The Morality of Markets

The Comeback City: How New York City Overcame Failed Policies by Believing in People

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"Given New York Today, Could Anyone Lead It?" So bemoaned a 1991 *New York Times* headline after decades of failure and futility.[1] Crime was endemic, schools were failing, poverty was pervasive, and the economy had stagnated. From John Lindsay to David Dinkins, mayor after mayor had tried to tackle these problems. They had all failed.

After three decades of policy futility, New Yorkers were giving up. In 1991, surveys indicated that more than half of New Yorkers wanted to leave.[2] Political leadership had come to regard the city's ills as intractable pathologies. Daniel Patrick Moynihan, then New York senator, said at one public hearing on juvenile violence in 1993, "There is nothing you'll do of any consequence, except start the process of change. Don't expect it to take less than thirty years."[3]

Yet within a year, New York had begun a great resurgence. Under newly elected mayor Rudolph Giuliani, intractable challenges were tackled. Crime and poverty declined, welfare recipients went to work, and businesses returned. From the mid-1990s through the first decade of the 2000s, from Giuliani through Michael Bloomberg's three terms, with a strong assist from Gov. George Pataki from 1994 to 2006, New York's leaders transformed the city from a nearly bankrupt basket case, a cautionary tale, into an engine of opportunity and a model of urban governance. What happened? How had the "ungovernable city" turned itself around?

I had a front-row seat to this remarkable change. Growing up in Brooklyn in the 1970s, I witnessed the depths of the crisis. And, leading welfare and social services programs for the state and city in the 1990s and 2000s, I got to be part of the solution.

What changed was the city's governing philosophy. Previous mayors had favored an urban liberalism rooted in the policies of Lyndon Johnson's Great Society. They put their faith in expert planning and generous social spending. They believed it was the government's job to correct the "structural inequities that drove societal ills." To Lindsay and Dinkins especially, government—not individuals, businesses, or civil society—was the engine of progress.[4]

But mugged by the reality of failure, many New Yorkers began to reexamine their assumptions. Where the Great Society looked to government, the new reformers looked to individuals to revitalize the city. The key was for government to empower individuals and businesses with the space and tools to succeed. By embracing these ideas—the power of individual opportunity, market-based solutions, and rigorous accountability—Giuliani, Pataki, and Bloomberg did the impossible. Their vision tackled the challenges I witnessed growing up.

We were newcomers to the city, so maybe we should have known better, but when I was 8, a friend and I went to our neighborhood park not far from the entrance to the Brooklyn Bridge. We brought baseball mitts and a baseball. Those didn't come home. The same thing happened to a football and a bike, taken by "kids from Farragut"—the public housing complex on the other side of the park. For a long time after, we restricted our touch football games to the narrow sidewalk in front of *our house, passing up the larger space of the park only four blocks away.*

Later, when I was 18, a close friend's mother was killed by a career criminal less than a block from their house.[5] *When we went to see the family, I heard someone mutter to one of the woman's daughters, "Don't be angry." She responded fiercely, "I am more than angry. I am furious."*

The crime I witnessed was indulged by a governing philosophy that excused criminals as victims of larger social forces and treated effective law enforcement as inherently racist. (Sound familiar?) Lindsay derided calls for law and order as calls for the "official terror of the state." By treating crime as a mere manifestation of poverty, Lindsay viewed police as powerless to fix what *really* ailed the city: "Peace cannot be imposed on our cities by force of arms, nor can people be converted at the point of a gun."[6] Only ever-more social spending could fix the problems, and in the meantime, New York's citizens would just have to accept high crime as the price of avoiding explosive riots.

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Since Lindsay did not want police maintaining order, they instead became a reactive force. Officers would respond to individual crimes but did nothing to treat problems systematically. As the city's fiscal crisis, driven by overgenerous social spending, forced cuts to the force, police officers ceased to be a constant presence on the city's streets.

The effects of this reactive indulgence were disastrous. Both petty and violent crime exploded. In the Lindsay years alone, from 1966 to 1973, violent crime increased 117 percent, with murders more than doubling, while robberies increased 168 percent, according to the FBI's Uniform Crime Reports.[7] Lindsay's crime wave became the new normal for the city as these elevated rates continued through the 1970s and 1980s. Tolerance of low-level crime created pervasive disorder. Fare jumping, squeegee men, muggings, panhandling, and drug abuse made public spaces unusable. Fear threatened the city's trademark vibrancy.

Beyond the direct victims, crime's toll on the city was immense. The disorder hollowed out communities and drove away businesses. For those who stayed, criminal activity cost the city's small firms an estimated $1 billion a year, according to a 1989 study by the New York think tank Interface.[8] And yet, even as the crack epidemic produced New York City's worst crime year ever in 1990, the city's liberal leadership dithered. "The fact that it's happening somewhere else doesn't mean that I don't have a problem to address. But the fact that the problem is regional or nationwide does say that the Federal Government should assist in addressing it," Dinkins explained, shifting responsibility.[9]

Fed up, New Yorkers refused to accept this status quo. In 1993, voters rejected incumbent Dinkins and elected former US Attorney Giuliani on a promise that crime could and would be brought under control. (It is important to emphasize that Giuliani today bears little resemblance to the man who took office in 1994.) Unlike his predecessors in the mayor's office, he refused to regard crime as the untreatable symptom of societal ills. "The criminal act is about individual responsibility, and the building of the respect for the law and ethics is also a matter of individual responsibility," he declared in a 1994 speech.[10] To hold criminals accountable, Giuliani and his police commissioner, Bill Bratton, would return police to their traditional role of unapologetically maintaining order.

Giuliani and Bratton's approach was a real-world application of the "broken windows" theory developed by social scientists James Q. Wilson and George Kelling. Wilson and Kelling argued that tolerating low-level disorder, like broken windows, undermined communities' ability to police themselves and created conditions that bred more-serious crime. In contrast to the reactive approach of the 1970s and 1980s, police needed to restore and maintain order "to reinforce the informal control mechanisms of the community itself."[11] In essence, if government created the right conditions, individuals and communities could be empowered to bring a vibrant city life back.

Applying this to New York, Bratton redeployed officers to the streets, embedded in and patrolling neighborhoods as symbols of order. Officers aggressively policed minor offenses that affected quality of life, cracking down on fare evasion and removing squeegee men from the streets. Public spaces, such as Times Square, the subway, and parks, were reclaimed from drug users, pickpockets, and panhandlers.

But Bratton's effectiveness was not simply a matter of changing deployment strategies; as much as police now held criminals accountable, the city's leadership began to hold the police accountable. Under Dinkins, Bratton recalled, "they weren't being held accountable for crime because it was believed that crime was beyond their power to control."[12] The New York City Police Department's new CompStat program allowed police to track and understand criminal activity across the city while providing hard data on law enforcement effectiveness. The data-driven accountability created a new sense of urgency in the department: "If that police commander did not have the data at his fingertips and a plan to save lives, *overwhelmingly black lives*, his career was on the ropes."[13] (Emphasis added.)

The results were dramatic. Across the board, crime fell almost 50 percent. Murders decreased from 2,420 in 1993 to 960 in 2001. In 2001, there were 100,000 fewer burglary cases than in 1993.[14] By attacking crime at its source in disorder—and holding police officers "ruthlessly accountable" through a pragmatic, data-driven strategy—New York became livable again.[15] As Fred Siegel put it,

> Because crime had been reduced, public life had been expanded. People were on the streets; you could walk at all hours. What's important is that there's a sense the ungovernable city is no longer ungovernable, that reforms are possible, and the sense of fear that pervaded the city is no longer there.[16]

Beating crime tackled the fundamental problem that made every other reform difficult. With order restored, Giuliani had the foundation and credibility to go further. And the city's poverty problem was ripe for the same recipe of data-driven accountability.

My father moved us to Brooklyn so he could fight poverty. His record working for the Justice Department on civil rights in the South had led Sen. Robert Kennedy (D-NY) to ask him to help lead an innovative new antipoverty effort in Bedford-Stuyvesant, Brooklyn's largest slum. His first office was in a run-down welfare hotel, and I remember driving around Bedford-Stuyvesant—a place as populous as Pittsburgh—as his aides pointed out junkies, drug dealers, vacant lots, and disorderly, overcrowded schools.

My siblings and I went to joyful Christmas parties for the community attended by Kennedy family members where wealthy white people could think they were doing something for the ghetto because they spent an afternoon roller-skating with black kids. Dad's efforts also led to ribbon cuttings at scrubbed new superblocks, where the houses and the streetscape had been made to look new.

But after six years of Dad working there and 20 years of others' efforts (1974–94), it was impossible to say with a straight face that Bedford-Stuyvesant was much better than when Kennedy started the program.[17]

One way of looking at Dad's experiences in Bedford-Stuyvesant was to conclude that he and his partners were overwhelmed by President Johnson's larger War on Poverty, which transformed policy across the country. Faced with appalling urban poverty and violent racial unrest, liberals took on what Moynihan called "a near-obsessive concern to locate the blame for poverty . . . on forces and institutions outside the community concerned."[18]

If structural inequities rendered individuals and communities powerless, only government action could end poverty. And Johnson's Great Society proposed to do just that, with a massive expansion of government spending on welfare. Naked redistribution would be the order of the day. As White House aide Joseph Califano characterized it, "We are now asking the many to give to the few—the 15 percent of our society who comprise the 'have nots' in the wealthiest nation in the world."[19] In New York, Lindsay enthusiastically embraced Johnson's liberal agenda and took the lead in expanding the city's welfare rolls.

Everybody's good intentions were swamped by the unintended consequences of their actions. In practice, the city's welfare programs became no-strings-attached cash assistance. Lindsay suggested that expecting welfare recipients to work would "bring us back to the dark ages."[20] This amounted to a vast transfer of responsibility from individuals to the government—creating what Siegel called "dependent individualism."[21] Welfare recipients could avoid work, have kids, abandon families, and take drugs, and the government would continue to subsidize their lifestyle. And that's exactly what happened. Without any incentives to find employment, welfare recipients dropped out of the workforce.

Skyrocketing drug abuse, teenage pregnancy, and family breakdown followed. And poverty deepened. In 1969, New York's poverty rate was 14.5 percent, but it had increased to over 25 percent by the mid-1980s.[22]

Charles Murray's verdict in his groundbreaking 1984 book, *Losing Ground: American Social Policy, 1950–1980*, was unequivocal: "We tried to provide more for the poor and produced more poor instead. We tried to remove the barriers to escape poverty, and inadvertently built a trap."[23] Instead of eradicating poverty, welfare deepened it by creating a permanent government-subsidized and underemployed underclass.

Murray's research led many to conclude that work, not welfare, was the key to moving individuals out of poverty. Only work could provide consistent self-sufficiency and build the necessary individual responsibility to improve one's station in life. Work, beyond the obvious economic benefits of a salary, provides structure, skills, and dignity to welfare recipients sorely lacking them. By discouraging work, the city's welfare programs removed the most important tool for recipients to escape poverty—and led instead to the "trap" that bred dependency.

The persistent failure of the city's reigning liberalism provided an opportunity for change.

Yet New York's leadership continued to insist that the city's antipoverty programs failed simply because of a lack of federal money. "The Lord cannot grant us this peace, it can only come from Washington," Mayor Dinkins proclaimed in his 1991 State of the City address.[24] In reality, the city's machine politicians were content to use permanent welfare dependency to convert poor constituents into political clients.

The persistent failure of the city's reigning liberalism provided an opportunity for change. Giuliani defeated Dinkins by promising to rethink antipoverty measures with the ethic of opportunity. By embracing unconditional government support, "we blocked the genius of America for the poorest people in New York," he explained. "I wanted poor people to have the same kind of chance at a decent life my parents and grandparents had, I wanted them to have the same ladder of opportunity."[25]

Giuliani and his welfare commissioner, Jason Turner, turned the city's welfare programs into an engine of individual opportunity by combining aggressive enforcement of work requirements with increased government investment in job training and placement for welfare recipients. Efforts such as the Work Experience Program provided recipients with training and public-sector jobs, while data-driven tools such as JobStat, similar to the police's CompStat, kept both recipients and welfare administrators accountable. Able-bodied recipients who did not find work were no longer entitled to the city's support.

Giuliani and Turner's efforts were part of a larger revolution at the local, state, and federal levels in the 1990s that transformed welfare policy by embracing work and opportunity. In 1992, Bill Clinton won the presidency promising to "end welfare as we know it and break the cycle of dependency," and in 1996 he signed a welfare reform compromise forged with Speaker of the House Newt Gingrich.[26] The Personal Responsibility and Work Opportunity Act reflected the new bipartisan national consensus that combined strict work requirements with generous benefits, and the bill provided block grants to states to reform their welfare programs along these lines. In 1997, Gov. Pataki embraced the opportunity, passing his own welfare reform bill. Together, these efforts significantly expanded the city's resources to use work to move recipients off welfare.

Working for Pataki in the state's lead social services agency and serving as commissioner of New York City's largest social services provider during Bloomberg's second and third terms, I saw firsthand how these reforms transformed welfare and poverty in New York City. By providing paths out of poverty and holding recipients accountable, from 1995 through 2013, the city's cash-welfare caseload shrank from 1.1 million to 347,000 recipients.[27] By providing generous work supports, we ensured that it actually paid for recipients to work; New York's labor-force participation consistently grew, especially among working-age mothers, as a result.[28] The crack epidemic abated, and teenage pregnancy collapsed.[29] Effective administration and a commitment to work turned welfare in New York City into a genuine path out of poverty.

The results were dramatic. Child poverty started to decline during Giuliani's two terms, a trend that continued throughout Bloomberg's time in office. By 2013, the city's child poverty rate was over 10 points lower than it had been in Giuliani's first term, according to analysis from the Human Resources Administration.[30] But while requiring work and subsidizing wages played a large role in these gains, one of the most important things I learned working in the city's welfare system was how essential a strong economy was to reducing poverty. This was another lesson lost on liberal mayors during the city's bad times.

When I was in high school and college, it was common to say about the economy, "When the nation gets a cold, New York City gets the flu." Every economic downturn or recession always seemed worse in New York—and that's because it was. As a result, the city lost population.

My first job out of college was an attempt to slow the loss of manufacturing employers from the city. I worked in the Office of Business Development, trying to persuade manufacturers in Manhattan to move to the Bronx, Brooklyn, Queens, or Staten Island so that they kept their jobs and tax revenues in the city. We offered government incentives, but it was a hard sell. Every day, I met another small businessman and heard him say how long he had been in the city, how much he had put up with, how his friends and siblings were gone already, and that he would not be far behind. It was in that job I came to see how important employers were to their employees—and to the life of the city.

The hollowing out of the city's economy was the most devastating consequence of its urban liberalism. Lindsay's ambition to use government to rectify the city's societal ills was expensive. "The budget is large, but the needs of the city are great," Lindsay declared in his inaugural budget. By the end of his first term, spending on welfare and social services had doubled.[31] Lindsay's commitments to the poor and the resulting growth of city government far outstripped the city's ability to pay, but progressive moral urgency trumped economic sense; after all, as he explained to one voter, "we have three hundred years of neglect to pay for."[32] To cover the city's deficits, Lindsay took on increasing amounts of debt while raising taxes on individuals and businesses at rates far beyond those of any other US city.[33]

Lindsay's tax and spend policies sent New York City into a vicious cycle. As taxes increased, businesses and individuals fled. Between 1969 and 1977, the city lost almost 600,000 jobs, especially among manufacturing and high-income white-collar sectors such as finance and real estate.[34] As the tax base evaporated, the city was forced to squeeze those who remained even harder. A proposed tax on financial transactions almost caused the New York Stock Exchange to leave, as its president bemoaned the "deterioration of the climate for business, especially in the realm of taxes."[35]

Ultimately, only a federal bailout with harsh conditions was able to stave off total bankruptcy. But the cost of avoiding bankruptcy was economic stagnation. Imposed cuts on city services like police deepened the city's quality-of-life crisis. Rampant disorder deepened the city's unattractiveness to businesses. And the city government remained consistently more interested in extracting revenue from businesses and the middle class than promoting their growth. When a TV reporter asked about the city policies that drove her to the suburbs, Dinkins responded, "Sorry you left us. Sorrier still that we can't raise your personal income tax."[36] As a result, New York City's economy lagged behind the nation's for most of the 1970s, 1980s, and 1990s.

Giuliani's crime-fighting efforts and improvements in quality of life were an important first step in bringing the city's economy back. But taking office in the midst of a recession and inheriting a $2.3 billion deficit, he recognized that the city and its finances needed a fundamentally new vision. The city could not "tax its way out of recession," he announced in his 1994 State of the City address.[37] Quite the opposite; it would harness the power of the market with tax cuts. As he put it in a 1997 speech,

> The basic principle underlying our tax cuts is this: when you reduce taxes in a responsible and intelligent way, you promote job growth and stimulate the economy. That, in turn, reduces the deficit and makes us more stable. So even though it seems in the short run that cutting taxes means less money for government, and makes it harder to reduce our deficits, time and again we've proven that just the opposite is true.[38]

Giuliani combined his supply-side approach to the city's tax policy with fiscal management that kept the city living within its means. Choice and competition would be introduced into city services to lower costs and improve delivery. Lower taxes and improved public services would bring business back to the city.

Giuliani's vision to lower the city's tax burden required cooperation from the state government, and thankfully, Gov. Pataki was equally committed to improving the state's economic climate. Together with Albany, Giuliani managed to reform or eliminate the commercial rent tax, hotel occupancy tax, sales tax, unincorporated business tax, and personal income tax. Overall, he cut some $2.2 billion from the city's annual tax burden by the end of his tenure.[39] Economist Robert P. Inman estimated that one out of every four jobs created in the city since 1993 could be attributed to these cuts.[40] And Pataki's statewide Income Tax Reduction Act in 1995 supercharged Giuliani's efforts by reducing most New Yorkers' tax liability by 25 percent.[41]

The other pillar of this economic turnaround was the city's long-standing openness to immigration. Immigration kept the city afloat during its worst years, staving off the kind of rapid population decline that affected other American cities, like Detroit, during the 1970s and 1980s. Nonetheless, by 1980, as the city became a less attractive place to live, the foreign-born population dropped to its lowest level since 1910.[42]

When he came into office, Giuliani recognized immigration's potential to revitalize neighborhoods and strengthen economic growth:

> The people who came through Ellis Island had the same look in their eyes as the people that now come in through Kennedy airport. They did the same wonderful things for us that the new people are going to do for us. We can't be afraid of people. If we're afraid of people then we become a nation and a city in decline.[43]

The mayor created a new Office of Immigrant Affairs to ease the transition to American life for recent arrivals. Bloomberg doubled down on Giuliani's investments, and the city was rewarded handsomely. Low-skill immigration helped staff the city's explosive growth in the hospitality, tourism, and construction sectors, while the city's improving business climate attracted entrepreneurs.

According to a 2019 study by the Association for Neighborhood and Housing Development, immigrants owned 48 percent of the city's 220,000 small businesses, employing over 500,000 New Yorkers.[44] And overall, immigrants' contribution to the city's economy grew at a faster rate than the economy itself over the 2000s. A report from the New York state comptroller found that in 2013, Bloomberg's last year in office, New York's foreign-born population contributed $257 billion in economic activity, nearly a third of the city's gross product.[45]

By emphasizing growth and harnessing opportunity, the city's economy rebounded from the early 1990s recession. During Giuliani's tenure, the city's economy consistently grew and added jobs every year. New York benefited from the explosive growth in the financial and tech sectors in the 1990s, and Giuliani's hotel occupancy tax cuts cleared the way for the hospitality and tourism sectors to become pillars of the city's economy. Most tellingly, after decades of population decline and stagnation, the city's population increased to over eight million people by the end of the 1990s.[46]

Bloomberg consolidated Giuliani's successful economic policies, especially by opening much of the city to redevelopment by breaking down nonsensical zoning restrictions. Hudson Yards, the High Line, and One World Trade Center all symbolized the city's economic renewal. And when recession returned in 2008, rather than being the sick man of the American economy, New York's economy recovered much faster than the rest of the country"s did.

Yet even as Giuliani had orchestrated turnarounds of the city's economy, welfare, and policing, the city's failing public schools emerged as the most resistant to choice- and opportunity-based reforms.

Soon after we moved to the city, Mayor Lindsay asked Dad to serve on the New York City Board of Education, which quickly embroiled Dad in the most contentious teachers' strike in the city's history. The strike's cause was a dispute over community control of schools in a poor, largely black neighborhood, which the teachers union, for good reasons, opposed. It didn't help that the community leaders were mostly black and radical and the teachers union largely white and Jewish (a contest my Irish Catholic Midwestern Dad was not well-suited to referee).

My first indication of the tensions involved came when I was in the third grade; an electrician working in our house looked at me sternly and asked, "Do you go to a private or public school?" In fact, I attended a private school, which I loved, and I knew how fortunate I was—as did my schoolmates, both scholarship kids and wealthy kids. The widespread feeling among parents was that the poor-performing public schools, run by a distant centralized city bureaucracy controlled by a reactionary teachers union, were driving families into private or parochial schools or out of the city altogether. Why should we apologize for our parents doing what was best for our education?

The Ocean Hill–Brownsville strike was an explosion of urban liberalism's contradictions. On the one hand, Lindsay designed his school decentralization plan to mobilize the political power of minority community activists. The only way to fix bad schools run by a distant white bureaucracy would be to shift power to previously discriminated-against groups in the community. Unfortunately, in this progressive vision, group representation took precedence as an educational objective over academic achievement—and certainly over seniority in hiring and promotions of teachers.

This racial liberalism collided with the teachers unions' powerful position in city politics. The teachers' hard-won civil service protections were incompatible with the community control Lindsay proposed.[47] And from both perspectives, teachers and activists were prioritized over parents and students. Lacking the power and will to impose a solution on either group, Lindsay's (and Dad's) decentralization plan failed, and the nature of the failure set back education in the city for decades.

In the wake of the crisis, the state legislature stripped the mayor of his power over the city's schools, transferring control to a weak and divided board of education, largely in thrall of public-employee interest groups. The city ended up with, as Siegel put it, "the worst of both worlds: a system that was both decentralized and unaccountable."[48] The citywide teachers' contract completely insulated teachers from any accountability, regardless of performance. Meanwhile, the local school boards gained control over nonprofessional positions, which quickly became objects of patronage and corruption. "You had to kick back to political campaigns in order to get a principalship," explained Manhattan Institute scholar Raymond Domanico.[49]

With neither teachers nor administrators responsible for performance, the quality of the city's schools collapsed. And students suffered. "The schools were actually as dangerous, if not more dangerous than the communities around them," recalled Giuliani's deputy mayor, Anthony Coles.[50]

Graduation rates collapsed to around 50 percent, and graduation itself demanded very little—simply persistence and a demonstration of eighth-grade-level competence. Naturally, performance on standardized tests was abysmal.[51] But the system's structure provided no incentive to change.

The solution was obvious: Break public schools' monopoly with publicly funded, independently run charter schools, and then allow parents to choose. Competition would force schools to focus on achievement or lose their students. Giuliani proposed just such a reform: "I wanted the parents to be given the money that I was spending on their child, and I wanted them to decide where to put that money: public school, private school, parochial school, charter school."[52] But the structure of the city's school board rendered reform impossible, and only the state legislature could give power over schools back to the mayor. While Albany legalized charter schools in 1998, it refused to empower Giuliani to implement his reforms.

It took Bloomberg to reform the city's school governance and implement citywide school choice. In 2003, he persuaded the state legislature to abolish both the citywide school board, hopelessly captured by public-sector unions, and the largely corrupt local boards—giving the mayor almost complete power over the city's schools. Bloomberg and his new chancellor, Joel Klein, used their new power to comprehensively introduce accountability into the city's public schools. Principals were empowered to run their schools and were graded on student performance; as veteran school reformer Seymour Fliegel made clear, "If you want accountability, you got to give the institution a degree of autonomy."[53] And teacher pay was significantly increased to attract the best talent.

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At the same time, Klein recruited the best charter networks, such as the Success Academy, to compete against these reformed public schools and provided them with city-owned space free of charge. Whereas in the past, the city had treated kids as secondary to political objectives in schooling, in Klein's view, "the space belonged to the kids, not to the adult and not to the politician."[54]

Bloomberg's choice-based, achievement-driven reforms delivered immediate results for New York City's students. In just the first year, English test scores improved 10 percentage points and continued to increase every year during Bloomberg's mayoralty (within each testing regime).[55] The high school graduation rate increased 18 percent from 2004 to 2012.[56] And parents embraced the opportunity of choice. Enrollment in charter schools grew from 3,000 kids at the start of Bloomberg's term to over 100,000 by the time he left office, with demand far outpacing the city's ability to open new schools.[57] "We got sued and we got fights and on and on and on. But I am so convinced by the history of this that the performance of those schools justified every fight we had," Klein recalled.[58]

And research from the Brookings Institution concurred: "This transformation has been associated with significant improvements in student outcomes, including increased graduation rates and enhanced performance on state tests of academic achievement."[59] While education had proved the city's toughest fight, embracing accountability and opportunity again proved the key to turning around the city's failing institutions.

* * * *

"New York City has never been stronger than it is today, and I think it's fair to say our future has never been brighter," Bloomberg declared upon leaving office at the end of 2013. But he warned,

> The progress we've made over the past 12 years, thanks to the work of so many dedicated people, has been incredible—but it has not been inevitable. Success can never be taken for granted, especially in a global economy where competition is ferocious. As soon as you begin to take success for granted, you begin to fail. That's what happened to New York back in the 60s and 70s.[60]

New York today is not what it was when Bloomberg left office, but it is still much safer and more prosperous than the city I grew up in. Its improvements between 1994 and 2014 did not happen by accident. It took a concerted effort by political and civic reformers, fighting against the entrenched power of the city's liberal consensus, to transform the city with accountability, choice, and opportunity.

We unleashed the power of the city's residents and businesses to end the disorder, dependence, and decline that had brought New York to its knees. But the succeeding administrations of Bill de Blasio and Eric Adams have shown little interest in this history, and the city's social fabric is starting to fray again. If its current leaders want to avoid the fate of their predecessors, they will need to remember these lessons.

About the Author

Robert Doar is the president of the American Enterprise Institute.

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About This Series

In response to rising skepticism of the value of free markets, the American Enterprise Institute launched a multiyear effort to develop and elevate core arguments about why free enterprise is not only the most efficient economic system in existence but also the most moral.

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Notes

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