Dear Fellow Citizen,

A nation in transition can be a scary place. No, I’m not referring to Arab Spring countries. Rather, this is a piece about the good old United States of America. Most of the rhetoric in this election year revolves around our fragile economy, a reflection of the broader problem of how to deal with globalism and its impact on job creation. Whatever the outcome in November, we will need to confront the diminished expectations that the nation faces in the near term, without sacrificing quality-of-life programs put at risk by cost-cutting.

The phrase “age of diminished expectations” formed the title of a book published by the Washington Post Co. in 1990. Its author, Paul Krugman, was a well-regarded but largely unknown economics professor at the Massachusetts Institute of Technology. Today, he is a Nobel Prize winner and columnist for The New York Times. Some of the language used by Krugman 21 years ago has an eerie resonance today:

…Performance of the U.S. economy in the 1980s was disappointing by past standards. Although some people became fabulously rich, and a sizable fraction of the population achieved unprecedented affluence, the typical American family and the typical American worker earned little if any more in real terms in 1988 than they did in the late 1970s. Indeed, for the median American worker there has been no increase in real take-home pay since the inauguration of Richard Nixon.

What surprised Krugman was that with real incomes dropping, the fraction of the population in poverty rising, and homelessness soaring, most Americans seemed to be content with the nation’s economic performance. He called this passivity “a revolution of falling expectations.” So long as Americans did not encounter a severe recession or double-digit inflation, he concluded, the public would continue to view economic policy as a success.

Of course, in 2012 the nation is dealing with the fallout from a Great Recession. Anger on the left over income inequality, high levels of unemployment, skyrocketing student debt, and the inexorable fall of home values gave rise to the Occupy Wall Street movement. On the right, anger has been directed at Washington, its bureaucrats, and big spenders, by a populist Tea Party. Both forces are faulted for their organizational formlessness. But their cry of rage unnerved the political establishment in both parties and paralyzed the legislative process.

In coming months, we will hear much talk about America’s future. No presidential candidate can afford to show undue pessimism — Jimmy Carter redux. Republicans have seized on “American exceptionalism,” a belief that the U.S. is special among global powers. Mitt Romney’s campaign slogan, “Believe in America,” suggests that the current president doesn’t. The attack led President Obama to defend America’s set of values on a recent trip to Asia. Amid all the triumphalism, we had best look elsewhere for guidance. Consider, for example, a report now in the works from the nonpartisan National Intelligence Council, to be titled “Global Trends 2030.” According to early accounts, these analysts worry that as the U.S. economy slows relative to its Asian competitors, it will be harder for the U.S. to assert its traditional leadership role.

Will intellectual honesty trump political expediency? A simplistic response to the challenge posed by a globalism has been to cast it as a choice between free trade and protectionism. But Joe Sixpack must live with globalism’s impact when a local factory closes and

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moves to Mexico or Vietnam. Each side in the debate has its own statistics. The one that worries me shows that 40 percent of new American jobs in the last two years have been in low-paying sectors such as hospitality and retail. Sluggish job growth centered in service industries can’t be good for consumer spending, which makes up 70 percent of our economy. A gnawing fear of national decline has become the leitmotif of the American experience in the twenty-first century.

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A government with less to distribute will force hard choices about what to preserve. Depending on personal well-being, the choices run the gamut from Social Security, Medicare, Medicaid, food stamps, to farm subsidies, small-business tax breaks, capital gains advantages, and on and on. Let others sacrifice so that I can keep my expectations. But we need to ask ourselves what is really essential to maintain quality of life for those who come after us. Our children and grandchildren must not inherit a bleak economic and social landscape picked clean by a fearful generation. Among all the choices of things to protect, I’ve chosen three that speak to me.

Environment. Travelers to the industrial complexes of the world, especially Eastern Europe and China, return with tales of acrid smog, fetid rivers, and contaminated water supplies. America’s focus on clean air and water has contributed to longer, healthier lives. Now we are told that strict environment regulations become job killers in a race-to-the-bottom global market. With U.S. population projected to increase from today’s 313 million to more than 400 million by 2050, environmental stresses can only grow. And those who continue to reject the scientific consensus about the human contribution to global warming are playing a misleading political game.

Education. Public education, both at K-12 and university levels, makes an inviting target for budget-cutters. With many local and state governments running chronic budget deficits, legislators have cut support so severely as to turn public classrooms into second-class holding pens for students unable to afford private academies and colleges. Yet everyone agrees that an educated populace remains the key to economic growth. Demoralized senior faculties drift toward retirement. So great is this crisis in education that no public policy deserves greater attention. Quality of education often determines quality of life.

Society. Civility can be defined as respect for others and an attitude of self-sacrifice. Desiderius Erasmus, a sixteenth century scholar, put forth the idea that civility is what enables us to live together as a society. It embraces a set of rules that enables us to interact with others. Today, this definition would seem to be arcane and naïve. We have lost the concept of commonality. The social contract that binds together disparate elements of a national society has frayed. Morality involves taking into account the interests of others, but hard times threaten to turn us inward, away from the common good and toward self-interest. Reclaiming the moral imperative may turn out to be the most important step of all in making this time of diminished expectations endurable.