

Introduction to L707: Analysis of the 2012 Election

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In the January/February 2010 edition of Atlantic Monthly, James Fallows declared that the U.S. political system is dysfunctional. Unless we fix it, he said, we will either have a new Constitution, or a coup. He ruled out both as unthinkable, and argued that we will fix the system. The 2010 election brought many new members to Congress who claimed they were dedicated to returning “power to the people” and “constitutional government.” Gridlock has increased and shows no sign of abating. The dysfunction is greater than ever.

Introduction.

The coming election promises to be a contest to determine the solution to the gridlock and dysfunctional process of government. The conflict is similar to the debate going on around the world. The 2012 election will be a contest between two starkly different views of the role of government that underscore the enormous differences between Republicans and Democrats. In July 2012, I wrote an essay *2012 Election: Showdown at the OK Corral*. The following is an update of that essay incorporating recent events, particularly the selection of Paul Ryan as the Vice President nominee.

I believe the 2012 election offers the starkest contrast in my lifetime of what we want the country to be. While this refers to many aspects of life, I will focus on the economic dimension. In the most general sense the choice is between the “progressive/communitarian” Obama ideology and the *apparent* laissez faire ideology of Romney. I emphasize the uncertainty of the Romney ideology because he has not been clear about how much he will embrace the “Ryan budget.” Romney stated many times in the several months before he selected Ryan that he fully endorsed the Ryan budget and explicitly encouraged Congress to pass it. It is less certain now that he will continue that embracement, but my analysis *assumes* that he will. We will examine this in more detail in our sixth session on 22 October, when perhaps we will have more clarity regarding the specifics of Romney’s economic ideology.

As we go through this course, I must emphasize that the issues we will discuss are highly complex and clouded in emotion. We all view the issues from our individual perceptual lenses. I claim no exemption from this contaminating variable. We will go into some detail on this in our 29 October session, *Psychology of Voter Behavior*, but for this first session, please read the second essay *Political Ideologies as Perceptual Filters*.

The Stark Choices.

It is doubtful that all the voters will understand the stark choice that this election offers. As we examine in the 29 October session, voters vote for a myriad of reasons, many of which are non-rational. But it is useful to look at some general features of the two opposing ideologies. This course is designed to assist participants in making rational, informed choices.

We don't need any special insight to know that our current system of electing our officials is far from perfect or that the U.S. political system is dysfunctional. During the past few years, the gridlock has stemmed in great part from the different views of the role of government, especially in the economic dimension. Let me give a general summary of how I see this divide.

In op-ed article on 16 January 2011 of the Washington Post, "A Congress that reasserts its power," George Will, provides a good summary of the essence of this divide. Will asserts that Conservatives believe in small government, which the Founders intended. Liberal Courts have allowed executive aggrandizement, first by FDR and then by his "acolyte, LBJ," to ignore the intent of those Founders. He argues that the current conservative movement is a reaction to those liberal policies. Will referred to the 1905 Court decision, *Lochner v. New York*, as an example of the proper role of the judiciary. In that case, the Court decided that government had no authority to regulate business and cited a book (1853) by Herbert Spencer, which advocated "Social Darwinism." (Ayn Rand was a 20th Century advocate of this ideology). The last two paragraphs of Will's article sum the Conservative ideology:

"Americans are exceptionally committed to limited government because they are exceptionally confident of social mobility through personal striving. And they are exceptionally immune to a distinctively modern pessimism: It holds that individuals are powerless to assert their autonomy against society's vast impersonal forces, so people must become wards of government, which supposedly is the locus and engine of society's creativity.

"Two years into Barack Obama's presidency, we now know what he meant about 'hope' and 'change' - he and other progressives hope to change our national character. Three weeks into his presidency, Newsweek, unhinged by adoration of him and allowing its wishes to father its thoughts, announced that 'we are all socialists now' and that America 'is moving toward a modern European state.' The electorate emphatically disagreed and created the 112th Congress, with its exceptionally important agenda."

It should be clear that the Democratic Party has, since the FDR era, pursued a more "Progressive" and active role for government. I don't need to summarize the New Deal agenda, which was a social revolution. LBJ and his "Great Society" agenda were captured by this statement in one of his speeches:

"I see a day ahead with a united nation, divided neither by class nor by section nor by color, knowing no South or north, no East or West, but just one great America, free of malice and free of hate, and loving thy neighbor as thyself. I see America as a family that takes care of all of its members in time of adversity ... I see our national as a free and generous land with its people bound together by common ties of confidence and affection, and common aspirations toward duty and purpose."

I suggest that the central contest between the Republicans and Democrats is to determine the role of the Federal Government. This battle is being played out during a critical economic crisis; each side is using the crisis to define its ideology. This course attempts to understand why the proponents of these two versions of America believe the

way they do. As the reader will see, I believe it is based on different beliefs about how much government should be involved in maintaining the welfare of individuals (in the broader sense of the term, this is “socialism”). As a simple yardstick, I believe we can look at the budget advocated by the two parties. The Republican leadership argues that the percentage of our GDP allocated to the Federal Government should be limited to 18%. Based on the current GDP (about \$15T), the 2011 budget would be \$2.7T. While the Democrats have not specified a given percentage, my estimate is that their agenda would require 23% of GDP (\$3.45T). It is interesting to note that the Presidential Commission Co-chairs (Bowles and Simpson) recommended 21% and the other bi-partisan group headed by Alice Rivlin and Pete Dominici recommended 23%.

These are sharply different concepts of what we want the Federal Government to do. American voters favor the Republican concept of small government—in theory. When it comes to what services the voters want the Federal Government to provide, they favor the Democratic agenda. This leads to deficit spending and the accumulation of debt. This is compounded in a recession, when tax revenues are reduced while spending continues. For example, the revenues for 2010 were only 14% of GDP while spending was about 24%, leading to a deficit of \$1.6T. How much, and where the money goes, tells us a lot about the ideologies of the two parties.

The share of GDP that we allot to the government for its functions is at the heart of the matter. The immediate challenge is how we manage the deficit and growing national debt. These are interrelated, but can be in competition, as can be seen in the debates around the world, especially in Europe. In order to stimulate economic growth, one cannot pursue austerity too aggressively, either by raising taxes or cutting spending. On the other hand, one cannot continue to run huge deficits year after year. The balance is difficult to achieve. Here again, there is a sharp contrast in the two approaches. Obama has focused on the Keynesian theory of stimulating the economy emphasizing the demand side; the Republicans have emphasized the supply side and austerity. Which is the best way to approach a recession? Hopefully, one can put ideology aside and look at empirical data on which to base policy. **We will examine this in more depth in our 22 October focus on the economic ideologies of the two parties.** In addition to the question of which approach is more effective in stimulating the economy, the question of fairness/equity must be considered in the equation (more on that in session 3).

Summary.

There are clear substantive differences between the two major parties as I have tried to summarize. (If any participants in this course believe I have unfairly represented these differences, please feel free to comment in class; summaries risk over simplification). It seems to me that the central issue facing us in the immediate future is what we want the government (particularly the Federal Government) role to be. As I stated earlier, a yardstick we can use to estimate the answer is how much resources we allocate to the government. In regard to the Federal Government, should it be the 18%, 21%, or 23%? Even in terms of Washington budgets, a \$750B difference in the annual federal budget is real money. Simplistic slogans using glittering generalities cloud the issue. Do voters understand the consequences when they vote for these concepts of the government role in their lives? I don't think so! Will the 2012 election signal a return to the pre-New Deal era

of a Spartan government? The Ryan budget suggests this, but even if Romney endorses that budget, can it be implemented if he is elected?

One of the most disturbing factors in the body politic today is the emotional rhetoric based on negativism in general and specifically the anger and hate targeting both individuals and institutions. You are not only wrong if you disagree with me—you are evil, unpatriotic, and unworthy of trust. Why do political candidates and elected officials use these techniques that are dysfunctional to an effective democratic process? The answer is simple: these techniques work to get one elected. There is a label for candidates who refuse to use negativity and vitriol: losers!

We are left with the only logical conclusion regarding blame for our dysfunctional system—it is “We the People. Unfortunately, our political system thrives on bashing “the government.” It is the bread and butter of such movements as the “Politics of Rage” practiced by George Wallace, and to a lesser degree by Pat Buchanan, and by some political figures today. The leftists practiced it in the 60s, albeit without the umbrella of a political label. When public trust and confidence is lost, can we endure? As Sissela Bok put it:

“...Trust is a social good to be protected just as much as the air we breathe or the water we drink. When it is damaged, the community as a whole suffers; and when it is destroyed, societies falter and collapse.

...Trust and integrity are precious resources, easily squandered, hard to regain...”

Lying, 1978

If we are to return to a civil and rational political discourse that is essential for our form of government, we must develop a rational dialogue to educate voters to a degree that they know what they are voting for and the policy consequences of those choices. I have no magic solution for this problem. The formula that calls for extensive government services and low taxes is a recipe for gridlock. This dilemma may come to a head within the next few weeks, but certainly in the coming years. The voters will choose, but I’m not confident that, for reasons discussed in this course, they will make a rational decision.

The dilemma is not peculiar to the United States; look at the other “Western” democracies. Of the elections held since the recession began, all 14 of the regimes, a mixture of conservative and liberal, have been voted out of office. What does this say about democracy as a rational decision-making process? The European “community” is in turmoil over the economic situation.

As we go through the course, I expect each one of you will follow the debate and attempt to sort rhetoric from substance. This is difficult, and to assist in the economic realm, I suggest you go to non-partisan sources to get your information, e.g., Congressional Budget Office; Center on Budget and Policy Priorities. On complex subjects such as health care reform, be careful because there are many flakey assumptions in the arguments. The Peter G. Peterson website has a good analysis of Obamacare in a study called “Bending the Curve.” That explains fairly well the issue of the \$716B “savings” in Obamacare. I mention this because it is a point of controversy; Ryan includes it in his budget, but Romney does not.

Be sure and read the essay *Political Ideologies as Perceptual Filters* before the first class.