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The Focus Hocus-Pocus

By PAUL KRUGMAN

Democrats, declared Evan Bayh [in an Op-Ed article](#) on Wednesday in The Times, “overreached by focusing on health care rather than job creation during a severe recession.” Many others have been saying the same thing: the notion that the Obama administration erred by not focusing on the economy is hardening into conventional wisdom.

But I have no idea what, if anything, people mean when they say that. The whole focus on “focus” is, as I see it, an act of intellectual cowardice — a way to criticize President Obama’s record without explaining what you would have done differently.

After all, are people who say that Mr. Obama should have focused on the economy saying that he should have pursued a bigger stimulus package? Are they saying that he should have taken a tougher line with the banks? If not, what are they saying? That he should have walked around with furrowed brow muttering, “I’m focused, I’m focused”?

Mr. Obama’s problem wasn’t lack of focus; it was lack of audacity. At the start of his administration he settled for an economic plan that was far too weak. He compounded this original sin both by pretending that everything was on track and by adopting the rhetoric of his enemies.

The aftermath of major financial crises is almost always terrible: severe crises are typically followed by

multiple years of very high unemployment. And when Mr. Obama took office, America had just suffered its worst financial crisis since the 1930s. What the nation needed, given this grim prospect, was a really ambitious recovery plan.

Could Mr. Obama actually have offered such a plan? He might not have been able to get a big plan through Congress, or at least not without using extraordinary political tactics. Still, he could have chosen to be bold — to make Plan A the passage of a truly adequate economic plan, with Plan B being to place blame for the economy's troubles on Republicans if they succeeded in blocking such a plan.

But he chose a seemingly safer course: a medium-size stimulus package that was clearly not up to the task. And that's not 20/20 hindsight. In early 2009, many economists, yours truly included, were more or less frantically warning that the administration's proposals were nowhere near bold enough.

Worse, there was no Plan B. By late 2009, it was already obvious that the worriers had been right, that the program was much too small. Mr. Obama could have gone to the nation and said, "My predecessor left the economy in even worse shape than we realized, and we need further action." But he didn't. Instead, he and his officials continued to claim that their original plan was just right, damaging their credibility even further as the economy continued to fall short.

Meanwhile, the administration's bank-friendly policies and rhetoric — dictated by fear of hurting financial confidence — ended up fueling populist anger, to the benefit of even more bank-friendly Republicans. Mr. Obama added to his problems by effectively conceding the argument over the role of government in a depressed economy.

I felt a sense of despair during Mr. Obama's first State of the Union address, in which he declared that "families across the country are tightening their belts and making tough decisions. The federal government should do the same." Not only was this bad economics — right now the government must spend, because the private sector can't or won't — it was almost a verbatim repeat of what John Boehner, the soon-to-be House speaker, said when attacking the original stimulus. If the president won't speak up for his own economic philosophy, who will?

So where, in this story, does “focus” come in? Lack of nerve? Yes. Lack of courage in one’s own convictions? Definitely. Lack of focus? No.

And why would failing to tackle health care have produced a better outcome? The focus people never explain.

Of course, there’s a subtext to the whole line that health reform was a mistake: namely, that Democrats should stop acting like Democrats and go back to being Republicans-lite. Parse what people like Mr. Bayh are saying, and it amounts to demanding that Mr. Obama spend the next two years cringing and admitting that conservatives were right.

There is an alternative: Mr. Obama can take a stand.

For one thing, he still has the ability to engineer significant relief to homeowners, one area where his administration completely dropped the ball during its first two years. Beyond that, Plan B is still available. He can propose real measures to create jobs and aid the unemployed and put Republicans on the spot for standing in the way of the help Americans need.

Would taking such a stand be politically risky? Yes, of course. But Mr. Obama’s economic policy ended up being a political disaster precisely because he tried to play it safe. It’s time for him to try something different.



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