



ECONOMY

## < Harvard Economist: History Will Judge Obama As A 'Great President'

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ROBERT SIEGEL, HOST:

As the presidency of Barack Obama comes to an end, we're taking stock - and so is he.

(SOUNDBITE OF ARCHIVED RECORDING)

PRESIDENT BARACK OBAMA: If I had told you eight years ago that America would reverse the Great Recession, reboot our auto industry and unleash the longest stretch of job creation in our history...

(APPLAUSE)

SIEGEL: You might have said that our sights were set a little too high, but that's what we did, the president said in his farewell address last week. So what is likely to be Barack Obama's economic legacy? For an answer to that, we turn now to Kenneth Rogoff, professor of economics at Harvard, who was in the John McCain camp back in 2008. He joins us now from Davos, Switzerland. Welcome to the program once again.

KENNETH ROGOFF: Thank you, Robert.

SIEGEL: The first monthly jobs report of the Obama presidency showed the country had lost 791,000 jobs in January 2009. The last one assessing this past December showed job growth of 156,000, 75 consecutive months showing job gains, not losses. Is that a fair measure of Obama's economic legacy?

ROGOFF: Well, I think it's one measure. He pulled us out of a very deep abyss. We could have had a second Great Depression and we didn't. I mean, there were a lot of people who helped. And frankly, even George Bush did things he couldn't imagine towards the end of his presidency with fiscal stimulus and such to help. But Obama really ramped it up, really took control. And I think history will judge him as a great president on the economic side, on par with Bill Clinton and Ronald Reagan.

SIEGEL: Not just one who continued the policies of George W. Bush, you say, but who really did intensify that effort.

ROGOFF: Oh, he certainly didn't just continue the policies of George W. Bush. I was just trying to make sure George Bush got a little credit here. I mean, he did some stimulus and Obama ramped it up. He put in financial regulation. There were some really key technical things he did with stress-testing the banks that really helped. And, of course, he supported the Federal Reserve's policy, and this in an extremely fractious, difficult political climate at a very grave time for our country.

SIEGEL: I recall your being somewhat skeptical of the auto bailout, saying that, yes, the U.S. would always be involved in the financial sector very heavily, but the auto industry might not figure that much in our future. Was Obama more right than you thought to have bailed out GM and Chrysler?

ROGOFF: It worked and I think it helped stabilize things, so yes. I mean, it's true that the future of manufacturing in the U.S. is probably going to go the way the future of agriculture. It already is way less than 10 percent of jobs, although you'd never know that from the political rhetoric. It's likely to decrease. But no, I mean, that was certainly, I'd say, a flourish on his policy. It's not a central one. But it worked much better than I thought it would.

SIEGEL: Obama extended health insurance to - said 20 million Americans. There was a rise in median household income last year, and the earned income tax credit was expanded. Do you think there'll be any Obama legacy about reversing the trend toward inequality of wealth, or just a couple of years that were blips on the radar?

ROGOFF: Well, he certainly brought a lot of people back to work. But you have to

understand these are global events going on that are hurting the middle class in advanced countries. Every single advanced country is suffering from a similar problem, even though, you know, you can go from France to Germany to Canada, they have all different policies. So it's a big, long, historical wave that he's fighting against.

SIEGEL: You're in Davos at the World Economic Forum in Switzerland. Of course, the remarkable thing about Davos is the appearance of President Xi of China. I guess first just that he's there, and second that he's the world leader expressing great confidence in the world economic market.

ROGOFF: They have not been able to get major Chinese representation here ever before. Suddenly, with Donald Trump coming in, he sees an opening. The U.S. is retreating from trade. They're talking protectionism, talking about pulling back on NATO, and China's moving to fill in the gap. I mean, there's a bit of hypocrisy there in the sense that the fact is the U.S. is way more open to the world than China is. It's not that easy to invest in China. But nevertheless, from a political strategy point of view it's a master stroke.

SIEGEL: Economist Kenneth Rogoff of Harvard speaking to us from Davos, Switzerland. Thanks for talking with us once again.

ROGOFF: Thank you, Robert.

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