What sort of ownership society?
ASK THIS | August 30, 2004

Economist Brad DeLong says reporters should insist on getting the details of Bush's plans for an "ownership society," as mentioned by Bush in his acceptance speech but not elaborated on. The main question: Does Bush have any idea how he would actually accomplish any of these things? It's the press corps' job to find out.

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Q. Bush promises to protect existing Social Security benefits for those born before 1950 or so — while boosting the benefits of those born after 1950 or so — by redirecting some of their Social Security taxes to their own personal accounts. Given that the Social Security actuaries say that all of current Social Security taxes (and more) are needed to fund the current program, how is this going to be accomplished — or, rather, which promise will be thrown overboard first?

Q. Former Bush Treasury Secretary Paul O'Neill — who was interested enough in this to have serious economists like Kent Smetters and Jagdish Gokhale on his staff — used to say that shifting to personal accounts while protecting the benefits of the currently retired and those near retirement called for an extra $1 trillion of new money for the system. Was he right? If he was wrong, how was he wrong?

Q. The Bush administration — except for Paul O'Neill — has failed to listen to the standard group of experts who tell us that any meaningful Social Security privatization plan inevitably involves at least one of the following: reduced benefits, higher retirement ages, or higher worker contributions. What does this tell us about the seriousness of the administration's plans? Is there any reason to believe that whatever plans it comes up with won't be as big a disaster as the Bush deficits?

Q. Does Senator Lindsey Graham — who is a very serious player here, and a dedicated true believer in Social Security privatization — have a Social Security reform plan that he thinks will actually be an improvement over the current system?

Q. When someone like Democratic Social Security expert Peter Orszag says that Social Security's problems are more like "a flat tire" than like a ruined engine, is he unfairly minimizing the problem?

Q. How large is the funding imbalance in Social Security compared to the funding imbalance in, say, Medicare?

Q. Is it really a good idea for people to have personal accounts — to have control over their own Social Security assets? Aren't we scared that people's accounts will crash in value — a kind of risk that the government diversifies away?
Q. Do we really want to move toward a system of tax-favored health savings accounts — in which we give healthy individuals a strong incentive to separate themselves from the general risk pool, and avoid paying for those with bad genes who are likely to suffer chronic and expensive diseases?

Q. Harvard economist Martin Feldstein says that George W. Bush talks about "maintaining Social Security retirement income without raising taxes." By contrast, Feldstein says, John Kerry is talking about benefit cuts. Is Kerry willing to accept benefit cuts? Feldstein believes that this contrast is a reason to vote for George W. Bush. Is it? Or is it a reason to vote against George W. Bush?

This week, George W. Bush is supposed to roll out his domestic-policy plans for his second term — but according to his spinmasters he is not supposed to say what those plans are. Or so writes Peter Wallsten in the Los Angeles Times: "Even as President Bush has started telling voters that overhauling Social Security would be a key part of his second-term agenda, he is likely to avoid offering specifics before Election Day, according to Bush aides, lawmakers and privatization advocates.

"Instead of getting into details, which would almost certainly embroil him in controversy, Bush is campaigning on broad principles for revamping the 70-year-old retirement system in a way that fits his vision for an 'ownership society,'" the sources said."

It's the press corps' job to police this activity. Politicians who claim that their policies will provide all kinds of good things — chickens in every pot — should be forced to show that they have thought about how the policies will work, and that they know that chickens hatch out of eggs, need corn and worms to eat, and are preyed upon by foxes and weasels.

Does George W. Bush's "ownership society" pass the "yes, he knows about chickens" test? Or is it just another bunch of weasel words to fool a less-than-sufficiently curious press corps?

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