

# FORUM

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## America's Prosperity Depends on Outwitting Our Broken Political System

Forum started by Sol Erdman and Lawrence Susskind

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Why is nearly every member of Congress blocking the steps that would help nearly all of his/her constituents to prosper? Economists have, after all, largely agreed on how to promote wide prosperity: Invest in education and infrastructure. Curb the growth in entitlement spending. Lower marginal tax rates. Phase out tax deductions.

Unfortunately, voters of all ages, incomes and political persuasions would protest—either cuts in their entitlements, new government spending or losing deductions.

So, any lawmaker who wants to keep his/her job has to appease a majority of his diverse voters. Nearly every incumbent has found strategies that clearly work:

- 1) reduce economics to slogans that indict the other party as the main threat to his voters' prosperity;
- 2) obstruct that other party from enacting the policies most of his voters oppose, even policies that would benefit them; and
- 3) demand policies that most of his voters want, knowing that the other party will obstruct them.

Incumbents have won so many elections this way, they have every incentive to retain these tactics — which virtually guarantee political gridlock and economic stagnation.

**How, then, will our country ever prosper?** Someone or some group will have to convince voters across the spectrum to support the economic policies that would benefit them most in the long run. Only then will most politicians— intent as they are on reelection—endorse the policies that would lead to wide prosperity.

Ambitious as this sounds, we can get there. We just need to look at national controversies in which nearly everyone involved was pursuing a short-sighted agenda yet ended up supporting a long-term solution that benefited all sides. By looking at these controversies, we can see how to spur America's diverse voters to support the tax and spending policies that, in time, would benefit us all.

Consider, for instance, how the diverse, antagonistic interest groups battling over environmental policy reached a "grand bargain" in 1996. It began when 25 long-time adversaries agreed to meet. They included seven environmental leaders, six corporate CEOs and five senior federal officials weary of their costly battles. So they eventually negotiated a comprehensive plan that would benefit them all. Their plan's main theme was that government should require industries to clean up the environment more thoroughly than to date but let companies seek out the most efficient ways to meet these tougher standards.

Each of the 25 then pitched the plan to his/her allies. Each CEO won support from executives throughout his industry. The environmental members convinced fellow environmentalists. And each government official obtained endorsements from fellow regulators.

Similar groups have resolved other divisive issues, including regulations on automobile fuel efficiency, food safety and disposal of nuclear waste. Each time, representatives for diverse, hostile camps reached agreements that served the long-term interests of all.

How was this possible? The main reasons were:

1. Each camp was represented by someone they trusted to speak for them on the issues at hand.
2. All relevant camps were represented.
3. No camp or coalition had enough power to make headway on its own.

Given these conditions:

- Each representative realized that to make progress for his/her own camp, he had to negotiate with his counterparts to reach a deal that would also benefit them.
- The representatives therefore looked for ways to use their camps' combined resources to yield greater benefits than in the past, more efficiently than in the past.
- They could then allocate the added benefits and relevant costs so that each camp gained ground on balance.
- Each spokesperson was then able to convince most people in his/her own camp that the deal met their needs as closely as they could hope to get.

**Why, then, doesn't Congress work this way?** Unlike the representatives above, each lawmaker represents dozens of groups whose interests clash head-on, including seniors, the middle-aged, the young, blue-collar workers, professionals, managers, business owners, the unemployed, singles, couples and families with children. How, then, can any congressperson convince most voters that he or she is acting in their economic interests? That would be like a federal regulator telling auto industry CEOs, environmentalists, auto workers and consumers that he's working in all of their best interests. No one would buy it.

So a typical congressperson doesn't make that case — but instead seeks reelection by trying to convince voters that the other party would harm their interests more. To stay on message, most lawmakers refuse to work with the other party on issues as divisive as taxes, entitlements and federal spending.

**How, then, will we ever get tax and spending policies that enable us to thrive?** The examples above suggest the answer. Each camp of Americans who share a common outlook on taxes and federal spending would need to select a spokesperson they trust.

How could that be done? Here's our plan. Sometime next year, the Center for Collaborative Democracy (a nonprofit organization founded by one of us) intends to wage a media campaign that will promise every American voter, "Your voice will be heard on the issues vital to your family's future if you visit our website and tell us: Among all the people who've spoken out on how to reform taxes, Medicare, Social Security and federal spending, who would you trust to speak for you?"

The most trusted individuals would likely come from advocacy groups, think tanks, industry, labor unions and universities.

We would then invite those individuals to meet for several weeks in private, out of media contact. Each invitee would thereby have only one potential payoff in attending: a chance to advance his or her policy agenda. And to advance that agenda, each spokesperson would need to negotiate an agreement with his counterparts — an agreement that voters across the spectrum could support, because only then would Congress enact it.

To get there, the representatives would need to craft a deal that would benefit the country as a whole as much as they could manage. They could then parcel out the costs and benefits so each camp would gain on balance. Each spokesperson could then reach out to the voters who trusted him or her and explain how the deal he'd negotiated would meet their needs — far better than any other option on the table, and certainly better than the fiscal ruin that our country now faces. As voters began to support the deal, lawmakers who wanted to stay in office would also start endorsing it.

It would, of course, take substantial time and resources to mobilize enough public support to turn the tide in Washington. This entire project would require significant resources.

But what's the alternative? Leaving our economic fate entirely up to Congress — an institution that the vast majority of Americans mistrust? Our children would never forgive us.

So, if you are worried about America's future, we invite you to find out more about this project. (pdf)

#### **ABOUT THE AUTHOR**

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