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The Optimism Cure

By PAUL KRUGMAN

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Mitt Romney is optimistic about optimism. In fact, it's pretty much all he's got. And that fact should make you very pessimistic about his chances of leading an economic recovery.

As many people have noticed, Mr. Romney's five-point "economic plan" is very nearly substance-free. It vaguely suggests that he will pursue the same goals Republicans always pursue — weaker environmental protection, lower taxes on the wealthy. But it offers neither specifics nor any indication why returning to George W. Bush's policies would cure a slump that began on Mr. Bush's watch.

In his Boca Raton meeting with donors, however, Mr. Romney revealed his real plan, which is to rely on magic. "My own view is," he declared, "if we win on November 6, there will be a great deal of optimism about the future of this country. We'll see capital come back, and we'll see — without actually doing anything — we'll actually get a boost in the economy."

Are you feeling reassured?

In fairness to Mr. Romney, his assertion that electing him would spontaneously spark an economic boom is consistent with his party's current economic dogma. Republican leaders have long insisted that the main thing holding the economy back is the "uncertainty" created by President Obama's statements — roughly speaking, that businesspeople aren't investing because Mr. Obama has hurt their feelings. If you believe that, it makes sense to argue that changing presidents would, all by itself, cause an economic revival.

There is, however, no evidence supporting this dogma. Our protracted economic weakness isn't a mystery; it's what normally happens after a major financial crisis. Furthermore, business investment has actually recovered fairly strongly since the official recession ended. What's holding us back is mainly the continued weakness of housing combined with a vast overhang of household debt, the legacy of the Bush-era housing bubble.

By the way, in saying that our prolonged slump was predictable, I'm not saying that it was necessary. We could and should have greatly reduced the pain by combining aggressive fiscal and monetary policies with effective relief for highly indebted homeowners; the fact that we didn't reflects a combination of timidity on the part of both the Obama administration and the Federal Reserve, and scorched-earth opposition on the part of the G.O.P.

But Mr. Romney, as I said, isn't offering anything substantive to fight the slump, just a reprise of the usual slogans. And he has denounced the Fed's belated effort to step up to the plate.

Back to the optimism thing: It's true that some studies suggest a secondary role for uncertainty in depressing the economy — and conservatives have seized on these studies, claiming vindication. But if you actually look at the measures of uncertainty involved, they've been driven not by fear of Mr. Obama but by events like the euro crisis and the standoff over the debt ceiling. (O.K., I guess you could argue that electing Mr. Romney might encourage businesses by promising an end to Republican economic sabotage.)

You should also know that efforts to base policy on speculations about business psychology have a track record — and it's not a good one.

Back in 2010, as European nations began implementing savage austerity programs to placate bond markets, it was common for policy makers to deny that these programs would have a depressing effect. "The idea that austerity measures could trigger stagnation is incorrect," insisted Jean-Claude Trichet, then the president of the European Central Bank. Why? Because these measures would "increase the confidence of households, firms and investors."

At the time I ridiculed such claims as belief in the "confidence fairy." And sure enough, austerity programs actually led to Depression-level economic downturns across much of Europe.

Yet here comes Mitt Romney, declaring, in effect, "I am the confidence fairy!"

Is he? As it happens, Mr. Romney offered a testable proposition in his Boca remarks: "If it looks like I'm going to win, the markets will be happy. If it looks like the president's going to win, the markets should not be terribly happy." How's that going? Not very well. Over the past month conventional wisdom has shifted from the view that the election could easily go either way to the view that Mr. Romney is very likely to lose; yet markets are up, not down, with major stock indexes hitting their highest levels since the economic downturn began.

It's all kind of sad. Yet the truth is that it all fits together. Mr. Romney's whole campaign has been based on the premise that he can become president simply by not being Barack Obama. Why shouldn't he believe that he can fix the economy the same way?

But will he get a chance to put that theory to the test? At the moment, I'm not optimistic.