

Loyola Marymount University

## the Price of Civilization

A review of The Price of Civilization  
Reawakening American Virtue and Prosperity  
By Jeffrey D. Sachs

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The book “The Price of Civilization, Reawakening American Virtue and Prosperity” was written by Jeffrey D. Sachs, who is an American economist and director of the Earth Institute at Columbia University. He is known as one of the world's leading experts on economic development and the fight against poverty.

This book is divided into two parts: the great crash and the path to prosperity. The first part covers a thoroughly detailed description of the mistakes made by American elected officials. The author first introduced America’s economic crisis, which is also a crisis of social values that is related to the decline of civic virtue among America’s political and economic elite. By taking a holistic view of America’s economic problems, the author diagnosed America’s illness by studying four dimensions of American crisis: economic, political, social, and psychological. The author devoted the second part of the book to laying out his solutions for the economic woes that have beset the United States. He indicated that every American should play his or her role to build a healthy and mindful society. He also proposed specific recommendations, such as increasing public investment and the seven habits of highly effective government, etc, to reform the American political system and restore the American economy.

The author believed that there were lots of problems in the U.S economy, politics, and society. In the past three decades, along with the jobs crisis, the decline of net national saving, and the deteriorated workplace condition, Americans are losing happiness and confidence, and are full of bad emotions, such as being wary, pessimistic, and cynical. There are three main aims of an economy: efficiency, fairness, and sustainability. The author stated that the government must play an active and creative role in the free market to balance these three sides: the government shall provide public goods such as infrastructure, scientific research, and market regulations, and

shall ensure the basic fairness of income distribution and promote sustainability of the earth's fragile resources for the benefit of future generations. The author argued that from the 1930s to 1960s, the federal government led America through depression, war, and peacetime boom. However, in 1970s Washington gradually retreated from the public goods to special interests in the next three decades. Especially during the Reagan Revolution, which included the denomination of taxes and the cutting of civilian outlays. Sachs argues that beginning with Reagan's administration, the U.S. government has increasingly abandoned this role, and has been more and more subject to capture by corporations and the wealthy elite, which resulted in economic conditions deteriorating in the 1970s: the high unemployment rate, low growth of earnings, budget deficit, and inflation. What's more, in 1980s the surge of hispanic immigrant and the civil rights movement divided the Americans according to race and ethnicity. The divided nation made the people more difficult to share common principles and values. As a result of this and through a distracted consumption-focused population, the government had underestimated the impact of globalization and failed to respond effectively to the challenges of the new globalization in 1980s. The technological revolution of computers changed the rise of Asia within the world economy. Washington was unable to maintain America's waning competitiveness. Another problem is America's weak party system. The rising power of big money made Washington not reflect the will of the American people and the public's underlying values, but represent for special group interests. Additionally, as the network technology development in 1990s, America changed to a distracted society: technology-rich, advertising-fed, and knowledge-poor society. America has become a media-saturated society with the flood of electronic media, such as TV, DVD, internet chat, and Face-

book, etc. Those distraction resulted in a society of consumer addictions, personal anxieties, loneliness, and financial distress. Americans urgently need to regain the footing.

In the second part, the author proposed his prescriptions to solve those problems and discussed the path to prosperity. To step towards a new American economy and a healthier society, the author stated that Americans need a mindful society, in which people are serious regarding the well-being and relations with others. It requires people to understand the sources of happiness, the importance of meaningful work, and knowledge in an age of complexity. It also requires people to revive compassion and to take responsibility toward the future. What's more important, It requires Americans to balance roles between government and the marketplace, and requires politics to have a moral responsibility. The author drew a path to the year 2020 that restores hope, direction, and decency to American society. To regain prosperity, the author proposed several plans on the following aspects: setting goals, a new labor market framework, breaking the poverty and education trap, investing in early childhood, real health care reform, a pathway to energy security, and ending military waste. The author strongly urged that America needs a return to civic virtue, and Americans need to recommit to contributing to the common benefit and to cooperating for mutual gain. The government should be able to translate increased revenues into effective public service and infrastructure. The voters should decide the election outcomes, not the big money. Furthermore, the author illustrated seven habits of highly effective government: set clear goals and benchmarks, mobilize expertise, make multiyear plans, be mindful of the far future, end the corporatocracy, restore public management, and decentralize. At the end of the book, the author stated his outlook for the future and promoted next step plans for the millennial renewal. He pointed out that America's crises has not yet led to any significant re-

forms in the manner of government. As citizens, family members, and members of our society, each of us is playing a great role and should let the reform happen. The author appealed that every American should take his or her responsibility to redeem the American trust and to make America great again.

This book is well written and easy to read. It took a deep look into a set of problems about American society, widely ranging from economics to politics, social, and psychological. To solve these problems, Sachs' prescriptions included increasing public investment, especially in education, and a dramatic reduction in military expenditure. He also argues convincingly throughout the book that marginal taxes on the wealthy should be increased. Is Sachs right? I am not completely convinced on Sachs' criticism about Reagan's revolution on tax cutting. I believe oppressive taxation and the increasing power of government to build public goods are not good solutions. I am from China, a communist country, where the government plays big roles everywhere. I believe the key to economic policy is not increasing the tax to build the public goods, but to follow the laws of both market and nature. The government should create a complete, fairly free market operating system, and a set of perfect operational procedures. However, Sachs made many good points such as the seven habits of highly effective government in this book. I recommend this book to everyone, especially to those people who have interests in American society.