

Who Will Repair America's Finances 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 the steps necessary to repair our government's finances, maximize economic growth, and boost the long-term prospects of Americans from all walks of life.¹

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

Members of Congress thereby see how to win election after election: block the tax and spending policies that most of their voters oppose and blame the other party for blocking the economic policies their voters want.

Our economy is therefore destined to decline — unless enough voters in enough districts vocally support the steps necessary for our economy to thrive.

What, though, could stir tens of millions of diverse voters to embrace fiscal policies they now oppose?

The Opportunity: Diverse groups of people have embraced many agreements containing clauses they had long opposed. In every case we know of, each of the diverse groups had a spokesperson they trusted — who convinced them that agreement would serve their overall interests.²

For example, 25 spokespeople for the main camps battling over environmental policy in 1993 — exasperated by years of political stalemate — negotiated a grand bargain by which companies would cut pollution far more if they could choose the most cost-effective ways to cut it.³

The negotiators — CEOs from heavy industry, leaders of major environmental groups and senior federal officials — were trusted enough by their respective camps to convince every relevant industry association, environmental group and federal agency to embrace this plan.

Every grand bargain we know of emerged this way: Each camp had a trusted representative intent on advancing their cause. The representatives therefore kept negotiating until each one was confident the tentative deal would benefit his/her camp enough he could sell it to them.

Who, then, could negotiate a fiscal/economic grand bargain that voters from each socioeconomic and political camp would support? The negotiators would need to:

- understand each camp's needs and values;
- be determined to negotiate an agreement that would advance each group's long-term interests; and
- be trusted widely enough that each camp would listen to at least one negotiator 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 Bowles-Simpson commission, which — in trying to satisfy the 535 members of Congress — crafted a plan that its authors described as inflicting pain on the American people. Most voters therefore ignored the commission and its plan.

Who would voters trust to resolve our fiscal/economic problems — who would resolve them so that America would thrive? Our politicians clearly cannot do that job. We need to look elsewhere.

To Find Negotiators with the determination, understanding and trust necessary to resolve our fiscal and economic problems, we propose to build a coalition of high profile non-profit organizations that will:

- identify the economic experts and advocates whom voters from each income bracket, age group, family type and political persuasion would trust;
- invite these advocates to negotiate a plan that will repair our nation's finances, boost our economy to its full potential and, in time, benefit each socioeconomic group;
- convene these advocates with facilitators who will help them negotiate this 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 feasible 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 health 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

Project Name and Objectives

We propose to call this project the Forum for Long-Term Prosperity, to convey to voters of all kinds that its purpose is to generate a far brighter future for them and the nation overall.

Economists and business leaders indeed agree on how to restore our nation's finances while enhancing nearly every American's quality of life.⁴

The necessary steps — not necessarily in this order⁵ — are:

- upgrade our schools until they are producing the best educated populace and most skilled, creative and productive workforce in the world;
- curb the growth in entitlement spending, mainly on Medicare, which can be done without compromising seniors' health;⁶
- reform the tax code to make it comprehensible, fair and economically efficient by eliminating preferences and lowering marginal tax rates; and
- invest judiciously in infrastructure.

Congress is incapable of enacting these steps now because nearly every lawmaker's surest path to reelection is to promise voters in his/her state or district to block the other party's agenda on these issues.

Forum members, though, would not be running for reelection, and they would not be representing districts.

Each Forum member would be an advocate for a distinct camp of voters — with distinct worries about the future. For any Forum member to address his/her camp's worries, he/she would be to negotiate an agreement that enough camps of voters would vocally support that Congress would enact it into law. The more camps that pressed for change, the more likely Congress would act.

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

⁵ Any order is arbitrary, because anyone concerned about these issues will have their own sense of which steps matter most.

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

Questions, Doubts and Answers

How could one group of people achieve such sweeping objectives on such complex, divisive issues as taxes, entitlements, infrastructure spending and education?

The Forum could turn to a well-established process for negotiating grand bargains:

- It could start by forming a task force to deal with each of these issues. 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 to the entire Forum the alternatives offering the greatest net benefits, spelling out how each socioeconomic group would likely benefit.
- Each Forum member would then need to identify which of the four areas above mattered most to his/her camp.
- The members would then begin to trade. Each member would seek policies that best advanced his/her top priorities by offering concessions to other members on issues secondary to him but primary to them.
- This trading would continue until each member saw the final agreement as meeting more of his/her constituents' priorities than they could meet by any other means.

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

Liberals could achieve much wider, more sustainable prosperity than they can from a gridlocked Capitol Hill.

Won't some Forum members try to block ideological adversaries from making progress on their agendas, thereby recreating the gridlock on Capitol Hill?

To prevent that, one criterion for Forum membership would be a track record of advocating a fiscal/economic agenda more than attacking other agendas. Our proposed process for selecting Forum members is described below.

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

Many will, but the Forum won't need every voter's support. It will just need 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 many voters resist a plan very 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 how it is in their best interests.

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

The vast majority of voters mistrust Congress. They feel Washington doesn't care about them. Most voters also worry about the future, for good reason: Their median income is shrinking. The percentage of Americans with jobs is at a 35-year low.

The Forum will address all of these needs.

Why would voters believe that?

To have the necessary credibility, we will 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 until enough voters vocally support the fiscal and economic legislation our country needs; and
- b) voters will stick with their current demands until advocates they trust offer them something far better.

If we recruit prominent sponsors, they could make a case to America's best known economic experts and advocates that becoming a Forum candidate would be each advocate's best opportunity to negotiate a national economic plan that tackles his/her biggest concerns and incorporates 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'd gladly sit down together to work out solutions 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. They will then present their solutions to us, the people. If we support their solutions, Congress will have to act.

- At least one Forum member will do all he/she can to ensure a brighter future for you and your family — *if*, on our website, you tell us who you'd 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 most 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 will 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 urge my constituents to support it.”

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

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

Won't many voters object to the negotiations being conducted out of public view?

Yes. But the sponsors could justify the closed door meetings in the following way, “The Forum’s purpose is to produce a grand bargain by which everyone gains. Hold us accountable for that result.

“Negotiators cannot produce that result in front of cameras. They would posture, rather than build trust with one another and bargain in good faith.

“We already have policymaking in public view: Congress. Do we want more posturing of that kind?

“As one example of a better process, consider how the U.S. Constitution was negotiated: out of public view. No word leaked out. But framers did make a full case for their final product to the American people. The Forum will do the same.”

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

Yes. So each Forum member will 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 would 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 some groups actively oppose parts of the Forum's plan on Capitol Hill?

Yes, groups that economists call “rent-seekers,” who exploit their access to politicians to extract benefits and subsidies far in excess of what the rent-seekers contribute to the public good. These groups so often prevail in Congress because they push far more aggressively for self-serving benefits than others push back against them.

By contrast, the Forum is designed to produce a fiscal/economic grand bargain by which nearly every group gains so much ground that they will pressure Congress to enact that grand bargain far more vocally and in greater numbers than rent-seekers opposing it.

Won't wealthy Americans see the Forum as a threat to their political influence?

The wealthiest Americans can see that the current political process is so dysfunctional it threatens our country’s future. The wealthy may do better than others, but nowhere as well as they would if our economy was more productive and growing faster.

That would drive stock prices much higher. People with capital would do far better than now.

Is it realistic to expect the Forum to produce such an optimal outcome?

American life is filled with examples of people from disparate backgrounds working collaboratively to produce groundbreaking results. It happens in commerce, science, sports and the arts.

It’s rare in politics — because politics is organized in a way that makes excellence unattainable.

For example, each congressperson 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 that he/she is acting in their best interests? That would be like an attorney 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 congressperson cannot make that case.

Instead, most lawmakers pursue reelection by convincing voters the other party would harm their interests more. To reinforce that message, most lawmakers obstruct the other party on hot-button 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, to advance his own values and most satisfy his constituents, each Forum member would have every incentive to negotiate with others to reach the most beneficial deal possible.

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 pressure them. But under the law, Forum members could explain to voters all the benefits of their plan.

Many economists, celebrities and opinion leaders 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, thriving amidst political paralysis.

Every other American could benefit from a creative grand bargain on the fiscal/economic issues now dividing us. But to negotiate a specific grand bargain that voters will overwhelmingly support will take a far more ambitious effort than any to date.

The steps outlined here are, we believe, a more viable blueprint for building that grand bargain and mobilizing public support 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