Twitter Thread by Armine Yalnizyan



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The idea of imperfect competition leading to technological advancement can be mapped onto education/early learning and social determinants of health. /2

> A very nice piece by @joshganshttps://t.co/0nUPKGeeMG
>
> — Paul Romer (@paulmromer) October 8, 2018

Market forces lead to suboptimal investments in health and education, especially social determinants of health and early learning. (Invest early, invest often for biggest rerurns.) /3

Public policy can provide the "monopolistic" investment that optimizes (at least improves) productive potential of every person in society, not discounting the potential of the poors and the marginalized. /4

This is exactly what we are going to need more of in the next few years, as the Global North ages rapidly and we are faced with dependency ratios that look like the 1960s, but with half the growth. That working are population will need all hands on deck. /5

In short, after a lifetime of being told that markets can do the job if you just get out of the way, we are entering an era where we will need more public policy interventions to optimize growth and well being./6

That means turning the policy mantra of the last three decades (less government, more market) on its head. To be the best we can be, to maximize potential and boost growth, we will need more government. /7

That will likely mean that government as % of GDP will rise. But more spending (and, critically, will mean, also, higher quality of life and technological breakthroughs in arenas like climate change. Needed because the planet's health is the starting point for all production.

3 tweets back: "That working age population will need all hands on deck." (not "working are", damn autocorrect)
last tweet: more spending (and, critically, *more revenues as a % of GDP) ...

This makes GBA+ analysis more important than ever because it links outcomes to outlays

GBA+=gender budget analysis, + = fiscal choices on all equity seeking groups.(Indigenous,newcomers, racial minorities, disabled)
GBA+ links $ spending to the *benefits* of spending. What change is that new $100M buying?
Radical. Indispensable if the future needs more gov't.
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