To many observers, the American political economy of the early 2010s is deteriorating. This narrative is perpetuated everyday by the pundits on 24/7 news channels and has become a central theme of the 2012 Presidential and Congressional elections. As a result of this growingly hostile political and economic atmosphere, America has experienced the worst economic recession since the Great Depression, marches on the Washington Mall, the rise of the Tea Party and Occupy Wall Street movements and a disabling partisan environment that is making compromise harder and harder. This is the political economy that Jeffrey Sachs, an economist, seeks to analyze in his 2011 book, *The Price of Civilization*.

Mr. Sachs, like many Americans, believes that the United States has progressed down the wrong path the last 30 years, both politically and economically. Mr. Sachs believes that there are several major issues that have caused the United States to have the problems it faces today. The author believes that these issues can be categorized into economic and political problems but the author also conveys that these problems are tightly linked and therefore any solutions must address both types of problems. The first half of the book spends a chapter on outlining each of the following problems that America has faced the last few decades:

- A loss of moral values
• Too much faith in the free market
• Washington politicians failing to live up to their duties
• Increased partisan strife
• Failing to recognize increased globalization
• An environment that is friendlier for corporations than workers
• An increasingly distracted society, which is letting all of these problems continue

I think the most interesting chapter was “The New Globalization,” which describes how the US failed to recognize and assess the effects of increased globalization over the last three decades.

As of all the problems discussed, the failure to recognize globalization had political and economic repercussions. For example, the United States’ failure to recognize globalization and its insistence on a state-centric foreign policy approach led to missteps in the War on Terror.

Economically, the Federal Reserve, especially under Alan Greenspan, did not take globalization into account when setting interest rates, leading to the economic bubbles of the mid-1980s, late-1990s and mid-2000s.

The second half of the book focuses on prescriptions to the problems Sachs outlined in the first half. Most of these solutions center around ending the short-term thinking that has contributed to many of our current problems and replacing it with an environment that provides incentives for long-term planning and increased investments. In regards to globalization, Mr. Sachs believes that the US has to spend more money, through the government, on physical investments (roads, power-grids, water systems) and on human investments (education, healthcare and career counseling). He believes that we must change our view of taxes as not a penalty but an investment for the future leading to the title of the book, which was taken from the Oliver Wendell Holmes, Jr., quote, “I like to pay taxes. With them I buy civilization.” Mr. Sachs recognizes that in a ever shifting, globalized world, investment, which the government is best
suited to do, is critically important and is being done by the countries that are currently rising on
the world stage, such as China, Brazil, India and many others.

Jeffrey Sachs’s *The Price of Civilization* provides a good overview of the United States’
political economy in the beginning of the 2010s. Mr. Sachs provides clear and basic information
on the problems and possible solutions for the US political economy and it is a good
introduction to the subject. Each issue the book tackled is well researched but the book only
provides brief overviews of these issues. Therefore the book provides a generous further readings
section, which is organized by theme and provides books that go into much greater depth about
these issues. Overall, Mr. Sachs provides rational arguments and his book is a welcome entry
into the current discussion on these issues. It is important to take Mr. Sachs’s biases into account,
which I would describe as liberal in the Galbraithian tradition, by promoting big government to
balance with big business. Even with biases, *The Price of Civilization* is an excellent overview of
the America’s political economy and is valuable to our class in providing economic and political
information on how the United States has been affected by globalization.