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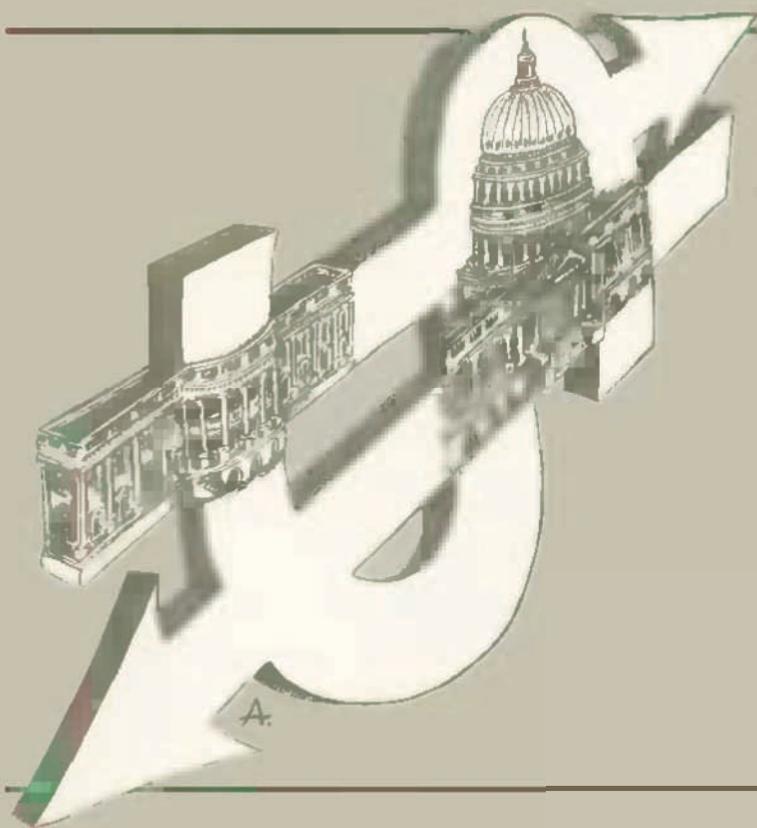
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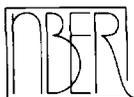


Edited by

ALBERTO ALESINA and GEOFFREY CARLINER

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Politics and Economics in the Eighties



A National Bureau
of Economic Research
Project Report

Politics and Economics in the Eighties

Edited by

Alberto Alesina and
Geoffrey Carliner



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(Resolution adopted October 25, 1926, as revised through September 30, 1974)

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Preface

We have tried to accomplish something unusual in this volume: an interdisciplinary analysis of economic policy-making that balances new empirical research with a coherent review of the most important policy changes that occurred in the eighties. Our experience in organizing the conference and editing the book suggests that this volume may generate more passionate reactions than other NBER volumes for several reasons.

First, most of us who lived through the 1980s in America are likely to have strong views on taxes, welfare spending, budget deficits, the savings and loan debacle, and other aspects of the decade's economic policy. Many readers will probably disagree with the arguments or the emphasis of some of the papers. However, these readers may find themselves in agreement with the comments on the papers, which sometimes offer dissenting views. In our introduction, we tried both to summarize the basic arguments of each paper and comment and to offer our own point of view.

Second, this book is interdisciplinary: leading political scientists have written the papers, and leading economists have written comments. We believe that it is important to have both disciplines represented in a study of economic policy-making. The economists bring a deeper understanding of the significance of changes in these policies and their effects on the economy. The political scientists bring a deeper knowledge and understanding of the political institutions and forces that led to these changes. Especially in this area, we think that the strengths of the two disciplines are an essential complement of each other.

The background, language, modeling strategy, and choice of emphasis are often quite different between the two disciplines. Therefore, we asked the participants in this project to write for a wide audience, which includes both members of the two disciplines and a wider public of interested readers.

Finally, these papers include descriptions and explanations of the most important policy changes that occurred in the eighties, along with some technical modeling and hypothesis testing. Different authors have chosen different combinations of these ingredients. We hope that readers who are familiar with the policy changes in the eighties will find enough in the way of new research results, and that readers looking for descriptions and explanations of policy developments will not be put off by the technical sections of the papers.

We would like to thank the Andrew Mellon Foundation for financial support. Kirsten Foss Davis and Ilana Hardesty made sure that the conference went smoothly, and Mark Fitz-Patrick helped prepare the manuscript for publication. We would especially like to thank Candace Morrissey for her assistance in the entire process.