THE UNITED STATES SINCE 1980

This book describes the sharp right turn the United States has taken following the election of Ronald Reagan as president in 1980. It details how the policies pursued by the Reagan administration were a break from the policies pursued by prior administrations and the policies pursued in other wealthy countries. The Reagan administration policies had the effect of redistributing both before- and after-tax income upward, creating a situation in which the bulk of the economic gains over the last quarter century were directed to a small segment of the population. The analysis explains how both political parties have come largely to accept the main tenets of Reaganism, putting the United States on a path that is at odds with most of the rest of the world and furthermore is not sustainable. The book also describes the major developments in U.S. foreign policy, politics, and society over the last quarter century.

Dean Baker is the cofounder of the Center for Economic and Policy Research in Washington, DC. Before founding the center, he was a senior economist at Washington's Economic Policy Institute. He has authored or edited several books, including The Conservative Nanny State: How the Wealthy Use the Government to Stay Rich and Get Richer (2006); Social Security: The Phony Crisis (1999, with Mark Weisbrot); Getting Prices Right: The Debate over the Consumer Price Index, which won a Choice book award as one of the outstanding academic books of 1998; and Globalization and Progressive Economic Policy (Cambridge University Press, 1998, coedited with Jerry Epstein and Bob Pollin). Dr. Baker has also written for a variety of professional and general audience publications. His work on economic policy issues is often cited in the media, and he is frequently interviewed on television and radio. Dr. Baker has also testified a number of times before congressional committees. He received his PhD in economics from the University of Michigan.
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THE UNITED STATES
SINCE 1980

Dean Baker

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Preface

Writing a history inevitably involves a long sequence of judgments by the author. From an infinite series of events, the author must decide which ones are important and how they should be tied together. The author must also decide how the events actually transpired, based on his or her assessment of which accounts are accurate and which ones should be largely dismissed.

Needless to say, I have made many such decisions in writing this book. The introduction should leave little doubt as to what I consider the key thread running through the history of the United States over the last quarter century. Beginning with the Reagan administration, the United States took a sharp turn away from a path that it had followed in the post–World War II era. Prior to the election of Ronald Reagan, the United States could be seen as following the welfare states of Western Europe in building up a set of institutional supports that ensured most of the population a decent standard of living. These supports included government programs that guaranteed families minimum levels of income, health care, and other basic needs. However, even more important was the shaping of the market in ways that ensured that most of the workforce would benefit from economy-wide increases in productivity.

This pattern was reversed following the election of Ronald Reagan in 1980. The Reagan administration weakened or eliminated government programs intended to provide income security. More important, the Reagan administration also changed the structure of the market in ways that disadvantaged the bulk of the country’s workforce. The result was that most workers have seen very little benefit from the huge gains in productivity in the United States over the last quarter century.
This is a sharp departure from the path followed in Europe and indeed by almost every other wealthy country. While the structure of the welfare state continues to be hotly contested across the industrialized world, the institutional structure that ensured that the gains from productivity growth would be broadly shared remains largely intact outside of the United States.

The fact that this theme does not completely permeate every chapter is the result of a conscious decision. The basic thesis has been placed on the table at the beginning. Many readers may opt to take a different perspective on the events of the last quarter century. If the book does not rule out that option, I will not consider it to be a failure.
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