

A Project to Restore America's Economic Health

Center for Collaborative Democracy

The Need: Economists largely agree that America is headed for decline unless Congress restrains entitlement spending, overhauls the tax code, and makes cost-effective investments in infrastructure and education.

Yet most Americans would oppose one or more of these steps. A majority would resent cuts in their entitlement benefits. Others would protest the loss of tax deductions. And many voters would condemn any new federal spending.

Nearly every member of Congress is, in turn, pursuing reelection by likewise opposing one or more of the fiscal reforms his/her voters reject.

America's economic health therefore depends on convincing enough voters to endorse a sensible overhaul of tax and spending policies that most lawmakers, intent as they are on reelection, will support that overhaul as well.

The Opportunity: There have been times when a small group of individuals has developed a creative solution to a national controversy and, then, convinced *all* camps involved to support their proposal. A similar group could resolve our nation's conflicts over taxes and federal spending priorities.

In 1996, for instance, six corporate CEOs, seven environmental leaders, and five federal officials were sufficiently weary of their costly battles that they negotiated a 185-page plan for resolving their major conflicts.¹ Each CEO then pitched the plan to executives throughout his industry. The environmentalists made the case to other environmental groups. And the federal officials courted other regulators. Every audience agreed the plan would be better for them than continuing their long-standing battles.

¹ The plan's main theme was that government should set higher environmental standards but let companies largely decide *how* to meet them. Businesses would thereby seek out ever more efficient ways to cut pollution. *Sustainable America: A New Consensus for Prosperity, Opportunity, and a Healthy Environment for the Future* (U.S. Gov't Printing Office, 1996).

Similar groups have resolved disputes over healthcare for the uninsured, nuclear waste disposal and fuel economy standards for cars and trucks. Each time, diverse camps with sharply opposing agendas resolved their long-term conflicts in a way that all sides endorsed.

Three factors led to these successes:

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

As a result, each representative felt the need to negotiate with his/her counterparts. In time, they all realized that they would make the most progress if they negotiated a deal with the greatest total benefits and most efficient costs. They could then parcel out the costs and benefits so that each representative gained enough ground to support the deal. Each spokesperson was then able to convince most people in his/her own camp that the deal met as many of their priorities as they could realistically get.

Until now, the committees and commissions that have tackled taxes, entitlements and federal spending have been appointed by political leaders or self-appointed. These committees have not met the above criteria.

The Project: The Center for Collaborative Democracy intends to form a committee that does meet these criteria. The committee will consist of 20 high profile Americans, each representing a key segment of the public, and collectively representing all major segments. The committee will strive to negotiate a fiscal plan that will most benefit the public and, then, show citizens of all kinds how that plan will benefit them. To draw nationwide attention, this committee will be called the Forum to Save America's Future.

Reality Checks

Could any fiscal plan benefit everyone?

Current tax, entitlement and spending policies will soon cripple our nation's finances and thus harm nearly every family's finances. The country as whole would do far better by simplifying the tax code, repairing our decaying infrastructure, creating first rate public education and reducing Medicare's costs without compromising seniors' health.² And if the country would benefit from these changes, the benefits could be allocated in such a way that every segment of the public gains on balance.

Nonetheless, will voters left and right, young and old, well-off and poor ever agree on how to tackle such divisive issues?

All segments of the public are most likely to agree if each segment gets a representative they trust *and* he/she makes a persuasive case to them that a deal he's negotiated will serve their families far better than the course we're on now.

We will therefore pledge to every citizen that, by participating in the forum, they will get a representative who champions their concerns on taxes, entitlements and federal spending.³ The following pages spell out how we intend to fulfill this pledge.

If each forum member represents a segment of the public, won't some members be too ideological to find common ground with the others?

² Medicare now provides tests and procedures on demand, without measuring how they improve health. Even seniors will benefit if Medicare is restructured intelligently. Otherwise, its escalating costs will force large cutbacks. And the longer we wait, the more severe the cutbacks will be.

³ Since most Americans ignored the Bowles-Simpson commission, the Rivlin-Domenici task force and the Gang of Six, all of which produced sensible fiscal plans, we predict that the American public will ignore any fiscal plan *unless* the public chooses the people who assemble it.

Politicians and commentators who take ideologically extreme stands do so primarily to court voters or attract followers — knowing that their extreme proposals cannot pass a divided Congress. Apparently, most don't care.

Forum members, though, won't be running for reelection and won't be paid to stir up an audience. Instead, forum members will meet and deliberate out of public view. So anyone who participates in the forum will have but one potential payoff: the opportunity to advance his/her policy agenda. And to advance his agenda, a forum member would need to reach an agreement with the others. When the forum meets, we will provide facilitators who have a track record of helping advocates see the benefits to their own camps in negotiating with their adversaries.

Don't many voters hold such extreme views on these issues that they won't listen to reason?

In our experience, even people with extreme views will listen to a representative they trust if he/she makes the following points: "We're one camp of many. So, we can't make any progress on our agenda on our own. To get anywhere, we have to negotiate with other camps. That's why I struck this deal. It meets as many of our objectives as we can get. Here's what it gives us. . . . I tried to get more, but other camps wouldn't budge. So, if we pass up this deal, we'll be stuck with what we have now. Or other camps may proceed without us, and who knows where that could lead. What would you prefer?"

Won't some people still feel they could do better or feel they know the one right way to handle these issues and refuse to give up that position?

Yes, so the best that the negotiators could do is to win over the vast majority of people in each camp. With the right negotiators, that is usually doable. The forum is designed to find negotiators who can make a compelling case to Americans of all stripes.

Won't Congress eventually resolve these issues on its own?

There are reasons to believe otherwise. To begin with, each lawmaker represents so many kinds of voters: the young, the middle-aged, seniors, blue-collar workers, white-collar workers, business owners, the unemployed, singles, couples and families with children. How then can a congressperson convince most voters that he is acting in their interests on the issues they care about most? That would be like one lawyer trying to convince General Motors' executives, Sierra Club members, auto workers, car buyers and environmental regulators that he has all of their best interests at heart. No one we know could credibly make that kind of case.

Furthermore, a lawmaker doesn't need to make it. A congressperson can win reelection just by convincing most voters that the other party would harm their interests even more. Each lawmaker thus has constant incentives to make the other party look untrustworthy, incompetent or worse. Most lawmakers therefore see little benefit to themselves in working with the other party to resolve their differences on controversial issues.

So the two parties are highly unlikely to resolve their differences on our nation's fiscal problems.

Most voters are uninformed or apathetic about these issues. So, how could you stir a majority to participate in this project, and then convince a majority to back a complex fiscal plan?

We don't need to engage a majority. We need to engage enough voters that most lawmakers will see greater benefit to themselves in resolving these issues than continuing to fight over them.

Nonetheless, to win over millions of voters will require using many forms of media and the most graphic tools of persuasion. That will in turn require that this project raise sufficient funds and recruit talented people.

How could this project stir public attention during a Presidential election year?

This year we would raise the necessary funds, recruit personnel, flesh out the project plan and develop preliminary materials. The forum itself would start in 2013.

How would this project link to elected officials?

Current laws limit lobbying by a tax-exempt 501c3 organization. So, we would not pressure Congress or urge voters to contact their lawmakers. But forum members would still be free to make a compelling case for their fiscal plan to the American public. And when enough voters favored the plan, lawmakers seeking reelection would presumably support it as well.

Implementation

To succeed, this project would need to draw nationwide attention and inspire trust in Americans of all kinds. The project will therefore be costly. But America's economic health is at stake. The project's potential benefits are therefore orders of magnitude larger than the costs.

At this time, we are just seeking funds to recruit key personnel who would develop a full operational plan and determine the exact resources the project requires. Our budget for that purpose is \$850,000.

We estimate this project would take two years from initial funding to complete. A tentative timeline is in Appendix I. The project would include the following phases:

1) Planning & Staffing: When initial funds were in hand, we would recruit a chief operating officer, a chief communications officer and a chief facilitator. We would also assemble a board of advisors that, ideally, would include former directors of the Congressional Budget Office and former directors of other consensus-building projects.

When full funding was committed, we would hire personnel in the following categories:

- a) forum administration;
- b) tax, entitlement and fiscal policy;
- c) external communication;
- d) intra-forum communication; and
- e) facilitation.

2) Initial Publicity: When appropriate staff was in place, we would produce videos that graphically show how current fiscal policies will affect every family. We would use the videos and other media to publicize the forum and its goal to restore America's fiscal health.

3) Recruiting Forum Candidates: We would invite high profile public figures who had spoken out on these issues to become candidates for the forum. Candidates could come from academia, think tanks, industry, labor unions, the media, advocacy groups and so on. Each candidate would need to submit a statement of his/her priorities on entitlements, taxes and government spending, plus a CV.

Candidates would have to pledge they would be available to meet for 12 consecutive weekends near the geographic center of the country — the major city nearest the center being St. Louis. Winning candidates would receive a travel allowance and a stipend (tentatively: \$1,500 per day) to compensate for their time.

We would verify that the candidates were who they claimed to be and ensure that they covered the political spectrum. If not, we would recruit candidates to fill any gaps.

4) Engaging the Public in Choosing Forum Members: We would widely publicize our pledge to every citizen that if they participated in the forum, they would get a representative who championed their concerns on the issues that would shape their future. To fulfill that promise, we would create a website on which any voter could check off his/her concerns on taxes, entitlements and government spending. The website would suggest forum candidates who fit the voter's requirements, linking to those candidates' videos and written platforms.

Each voter would be asked to decide which candidate was his/her first choice, second choice, and so on.

5) Selecting the Forum: We would select forum members in such a way that virtually every voter would get one of his/her choices. A majority would get their first choice of a representative; most of the rest would get their second choice; and so on. The selection process is outlined in Appendix II.

6) Forum Meetings: Four weeks after being chosen, the representatives would begin to meet. The forum would have five phases:

a) Orientation: Forum members would become acquainted, agree on ground rules and set overall objectives.

b) Sharing Information: To give the representatives a common database, experts across the political spectrum would spend three weekends spelling out America's fiscal problems and solutions proposed up to that point. Written materials covering that ground would be given to forum members and posted on a website open to the public. Forum members would have an opportunity to challenge any information presented.

c) Statement of Principles: Once forum members had a common database, we would ask them to agree on the principles that would frame their eventual solution. We would strive for consensus. But if there were a few holdouts, the process would still move forward. In ensuing weeks, we would explore what might get the holdouts on board.

d) Framing Alternatives: To develop alternative ways to reform entitlements, taxes and spending policies, the forum would be divided into working groups. Members would be chosen for each group so that each represented the entire forum as closely as possible.

With the help of facilitators, each working group would develop a range of proposals over

three weekends. Computer models and graphics would display the economic effects of each alternative. Working group members could alter each variable to see the effects.

e) Deliberations: Each working group would present its alternatives to the entire forum.

Forum members would then start to develop a detailed plan. Facilitators would encourage the members to explore various combinations of proposals, ask the members to rate each package, and thereby discover which packages would satisfy the participants the most.

Once a core proposal was agreed to, forum members would need to allocate the costs and benefits by trading among themselves. To that end, each forum member would be asked to disclose to a mediator which parts of the proposal he/she valued most. The mediators could thus propose trades that gave as many forum members as possible their top priorities.

Our goal would be to assemble a total package that all forum members deemed superior to the status quo.

7) Advocating the Plan: When the forum had negotiated as inclusive an agreement as feasible, members who endorsed it would need to seek their constituents' support. Each member would need to spell out:

1) how, under current tax and spending policies, his constituents' standard of living would fall;

2) that to make progress for them he had to reach agreement with the other members;

3) how the forum's plan would benefit his constituents, how the benefits to them outweighed the costs; and

4) that the alternative was economic hardship for all.

We would assist forum members to make their case on the air, in Internet chat rooms, in print, and in public meetings. That would include producing videos that show how each segment of the public would fare under the forum's plan versus current fiscal policies.

8) Alerting the General Public: We would recruit opinion leaders to make the case for the forum's plan. We would sponsor opinion polls to show rising public support.

If and when the public voiced sufficient support, both political parties would presumably have incentives to adopt the forum's plan.

In Conclusion: Current fiscal policies are so dysfunctional that there are bound to be reforms that would serve the country as a whole far better than the status quo. But to develop these reforms, parcel out the costs and benefits equitably and then win nationwide support will require a process far more ambitious than anything attempted to date. We believe this proposal spells out the necessary steps.

Indeed, without a project like this, how will our lawmakers make even-handed, intelligent decisions on these issues that will shape our future?

To citizens and organizations that seek to restore our country's economic health, we invite inquiries about this project. For more information, please contact:

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Appendix I: Tentative Project Timeline

Raising Initial Funds:	weeks 1 - 12
Preliminary Staffing:	weeks 13 - 18
Developing Full Project Plan:	weeks 19 - 26
Raising Full Funding:	weeks 27 - 40
Full Staffing:	weeks 41 - 48
Preparing Forum Materials:	weeks 49 - 56
Preliminary Publicity:	weeks 57 - 60
Recruiting Candidates:	weeks 61 - 68
Voters Evaluate Candidates:	weeks 69 - 72
Selecting Forum Members:	week 73
Forum Meetings:	weeks 77 - 88

Orientation
Sharing Information
Statement of Principles
Working Groups
Forum Deliberations

Advocating the Forum's Plan:	week 89 – open-ended
Alerting the General Public:	week 93 – open-ended

Appendix II: Selecting Forum Members

To visualize the process by which each voter could get a representative he/she trusts, it helps to shrink the task down to a small scale. So suppose the residents of a small town meet in a large hall to choose their town council. Each person who wants a council seat hands out copies of his/her platform. Each candidate then moves to a different point in the room. Next, everyone present gathers around their favorite candidate. The person running the meeting then asks the candidate with the fewest backers to drop out of the race. That candidate and each person gathered around him then goes to their second choice. When all of those people get to their second choices, the moderator turns to the next candidate with the fewest backers and asks her to drop out. She and her supporters go to their next choices. This process continues until each remaining candidate has the support of, say, at least 10 percent of the town.

Each townspeople would thereby get a representative as close to him/herself politically as is practical.

This process would also sort the townspeople into coherent interest groups, based on which representative each person chose.

To achieve an equivalent result, the process for selecting forum members would be organized as follows:

1) Any voter could access our website to check off his/her concerns on entitlements, taxes and spending. The website would then suggest appropriate forum candidates, linking to their videos and statements of fiscal priorities: a full statement and a brief one.

2) Each voter could look at the brief statements to select the candidates who best represented the voter's concerns. The voter could then read those candidates' full statements or watch their videos to decide who was his/her first choice, second choice, third and so on. The voter would mark those choices on a "preferential ballot."

3) We would count ballots as follows: The candidate who drew the fewest first-choice votes would be out of the race. All votes for that candidate would go to his voters' second choices. Then, the next candidate with the fewest votes is dropped. The votes for her go to her voters' next choices. And so on, until each remaining candidate had the support of at least 5 percent of the people who'd voted.

4) The end result: Each voter would get a representative close to him/herself politically. And voters would have sorted themselves into coherent interest groups, based on which representative each voter chose.

Note: Each voter would be asked, but not required, to put his name, address and/or email address on his ballot, so that each forum member could communicate directly with constituents about his/her efforts on their behalf.

5) By the above process, each forum member is likely to attract a different number of voters. So, if the forum took straw votes, each member's voting power should be proportional to the number of his/her voters. However, we would encourage forum members to seek consensus and not take straw votes.

For more information, contact:

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