

Paul Krugman - New York Times Blog

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Macroeconomic Machismo

Atrios, weighing in on the Kinsley Kontroversy, suggests that the evident urge to make Someone Suffer — Someone Else, of course — reflects sadism. But I don't think that's right. Lack of compassion, sure; an inability to imagine what it must be like for someone less fortunate than oneself and one's friends, definitely. But I think that the linked Scott Lemieux post, which equates the austertian fixation on stagflation with the neocon fixation on Munich, is much closer to the mark.

It was obvious during the runup to the Iraq war that what was going on in the minds of many hawks — and not just the neocons — was not so much a deep desire to drop lots of bombs and kill lots of people (although they were OK with that) as a deep desire to be seen as people who were willing to Do What Has to be Done. Men who have never risked, well, anything relished the chance to look in the mirror and see Winston Churchill looking back.

Actually, I suspect that even the torture thing had less to do with sadism than with the desire to look tough.

And the austertian impulse is pretty much the same thing, except that in this case the mild-mannered pundits want to look in the mirror and see Paul Volcker.

Much of the problem in trying to stop the march to war was precisely the fear of many pundits that they would be seen as weak and, above all, not Serious if they objected. Austerity has been very much the same thing — and again, it's not just the right-wingers who are afflicted.

Let me illustrate that point with two parallel diagnoses of economic crisis, 78 years apart. The first is from John Maynard Keynes, *The Great Slump of 1930*; the second from Barack Obama's first inaugural, in January 2009. Keynes:

This is a nightmare, which will pass away with the morning. For the resources of nature and men's devices are just as fertile and productive as they were. The rate of our progress towards solving the material problems of life is not less rapid. We are as capable as before of affording for everyone a high standard of life—high, I mean, compared with, say, twenty years ago—and will soon learn to afford a standard higher still. We were not previously deceived. But to-day we have involved ourselves in a colossal muddle, having blundered in the control of a delicate machine, the working of which we do not understand. The result is that our possibilities of wealth may run to waste for a time—perhaps for a long time.

Obama:

We remain the most prosperous, powerful nation on Earth. Our workers are no less productive than when this crisis began. Our minds are no less inventive, our goods and services no less needed than they were last week or last month or last year. Our capacity remains undiminished. But our time

of standing pat, of protecting narrow interests and putting off unpleasant decisions — that time has surely passed.

Do you see where it goes wrong? Most of the way through, Obama is getting it right: this is a “colossal muddle”, a technical problem that needs fixing. But then he suddenly swerves into the language of Very Serious People, talking about the need to make unpleasant decisions (which is always there, but if anything less so in a depression).

I was very upset about this at the time, but not upset enough — for there, right at the beginning, was the austere temptation, adulterating the message of the man who should have been that temptation’s fiercest opponent.

So if you like, the problem is Seriousness rather than sadism. On foreign policy, it’s always 1938; on economic policy, it’s always 1979. And the colossal muddle goes on.

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