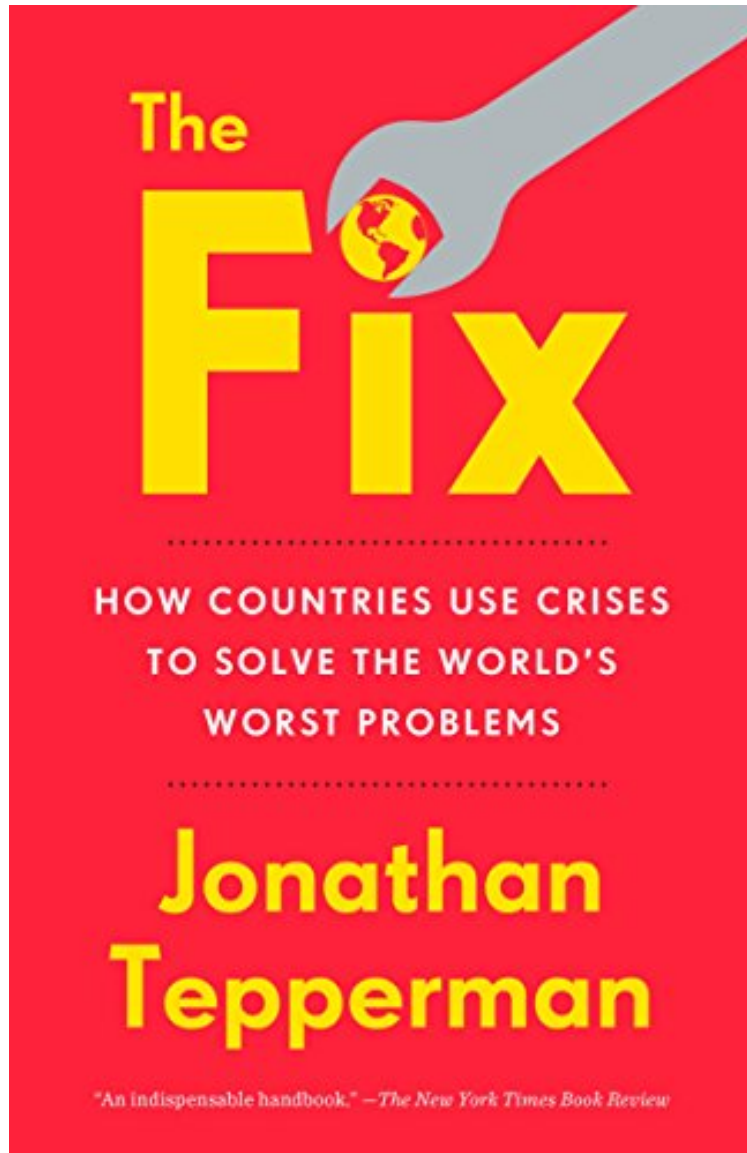


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Jonathan Tepperman

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Jonathan Tepperman : The Fix: How Countries Use Crises to Solve the World's Worst Problems before purchasing it in order to gauge whether or not it would be worth my time, and all praised The Fix: How Countries Use Crises to Solve the World's Worst Problems:

7 of 7 people found the following review helpful. Important and enjoyable. By Abraham G. In his articles in Foreign Affairs and the Atlantic, Tepperman always manages to make complicated political issues understandable and

interesting, without dumbing them down or losing their complexity. In the Fix, Tepperman achieves that difficult balancing act over the course of an entire book, which covers several of the most important and thorny issues that societies face in every corner of the globe. Seldom do you find such important reading so enjoyable. 4 of 4 people found the following review helpful. suggested for aspiring leaders and those already leading

By Mary Odianjo
This book gives practical examples of how issues such as poverty, insecurity and other governance related problems were tackled with a r e verifiable examples. Canada's successful immigration policy, Brazil's attempt to reduce poverty, Singapore's journey away from corruption, Indonesia's struggle with fundamentalism and the United States' pursuit of alternative to energy sources underscore the point that good policies need leaders who are determined to do what is required to achieve success. Leaders who are ready to break boundaries or ignore them.

4 of 4 people found the following review helpful. Americans who are dissatisfied with their politicians should read this!

By Rob Wilson
While the necessities of oversimplification to make a readable book are noted, the ideas and examples are well outlined. The ability to chose global examples fits how we all should analyze these problems. Well done.

We all know the bad news. Our economies are stagnant. Wages are flat and income inequality keeps rising. The Middle East is burning and extremism is spreading. Frightened voters are embracing populist outsiders and angry nationalists. And no wonder: we are living in an age of unprecedented, irreversible decline; or so we're constantly being told. Jonathan Tepperman's The Fix presents a very different picture. It identifies ten pervasive and seemingly impossible challenges; including immigration reform, economic stagnation, political gridlock, corruption, and Islamist extremism; and shows that, contrary to the general consensus, each has a solution, and not merely a hypothetical one. By taking a close look at overlooked success stories; from countries as diverse as Canada, Botswana, and Indonesia; Tepperman discovers practical advice for problem-solvers of all stripes, making a data-driven case for optimism in a time of crushing pessimism.

Longlisted for the 2016 Financial Times Business Book of the Year
An indispensable handbook. . . . Smart and agile. . . . The timing of this book could not be better. . . . Tepperman goes into impressive detail in each case study and delivers assessments in clear, pared-down prose.

Michael Hirsh, The New York Times Book Review
Persuasive. . . . The success of Canadian multiculturalism provides just one of 10 engagingly written case studies in Jonathan Tepperman's book. . . . The Fix makes an acute point in its attempt to recover a lost sense of optimism.

The Financial Times
Tepperman's conclusion is valuable: eschew ideology; focus on pragmatic solutions to core problems, adjust as you go, but be as tough as is necessary. A viable future for capitalism will cut across the ideological baggage of the twentieth century. As Tepperman argues, the leaders who stuck rigorously to this approach initially faced intense criticism.

Paul Collier, The Times Literary Supplement
A readable and fascinating book. . . . Tepperman provides a refreshing and timely challenge to the idea that any of these problems are insurmountable.

Simon Johnson, Finance Development
An enjoyable and informative book. . . . Tepperman does a wonderful job of illustrating that government leaders can achieve great things if they put their minds to it.

Washington Monthly
Just when it looks like the world's problems couldn't get much worse, The Fix cuts through the gloom like a ray of sunshine. With storytelling reminiscent of Michael Lewis and a surgeon's eye for detail, Tepperman takes us on an eye-opening tour of the planet's local villages, cabinet rooms, and presidential palaces; where a few outstanding leaders have made real strides toward solving colossal economic and political challenges. If you care about understanding the world or improving it, this book is not to be missed. It may very well change the face of leadership.

Adam Grant, author of Originals
Readers looking for good news will love this book. Tepperman makes a compelling case, in lively and personal prose, that strong leaders willing to forsake political orthodoxy for good ideas can actually solve the toughest problems the world faces. Governments from Brazil to Canada to Indonesia have successfully tackled problems ranging from inequality to immigration to radical Islam. All is not lost!

Anne-Marie Slaughter, author of Unfinished Business
The Fix is a refreshing and readable new way of looking at the world. Tepperman combines old-fashioned reporting, storytelling, and social science to create a roadmap for solving today's great problems, from radicalism to inequality to political paralysis. Anyone disheartened by the current state of affairs should read this original, super-smart, and eye-opening book.

Charles Duhigg, author of Smarter Faster Better
We hear every day about all the perils and problems we face. Along comes this wonderful, intelligent, well-written book that tells us about all the solutions. Traveling around the world, Tepperman has found countries that took on big challenges, from inequality to immigration, and found innovative solutions. This book will inform and enlighten you; and cheer you up.

Fareed Zakaria, author of The Post-American World
The Fix is the book we've been waiting for, one that tackles the seemingly insurmountable problems of our time; from inequality to partisan gridlock to terrorism. Best of all, it offers solutions. By showing how countries around the world have overcome these problems, The Fix brings hope when we need it most.

Daniel H. Pink, author

Drive"Despair no more. In this original and engaging book, Tepperman takes on the declinist conventional wisdom with insight and vigor. There are answers out there, he argues: all we need to do is look around, and learn. A wise and timely book."—Jon Meacham, author of *Destiny and Power*

About the Author Jonathan Tepperman is the managing editor of *Foreign Affairs*. After growing up in Canada, he studied English at Yale and law at Oxford and NYU. He is a frequent contributor to *The New York Times*, *The Wall Street Journal*, *The Washington Post*, and *The Atlantic*. He lives in Brooklyn with his family.

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PROFITS TO THE PEOPLE

How Brazil Spreads Its Wealth

Look. Lula leaned his stocky frame over the arm of his chair and pushed his face close to mine, locking eyes. "It sometimes bothers my educated friends when I say this. But the number one teacher in my life was a woman who was born and died illiterate: my mother," he said. "With all due respect to experts and academics, they know very little about the poor. They know a lot about statistics, but that's different, sabe? To an intellectual, putting fifty dollars in the hands of a poor person is charity; an academic has no idea what a poor person can do with it. But that's because at university, they don't teach you how to care for the poor. And it's because most experts have never experienced what the poor go through every day. They've never had to go to work without breakfast. They've never lived in a flooded house, or had to wait three hours at a bus stop. To experts, a social problem like inequality is only numbers. But I took that social problem and made it into a political one, a practical one. And then I tried to solve it." It was December—summer in Brazil—and Lula and I were sitting in his map-lined private office in Ipiranga, a slightly scruffy middle-class neighborhood of São Paulo. I'd traveled there to ask Brazil's former president—formally known as Luiz Inácio Lula da Silva, though nobody calls him that—just how he'd done it. How had Lula turned inequality into what he'd just described as a politically manageable problem—and then tackled it with such stunning success?

Finding the answer felt urgent. After all, income inequality has exploded around the world in recent years, becoming a source of intense global anxiety. The gulf between the ultrarich and the rest seems to be growing inexorably just about everywhere. And no one seems to know what to do about it. One reason for this helplessness is that economic growth—long seen as the key to improving general welfare—is no longer working the way it's supposed to. Though politicians often blame the current inequality crisis on the Great Recession and its aftershocks, that hypothesis doesn't hold up. For if you look at many of the countries whose income gaps have grown the widest in the past few years, you'll make a counterintuitive discovery: the list includes some of the world's fastest-growing economies, like China's. What this means is that merely getting the world's struggling economies back on track isn't going to do much to close the yawning income gaps. It might just produce more Chinas. Truly solving our inequality problem is going to take a much more creative and comprehensive approach. The hunt for that strategy is already well under way, with pundits and increasingly desperate national leaders racking their brains for an answer. Of those proposed so far, the best known is probably that of Thomas Piketty, the superstar French economist who, in his 2014 bestseller, called for the imposition of a global wealth tax. It's not hard to see why so many people have fallen for this scheme. It's appealingly simple, and packs a gratifying soak-the-rich punch. But there are two big problems with Piketty's plan, as well as other similarly extreme approaches to inequality. First, they'd never work, for both political and technical reasons; the global elite are too good at protecting their interests and avoiding the taxes they're already supposed to pay. And second, such controversial strategies are unnecessary. Over the last dozen years or so, one country—Brazil—has shown that there's a far better, less radical, and more market-friendly way to fight inequality. This approach has been tested, and it works. The man sitting across from me on that hot day in Ipiranga was the one who'd made it happen, presiding over one of the most successful, least disruptive social transformations the world has ever seen. In real life, even more than in fiction, stories generally follow predictable paths. The good-looking woman gets the guy. The better-funded politician with the thicker head of hair wins the race. The rich get richer, and everyone else gets screwed. Improbable and unexpected victories are exceedingly rare. Yet every once in a while they do occur, and this is one of those cases. So before explaining just how it happened—how Brazil pulled it off—it's worth considering just what made the happy ending so implausible and, as a consequence, so inspiring. First there's the story's setting. It's hard to imagine that Brazil today could be a model for anything. The country is a shambles, crashing from one crisis to the next. As things fall apart, Congress has gridlocked and the political establishment is being wrenched apart by high-level corruption scandals. Lula himself has come under suspicion as part of a widespread probe. Until very recently, moreover, the idea that Brazil might have something to teach the world about inequality would've sounded like a joke. For decades, the country didn't just have a problem with inequality—it was the problem. Latin America's largest nation was among the most unequal places on earth, a state synonymous with savage social injustice. Sure, it was blessed with a big, youthful population and abundant natural resources (including an eighth of the world's freshwater and among its largest offshore oil and gas reserves). But when it came to spreading the wealth, Brazil did as bad a job as you could imagine; even tiny, benighted Haiti was more equitable. Throughout the 1980s and 1990s, although Brazil moved from dictatorship to democracy and bold reforms by President Fernando Henrique Cardoso finally brought hyperinflation under control, its miserable

masses remained trapped in rural penury or urban favelas while the fortunate few soared over the country's ungovernable megacities in helicopters. As the new century dawned, about a third of Brazil's population languished beneath the international poverty line (generally defined as living on less than \$2 a day), and about 15 percent of the country was indigent (living on less than \$1.25 a day). But that was the moment Brazil finally started changing, first slowly and then, beginning in 2003, with tremendous speed. By 2011 its economy, thanks to Cardoso's reforms and Lula's subsequent encouragement, was growing by a respectable 4 percent a year and unemployment had hit a record low. And for once, the benefits were actually being widely shared. During this same period, close to forty million Brazilians moved from poverty into the middle class. Average household income shot up by 27 percent. And, perhaps most impressive, inequality fell dramatically—at the same time it was growing almost everywhere else. Just as surprising as the speed of this metamorphosis was the identity of the man most responsible for it. Before the recent scandals hit, Lula had become such an iconic figure—in 2012 he left office with an 87 percent approval rating, shortly after President Obama had called him “the most popular politician on earth”—that it can be hard to remember just how polarizing he was back in 2002, when the campaign that would carry him into office caught fire. Shaggy and wild-eyed, with a low-slung stevedorer's body, the candidate scared the pants off Brazil's elites, its corporations, its investors, and many of its foreign partners—especially the United States. The problem was personal. Whereas Lula's predecessor, Cardoso, was a centrist and an urbane academic, Lula was about as rough-hewn and unpolished as one could get, something he made no attempt to hide. Indeed, he was a proud child of the country's destitute northeast. Born in 1945 in the hard-scrabble state of Pernambuco, Lula was the seventh of eight children. His family had started out poor and found itself even worse off when, shortly after Lula's birth, his father slunk away and drank himself to death. That had left the rest of the clan so hard up that the future president was forced to drop out of school after the second grade in order to make money shining shoes. At ten he taught himself to read, and at fourteen Lula somehow worked his way into a factory, where he lost his left pinkie finger to a machine press a few years later. Not long after that, he got involved in Brazil's powerful labor movement and discovered his calling. Rising rapidly through the ranks of the São Bernardo Metalworkers Union, Lula became the organization's leader at age thirty. And in 1980—at a time when Brazil was still ruled by a military junta—he helped found the leftist Workers' Party (known by its Portuguese acronym, PT) in the hopes of giving the downtrodden a louder voice on the national stage. By the time of the 2002 election, Lula had already run for president—and lost—three times. While he'd never been a Marxist (unlike many of his PT comrades), his earlier campaigns had featured calls to nationalize industry and default on the country's debt. Such talk, along with his rough roots and his campaign promise to eradicate poverty within a generation, thoroughly spooked Brazil's moneyed classes and foreign capitalists when he finally started climbing in the polls. As Mac Margolis, a longtime Rio-based correspondent, recalls, Lula's rise sent many Brazilians—who feared “the hirsute lefty union man would win the presidential election and turn Brazil into an oversize Cuba”—into a lather. Though Lula himself protested that “Brazil has changed, the Workers' Party has changed, and I have changed,” few bought it. In the United States, Henry Hyde, the Republican chairman of the House International Relations Committee, denounced him as a “pro-Castro radical.” Goldman Sachs began publishing a “Lulameter” that purported to track the risks to investors should the PT win. Even George Soros reportedly warned that Lula's election would bring chaos. Nervous foreign banks started cutting off credit. And Brazil's fragile economy, which was just starting to pick up, went into a dive. The main stock index fell by 30 percent. Investors started dumping their Brazilian holdings, yanking more than \$12 billion in capital out of the country within a few months. And the value of the real, Brazil's currency, fell 40 percent against the dollar, hitting an all-time low toward the end of 2002. Yet enough Brazilians were sick of the country's feudal social structure and the pain caused by Cardoso's necessary but unpopular structural reforms and austerity measures that Lula won anyway. As the unkempt union man prepared to take office and the economy continued to crater, the country braced for the epic confrontation that was sure to come. But a funny thing happened: the cataclysm never arrived. Lula did indeed assume office with revolution on his mind. But it turned out to be a very different sort of transformation than his conservative critics feared. Neither his earlier defeats nor the nasty reaction to his eventual victory had weakened Lula's commitment to social change. But—and this would prove key to the rest of this story—they had profoundly altered how he planned to make that change happen. All the setbacks and the controversy surrounding him had driven Lula to do some serious soul-searching. Between 1993 and 2001, he and José Graziano da Silva, a balding and bearded American-born agronomist who was one of his closest advisers (despite sharing a name, the two are not related), had traveled some ninety thousand kilometers throughout Brazil on listening tours they called *caravanas da cidadania* (citizenship caravans). And the politician who emerged was far more moderate, conciliatory, and politically canny than most people yet recognized. Of all the lessons that failure had taught the new president, the most important was that he'd never get far if he tried to govern on behalf of just part of Brazil. If he was going to use his new mandate to really change things, he'd first have to win over his many powerful skeptics. And that meant finding a way to make sure that the transformation benefited everyone. And so the rabble-rouser metamorphosed into the Great

Conciliator. Lula banished all talk of debt defaults and wealth redistribution from his lexicon. He tamed his hair and started wearing suits. And he recast himself as what Margolis calls the "CEO-whisperer, amigo to the middle class, [and] champion of a rules-based market democracy." Though this move to the middle caused a lot of grumbling within the PT—"many members of my party, and people from the trade unions, did not like the idea at all," Lula recalls—he held firm. On taking office, Lula pledged to preserve Cardoso's tight fiscal and monetary policies. And shortly after his inauguration in January 2003, he put his money where his mouth was, picking Henrique Meirelles—a well-regarded former Bank Boston executive and member of Cardoso's party, the PSDB—to run Brazil's central bank. He also named Antonio Palocci, another sober centrist, as finance minister. And Lula then started hacking away at Brazil's bloated national budget, cutting spending by about \$4 billion in his first year and imposing an even stricter budget-surplus target than the International Monetary Fund recommended. The payoff was immediate. Many of the same antagonists who'd attacked him throughout the previous year's campaign fell into a swoon. In March 2003 Mohamed El-Erian, then managing director of the bond giant PIMCO, declared that the president's initial moves—"from policy announcements, to appointments, to implementation"—had been "very good." The markets agreed; within six months of Lula's inauguration, the value of Brazil's bonds had risen by 20 percent. Even Goldman Sachs sheepishly admitted that its earlier warnings had been wrong. At the same time that Lula was wooing the moneymen, however, he was hard at work on another front, preparing to use his growing political capital to launch a wildly ambitious new social welfare campaign. Rolled out a few months after his election, Fome Zero (Zero Hunger) would feature more than forty different programs run by close to twenty government ministries. But one initiative stood at the campaign's core: Bolsa Família (Family Grant), a poverty-fighting effort that was groundbreaking in its size, ambition, and design.