recorded, or register votes that were never cast.

Now is the time to improve voting procedures, before the next close election happens. We should continue the trend toward voting over several

***We should resist proposals to allow voting over the Internet.***

weeks rather than on one day. It is harder to cause lines at the polls when votes are cast over a longer period, and people whose right to vote is challenged have more time to prove their qualifications. The federal government should also increase its funding for states to buy more voting machines.

Congress should amend federal law to prohibit the use of any voting machine that does not produce a paper trail.

In case of machine failure, suspicious results, or just a very close race, it is imperative to have a backup system available for recounts.

We should resist proposals to allow voting over the Internet. While Internet voting could boost turnout, it would also increase the possibility for tampering or malfunction and make sorting out what happened impossible.

America will face enough challenges in the years ahead without new, avoidable electoral controversies. It is time to move beyond the partisan "is this good for our side?" approach to elections and reform them in ways that will strengthen government's legitimacy regardless of who wins. ♦

*The current economic crisis may provide an opportunity to address a long-standing crisis in American society, the persistence of poverty for tens of millions of people.*

## The poor are still with us

MELTDOWN. RECESSION. CRISIS.

Economic developments of the last several months have gotten everyone's attention. People are losing their homes as their mortgages are foreclosed. Workers are losing their jobs, and often their family's health insurance, as unemployment rises to its highest level in 16 years. People who have never done so before stand in line at food pantries to receive donated canned goods and diapers.

Millions of middle-class people are in danger of becoming . . . poor.

The poor. Remember them?

In this year's campaign, the candidates spoke a lot about the middle class. This is no surprise. A majority of Americans describe themselves as middle class, and middle-class people vote and make campaign contributions at much higher rates than poor people.

Furthermore, there is no understating the uncertainty and dread for millions of people who wonder if they will be the next to be laid off, whose homes and 401k plans have lost a third or more of their value, and who worry over how they will make their next car payment or afford their children's educations.

However, it was just three years ago that Hurricane Katrina reminded us that there were many Americans who didn't own cars, who couldn't even afford the bus fare to get out of New Orleans. People whose lives were marked by evictions, lack of routine medical care, unsafe streets, and failing schools long before Wall Street's unregulated binge upset the world's economy.

Our government has rescued some banks because they are "too big to fail," and is contemplating doing the same for the auto industry. But we have countenanced or ignored the economic failure of millions of Americans – over 37 million, according to the Census Bureau – for too long.

The point is not to pit the middle class against the poor – we have Lou Dobbs for that. But just as President-elect Obama intends to use the economic crisis as an opportunity to deal with America's longstanding

energy, infrastructure, and healthcare problems, he should take the same approach to the problem of poverty.

Some of the elements of the economic stimulus plan can be designed to lift millions out of poverty while boosting the overall economy. Rebuilding crumbling infrastructure and performing energy retrofits on homes and buildings will require hundreds of thousands of trained workers in both urban and rural areas. The federal government should provide this training to people who have been shut out of our economy for lack of marketable skills. Also, because poor people tend to live in the draftiest dwellings with the oldest, most energy-wasting appliances, a national program to achieve greater energy efficiency should reduce their utility bills as well.

The new administration's plans for extending healthcare access should also help provide an economic floor under our most vulnerable households. The uninsured working poor often do without care or medicine, become sicker, and as a result may lose their jobs and deepen their economic distress. Research suggests that health expenses cause between one-fifth and one-half of personal bankruptcies.

***Katrina reminded us that there were many Americans who couldn't even afford the bus fare to get out of New Orleans.***

Another critical element of our economic competitiveness is education. The new administration should support efforts to identify the key factors that cause a small number of 'outlier' schools in poor communities to succeed and should do what is necessary to replicate these success stories. To claim that America cannot afford quality public education for everyone would amount to surrender in the global economic competition.

Furthermore, America should promise any student who graduates from high school that she will be able to attend college. Period. There is a sense in many families, and not just the poorest ones, that college is an unattainable dream. A public commitment to make college affordable for everyone will motivate countless students and their families to do what it takes to qualify for college.

Candidate Obama made "Yes We Can" the slogan of his campaign. President Obama needs to take advantage of the current crisis to make sure that "We" includes all of us. ♦



**Jim Gomes** is the inaugural Director of Clark University's Mosakowski Institute for Public Enterprise. He was the president and CEO of the Environmental League of Massachusetts from 1993 to 2007. Earlier in his career, Gomes served as Massachusetts Undersecretary of Environmental Affairs, as Executive Assistant to Senator John Kerry, as a Massachusetts Assistant Attorney General, and as an attorney at the Boston firm of Hale and Dorr. In 2006, he co-chaired Governor Deval Patrick's transition working group on energy and the environment. He has taught at Williams College and Tufts University and held a research appointment at Harvard University's Kennedy School of Government. He received his B.A. in political science from Trinity College, a master's degree in public policy from Harvard's Kennedy School of Government, and a J.D. from Harvard Law School.



**The Mosakowski Institute for Public Enterprise** at Clark University was established thanks to the generous support of Jane '75 and William '76 Mosakowski. The Institute aims to improve the effectiveness of government and other institutions in addressing major social concerns through the successful mobilization of use-inspired research. The Institute sponsors research projects, publications, conferences, and student internships. More information about the Mosakowski Institute is available at [www.clarku.edu/research/mosakowskiinstitute](http://www.clarku.edu/research/mosakowskiinstitute).

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