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BREAKING THE ENTITLEMENTS DEADLOCK WITH A PRESIDENTIAL COMMISSION

INTRODUCTION

Few issues ignite as much heated discussion among politicians as entitlement programs. Unlike most other programs whose costs are set by Congress, entitlements are provided for all those who satisfy eligibility criteria. Conservatives argue that this has led to uncontrollable and rapidly expanding outlays with questionable results. Liberals maintain that Congress cannot arbitrarily cap basic human service programs. This dispute has deadlocked Congress, preventing the fashioning of an entitlement policy that combines sound budget control with the discharge of appropriate federal responsibilities.

This deadlock must be broken. The means may be, as with other politically thorny issues, a presidential bipartisan commission. Experience shows that a commission with clear guidelines and ground rules can reach the agreement on sensitive issues that often eludes Congress.

There is no guarantee, of course, that a commission will be effective. For one thing, its recommendations can be ignored if they are not carefully planned. For example, Ronald Reagan's 1981 National Productivity Advisory Commission and his 1982 Task Force on Private Sector Initiatives changed public policy very little. For another thing, a commission can steer policy in the wrong direction; the Greenspan Commission on Social Security is considered by many to have done just this.

On the other hand, several legislative victories of the Reagan White House hinged on the findings of commissions. Key Administration foreign policy and defense initiatives, for instance, were assisted by the Kissinger Commission and Scowcroft Commission analyses. Reagan may be able to duplicate these important achievements in the difficult

field of entitlements by using a bipartisan commission--if he has learned from experience.

HOW DO COMMISSIONS CONTRIBUTE TO THE POLITICAL PROCESS?

Commissions can help resolve policy disputes and aid the passage of legislation in five ways:

1) Become a springboard for legislative action.

Commissions can boost innovative policy ideas that otherwise are deemed politically impractical. By demonstrating bipartisan support for a proposal, a commission can force the hands of congressional leaders--encouraging them to allow debate and give tacit support to the proposal or else appear unyielding or impervious to change.

Political independence confers unique benefits to the commission. Example: It can bypass the typical bureaucratic and political roadblocks to change. Presidential commissions have been the springboard for some of the most dramatic shifts in public policy in recent history. The recommendations of Franklin Roosevelt's Aldrich Commission, for instance, led to the establishment of the Federal Reserve System. Harry Truman established a commission to build support in Congress and the public for an economic aid package to assist the ailing economies of postwar democracies. The result: the Marshall Plan. And Lyndon Johnson relied heavily on task force findings to build support for his Great Society programs.

The endorsement of a policy proposal by a bipartisan commission greatly facilitates subsequent congressional approval. As Table 1 shows, in over 80 percent of the cases where the president has proposed measures based upon the recommendations of a commission, the legislation was enacted. This contrasts with presidential success rates over the same period for all domestic presidential initiatives of just 46 percent. An equally important finding: over two-thirds of the commissions appointed between 1948 and 1973 saw at least one of their principal recommendations adopted.¹ The recommendations of a blue-ribbon commission clearly provide a strong motivation for change.

2) Break a legislative logjam.

Presidential commissions are particularly effective in settling seemingly irreconcilable disputes within an administration or Congress

1. Thomas R. Wolanin, Presidential Advisory Commissions (Madison: University of Wisconsin Press, 1981), p. 138.

where politicians recognize the need for a change in policy, yet advocates on each side of the issue refuse to yield ground. Reagan's Scowcroft Commission on the MX missile was successful precisely because it crafted a politically acceptable compromise, thereby disentangling a hopeless three-year legislative stalemate. In such cases the commission's recommendations become a "package" by which each side swallows something it does not want. Yet accepting "independent" commission findings allows politicians to escape losing face.

TABLE 1

ACTION TAKEN ON RECOMMENDATIONS OF 51
COMMISSIONS SUPPORTED BY PRESIDENTS
TRUMAN THROUGH FORD².

POLICY RESPONSE	PERCENT OF COMMISSIONS
Legislation Enacted	82
An Administrative Change Adopted	50
Legislation Enacted and an Administrative Change Adopted	42
No Action Taken	12

3) Sow seeds for later policy adoption.

American political institutions seldom respond rapidly to presidential or public demands for new policy directions. But a commission can accelerate the pace of debate by injecting radical proposals into the mainstream of the debate through what London School of Economics political scientist Martin Bulmer calls "the legitimization function of commissions."

The most famous example of this is Truman's Committee on Civil Rights. Its recommendations were the initial impetus for the civil rights legislation adopted nearly twenty years later. Likewise, the

2. Data for Table 1 from : Terrence R. Tutchings, Rhetoric and Reality: Presidential Commissions and the Making of Public Policy (Boulder, Colorado: Westview Press, 1979), pp. 75-77.

recommendations of Eisenhower's Commission on Immigration and Naturalization were reflected later in the 1965 immigration laws.

4) Prevent passage of potentially damaging legislation.

In some instances, commissions play an important defensive role by presenting a scientific and dispassionate analysis of a crisis that reduces public demand for ill-conceived policies. In the mid-1960s, for instance, congressmen called for legislation designed to combat the "pernicious effects of automation." To counter mounting public support for such damaging legislation, Lyndon Johnson named a National Commission on Technology, Automation, and Economic Progress. The Commission was asked to assess the merits of prescriptive legislation. Its findings that automation does not reduce the total number of jobs helped defuse the issue. By 1968, writes political scientist Thomas Wolanin, an expert on presidential commissions, "in the AFL-CIO Platform Proposals, technological change is admitted to be inevitable and usually desirable."³

5) Build coalitions to challenge powerful interests.

The American political system favors large interest groups that devote considerable resources to lobbying a small number of specific issues. In contrast, the general public is underrepresented on most matters because its resources are widely and thinly spread. This political anomaly often enables interest groups to block or pursue legislation without regard to the general welfare.

Commissions can alter the political dynamics in such cases. By assuring that the public is fairly represented on the panel, a coalition of individually weak groups can be woven to a concentrated challenge to the interests of a powerful lobby. This was the reasoning behind Eisenhower's Commission on Veterans' Pensions, in response to the demands of World War I veterans for vastly increased pensions. Given the veterans' considerable political clout and a sympathetic press, it could have been damaging politically to oppose these demands. Eisenhower's antidote was an independent commission, which demonstrated to the public that the veterans' demands were unreasonable.⁴

REAGAN COMMISSIONS: SUCCESSES, FAILURES, AND LESSONS LEARNED

Policy was affected by three of Reagan's first-term commissions:

3. Wolanin, op. cit., p. 147.

4. Ibid., p. 19.

the Greenspan Commission on Social Security, the Scowcroft Commission on strategic missiles, and the Kissinger Commission on Central America. The latter two yielded conclusions that were workable and innovative, while the first failed to develop a long-term solution to the Social Security crisis. Each of these commissions teaches important lessons for fine-tuning the commission strategy. Their combined record suggests a framework for a commission on entitlements.

The Social Security Commission

The bipartisan Social Security Commission was appointed by Reagan in September 1982 to devise solutions to the Social Security financing crisis. The Commission had a unique opportunity to float innovative ideas to restructure the entire retirement program, such as phasing in a private system based on Individual Retirement Accounts. Instead, the Commission avoided a solution and chose a short-term compromise: it recommended forcing new categories of workers to contribute to Social Security, a hike in taxes, and modest benefit reductions. By bringing new workers into the system, it merely strengthened the constituency supporting the existing system, making fundamental reform all the more difficult. The only winners were the politicians, who were temporarily off the hook of finding a lasting solution to the problem.

The Social Security Commission failed to recommend innovative solutions for two reasons. First, the White House selected panelists who came to the bargaining table with a powerful desire to defend the status quo and to shun new approaches to the problem. Many commission members had been senior officials in the system itself, including Robert Ball, the Social Security Commissioner from 1962 to 1973, and Congressman Claude Pepper (D-FL), a leading advocate of Social Security. The membership of the Commission virtually guaranteed that its recommendations would not challenge the essential structure of the system.

The second reason for the Greenspan Commission's failure to consider a long-term solution were the Administration-set ground rules. The members quickly realized that the White House and Congress already had agreed informally on some combination of tax increases and benefit cuts. Hence, the Social Security Commission merely relieved a congressional logjam, rather than serving as a bipartisan task force to build support for an innovative solution.

The Scowcroft Commission

In stark contrast to the Greenspan Commission, the Scowcroft Commission was a model of success: it crafted a political compromise truly bipartisan in nature, which nonetheless gave the President what he desperately wanted--congressional funding of the MX missile. The Administration consistently had been falling 50 to 100 votes short of

approval for the MX in the House of Representatives. The Pentagon, State Department, National Security Council, and the Arms Control and Disarmament Agency each had failed to move Congress. The Scowcroft Commission succeeded, crafting a compromise that secured for Reagan enough votes to win congressional approval.

Accounting for the Commission's success were:

1) The logjam lent itself perfectly to a bipartisan panel compromise. The "Scowcroft Commission succeeded," write political scientists Mark Greenberg and Rachel Flick in the Journal of Contemporary Studies, "precisely because it was a commission. Any similar plan emanating from an executive agency would have beyond doubt been rejected by Congress." Reagan recognized that, if a bipartisan group would recommend the MX, then pressure would mount on lawmakers to accept the compromise.

2) Reagan named a strong chairman, Brent Scowcroft. The chairman kept his objective firmly in sight. He not only insisted upon the inclusion of the MX in any Commission compromise, but also demanded that whatever package was eventually released must be politically palatable to congressional opponents of the MX. The Commission remained focused upon a clear and specific goal and sensitive to political realities in working to attain that goal.

The Kissinger Commission

The Kissinger Commission was appointed in 1983 to forge a policy consensus on U.S. military and economic strategy in Central America. After studying conditions in that region, it concluded unanimously that the troubles in Central America directly threatened U.S. security. It endorsed a "substantial" increase in military aid to El Salvador and continued covert aid to anticommunist rebels in Nicaragua.

The Commission's unanimity was critical to its political success. A bipartisan unanimous consensus was hard to oppose in Congress. Its way was paved by the careful selection of well-respected and open-minded Democrats to the Commission--such as San Antonio Mayor Henry Cisneros and AFL-CIO President Lane Kirkland. Recalls political consultant and Commission member Richard M. Scammon, compromise was critically aided by Reagan's selection of members at the very least "sympathetic to the Kennan dogma of containment."⁵ This similarity in philosophy led to agreement on broad general policy.

Another key to its success was that disputes on specific technical issues were not allowed to interfere with the objective of

5. Telephone conversation with Richard M. Scammon, September 1985.

reaching a consensus. Dissents were published as footnotes to the final report, while the commission wisely focused on ironing out differences in areas where agreement could be reached.

CREATING A BIPARTISAN COMMISSION ON ENTITLEMENTS

The Need for a Commission

The term "entitlements" designates a wide variety of federal transfer payments to individuals, including social insurance programs and low-income benefit programs. An entitlement program provides benefits to any individual who meets the eligibility criteria established by law. Such programs now constitute the largest segment of the federal budget; for FY 1986, the Office of Management and Budget allocates 41 cents of every federal dollar spent for direct benefit payments to individuals. By including outlays for other mandatory programs of which the spending levels are determined by specific eligibility criteria, such as farm price supports, this figure rises to 43 cents of every dollar. Roughly one in three Americans receives direct personal benefits from the federal government.

Spending for entitlements has grown rapidly in recent decades. These rates of growth cannot be sustained. Between 1954 and 1981, means-tested benefit programs increased by more than 1,000 percent in real terms, from \$6.2 billion in 1954 to \$68 billion in 1981 (1985 constant dollars). Outlays on Social Security, unemployment insurance, federal pensions, and similar programs grew, in real terms, from \$26 billion to \$267 billion over the same period. Taken together, these programs comprised only 2.2 percent of GNP in 1954, but accounted for 9.5 percent in 1981.

The Office of Management and Budget estimates that outlays for entitlements and similar mandatory programs will rise from \$418 billion in 1985 to \$438 billion in 1986, reaching \$500 billion by 1988. Thus far, the Reagan Administration has succeeded only in leveling the growth in needs-based entitlements, but not the entitlement features of social insurance, agriculture, and other social programs.

Observes Stuart Eizenstat, domestic policy adviser to Jimmy Carter: "after eight years of the most conservative presidency we've ever had...the basic structure of the American welfare state will be significantly intact."⁶ Hugh Heclo, professor of government at

6. The Wall Street Journal, October 21, 1985.

Harvard University, goes further: "The welfare state has been consolidated, in part by making it more viable and workable."⁷

Marginal budget cutting of entitlements has not and will not solve the problem. What is needed is a fundamental reassessment of federal obligations and a corresponding restructuring of federal programs. Since Congress is clearly unwilling--or politically unable--to tackle this explosive issue, a Commission on Entitlements may be able to do so.

Guidelines for the Commission

A commission on entitlements needs to seek innovative strategies in social policy. The President should model it after the successful Kissinger and Scowcroft Commissions, avoiding the shortcomings of the Social Security Commission. A number of guidelines would increase the chances for a successful Commission. Among them:

1) Select members who have demonstrated an ability to develop innovative ideas.

A sad lesson of the Social Security Commission is that there is little benefit in reaching a consensus if it means avoiding a solution. A commitment to reexamine the fundamental structure of entitlement programs must be the litmus test for all commission members. They must be willing to challenge conventional approaches to the problem. The primary objective of the commission may not be quick congressional approval of new measures, but rather transmitting new ideas into the debate, as the first step to legislative reform.

2) Select members attuned to the political practicality of their findings.

Commission members should be highly sensitive to the political factors of the issue. A lesson of the Scowcroft and Kissinger Commissions is that it is only half of a commission's task to overcome technical barriers; the other half is to sidestep political obstacles. For a commission that will be advocating innovative solutions to be successful, writes Thomas Wolanin, the President must select participants who will "make their case forcefully without waving red flags that will arouse and mobilize strong opposition in the Congress or the bureaucracy."⁸

7. Ibid.

8. Wolanin, op. cit., p. 187.

3) Avoid selecting zealots.

While the Commission's membership should consist of members representing the various constituencies affected by the issue, a broad consensus is virtually impossible to achieve with irreconcilable extremists. Richard Scammon, who has sat on a number of presidential commissions, emphasizes that "keeping zealots off the commission" is perhaps the most important factor in reaching a consensus.⁹

4) Congress must be represented.

Selecting members of Congress as Commission participants pays obvious practical dividends. It lends prestige and credibility to the panel. More important, if Reagan can entice "new-idea" Democrats to join a commission to reform entitlement programs, he could preempt subsequent grounds for Democratic opposition when it came time to enact the recommendations. Congressional leaders would hesitate to reject the recommendations of a bipartisan group containing respected members of Congress.

5) Assure the Commission's autonomy.

A number of past presidential commissions have been coopted by government agency officials who have aggressively opposed recommendations that would reduce the power of the existing bureaucratic structure. Lyndon Johnson deliberately kept agency officials off his task forces, recognizing their predisposition to "tell him that nothing could be done or send him warmed over proposals that they had had in their desks for the last twenty years." Commissions are often successful precisely because they offer the detached and independent approaches of outsiders to a problem. Appointing agency officials or those who have past connections with the bureaucracy (as in the case of the Greenspan Commission) sacrifices this.

6) Limit and focus the Commission agenda.

A recent General Accounting Office evaluation of commission recommendations faulted the final reports of commissions as being too general to provide Congress with clear proposals to act upon. Yet when commissions have issued recommendations with specific legislative proposals, the congressional response has been better. The Scowcroft Commission, for example, presented a detailed legislative package for the Administration to hand to Congress. By contrast, the 1969 National Commission on the Causes and Prevention of Violence made broad recommendations involving a reorganization of the criminal justice

9. Telephone conversation with Richard M. Scammon, September 1985.

system. It offered few specific policy directives, and its findings were largely ignored.

A president can focus the commission's activity, not only by selecting its members but also through the presidential order creating it. This order allows a president to determine what will be on the commission's agenda and what will be kept off the table. He thus should bar a commission on entitlements from tinkering with taxes, for instance, since the Administration has already rejected tax increases to "solve" the entitlement problem.

WHAT QUESTIONS SHOULD THE COMMISSION ADDRESS?

Rather than attempting to evaluate the "success" or "failure" of individual programs, the Commission should undertake a major reevaluation of the role of the federal government in assuring the social welfare of its citizens. While it should be assumed that the government should play a key welfare role, the commission must have an open mind on whether the government necessarily must be the direct provider of services.

At the very least, the Commission should consider the following issues:

1) What is the purpose of entitlements?

As currently constituted, entitlements fall into at least three categories: promoting economic policy goals (for instance, farm aid, job training); social insurance (pensions, medical care); and welfare (aid to the poor and handicapped). While there is some overlap, most programs have at least one overriding goal. Simply listing the various entitlement programs by goal would help to develop a broad overview of federal social policy.

2) How can the specific entitlement policy goals be reached most efficiently?

If a government mechanism can enable the private sector to take care of some part of a problem, as in the case of Individual Retirement Accounts, the best federal intervention may be a system of incentives and mandatory standards within the private sector rather than a bureaucratized system of transfers. Private-public partnerships in achieving goals should be explored. The implications of this for federal financing should be carefully considered.

3) If individuals are "entitled" to benefits from society, to what is society entitled in exchange? What is the social benefit of particular entitlements?

In the case of veterans' benefits and Social Security, the benefit is paid because an individual has met service or contribution criteria. But is this return commensurate with the contribution of service? Or is part of this payment hidden welfare? While transfers to the handicapped and the needy elderly might be viewed, quite properly, as a one-way transaction, should assistance to the able-bodied be grounded on the principle of reciprocal obligations?

4) How should responsibilities be divided among the various levels of government?

The proper level of government for delivering services almost always is that closest to the people so long as it can ensure that the job gets done. Perhaps block grants to states, based on the income and population characteristics of the state, should be the preferred form of federal assistance--rather than individual entitlements or categorical grants. This would enable more flexibility in dealing with social problems, which invariably have local characteristics.

5) To what degree do entitlement programs foster American values, such as individual freedom, social responsibility, the work ethic, and personal independence?

The effect programs have on the family and communities should be explored. The issue of whether people are consumers of services or clients of a bureaucracy also needs to be addressed. And consideration should be given to whether programs concentrate power into the hands of particular groups (of service providers, for example) which results in rigidities and a lack of innovation in meeting individuals' needs.

6) Should the various federal entitlement programs that have the same goal be consolidated?

Merging might yield great savings and deliver more aid to recipients. But it could have an extraordinary effect on federal agencies. Folding the food stamp program into Aid for Families with Dependent Children and Supplemental Security Income, for example, could temporarily increase the Health and Human Services bureaucracy but significantly shrink the Department of Agriculture.

CONCLUSION

Bipartisan commissions have played a prominent role in the policy formation process in recent years. On some tough issues, such as funding for the MX missile and U.S. foreign policy in Central America, Congress had grown seemingly incapable of acting, and in these cases, the recommendations of a presidential blue-ribbon panel spurred movement on the political front.

Commissions should not be viewed as substitutes for active government response to a crisis. To the contrary. By virtue of their bipartisan nature, blue-ribbon panels have become instruments for change in a political and bureaucratic climate that is increasingly resistant to new ways of thinking. Commissions may be one of the few government initiatives where the public receives more than its money's worth. The Scowcroft Commission cost the taxpayers only \$200,000, while the Kissinger Commission cost \$230,000.

Congress seems willing to respond favorably toward constructive proposals once they have received a blue-ribbon panel imprimatur. Few issues before Congress could benefit more from such a decisive step to reform policy than the sensitive matter of entitlement spending.

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