

Who Will Restore America's Fiscal Health and Unleash Our Economic Potential?

Proposal from the Center for Collaborative Democracy

The Need: Economists left, right and center and business leaders across the country largely agree on what steps are necessary to boost the long-term economic prospects of Americans from all walks of life.¹

But the vast majority of American voters oppose one or more these steps, which include purging the tax code of deductions, boosting investment in education and infrastructure, and curbing growth in entitlement spending.

Members of Congress are, in turn, so focused on reelection that nearly all of them relentlessly block any steps that most voters in their respective districts oppose.

Who, then, could push Congress to enact all the policies necessary to reach our economic potential? Only voters could push Capitol Hill that far. If enough voters in enough districts demanded the necessary steps, lawmakers intent on reelection would feel compelled to enact them.

But could tens of millions of diverse voters agree on the most practical solutions for such contentious issues?

The Opportunity: Diverse groups of people pursuing irreconcilable agendas on multiple issues have — at times — embraced grand bargains that met the needs of all sides.² In every case we know of, each of the diverse groups had a spokesperson they trusted — who, out of determination to advance their cause, negotiated a deal with all the groups blocking their way.

For example, 25 spokespeople — exasperated by their camps' many costly battles over environmental policy — negotiated a pact that would resolve the major environmental conflicts of their time, the mid-1990s.³ The pact's main theme: companies would cut pollution far more if they could choose the most cost-effective ways to cut it.

The negotiators — CEOs from heavy industry, leaders of the major environmental groups and senior federal officials — were trusted enough by every relevant industry association, environmental group and federal agency to convince them all that this deal would benefit them far more than continuing their past battles.

Any grand bargain emerges this way: Each camp has a trusted representative too intent on advancing their cause to stop negotiating short of a deal all camps will abide by.

Who, then, could negotiate a fiscal/economic grand bargain that Americans from every age group, income level, family type and political persuasion would support?

To succeed, the negotiators would need to:

- understood each camp's priorities, needs and values;
- be determined to negotiate an agreement they could sell to a diverse American public as being in nearly everyone's long-term interests — more so than any feasible alternative — and
- be trusted so widely that each camp of voters would listen to at least one of the negotiators spell out how the plan would benefit them and, ultimately, support it.

No negotiators to date have had this kind of determination, understanding and trust. That includes the Simpson-Bowles commission, whose job was to satisfy both houses of Congress. In pursuing that fanciful goal, the commissioners crafted a plan they described as inflicting pain on most Americans — giving voters no reason to trust that the plan was anywhere near the best one possible for them.

What Now? For voters across the spectrum to embrace a realistic plan for fiscal health and long-term prosperity will clearly require negotiators ideally suited to the task.

We therefore propose to build a coalition of non-profit organizations and civic-minded individuals that will:

- identify the economic advocates whom voters from each age group, income level, family type and political persuasion would trust to speak for them on the economy;
- invite these advocates to negotiate a plan that would repair our nation's finances, boost our economy to its full potential and, in time, benefit all the groups they represent;
- convene these advocates with facilitators who would help them negotiate that widely beneficial plan; and then
- provide each advocate a public platform to reach the millions of voters who trust him/her and spell out how this plan will meet their needs and values more than any other politically attainable alternative.

Once enough voters want the plan's benefits sufficiently to vocally support it, members of Congress who want to stay in office will have every incentive to support it.

Ambitious steps. But how else will diverse voters agree on a path to fiscal sanity and wide prosperity — enough voters that our broken political system will respond?

¹ See "Reinventing America," *Harvard Business Review*, March 2012.

² Examples at www.GenuineRepresentation.org/consensus

³ See http://clinton2.nara.gov/PCSD/Publications/TF_Reports/amer-top.html

Questions, Doubts and Answers

Does the process described above have a name?

We would prefer to call it the Forum for Long-Term Prosperity, to convey its purpose: promote wide enough prosperity that voters of all kinds will see a far brighter future than they now expect.

How could the Forum achieve this goal?

Forum members could start by considering the steps that economists and business leaders agree are necessary for nearly every American to have the best chance to prosper.⁴ These steps — in arbitrary order⁵ — are:

- upgrade our schools to match the best in the world;
- simplify the tax code by eliminating preferences and lowering marginal tax rates;
- curb growth in entitlement spending, mainly Medicare, which can be done without harming seniors' health;⁶ and
- invest judiciously in infrastructure.

How could one group of people agree on ideal solutions to all of these divisive subjects?

Three main points:

1) By tackling all of the above subjects, Forum members could make trade-offs among them to reach an agreement that satisfies significantly more of each member's priorities than he/she could possibly achieve by other means.

Conservatives could achieve far more constructive tax and budget reforms than a paralyzed Congress will ever produce.

Liberals could achieve far wider prosperity than they will get from a gridlocked Capitol Hill.

2) To reach this kind of grand bargain will require negotiators far more intent on advancing their agendas than blocking adversaries from advancing theirs. The process for selecting Forum members will therefore need to exclude people whose main political priority is to demonize opponents. The proposed selection process is described on the following page.

⁴ See "Reinventing America," *Harvard Business Review*, March 2012.

⁵ Any order is arbitrary — because each economist and business leader has their own sense of which steps matter most. So will each Forum member. So will each reader of this document.

⁶ Medicare now provides tests and procedures on demand, whether they improve patients' health or not. Medicare's costs are thus escalating at a rate that will, in time, force large cutbacks. Reforming Medicare intelligently could benefit all groups, including seniors.

3) There is a well-established process for negotiating grand bargains on a host of complex issues:

- To deal with each of the above issues, the Forum could form a task force. Each member of each task force would represent one of the Forum's main camps.
- Each task force would gather evidence from experts, identify alternative solutions and spell out their potential benefits, costs and risks.
- Each task force would present the most beneficial alternatives to the entire Forum.
- Each Forum member could pick the alternatives he/she saw as most benefiting his/her constituents.
- The members would then trade among themselves until each one saw the final agreement as meeting more of his/her constituents' priorities than they could achieve by any other means.

How likely is the Forum to reach that outcome?

Each Forum member would have incentives to produce the most beneficial agreement overall because that would be his/her best shot to garner benefits for his own camp.

Each member would also have incentives to satisfy voters in all other camps, because if any camps vocally opposed the deal, its odds of becoming law would shrink.

Won't very ideological voters reject any plan that deviated from their ideology?

Many will, but the Forum doesn't need every voter's support.

It just needs enough voters in enough districts to see the Forum's plan as meeting their needs and values that most lawmakers from both parties will see the plan as meeting their need for reelection.

Won't most voters resist a plan quite different from what they are now hoping for, expecting or demanding?

Yes. To overcome this resistance, we see it as essential that each voter identify a spokesperson he/she trusts on economic issues *before* the Forum's negotiations begin.

In that way, when each spokesperson presents the eventual plan to his/her supporters, they will be most inclined to listen, most inclined to weigh the plan's benefits carefully and most inclined to eventually see that it is actually in their best interests.

How could the Forum engage the millions of voters necessary to make a difference on Capitol Hill?

Nearly every voter is fed up with Congress. Most voters worry about the future. Their median income is shrinking. The percentage of Americans with jobs is at a 35-year low. And nearly everyone has a desire to be heard.

The Forum will address all of these needs.

Why would voters believe that?

To have the necessary credibility, we need to recruit well known nonprofit organizations and entrepreneurs to jointly sponsor the Forum. Our case to them will be:

- a) Congress will remain paralyzed over fiscal and economic issues until enough voters support the fiscal/economic legislation our country needs; and
- b) voters will stick with their current wants and demands until advocates they trust make a strong enough case for something far better.

If we recruit prominent sponsors, they could make a case to America's best known economic experts and advocates that becoming Forum candidates would be their best opportunity to negotiate a master economic plan for the next two decades – a plan that tackles each advocate's biggest concerns and incorporates his/her best ideas.

Next, the sponsors could recruit celebrities in the media, politics, arts, and business to wage an extensive media campaign that taps into nearly every voter's concerns about the future. The message could be something like:

- Do our so-called representatives in Congress actually represent us? Do they look out for our best interests? Are they resolving our country's problems? Hardly.
- Why do we, the American people, accept this? We don't have to.
- There are prominent Americans who understand our country's problems — who would gladly sit down together to work out solutions that voters of all kinds could support.
- If enough of us backed these solutions, members of Congress hungry to keep their jobs would have to listen.
- This is actually going to happen. The Forum for Long-Term Prosperity will bring together in one place the men and women whom we, the American people, would most trust to solve our economic problems. If enough of us then support their solutions, Congress will have to act.

- We promise that at least one Forum member will champion *your* concerns and do all he/she can to ensure a brighter future for you and your family — *if* you visit our website and tell us who you would trust to speak for you.

On the site, each voter could check off his/her concerns to see profiles of appropriate Forum candidates. Each voter could then list the candidates he/she would trust.

Candidates would then be selected for the Forum so that over 95 percent of voters would get one of their choices. (For details, see www.GenuineRepresentation.org/select)

Nearly every participant would thereby get a champion.

Would voters believe that claim?

The claim would be true. The Forum's sponsors would have high public profiles. The candidates would as well. And most voters despise today's political process. So, expert marketers would have plenty of ammunition for crafting a message that appeals to most voters.

Are most voters sufficiently informed to choose their Forum representatives wisely?

Being informed is not the crucial factor. In most political conflicts, the typical participant sees just part of the total picture and has unrealistic expectations. But those disputes can still be resolved if each participant has a representative he/she trusts and believes is on his side.

Won't some voters prefer representatives too ideological to reach agreement with the others?

Yes. And the Forum would need to offer candidates across the spectrum, including from the far left and right.

However, the sponsors could spell out to each candidate: "The Forum will deliberate out of public view for weeks. So, by participating, the only thing you could gain is a chance to advance your policy agenda — which you will advance *only* if you negotiate a deal with other members."

The sponsors could also require each Forum candidate to pledge: "My sole purpose in participating is to negotiate a deal far better for my constituents than the future now awaiting them. If other members offer that kind of deal, I will accept and make a full case for it to my constituents."

Will all Forum members have the temperament and skills to negotiate a widely beneficial agreement?

Forum meetings could be led by facilitators experienced in coaxing representatives with diverse temperaments and skills to negotiate agreements that benefit all sides.

Don't many voters hold such unrealistic views on these issues that they will resist any practical plan?

Yes. So each Forum member would need to make a compelling case to his/her constituents that the deal he's negotiated is their best possible option, by spelling out exactly how they would benefit, with words such as: "This deal gives us A, B and C — far more than we've achieved up to now, far more than politicians will ever achieve by butting heads. So, what's our alternative? Demand that other camps give us all we want and give up what they want? There is no such deal. It's a fiction spread by politicians who put our country in the mess we're now in. That's why I negotiated with other camps. And this deal is as far as they'll go. So, it's this deal or continued gridlock and economic stagnation."

Won't some people still feel they could do better or still cling to unrealistic expectations?

Yes. But if the representatives craft a deal that benefits nearly every family, they'd be in the best position anyone has to date to win over the majority in each camp.

This could transform the political landscape. In 2012, for instance, it took just 6 percent of voters signing online petitions against two bills on Internet piracy for Congress to scrap both measures. These voters prevailed by *actively* opposing the bills while far fewer voters actively backed them. If enough voters actively support the Forum's economic plan, they too could turn the tide.

Won't special interest groups try to sabotage parts of the Forum's plan on Capitol Hill?

For sure, but a practical plan for broad prosperity would draw many more vocal advocates than opponents.

Is it realistic to expect the Forum to produce such an optimal outcome when most voters are so disengaged and most politicians so self-serving?

Politicians are human. Voters are too. All can be put in situations that bring out their worst traits or their best.

Politics today brings out our worst. Each congressperson, for instance, represents voters whose needs and values clash head-on: seniors, the middle-aged and the young; laborers, clerks, professionals and the unemployed; singles, couples and families with children.

How, then, can a typical lawmaker show most voters he/she is acting in their best interests? That would be like a lawyer trying to assure car company CEOs, environmentalists, auto workers and car buyers that he has all

of their best interests at heart. Hardly anyone would buy it. So a typical congressperson doesn't make that case.

But to keep his/her job, a lawmaker needs to convince voters the other party would shortchange their interests more, a message easy to convey in simple slogans. To reinforce the slogans, most lawmakers obstruct the other party on issues such as Medicare, taxes and spending.

By contrast, each Forum member would just have constituents who shared his/her values and would *not* be running for reelection. So, how would a Forum member benefit by demonizing people with different values? It wouldn't benefit him/her one iota. On the contrary, to advance his own values and most satisfy his constituents, each Forum member would need to negotiate with the others to reach the most beneficial deal they could.

How would the Forum link to elected officials?

If the Forum were a tax-exempt 501c3 organization, current law would restrict members from pressuring lawmakers or urging voters to contact them. But the law would allow Forum members to publicly explain all the benefits of their fiscal plan.

Many economists, business leaders and other opinion makers would likely become vocal advocates as well.

And when enough voters favored the plan, lawmakers seeking reelection would feel growing pressure to back it.

How much would the Forum cost?

More than any comparable project. But compared to America's \$16 trillion economy and the trillions being wasted under current fiscal policies, the Forum's potential benefits are orders of magnitude greater than the costs.

In Summation: Nearly every member of Congress wins elections by fiercely opposing the other party's agenda. Political paralysis thereby benefits most incumbents.

Every other American could benefit from a creative grand bargain on the fiscal/economic issues now dividing us. A grand bargain that a critical mass of voters will support would require far more ambitious steps than any to date. The steps outlined here are, we believe, a more viable blueprint for building that grand bargain and winning public support for it than anything else on the horizon.

To citizens and organizations alarmed about our country's trajectory, we invite dialogue about these ideas. To raise questions or get more information, please contact Sol Erdman at the Center for Collaborative Democracy:

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Appendix I: Tentative Forum Benchmarks

Assemble Advisory Board

Enlist Nonprofit Organizations as Sponsors

Raise Initial Funds

Recruit Top Staff Members

Develop Full Project Plan

Raise Full Funding

Recruit Entire Staff

Prepare Forum Materials

Wage Initial Publicity Campaign

Recruit Forum Candidates

Mount Media Campaign Asking
Voters to Select Forum Members

Convene Forum Members

Orientation

Sharing Information

Statement of Principles

Working Groups

Deliberations

Negotiations

Assist Forum Members to
Advocate Their Economic Plan

Recruit Opinion Leaders to Build
More Public Support for Forum's Plan