

The New Immigrants And America's Future Identity

WASHINGTON – We now know that the Australian government is openly concerned that unless it can manage its immigration policies properly, there is a serious risk that Australia may soon lose its political and cultural identity. There is fear that there are now too many new economic immigrants who, while living and working in Australia, do not fully understand and embrace the core values that bind Australia together. If this were indeed the case, the country will soon lose its identity and become something else.

Non assimilated immigrants

On the face of it, this stance does not seem to be motivated by anti-immigrant prejudice, or xenophobic hysteria. Rather, it seems to be driven by a genuine concern that all new comers to Australia, even if initially motivated mostly by economic reasons when they decided to become immigrants, along the way have also embraced Australia's national values.

If this is not so, non assimilated economic immigrants may contribute to the progressive fragmentation of the Australian society. This is valid concern in a country largely composed of recent immigrants.

America is also a country of immigrants

If we switch over to the U.S., the current immigration debates, well-meaning in some aspects, emotional and acrimonious in others, are somewhat similar. America is also a country of immigrants. However, there is a significant qualitative distinction between earlier waves of migration to America, mostly from Europe, and the current wave composed mostly of individuals immigrating to the U.S. from Mexico, Central and South America. *Most of the old immigrants wanted*

to become Americans as soon as possible.

In contrast, the new immigrants are usually happy to be here. But they do not feel the same urgency/pressure to quickly assimilate. given this, just like the Australians, we would like to be reassured that there is a way whereby the new immigrants can and will be successfully assimilated into the main stream of American culture and society, just like millions of others before them.

Is the American core still intact?

In other words, as a society, we should be able to feel confident that new waves of immigration will not weaken America's core values as enshrined in the U.S. Constitution. America's core values are relatively simple, yet of fundamental importance. But we cannot assume that every new American truly understands them and will live by them.

Simply stated, America is a country based on popular sovereignty in which the government has been established to preserve individual freedom and serve the People, where accountability is a duty, and the protection of all basic individual freedoms is the main obligation of all public institutions, while a properly functioning system of checks and balances prevents abuses and protects minorities. Sounds really simple.

But it is not at all simple. Understanding the deep meaning and broad implications of these relatively elementary principles requires deep reflection, and in most cases the rejection of other models in which the state is sovereign and the citizen a subject.

No pressure to assimilate

But why can't we be sure that these American principles are properly embraced by the new immigrants? Very simple. Fundamental changes have occurred in the immigration process

in the last 20 to 30 years. Absorbing core values was an integral part of the assimilation process, mostly because new immigrants wanted to be part of the mainstream.

But here is the thing. Assimilation as we understood it until a few decades ago may not be happening anymore. New immigrants are no longer automatically “blended”, this way quickly becoming Americans. The US has already become a multi-ethnic, multi-cultural and multi-lingual society, with distinctive ethnic enclaves within which people preserve the language, culture and belief systems of their country of origin.

And this happened in large measure because there is no longer any strong incentive nor pressure to assimilate and be assimilated. It is a fact that in the U.S. many states or regions within them now are predominantly Hispanic or Latino, and Spanish-speaking. Other ethnic enclaves also exist; but the communities from south of the border are by far the largest.

No pressure to embrace American core values

Let me be absolutely clear. These relatively new Americans are mostly industrious, good people. Still, if we cannot be sure that these new immigrants, after they came here, fully embraced the American political culture and its underlying values, overtime this will lead to a significant –in fact structural– transformation of the America we know today.

And since America developed and grew in what it is today because its diverse citizens subscribed to a certain set of constitutional principles, it is important to check as to whether most citizens still share those beliefs. And if some do not, we have a real problem.

There is no more a “melting pot”

The main –and probably irreversible– change when it comes to the difference between old and new immigration, is that the

old “*melting pot*” metaphor used to describe America no longer applies. Up to the 1960s the “*melting pot*” was a fair representation of the willingness and ability of the American society to receive, absorb and homogenize large waves of diverse immigrants, this way turning them rather quickly into “*true Americans*” .

All this no longer applies. The US ceased to be this mostly Anglo-Saxon “*cultural blender*” that overtime absorbed, digested, homogenized and integrated millions of other immigrants coming from different backgrounds.

Old immigrants under pressure to become assimilated

How did this happen? Here is the thing. The reason why the “melting pot ” metaphor no longer applies is about the fundamental difference between the immigration experience of the Europeans who came to America a hundred years ago and the experience of the Latinos who come today. The qualitative distinction is that most of the older immigrants –in particular the Europeans– came to the U.S. with a keen awareness, explicit or implicit, that by immigrating into the U.S. they had also permanently severed their ties to their countries of origin.

Sure, in many cases they would retain, at least the immigrant generation, a specific identity within the American ethnic mosaic. But most of them were absolutely bent on “becoming Americans”, as soon as possible. Rightly or wrongly, fast assimilation was deemed to be the ticket into the American mainstream. With assimilation came acceptance; and therefore more economic and social opportunities, for the new immigrants and certainly for their children growing up in America.

Superficial differences remained

Looking among newcomers to America a century ago, one could have easily recognized Polish Americans as different from Italian Americans. But, by and large, whatever the different

countries of origin, physical appearance and accents, there was a unifying trait that most new immigrants shared.

Indeed, those who came to the U.S. and stayed here had made a total commitment to becoming Americans, and to place any residual tie or connection with their country of origin: linguistic, cultural or culinary, on a much lower tier.

Old ties soon dissolved

Furthermore, in many if not most cases, the new immigrants were unable or unwilling to preserve their linguistic identity and pass it on to the following generations. Many of them were often semi-literate or illiterate within their own cultures. Thus they did not have the tools to preserve linguistic and cultural complexities that they did not fully master.

Therefore, the kaleidoscope of exotic last names that still today dots the American landscape has value mostly for the ethnographers and historians who can spot and identify Norwegian, Irish, Greek, Russian, Polish, Portuguese, or German origins.

Immigrants intermarried

However, if we fast forward to today, the individuals who bear those last names –the descendants of the original immigrants– with a few exceptions, usually can barely tell you that their great grand parents came from somewhere in Ireland or Germany. Besides, mixed marriages among different immigrants blurred the picture even further. The Italians intermarried with the Irish and their offspring later on with other descendants of other nationals. A third or fourth generation American today can easily be part German, Swedish, Scottish, Russian and Greek. Therefore, for him or her it is almost impossible to determine a meaningful national or cultural origin, let alone have strong feelings of belonging to it.

Immigrants today stay connected

Well, today it is different, very different. And the basic difference between these old waves of immigrants and the Latino waves rests largely on geographic proximity to the countries of origin, and the consequent easy travel back and forth, relatively higher standards of living, and the availability of low cost or zero cost communication tools that keep the old ties alive and relevant. This level of communication between new immigrants and their country of origin was simply unimaginable a century ago.

A hundred years ago, most European immigrants by and large came on a one way third class ticket on overcrowded steamers. ***Once they had landed, and after they had been processed at Ellis Island, they were psychologically and materially committed to a fast track to integration in order to increase their chances of improving their lot vis-a-vis the other Americans. In most cases, going back to the country of origin was out of the question. Immigration to America was final. Thus, embracing this new world, in all its aspects, including its political culture and values, was absolutely necessary in order to have a chance to succeed in it.***

Ties to the country of origin

The Latinos belonging to this new wave of migration instead do not have the same urgency to assimilate. They come by bus, by car or by air, many of them across the Mexican border. For the most part, (even if we take out the many who do not have legal papers who therefore cannot cross the border back and forth for fear of apprehension), except for the very poor, these immigrants have the opportunity to travel at least occasionally to their country of origin. Some do this rather frequently. Back home in Mexico, El Salvador or Colombia there are many relatives and circles of old friends. US-based immigrants send money back to them. At least some of them plan to make enough money in America, so that they can bring their savings back home and live comfortably there.

To think of Polish peasants transplanted in Illinois at the turn of the last century taking an even occasional summer vacation to visit relatives back in the village is preposterous. Except for the extremely successful few who had become really rich in America, hardly anybody ever went back.

Easy to communicate

On top of that, nowadays, even for the relatively poor Latinos, phone and video contact with relatives back home is the norm rather than the exception; while the gigantic remittance flows from the U.S. into Central and South America, indicate continues involvement with families and communities in the countries of origin.

And the retention of the Spanish language as the primary or at least co-equal language is an indication that these immigrants do not have the same urgency to integrate and in some fashion forget about their origins. They see no need for this.

Large immigrant communities retain their identities

The strength of large numbers in most cases may help in shaping attitudes. No need to learn English fast in large communities where the Spanish-speaking Latino population is actually the majority. Indeed, at least in some communities in the U.S. it is possible to have a reasonably "normal" life in terms of semi-decent work opportunity without any need to acquire real English fluency, something that certainly was not the case, even in the most "ethnic" states or regions, at the height of the European immigration waves.

Learning English used to be the ticket to success

Certainly, even in the past there have been many large ethnic islands within the United States. And it is true that many immigrants could get by in America with little or no English. However, the understanding of all was that English was the only official language of the country and that all official

transactions would be conducted in English. No equivalent at that time of the now ubiquitous “*press 2 for Spanish*”, in any telephone help line, let alone taking driver license tests in languages other than English, or the notion of having officially sanctioned bilingual education.

We know that being an American is not about ethnicity, as demonstrably there is no “American” ethnic group. ***However, becoming an American is both possible and absolutely necessary, if we want the original American ethos, as enshrined in the U.S. Constitution, to be preserved.***

And it all boils down to the voluntary and sincere embrace (“*without mental reservation, or purpose of evasion*”, as the Oath all citizens have to take says), of a set of constitutional principles and the values that sustain them.

Immigrants had to become Americans

Of course, we know that, even in the past, most immigrants coming to the U.S. were primarily economic immigrants, driven by material needs, rather than by lofty political ideals.

However –and this is a crucial distinction between then and now– whether they liked it or not, the old immigrants were “forced” by circumstances to buy into the prevailing Anglo-Saxon political culture and become sooner than later “homogenized Americans”, thus quickly shedding the legacy of their origins and embracing America and its core values, at least in most cases. As indicated above, at that time, America was a genuine melting pot. Today, it is a completely different story. No more a melting pot.

Civics exams do not make citizens

True enough, the rule today is that before being naturalized, that is legally accepted into the American society and polity, all applicants must take and pass a test of basic knowledge of the U.S. Constitution.

This is not a bad idea. But since this is the only test, it is a truly low bar. So low, in fact, that it is insignificant. Demonstrating decent knowledge about how many Justices sit on the U.S. Supreme Court is important, but hardly conclusive evidence that the would-be US citizen understands –and most importantly agrees with– the principles of the American Constitution when it comes to the preservation of individual liberties, popular sovereignty, limited government, or the purpose of effective checks and balances, let alone the values that should sustain these core principles.

No real differences among the descendants of earlier immigrants

When political leaders today affirm that the strength of America lies in the diverse backgrounds of the diverse immigrant population that somehow enriches all of us, they are talking nonsense. They should know that when we talk about Americans of European descent, today this “diversity” is in fact so superficial that its is in fact insignificant. They know that the descendants of those Italian, Swedish, Portuguese, German, Russian and Greek immigrants are now indistinguishable from one another.

Indeed, while some of them may have retained some superficial traces of their distinctiveness, (Italian Americans may have dark hair, Scandinavian Americans have blonde hair), at this is point they are all homogenized Americans. Kohl, Lantos, Giuliani, Voinovich, Kerry, Tenet, Dukakis, Rubio, Pompeo, just to stay within the sphere of people involved in public policy, are all “ethnic” names. Yet, all these are Americans –with a capital A.

Latin immigration is different

However, ten years from now, will we say the same about the Mercado, Martinez, Ortiz, Lopez and Rodriguez who will be the Mayors, Senators, Governors and eventually national leaders of

America? The critical difference between the old and the new immigrants is that many Latinos did not and do not have the same pressure to integrate and quickly become "*homogenized Americans*".

Both old and new immigrants appreciated then and appreciate now the opportunity to have a better life in the USA. However, to the extent that the new immigrants (most of them from Central and Latin America) can easily maintain an active connection with their countries of origin, (something that those who came along with the previous immigration waves simply could not do), they do not seem to have the same urgency to totally and quickly transform themselves into "*Anglo*".

Embracing America and its values

If, while preserving the old family and cultural ties, all or at least most of them would voluntarily choose to truly and fully embrace the values of their adopted country, this would be a genuine achievement of good multiculturalism.

Let me be clear, this is not about "forcing" people to abandon their cultures, their language and their roots. There is absolutely nothing wrong in retaining and cultivating one's culture and language of origin, as long as there is also a genuine embrace of American values up to the point that they become the key reference.

But, here is the thing. The old immigrants willingly or unwillingly were "*sucked into America*".

As for today's immigrants, realistically most of them will not spend sleepless nights poring over the *Federalist Papers* or other tomes on Jefferson or the U.S. Constitution in order to critically understand and fully appreciate America's core values and how they were incorporated into the Constitution.

But here is the thing. Without the perception that in order to

have a normal life in America they need to embrace the values of this society, most new immigrants will simply tend to their own private affairs. And, in the pursuit of their own interests, they will be guided by the principles that they acquired in their formative years.

America is not just the place you found work

If this is so, regarding these new waves of immigrants, we cannot rest assured that their value systems and beliefs are or will be the same as those that are prevalent among other Americans, simply because their backgrounds are different and their learning and socialization took place in a different context, while the urgency to embrace American values is simply not there.

And herein is the challenge. America has worked reasonably well so far because a recognizable political culture has been preserved and passed on to new generations and millions of new immigrants over more than two hundred years through a fairly successful homogenization process that caused total outsiders—millions of immigrants from different countries—to become integrated into the American mainstream rather painlessly and in a relatively short time.

More than just language

The substantial recent inflow of millions of people from nearby Mexico, Central and South America who bring with them not just another language but also different values and who see neither the obligation nor the need to fully understand and subscribe to the American political culture will bring about substantial qualitative changes. These changes will provoke new debates about what is it that we mean by “*being an American*”.

Once again, let me be clear. I am not even remotely suggesting that all these new Latin immigrants are disloyal or suspect people. I am simply suggesting that most of them are

fundamentally economic immigrants who –unlike the European economic immigrants who landed here more than a century ago– are not under any pressure to understand, absorb and fully embrace American values.

Many Americans do not know much about their history and values

True, the notion that all the descendants of the old European waves have an unflinching, clear understanding as to what are the American values that they theoretically subscribe to is highly questionable. Indeed, many do not. But, at least in general, they cannot look at political or cultural alternatives that derive from other perspectives that coexist in their cultural and personal universe.

That said, if anything, the lukewarm appreciation about the distinctiveness of American political culture and values among many descendants of older immigrants complicates the problem, as it does not present to the new immigrants a really clear picture of the value system that they should absorb in order to become “real” Americans.

America is a political society shaped by shared values

We all know that America is a rather unique country, in as much as those who are here today cannot point to a shared ethnic, religious or cultural identity. America is not a Nation-State in the European sense. America is a community of people coming from a variety of countries who freely decided to subscribe to a set of values which became the unifying principles of this republic.

Americans are Americans because they share a political culture. Until not too long ago, the implicit assumption was that all of those who are here genuinely understand it and willfully embrace it.

This political culture has been the intangible yet ultra strong magic glue that kept this complex machinery of the

American society together. Going forward, we have to face the fact that this glue may not be as strong a bonding agent as it used to be.

A new era

And we have to face this fact now. Indeed, for the first time in our complex history, we have a large chunk of new immigrants who may very well live here as law-abiding, productive citizens; but who are under no pressure to truly join in by sincerely embracing our political culture.

Again, let me stress that this does not automatically make these new immigrants disloyal or dangerous citizens. But it makes them different.

Just like the previous waves of immigration into America, these are predominantly economic immigrants. ***However, unlike the immigrants of old, these relatively recent immigrants did not and will not go through the “political and cultural indoctrination”, benign or “forced”, willfully accepted or “suffered” by millions of others before them. The old blender that homogenized everybody and made them into “true Americans” is no longer working.***

The new immigrants are different. Their large and growing numbers will affect the culture and the values of the broader society in which they live, and eventually they will radically transform it –its value systems and core beliefs. How this transformation will change America and us all is impossible to predict.

But America will never be the same.

Oprah For President?

WASHINGTON – Oprah for President? Yes, after her recent Hollywood speech this is now a distinctly possible scenario for the 2020 presidential contest. Well, are we to conclude that America has gone mad? Are we going to see a presidential contest between highly polarizing former developer and reality TV star Donald Trump and Oprah, the much loved queen of inspiring TV talk shows? Is this what Americans want? To be led by entertainers with only vague knowledge about public policy issues and the complicated art of government?

Systemic failure

The answer is: may be so. Well, how did we get to this point? Very simple. *"The Establishment"*, both Democrats and Republicans, pounded and demonized during the 2016 presidential campaign, was and still is completely discredited. And rightfully so, since it has failed. Miserably.

Far from being the expression of a self-confident, forward looking Republic, America's political leadership –the elected Senators and Congressmen– is composed mostly of small minded, often ignorant and risk averse, pros who long ago lost sight of the purpose of government: preserve liberty, protect the Nation, ensure the administration of justice, and deliver critical services in a fair manner, and at a reasonable cost to the American taxpayers.

Government is not working

Just a few examples. Washington can no longer perform even basic, fundamental operations. The Congress cannot create and pass sensible federal budgets within the established time lines. We limp along from stop-gap to stop-gap through "continuing resolutions", gimmicks that secure funding for government agencies, without however any serious debates about

strategies, priorities and goals.

The elected leaders in Congress reflexively focus on their own narrow parochial issues –in order to please their constituents, this way paving the way to their own reelection– while disregarding the progressive deterioration of America's public finances.

Colossal fiscal mismanagement

Indeed, lacking any serious policy debate about a proper and fair rebalancing of revenue and public expenditures, especially on vast and growing entitlement programs, (Social Security, Medicare, Medicaid), the federal government spends all it gets from taxes and mindlessly borrows the rest. The net outcome of this systemic and now colossal fiscal mismanagement is a gigantic and growing U.S. federal debt: \$ 20 trillion and counting. At some point this monster will eat us up. And yet, this impending public debt calamity is hardly mentioned at all in current Washington policy debates.

No serious discussion about critical issues

Indeed serious issues with a huge impact on federal spending, such as the need for a serious reformulation of major entitlement programs, so that the elderly and the truly needy are covered, while the federal government secures the necessary revenue to finance these current and projected outlays, are left untouched.

Grotesque realities such as our astronomic health care costs –the highest among all rich countries– and our bad and declining health statistics, are not part of the national conversation.

Last but not least, our chronically under performing public education system is only occasionally mentioned. Apparently the fact that almost half of all young Americans –especially the poor and minorities– grow up and get into the world

without a modicum of knowledge and skills that would give them a fair chance to get good jobs and move up in our society is of no importance for our elected leaders sent to Washington to serve the Republic.

Inept leaders

Simply stated, the professional politicians who are supposedly in charge, are mostly mediocre people, if not completely inept. They lack vision, intelligence, and the courage to deal with complicated problems. They simply do not know how to mind the store.

When the pros fail, Americans looks at outsiders

Well, no wonder then that millions of unhappy Americans turned somewhere else for help. In 2016 they tried Donald Trump. In 2020 they may want to try Oprah. Will she run? Can she be elected? Who knows.

But if these –Donald or Oprah– are the possible leaders that America wants to choose from, as opposed to the pros that supposedly know how to run a modern Republic, it is because the pros have proven that they cannot do it. As simple as that.

The Real Benefits of Healthy Motherhood

WASHINGTON – Mothers should spend a great of time with their new-born babies in the first 3 years of the baby's life, and especially during the first year. This is not about reasserting traditional societal norms and old-fashioned

cultural values regarding the role of women as mothers. This is medical advice to new mothers and fathers regarding the best way to raise healthy children, based on empirical scientific findings.

Why babies need their mothers

The evidence shows, and much research conducted over many years clearly illustrates this, that babies come into the world without a developed central nervous system. A great deal of data demonstrates that close contact with the mother supports a healthy development of the baby's neurological system.

How so? Because women transmit through their milk the hormone *oxytocin*, a critically important neurotransmitter produced by women and not by men. In addition, the oxytocin produced by the mother, (oxytocin is also known as the "love hormone"), contributes to the creation of a special bond between baby and mother. This bond helps the healthy neurological development of the baby.

And no, the day care center, assuming that working mothers have access to one, is not a good substitute for baby-mother bonding during the child's critically important early years.

This is not about "traditional values"

So, here is the thing. The old-fashioned notion, in fact antiquated according to most, that women should be primarily good mothers and should spend a great of time with their babies, while embraced by those who support the "restoration" of traditional values and traditional families, has in fact true scientific backing.

Of course, depending on the slant you put on this new medical research, this scientific finding could lead to very counterproductive advice to women:

“Based on science, it is clear that, if you want to have healthy children, you should devote yourself entirely to them. This means that you should give up any plans to have a full-time job and a real career. You cannot have both”.

How do we reconcile work and motherhood?

Well, it does not have to be this way.

Still, it will be difficult to reconcile the need to have mothers spend a great of time with their new-born babies, (a lot of time in the first 9 months to a year, and then still quite a bit of time, until they reach age three), and the legitimate desire (in many cases it is a basic financial need) shared by millions of women all over the world to work and have fulfilling careers.

it is very clear, especially here in America, that working women who have children are already penalized by a system that in most cases does not even recognize the need for a few weeks of maternal leave for new mothers. If employers are not even willing to give a few weeks of leave, how can you possibly expect that they will give an entire year, possibly three?

The employers will argue that they could not possibly sustain the cost of keeping on payroll women who stay at home taking care of their babies, not just for a few months, but up to three years.

It is a societal issue

Well, this is where a public education campaign has to come into play. It is complicated to convey the right message; but it is possible. Here is the thing. As a society, do we care about the proper neurological and psychological development of the new generations? Yes or no?

The sensible answer should be a resounding “Yes”. Well, if so, as responsible members of our society, we must be willing to

help cover the costs of extended maternal leave while babies are still in their infancy, and later on flex time for young mothers until the little children reach age three. (This is the age in which according to the findings mentioned above their central nervous system has been formed through the close bonding with their mothers. After age three the need to spend so much time with their mothers is no longer essential for their healthy neurological development).

The price of inaction

Will we ever get there? I hope so. New York psychoanalyst Erica Komisar in a long interview with *The Wall Street Journal*, (October 28-29, 2017), explains the consequences of inaction. She recounts stories described in the medical literature which list the damages that often occur when babies grow up without the precious bond with their mothers in the critical beginnings of their lives.

According to many studies, there is a plethora of psychological pathologies affecting small children who could not benefit from close bonding with their mothers in the early years of their lives, ranging from autism to attention deficit disorder to “social disorders”, and difficulties relating to other children and adults.

According to the science Komisar cites in the interview, all these dysfunctions, sometimes severe, can and should be avoided. We only have to make sure that mothers and new-born babies can develop the special bond described above, thanks to the “love hormone”.

The burden cannot be placed on mothers

Again, given all this, it would be horribly unfair to place the entire burden of this new and apparently much healthier approach to motherhood on women and their spouses. In most instances, working women simply cannot afford to quit work, not to mention the huge penalty of getting out of the work

force, this way missing opportunities for career advancement, salary increases and what not. We should not place women in front of the horrible dilemma of having jobs or children, but not both.

A child centric society

Therefore, it is up to all of us to embrace the concept of a “*child centric society*” , as Ms. Komisar puts it. This is our society. it should be our shared goal to have mostly psychologically healthy babies who will hopefully develop into healthy children, and later on healthy adults.

Think about it. It is not just about the babies and their parents. In fact, it is about all of us. Let’s think about a proper way in which we can allow babies to bond with their mothers, without in any way penalizing women who want and need to work. In the end it is about sharing the cost of extended maternal leave for new mothers. Through a shared social policy effort –let’s not hide from the fact paying women who will stay at home with their babies will cost money– we may be able to find a good solution that will allow working mothers to be away from work, without imposing an unsustainable burden on their employers.

Only Skilled Workers Will Make It In The Global Economy

WASHINGTON – We can argue that in America may be about half the work force is doing alright because it is positively connected to the fast-moving global economy. For them globalization is good. Most of them are “knowledge workers”. They design the sophisticated technologies which power global

or globally connected businesses, or at least are familiar with them and know how to work productively with them.

Some do well, many do not

If they are in high-tech, renewable energy, complex global logistics, medical science and diagnostics, digital design, supply chains creation, management and sustainability these American workers are probably doing alright.

However, most of the others –those who perform low value, repetitive tasks or who are engaged in manual labor – are or will soon be at the bottom of the skills pyramid. Unfortunately this means that their jobs are not and cannot become stepping stones to future employment in more challenging and more rewarding sectors. In many cases, the jobs that involve repetitive tasks will probably be outsourced, or will disappear altogether, as victims of the relentless automation wave.

Lack of skills, lack of opportunity

If you belong to the bottom half of the “old economy”, your current position is bad and likely to get worse. If you do not have and cannot acquire the skills that give you dexterity with machines that work with numbers, (most likely because you had a poor education and therefore you do not know how to work with these systems), you have no career future. You are or will soon be pushed down into dead end manual labor jobs like janitor, landscape worker, bus boy, or nursing home attendant.

The unlucky former manufacturing workers who lost their jobs due to globalization and automation are equally in bad shape. If they cannot be retrained so that they could aspire to the more sophisticated positions in new high-tech manufacturing or services, in most cases they will end up in one of those dead end, low paying occupations.

Getting the jobs back

Of course, when then candidate Donald Trump came along in 2016 arguing that the only reasons these fine factory workers lost their jobs is the greed of their corporate employers seeking easy profits by exporting jobs overseas, along with unfair trade competition from China, Germany, South Korea, Japan, Mexico and everybody else, these displaced workers were eager to listen. And they were willing to believe that, indeed, all it takes to restore their old manufacturing jobs, (with all the perks and benefits), is a new President who really wants to help the little guy by turning things around in Washington.

Yes, they believed that a President can reverse the negative impact of globalization. Yes, he can force U.S. companies to stay at home and hire more American workers. Yes, he can re-negotiate unfair trade deals, so that the avalanche of cheap imports will stop, while American companies will find new markets abroad.

A nice dream

This is unfortunately only a nice dream. No, no President, however well-intentioned, can stop, let alone reverse, globalization. Yes, he can strong arm corporations in order to slow down or stop the outsourcing process. But this is no long term solution.

In the end, American companies will succeed only if they can be and stay competitive. Forcing them to keep expensive or money-losing operations in America, so that workers can collect a pay check, while their nimble foreign competitors conquer markets leads only to eventual economic decline.

The way out

So, what is the proper way of addressing this crisis brought about by the competition of cheap labor (mostly from Asia) and the relentless march of automation?

The only way is for the unskilled to become skilled.

Those who are not employable today because they lack the knowledge and the basic understanding of how the high-tech knowledge economy works need to get those skills. And fast. Those who do not, are left behind. For them there is no upward mobility, no career ladder.

The old adage that "hard work" is the key ingredient to success in America is no longer valid. Yes, diligence and discipline still matter. But only when accompanied by the sophisticated knowledge that allows mastery of complex systems.

How is France doing?

Well, if this is the rather gloomy picture for millions of Americans who may have missed the bus leading to the global economy, what about elsewhere? What about France, for instance?

France recently embarked in a an incredibly ambitious political experiment. The French voters ditched the established political parties, of the left and the right, and elected President the young and completely untested Emmanuel Macron. And the reason is that this investment banker turned politician, promised nothing less than economic renaissance.

While he phrased his campaign slogans differently, he promised the same end results promised by candidate and now President Donald Trump: a complete bottom-up economic transformation.

Newly elected French President Emmanuel Macron claims that his policies will kick-start France into high gear. This rather old and unimaginative country will become a "Start-Up Nation". As a result of fresh pro-growth policies, there will be a fresh crop of entrepreneurs and innovators.

Reform labor laws

Well, in principle this is possible. However, how do you make

this happen? One good place to start is by reforming the antiquated French labor market. France is still prisoner of the old, pro-union leftist agenda which is all about the protection of workers rights. Nothing wrong with that, in principle.

The problem is however that by focusing on the protection of those who are employed, French labor laws make it much harder for employers to hire new workers. Indeed, when a new worker is hired, given all the protections he/she is entitled to, it becomes almost impossible or at least extremely costly to dismiss him/her when business is down.

In other words, by offering maximum protection to employed workers, French labor laws made sure that fewer workers would be hired, even in good times. In addition, the perks and benefits going by law to employees made French labor costs too high, this way making French companies less competitive in the global market place.

Bite the bullet

It seems that President Macron is willing to bite this bullet. His government wants to tackle labor laws reform.

But here is the political and psychological problem. Even if well designed and skillfully implemented, labor law reforms will threaten the job security of existing workers before they will be able to broaden the labor market, therefore offering new opportunities to those who cannot get into it today. Which is to say that there will be pain first (guaranteed), and (possible, hoped for) gains later.

Can Macron convince France?

Can President Macron convince the French people that he can manage this complicated process well? Can he convince workers who may lose their jobs now, on account of more flexible labor laws, that in the future, given greater overall flexibility,

more appealing jobs will sprout across the nation, this way creating brighter prospects for millions of old and new workers? This is going to be a tough sale.

In the end, it is obvious that a brittle French jobs market will not help advance Macron's vision of France as a "Start-Up Nation". Economic renaissance is very appealing until voters realize that change may entail threats to their current security. I am a bit pessimistic about the depth of France's newly discovered enthusiasm for enterprise and innovation, once the French realize that this hoped for transformation is not pain free.

I doubt that Macron will have the ability to convince most of the country that a more fluid society with fewer protections is also a more flexible society that creates more opportunities. No doubt most French would like to see more competitive companies and more jobs created. But those who are employed now do not want to lose whatever job security they have.

The challenge

As noted above, even here in America, until not too long ago the quintessential "Start-Up Nation", in many sectors of our society and economy we are failing to live up to the old and time-tested "can do" spirit of flexibility and quick adaptation to new circumstances.

We failed to build the education, vocational training and retraining structures that would have allowed millions of workers to have a relatively smooth transition from old-fashioned, large scale manufacturing to a new, complex and more demanding knowledge economy.

Can an even more ossified France do a better job? Can a young, optimistic President Macron inject a new vigor into a declining economy?

Time will tell.

America's Delicate Democracy

WASHINGTON – Democracy, anyone? But, yes, of course. We all want democracy. In principle we all agree as to the advantages of living in a democratic country, where there are constitutional guarantees which uphold and protect freedom of expression and enterprise, free elections, rule of law, transparent and fully accountable government, respect for minority rights, and a lot more.

Preserving and passing on key values

In reality, though, it seems that many societies –including an old democracy like the United States– are no longer able to preserve, nurture and pass on to the next generation the essential shared values that make it possible to have a well-functioning democratic republic.

Let's get this straight. A vibrant democracy needs a lot more than political pluralism and free elections held at regular intervals, as prescribed by the constitution.

Yes, these are essential preconditions. But, although absolutely necessary, they are not sufficient to guarantee an effective democracy. You can have (reasonably) free elections, and still give life to a polarized or just confused political system which produces dysfunction, or even chaos.

Basic preconditions

Here are some implicit, yet basic, preconditions without which

democracy becomes a flawed mess. Any vibrant democracy is premised on a reasonably well-educated population in which most citizens/voters agree at least in broad terms as to what rule of law means. This is all about justice, fairness, protection of minority rights, unfettered openness, real access to education, to all economic activities and to the unimpeded pursuit of public office.

The citizens also agree about the goals of public policy. And this includes agreement as to where the boundaries between the private and the public spheres should be. This means that the people share a genuine understanding about the proper role of the state in providing for the truly needy and in creating appropriate and fair systems that would enhance, in fact guarantee unfettered access to economic and other opportunity to all, without at the same time creating politically inspired and justified entitlements and/or set asides for any group or social class.

Paralysis

Well, here in the United States we still have all our republican institutions protected by our Constitution. But we also have political and policy paralysis. And this prolonged paralysis tells us that, unfortunately, as a society we no longer agree on critical fundamental values.

And this did not start with the November 2016 elections. During the eight years of the Obama presidency the Republicans did their best to block or delay anything that the White House wanted to undertake. The widespread perception among conservatives and also many independent voters was that Obama was in fact not the President of the United States trying to promote policies that would benefit most Americans but an ideological leftist who wanted to remake America into a quasi-socialist state. Hence the reflexive opposition to practically anything President Obama proposed. The outcome was paralysis. Almost nothing done when the Republicans gained the

majority in the House of Representatives after the 2010 mid-term elections.

Today, after the significant Republican victory of 2016, we have a populist President Trump who at least until now seems to act on changeable instincts rather than on the basis of a well laid-out, properly articulated and widely embraced strategy. The impression is that, beyond broad goals delivered through appealing slogans, this Chief Executive is uncertain as to which are the policy tools that would take America to higher ground.

Ideological warfare

The legislative branch, in turn, is torn by deep ideological warfare, and most of all by the astounding inability of both Democrats and Republicans to elaborate and articulate in a compelling fashion their own strategic visions for America. The outcome of this is more policy paralysis. If this were only a temporary aberration, a glitch, America could survive and move on. But, as noted above, this paralysis did not start in 2016, it has been going on for a number of years, irrespective of who is in power.

Now that the (rather fragmented) Republican Party is in charge, we have the flip side of the Obama years scenario. Now we have the Democrats as almost statutory obstructionists. They will not get behind this President on anything at all, as a matter of principle. Battling them we have a disunited, in fact disjointed, Republican Party ostensibly in the majority. The Republican Party is clearly incapable, not only of attracting members of the opposition in order to form bipartisan coalitions on key policies, but also of maintaining even a modicum of unity and cohesion among its Senators and Congressmen.

This is serious. Indeed so serious that, if we cannot repair the ideological rifts and the deep divisions that make it now

impossible to create viable (bipartisan) coalitions which can identify and successfully tackle policy priorities that will benefit America and its people, the very future of this old republic is in question.

Checks and balances

The fact is that, a long time ago, the Founding Fathers devised a complicated and delicate –I underscore “delicate”– system of government that was primarily aimed at preserving liberty.

America was not and is not about creating a strong government that “*would get things done*”. It is mostly about creating institutions aimed at protecting free people against the threat of tyranny. And for this reason the Founders came up with a complex alchemy of “*checks and balances*” : equally strong centers of power that will keep an eye on one another, this way preventing any one of them from becoming too strong, and therefore a threat to liberty.

Easy to block anything

But here is the thing. While this system of equal forces balancing one another is an effective instrument when it comes to preventing any dangerous power grab, it is also ideally suited for launching successful obstructionist efforts at multiple levels.

Simply put, preventing almost anything from getting done is relatively simple within the U.S. constitutional framework. A small group of legislators, in some instances even a single law-maker, can delay or prevent major pieces of legislation and/or critical presidential appointments from moving forward.

“Getting things done” requires a relatively high degree of political agreement within the parties and often between the parties and among various factions and interest groups within the broader American society.

Lacking such an agreement, the system becomes easily dysfunctional. And this is the way it has been for a number of years, regardless as to who is in charge in the White House or in Congress.

Delicate system

That said, Let me be clear. There is nothing wrong, as a matter of principle, with the U.S. Constitution. What is deeply wrong is that nobody really cares very much about the fact that this American system of government is actually premised on a fairly broad consensus about the mission and the scope of government, sincerely and openly shared by both major parties and other interest groups. In other words, this American constitutional system, while old and tested, is in fact very delicate. It needs consensus.

Recreating the consensus

Indeed, the system is so delicate that it cannot properly function without a fairly high level of “upstream” consensus about shared values and consequently about what should be the appropriate functions of the federal government. These shared values should be the ideological and cultural glue that should unite most if not all citizens and their elected representatives.

Given all this, it is obvious that given this constitutional setup it is next to impossible to have a reasonably well-functioning U.S. government when vocal extreme factions vociferously advocating mutually exclusive visions are in control of the political agenda. They have created a charged environment in which “compromise” is synonym with “betrayal”. The outcome is policy paralysis. (Remember what I noted above about how easy it is to engage in obstructionist efforts while ostensibly operating within the rules of the U.S. Constitution).

Anybody out there?

It should be fairly clear by now that we have a major problem. Accepting a perennially dysfunctional federal government is not an appealing prospect.

So, here is the question. Who is actively engaged in any meaningful, non partisan effort aimed at recreating the fundamental consensus about values and basic principles that made America possible in the first place? Anybody out there?

Wanted: Credible Centrist Political Leaders

WASHINGTON – Recently, a Democratic party elected leader of national renown argued in a public forum that in order to regain lost momentum and credibility with the American voters the Democrats have to redefine themselves as the party of economic growth and inclusiveness.

Common sense messages

At a national event focused on the future of U.S. small businesses, a Republican national leader claimed that America's greatness rests on its foundations as an opportunity society in which people can advance because of a rules based system that recognizes and rewards merit.

John Hickenlooper, the Governor of Colorado, a successful state chief executive, stated that through collaboration between Republican and Democrats we can find workable compromises on the future of the US health care system, and other national priorities.

Well, what do I make of all this? Very simple. These

statements made by credible centrists in both parties raise the hope that it may be possible, even in this incredibly poisoned political climate, to rally millions of Americans, hopefully a majority, around the basic ideas of an optimistic country in which policy-makers promote economic growth, while upward mobility is based on genuine merit; and nobody is excluded or kept from advancing because of social class, gender, race, or anything else. In fact, the opposite –equal opportunity for all- is embraced by all.

And this must include quality education, the best foundation of future success in life, available to everyone; while bridges are built across every divide, and doors are wide open to all who are willing to make an effort.

It is an old idea

This idea of America as a level playing field and fair rules used to be a shared vision embraced by most. Indeed, it was the belief that America offered genuine opportunity that attracted millions of immigrants who wanted to create in America a better life for themselves. It is about time to re-propose this vision in a manner that can be shared by today's Americans –Democrats and Republicans.

Indeed, who could object to public policies that promote economic growth, social advancement based on merit, while all citizens have genuine access to quality education, careers and consequently a good seat at the table?

Lost hope

Of course, the last few years have told us an entirely different story. It is a story of lost hope, deep disappointment, and resentment. A story of popular distrust in the honesty and abilities of most elected leaders. A story of exaggerated promises not kept.

This has created an emotional anti-government rebellion on the

right, (*“Washington is a rotten place”*), and the triumph of policy agendas on the left which advocate economic and social re-balancing achieved through redistribution by taking (ill-gotten gains) from the few ultra rich and giving to the rest of society. All this will be wisely designed and orchestrated by government, through taxation and subsidies.

Despondent America

The outcome of all this is not pretty. The unexpected outcome of the November 2016 presidential elections is evidence of the widespread feeling of deep despair. Indeed, according to millions who voted for Donald Trump, “the system” failed—period. Its failure is so deep that it is not worth salvaging. In fact, it should be dismantled. In fact, millions of Americans voted for Trump mostly because he is not a professional politician. Therefore he is untarnished by Washington’s rot and well equipped to *“clean the stables”*, *“drain the swamp”* and all by himself—with his power and superior intelligence—transform America.

Paradoxically, notwithstanding continuous economic growth and much lower unemployment since the end of the Great Recession in 2010, rightly or wrongly millions of Americans who used to be part of a self-confident middle class now are and feel poorer, left behind and alienated. At the same time, millions of young people feel hopeless facing a world of diminished opportunities, while laboring under the crushing weight of absurdly large student debts.

There is a way out

That said, I sense that there is a way out of this. Difficult, yes; but not impossible. Yes, America needs house cleaning. It needs fresh faces not tainted by the old ways of doing business.

The unimaginative political elites still populating Washington, DC have survived by over promising everything to

everybody, while pretending to pay for all the goodies they offered to various (of course deserving) constituencies, knowing full well that the only way to finance all this public largess (unaffordable entitlements) was and is to borrow more and more, this way getting the country deeper and deeper into debt.

Sadly, the Washington elites have no real economic growth strategy, while their policies aimed at buying votes through entitlements funded by public money and more and more borrowing are driving America towards the abyss of insolvency.

Credible people who will tell the truth

Most Americans have common sense. However, they need credible new leaders who will tell the unvarnished truth about the dangers of systemic and growing fiscal imbalances, (i.e. we have to agree on a sensible plan to reform all major federal entitlement programs, by far our biggest fiscal problem), while pointing the only way to get out of this ditch: economic policies (think tax reform and smart deregulation affecting business activities) that will promote a more robust economic growth in a genuinely open and inclusive society. An inclusive society in which elected leaders are committed to destroying all artificial barriers to entry, while opening new avenues of opportunity to all.

(President Donald Trump, a new leader who is not carrying the baggage of the distrusted establishment politicians, could lead the way in shaping a new American political conversation. As his presidency is just getting started, it is impossible to say whether he will engage in this effort or not. We should all hope that he will. This would benefit the country and him).

Impossible?

Well, in the end all this "back to basics" idea founded on the values of openness, fairness and merit sounds too lofty, in

fact unrealistic. Yes, this is an appeal to an admittedly mythologized idea of an America *“where anything is possible as long as you work hard and play by the rules”* which (truth be told) never fully existed in the way many refer to it.

And then there is the huge problem of yanking benefits away from millions (deserving or undeserving, it does not matter) who got used to getting them. *“Come on...get real. Nobody gets elected by promising less, let alone by promising to cut existing benefits. And we in Washington just do not know how to deliver stronger economic growth. We only know how to distribute subsidies”*.

The way ahead

And yet, if we do not want to see America follow Europe on the path leading to historic decline, it is imperative to make real progress on these two related fronts:

1) restore fiscal sanity by reforming all the major entitlement programs

2) genuinely and forcefully promote economic growth and real opportunity for all

The alternative is political chaos, the de-legitimization of our institutions, and rapid economic decline.

Some elected leaders of both parties know this. I just hope that their common sense message will be heard, understood and embraced.

Wellness Programs Will Transform US Health care

WASHINGTON – Undoing Obamacare is proving to be a lot more complicated than what confident President Trump (and the Republicans in Congress) had anticipated. The problem is that it turns out that most Americans want universal health insurance and affordable health coverage –the promise of Obamacare. But they do not want to pay what it costs to obtain medical care in our horrendously complicated and super expensive system.

A political problem

And this creates an insoluble political problem for the Republicans now in charge. It is clearly impossible to yank coverage away from previously uncovered Americans who got used to getting significant health care benefits thanks to Obamacare. Many get benefits at a deep discount, because of subsidies granted to low income people. At the same time, there is no easy way to reduce the cost of coverage to all those who have seen their premiums go up in the last few years because of unforeseen systemic cost increases.

We have created a monster

That said, if we distance ourselves for a moment from the political infighting that focuses almost entirely on who gets what coverage and who will pay for it, we see that the entire U.S. health care system –before Obamacare and after– is in fact a true monstrosity. We have created a real Frankenstein. Physicians get paid only if they treat patients. Most patients do not pay because they have insurance.

And, to top it all off, the overall health of most Americans has deteriorated because of widespread bad habits involving a horrible diet and no exercise. There you have it. A medical

profession that thrives on insured sick people and not even a semblance of any wellness education program aimed at keeping people healthy. The outcome? America spends about 18% of its GDP on health care –a stupendous amount– while Americans are not at all healthy.

A flawed system

The reason for this veritable disaster is that the entire health care edifice is built on terrible premises. The first one is that American physicians are mostly self-employed professionals who make money only when you –the patient– are sick. They have no financial interest in keeping you healthy. In fact, the opposite applies. If you are healthy, they get no revenue from you.

The second one is that when most people are sick, in most cases someone else pays the cost, i.e. health insurance. And so we have created a perverse system with perverse incentives.

Fix what is broken

Physicians deal with you –the patient– just like an auto mechanic deals with your car when you bring it to their workshop. They look at what's wrong with your vehicle, identify the problem, and try to fix it through a repair. And off you go, until the next time you have another problem, (hopefully soon).

The difference between auto mechanics and doctors is that when you go to the mechanic you pay with your own money. Whereas, in the health care system in most instances someone else (the health insurance that covers you) pays the bill.

We love sick people

Given the way this system works, (captive customers who send the bill to a third party) most American doctors have a built in incentive to over treat you; because this how they make

extra money. And they believe they can do this because they know you will not feel the financial pain of the cost of the cure, thanks to your health insurance that will pay your bills.

Hence the widespread tendency to over prescribe almost anything: ordering batteries of diagnostic tests, new procedures, often unneeded surgeries, and what not. And why would doctors do that? Very simple: because this is how they make money! And they have few disincentives, because they know that in most instances their insurance-covered patients –that would be you– do not pay, or pay only a fraction of what the doctor charges.

No interest in prevention

By the same token, given the fact that sick patients bring revenue, while healthy people do not, most physicians do not have any interest whatsoever in advising you about ways that will help you improve your life style and habits, so that you maximize your chances to stay healthy, especially as you get older.

On the contrary, they truly benefit from you when your bad habits cause you to be sick more often. Better yet, the ideal customer is a patient with multiple chronic afflictions –many of them caused by widespread bad life style habits, such as over eating, eating unhealthy food, drinking too much alcohol, doing drugs, not exercising. In fact, the more the chronic afflictions, the better. If you are chronically ill, this means that you are and will be a permanent source of income, because your chronic ailments require constant (expensive) treatments and monitoring, possibly for life.

Cost explosion

That said, this situation, while ideal for physicians, created a gigantic problem. America has the dubious distinction of having the highest health care costs in the entire world, (as

a percentage of national wealth), when compared with all other developed, rich nations that provide high quality care to their citizens.

And the cost of health care delivery keeps going up because it is almost unchecked, given the perverse incentive to do “more” of everything to people who do not pay directly. And all this is happening while Americans are becoming more and more unhealthy because of the explosion of otherwise preventable ailments –think type 2 diabetes– due to bad personal habits when it comes to diet and exercise.

However, while armies of now chronically ill patients get treatment, the health insurance industry has difficulties in trying to remain profitable, while containing costs. Inevitably, the additional costs of care are passed on to the insured individuals. Feeling the pressure of higher insurance premiums, the people turn to the politicians so that they will “do something” in order to make good health care available to all, and truly affordable for all.

Nice idea. However, if we leave the fundamentals of the system just as they are now, there is in fact no way out.

There is a way out

A solution does indeed exist. But it would require a complete revolution affecting the entire American health care structure.

However, this would require a new national consensus about the true purpose of medicine. Medicine should be indeed about curing sick people. But, most of all, it should be seen as an integral part of a broad effort aimed at teaching people how to be and stay healthy. And this includes practicing proper nutrition, avoiding all addictions, and having plenty of good exercise.

Reduce ailments by teaching wellness

Of course, good habits will not make all illnesses or accidents-caused trauma go away. Of course not. But they would greatly reduce and eventually do away with the national epidemics of chronic diseases –first and foremost type 2 diabetes and a variety of cardiovascular afflictions – caused primarily by bad personal habits. Believe it or not, treating millions of people who are chronically ill mostly because they do not know how to live a healthier life costs hundreds of billions of dollars every year. Most of this money could be saved, thereby reducing the overall costs of care.

Rewards for keeping people healthy

And here is how it would work. In the future, physicians would be employed by health maintenance facilities that would reward them financially for being proactive and successful in keeping their patients healthy. In the current system healthy patients are actually a problem for doctors who make money only when they can provide services. In the future, healthy people who stay healthy should become symbols of medical achievement.

In a sane world we want healthy people to stay healthy. Think about it. The individual is in good shape, feeling healthy, strong and energetic. She or he can devote all their energies to leading a productive life, as opposed to worrying about diabetes and hypertension.

Costs would go down

As a result of a well structured national education program focused on wellness, the total cost of health care delivery would fall dramatically, because the millions of chronically ill patients who drive up the costs would eventually become healthy and therefore in no need of constant, expensive medical attention.

Below you can see practical illustrations of how wellness and prevention programs will help contain health care costs. The compilation listed here is drawn from various sources. Keep in

mind that the figures provided about cost savings are estimates. They may be inaccurate.

Still you will get an idea of the cause and effect connection between changed personal habits coupled with intelligent prevention programs and significant cost savings for the entire U.S. health care system.

Wellness programs and prevention save money

- *For every HIV infection prevented, an estimated \$355,000 is saved in the cost of providing lifetime HIV treatment.*
- *A proven program that prevents type 2 diabetes may save costs within three years. One of every five U.S. health care dollars is spent on caring for people with diagnosed diabetes. People who increased physical activity (2½ hours a week) and had 5 to 7 percent weight loss reduced their risk of developing type 2 diabetes by 58 percent regardless of race, ethnicity, or gender.*
- *A 5 percent reduction in the prevalence of hypertension would save \$25 billion in 5 years.*
- *Annual health care costs are \$2,000 higher for smokers, \$1,400 higher for people who are obese, and \$6,600 higher for those who have diabetes than for nonsmokers, people who are not obese, or people do not have diabetes.*
- *A 1 percent reduction in weight, blood pressure, glucose, and cholesterol risk factors would save \$83 to \$103 annually in medical costs per person.*
- *Increasing use of preventive services, including tobacco cessation screening, alcohol abuse screening and aspirin use, to 90 percent of the recommended levels could save \$3.7 billion annually in medical costs.*
- *Medical costs are reduced by approximately \$3.27 for every dollar spent on workplace wellness programs, according to a recent study.*
- *Dietary sodium is linked to increased prevalence of*

hypertension, a primary risk factor for cardiovascular and renal diseases. Cardiovascular disease alone accounts for nearly 20 percent of medical expenditures and 30 percent of Medicare expenditures.

- *Reducing average population sodium intake to 2,300 milligrams per day could save \$18 billion in health care costs annually.*
- *Tobacco use accounts for 11 percent of Medicaid costs and nearly 10 percent of Medicare costs.*
- *Tobacco screening is estimated to result in lifetime savings of \$9,800 per person.*

Prevention increases productivity

- *Indirect costs to employers of employee poor health—lower productivity, higher rates of disability, higher rates of injury, and more workers' compensation claims—can be two to three times the costs of direct medical expenses.*
- *Asthma, high blood pressure, smoking, and obesity each reduce annual productivity by between \$200 and \$440 per person.*
- *Workers with diabetes average two more work days absent per year than workers without diabetes.*
- *Absenteeism costs are reduced by approximately \$2.73 for every dollar spent on workplace wellness programs, according to a recent study.*
- *Research from the Milken Institute suggests that a modest reduction in avoidable risk factors could lead to a gain of more than \$1 trillion annually in labor supply and efficiency by 2023.*

Wellness programs are the solution

Anyway, you get the picture. The point here is that U.S. policy-makers need to understand that as long as they battle with one another trying to determine who will pay what part of a horrendously flawed system there will be no real

transformation. Only some more patches to an inherently bad system.

Re-frame the health care debate

As a society we have to recognize that we really have to change our parameters. We have to understand that it is absolutely essential to teach people how to stay healthy, as opposed to spending 18% of our GDP to treat armies of chronically ill citizens who could learn how to practice good habits that would keep them healthy.

No Real Development Without Economic Growth – Part 2

WASHINGTON – International development practitioners focus on policies through which they can eliminate or alleviate poverty, the visible manifestation of underdevelopment, rather than planting the seeds that may foster self-sustaining economic growth and therefore true development –which is, by the way, the only proven way for any society to really get out of poverty. This *“poverty alleviation is our goal”* approach, while well intentioned, encourages the misallocation and outright waste of limited financial and human resources, all in the name of the noble cause of the *“fight against poverty”*.

Non sustainable projects

For instance, it is considered good policy to create “economic” activities in poor countries, whatever they may be, that will generate some new income for the poor. However, in the haste to make some positive changes happen now, donors all too often leave out any solid analysis of the reasonable

chances for such activities to become self-sustaining after the donor initial funding and assistance is gone.

The consequence of incomplete analysis is that very substantial resources have been squandered in supporting non sustainable activities –all of them justified as honest, good faith efforts to reduce poverty. Unfortunately, quite often when the donors leave the poorly planned and under resourced activities collapse.

Focus on what it takes to produce sustainable growth

In fairness, absolute poverty creates so difficult an environment that it may very well be impossible to engineer within its confines any kind of meaningful economic enterprises. Indeed, there can be a legitimate debate about what is really at issue: *“Poverty as lack of economic development”*, or *“The dreadful condition of poverty that, as such, prevents building the foundation for economic development”*.

True enough, it is obvious that the sick and the hungry, societies without clean water or electricity, along with refugees displaced by conflicts, cannot possibly engage in any meaningful economic development activity.

Relief alone will solve nothing

Still, if we focus most of our resources on improving what are very bad, sometimes horrible living conditions without recognizing the absolute necessity to create at the same time indigenous economic wheels and help them turn as soon as possible, at best we have delivered some measure of humanitarian relief. To be sure, relief has a positive impact in reducing the impact of poverty, or at least its worst consequences in terms of disease, malnutrition and overall hopelessness.

But in so doing we will not have caused any meaningful

qualitative transformation. Qualitative change leading to real development must include the creation of a workable process through which societies are able to chart a path towards self-sustaining economic growth.

Poverty is reduced through self-sustaining enterprise

Contemporary examples reinforce this fact. Structural changes encompassing laws and incentives rolled out by governments in some important poor countries greatly improved the “enabling environment” for wealth creating activities, some of them supported by foreign investors. These policy changes have had the consequence of allowing millions (tens of millions in some large countries) to be more productive *and thus lift themselves out of poverty through their very own engagement in wealth creation activities that in preceding times were not accessible to them.*

China and India

The different stories of economic growth in China and India in the past twenty to thirty years have been told many times.

But it is important to stress here that the activities of donors and aid programs have had very little impact on the gigantic, systemic policy changes which fostered growth in both India and China. The key factors that unleashed huge creative energies have been economic liberalization policies that allowed and indeed encouraged people in China and India to become more productive, to invest in education and new enterprises, and make money without penalties or fear of being dispossessed.

in China and India significant poverty reduction has been the byproduct of almost unprecedented rates of economic growth made possible by policies that fostered the creation of new enterprises. It has nothing to do with donor-assisted policies which had poverty reduction as their primary goal.

It is all about successful wealth creation.

Donors do not like to focus on economic growth

But, somehow, the notion of economic growth as the primary goal of development does not appear to be a noble enough purpose. At least for some development practitioners, economic growth conveys the images of rapacious businessmen, outrageous profits, corrupt practices, wheeling and dealing, profiteering, cronyism, child labor, domestic and foreign exploitation perpetrated by the unchecked powerful; and –worst of all– it means accepting growing economic disparities within societies.

Some of these critiques are justified. Unfortunately, some of these problems are often part of the picture within struggling societies that just embraced entrepreneurship, at least to some degree.

It is true that economic development, while crucially important, rarely occurs in a linear, harmonious fashion, with gradual, well-distributed benefits for all. To the contrary, it is a messy affair, especially in developing countries that usually lack the well-oiled framework of laws and effective institutions that should at least limit excesses and protect people from injustice.

Economic growth is a messy process

However, the existence of significant flaws in how economic development occurs does not disqualify the basic proposition of wealth creation as a precondition for any lasting improvement in the human condition.

In fact, unless we postulate really large-scale, donor-led activities ***in perpetuity***, there is no other way to reduce and eventually eliminate poverty. There just isn't.

But many development practitioners are unconvinced. Many of

them, contemplating the negative aspects of uneven economic growth, affirm that, unless this process can be properly regulated to ensure harmonious growth and fairness, then it is better not to have it all. So there you have it: better all poor but equally poor, if the alternative is wealth, but just for some.

Development practitioners often lack a business background

The inability to put economic growth front and center in the framing of development agendas in part can be explained by the cultural make-up of the practitioners.

The development industry is managed mostly by civil servants and functionaries who work for public donors: state-run development agencies or multilateral development institutions. In the U.S. many of them are former Peace Corps volunteers, essentially lay missionaries who see development as moral duty to help the poor.

These professionals are flanked by large, religious or lay, private charities. For all of them, development is a mission, not a policy goal that requires the mobilization of indigenous resources in an economically productive way.

Bottom line: most of them are not business people.

As a rule, all these practitioners do not know or understand business and what it takes to make economic growth happen and flourish. For many of them, their primary mission is fighting poverty. They view this as a moral, noble endeavor for the good of mankind.

Teaching people how to make a profit in a competitive environment – the indispensable lever for economic growth– is viewed as promoting self-centered and egotistical drives, therefore not at all a laudable effort. In fact many see it as morally questionable.

Poverty reduction alone will not do it

However, lacking a clear focus on economic growth as the paramount strategic objective, the goal of achieving development through poverty reduction is likely to be an endless and quite frankly fruitless task. True, with all these efforts, the poor may become a little less poor, but they will not learn much about how to become self-sufficient through engagement in money-making enterprises.

Asia grows, while donor-supported Africa does not

Asia reduced poverty largely through the elimination of artificial barriers to economic activities, while at the same time promoting education as the ticket to gaining marketable skills, and therefore access to better jobs and a better life.

On the other side of the divide, we have the sad story of Africa as the paradigm of what has gone consistently wrong, *despite decades of well-meaning, donor-led efforts aimed at reducing poverty and improving overall conditions.*

Whatever has been tried, it failed to create, (with few exceptions, of course), an environment in which enterprises could flourish, with the attendant positive outcomes of sustainable wealth creation activities and consequent diminution of poverty.

This massive failure, compared with the success stories driven from within Asian societies, should provide enough material for reflection on the validity of the current approach.

Still, as yet, this reappraisal has not taken place. Donors are still *"fighting poverty"*; instead of creating solid foundations for sustained economic growth.

No Real Development Without Economic Growth – Part 1

WASHINGTON – International development is generally defined by practitioners of this craft as *“the fight against poverty”*. I totally disagree with this approach that focuses on poverty, the practical manifestation of lack of economic growth, instead of dealing with the real problem that I define as: *“What does it take to get sustained growth, since growth is the prerequisite for economic and social progress in all societies”*? Fighting poverty is about fighting the symptoms, the practical manifestation of a lack of economic growth. What we want is healthy, productive societies that will create more wealth, and thus more widespread well-being. More growth means less poverty.

Fighting poverty

Indeed, how an issue is defined goes a long way in shaping the nature of the efforts aimed at dealing with it. And, in this instance, the definition of both the problem and the solution is wrong. As I said above, the broad objective of the international development community vis-a-vis poor countries, (politely described as lesser developed countries), has been defined as *“poverty reduction”*, or *“the fight against poverty”*.

The World Bank, the most important multilateral lending institution focusing on development, is *“Working for a World Free of Poverty”*. Its Mission statement is *“To fight poverty with passion...”*

So, poverty as a condition, rather than promoting sustainable policies that will allow societies to get out of poverty for good, is the focus of donors' attention.

Public relations

To some extent, this emphasis on *"fighting poverty, or "poverty alleviation"* is simply public relations. It is an attempt to deflect the critiques of the anti-global movement that, years ago, while elaborating its bizarre conspiratorial theories that would capture the root causes of all the planet's ailments, bunched together the World Trade Organization, the International Monetary Fund, the World Bank, and Multinational Corporations. It defined all of them as a clique of demonic players working together to further mankind's misery in general, and the exploitation of the third world in particular.

Hence the pressure on the maligned *"development industry"* to do something in order to improve its image. It tried to do this by presenting to its critics noble institutional objectives that would humanize their institutions. *"Hey, Mr. & Ms. No Global, you are mistaken. We are the Good Guys. We are with you. We are fighting poverty. We are completely focused on helping the poor. There is no other agenda"*.

Christians ethics encourage giving

Undoubtedly there are other cultural/religious factors that can help explain this *"fight against poverty"* focus. At least to some extent, the Good Samaritan attitude stems from religiously derived ethics formulated by the Christian cultures that shaped the values, and therefore policy propensities, in many of the Western countries which *"invented"* the development industry.

Indeed, if we go back to the roots of this humanitarian approach, we see that over the centuries within Christendom we have seen the proliferation of a vast universe of charitable

initiatives –many of them organized and run by religious institutions– aimed at aiding the poor.

Within Christianity, the moral obligation to give to the poor is the other side of a parallel moral bias against excessive wealth ever present in Christian ethics. The remedy to social inequality is for the rich to give away some of their (ill-gotten?) excess wealth to the poor, sometimes called “the less fortunate”.

But, in general, the Christian moral obligation to give to the poor was never aimed at having a truly transformative economic and social impact. It was meant as a good deed that would somewhat alleviate the painful conditions deriving from a state of poverty which was, however, considered to be a permanent feature for some segments of society.

Plenty of relief activities that are not transformative

At a different level, it is difficult to evaluate the deep motives of modern day wealthy philanthropists who contribute to relief initiatives, whether defined as “poverty reduction” or otherwise. But it would appear that the likes of Bill Gates fall pretty much in the same category of those who attempted to redress and alleviate.

For instance the children immunization goal pursued, no doubt very competently, by the Bill & Melinda Gates Foundation, noble as it is, taken by itself, is not transformative. True enough, immunized children in Africa will not die of common diseases. But chances are that, unless other critical changes will take place within their societies, they will be alive but still condemned to a miserable (and short) life of abject poverty.

(This approach based on partial interventions that do not help economic development may be changing. The Gates Foundation and other wealthy donors are now shifting to initiatives aimed at fostering the creation of opportunity in poor countries, for

instance through upgrades in education. They begin to appreciate that a new mind set, new values and new skills can and should be the foundations for wealth creation activities that will help transform these societies).

Poverty as “bad luck”

More broadly, the issue of poverty is really not well understood in Western Christian culture. So much so that it has been explained away. Historically poverty has been regarded as a product of bad luck for some that can and should be somehow mitigated through faith-inspired charity performed by the rich. Indeed, even today in polite company in the Western World the poor are often described as “*the less fortunate among us*”.

Let’s think about it. We, the well off, “*have*” because we have been fortunate. The poor, alas, less so. Again, words have meaning. According to this definition, our economic station in life is determined by having been more or less “*fortunate*”. Which is to say that the possession of material wealth is all about random distribution of luck. The poor happen to be poor because –look at that– they have been less fortunate than we have.

Successful capitalism has nothing to do with luck

At some level this is true, especially in the case of children. Some are born in rich circumstances and some are born poor. Clearly those who were born in privilege have an enviable head start in life.

But this is only a small slice of reality.

Please, consider this. Most millionaires in the U.S. are self-made people, as opposed to being mostly “lucky” beneficiaries of inherited wealth. This means that an open economic system, protected by laws and independent courts, free institutions, transparent rules and no artificial barriers to entry,

encourages people to try and forge a better life for themselves.

It is abundantly clear that all this has nothing to do with “*being fortunate*”. And yet the use of these misleading definitions distracts us from confronting the real issues.

Poverty will be eliminated through successful enterprise

Poverty is mostly about the bad combination of lack of education, lack of capital and economic opportunity, and lack of entrepreneurial drive – all of them necessary preconditions to start and fuel wealth creating activities.

If we do not tackle these issues –education, opportunity, entrepreneurship– by creating at least an embryo of the institutional eco-system that opens up opportunity and by instilling the will and the ability to create enterprise, we shall continue to provide humanitarian relief to the poor, without offering a realistic new path to growth.

Borrowing from the old story about the qualitative difference between giving somebody a fish and teaching them how to fish, to date the fish hand outs continue, while the fishing schools are scarce, or non existent.

The eco-system

Even the most superficial analysis shows that wealthy societies did not become wealthy because of random circumstances; because people who live there won a major lottery.

Leaving aside all the defects of capitalism, at a macro level capitalistic economies have been successful because the institutions created by capitalistic societies allowed –or better yet promoted– a reasonably good functioning of the engines of wealth creation mobilized and run by private initiatives. As a result of the productive activities created

through these engines, poverty, at least extreme poverty, has been eliminated.

Which is to say that prosperity is the outcome of a mind set focused on wealth creating activities on the part of many inventors, innovators and risk taking capitalists. They create the businesses that create employment and therefore more prosperity. The aggregate outcome of all these efforts, consisting in a vastly improved standard of living for most, has nothing to do with "being fortunate". it is all about being creative, industrious and persistent.

Relief as opposed to growth

But this is not how the issue is framed by the development community. The development practitioners have identified "poverty elimination or reduction" as the core development mission.

In so doing, wittingly or unwittingly, they focus (*and make us focus*) mostly on the effect of lack of economic development (poverty) and what we should do about alleviating it through donations and relief activities, rather than on a credible way out of it that can only be centered on a viable economic development agenda fully owned and promoted by the people who live now in poor countries.

(See the rest and conclusion in Part 2, to be posted tomorrow)

US Public Education In Crisis

WASHINGTON – The international student proficiency scores gathered under the auspices of the Program for International

Student Assessment, (also known as PISA), tell us a sad story about the state of U.S. public education. Simply stated, compared to the rest of the developed world, US kids do poorly in math and barely within average in other key subjects. How can America remain the world economic leader in this hyper competitive global knowledge economy, when U.S. school children do not know basic math?

Debates but no action

And please note that this new (and rather depressing) PISA international ranking is not news. Previous PISA scores were very similar. And these mediocre to bad comparative test results come after decades of sometimes heated debates in America focused on the need to drastically improve U.S. public education standards. Which is to say that endless deliberations yielded almost nothing of value.

Indeed the first loud warning about the state of U.S. public education came all the way back in 1983, with the publication of ***“A Nation at Risk: The Imperative for Educational Reform”***. This was a landmark report produced by then President Ronald Reagan’s National Commission on Excellence in Education.

We are not out of the woods

The publication of *A Nation at Risk* was supposed to be the wake-up call, the strong alarm bell that would force policy makers and civil society organizations to rethink and reorganize public education by improving standards and most of all the quality and preparedness of teachers.

Well, it did not work out that way. More than 30 years later, and notwithstanding good experimentation and some improvements, (think charter schools, for instance), we have yet to see major reforms implemented nationwide.

Hence the depressing performance of US kids in these international PISA scores, year after year.

How bad?

Well, how bad is bad? Here is an account of the PISA results as published in US News and World Report:

“The 2015 Program for International Student Assessment, or PISA, study is the latest to document that American students are underperforming their peers in several Asian nations. The U.S. was below the international average in math and about average in science and reading. Singapore was the top performer in all three subjects on the PISA test.

More than half a million 15-year-old students in about 70 nations and educational systems took part in the 2015 exam. The test is coordinated by the Paris-based Organization for Economic Cooperation and Development, or OECD.

Here are the main things to know about the PISA exams:

Not so encouraging.

The test is based on a 1,000-point scale. Among the findings:

-In math, the U.S. average score was 470, below the international average of 490. Average scores ranged from 564 in Singapore to 328 in the Dominican Republic.

-In science, the U.S. average score was 496, about the same as the international average of 493. Average scores ranged from 556 in Singapore to 332 in the Dominican Republic”.

U.S. students: bad in math, mediocre in other subjects

So, here is the picture, the U.S. placed number 25 (out of 70) in science; 24 (out of 70) in reading proficiency; and 40 (out of 70) in mathematics.

Here is the conclusion: America is still very much a “Nation at Risk”. It is just amazing and indeed inexcusable that decades of talking about education reform produced at best

minimal results. If America were a poor under developed country with no resources, we could understand this under performance. But this is still the richest country on Earth. Given this country's resources –financial and intellectual– the protracted inability to fix U.S. public education is inexplicable.

Here is the real story

Or may be this anomaly can be explained, after all. U.S. mediocre to bad scores averages hide the fact that in America we have what amounts to a two tier education system. One good and the other bad, or very bad.

Indeed, state of the art schools (mostly private) are available for the children of the elites who, for good money, can buy the best education available. The poor and the minorities (often one of the same) can access only mediocre or failing public schools. Not surprisingly, these under served students do poorly or very poorly in school. Indeed, some of them graduate from high school being functionally semi-illiterate. Some never graduate. If you combine good and very bad schools, the result is low average scores.

The elites are well served

The only conclusion here is that this surprising lack of interest in public education reform and improvements sadly stems from the fact that the children of the elites (the people who in the end make policy) are doing just fine, thank you.

As for all the others who are struggling, their learning conditions and dismal career and life prospects are not a national priority, it seems.

What a shame.