

## GOVERNMENT AS A BATTLEGROUND IN A WAR OVER RESOURCES

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In the 2010 election, you could glimpse the brutish future of American politics. This new age of brutishness may or may not include the Tea Party. But, even if the Tea Party dissipates, the anger undergirding it will not. The Tea Party has expertly articulated a widespread grievance: that the government is redistributing money from hardworking Americans to the idle and undeserving. Of course, this is hardly a new charge. But it takes place in a new context—an age of growing austerity, where this complaint will acquire an ever-sharper edge and battles over the scarce resources of the state will erupt in spectacular skirmishes.

Politics has, in some sense, always been a resource war—and in American politics it has usually taken the form of one political party promoting a social safety net and the other party decrying how hard-earned tax dollars unjustly finance those benefits. But, while that debate was intense, it was in some sense resolvable. For decades, our political system has been able to fund an array of social programs while keeping taxes relatively low. The American economy grew at a sufficient pace that it could rather effortlessly bankroll a state that satisfied divergent interests.

But that broad, unintentional compromise is no longer sustainable. We're entering a period of austerity, far different from anything we've ever seen before. The predictions, especially the ones formulated by sober, nonpartisan analysts, are eye-popping. Earlier this year, a *Congressional Budget Office*<sup>2</sup> report estimated that the debt as a percentage of GDP would approximately triple by 2035. Put another way, debt will come to exceed 185 percent of GDP. That's far worse than Greece's current perilous condition, a crisis that has been portrayed as the *reductio ad absurdum* of fiscal indiscipline.

Like the *David Cameron government*<sup>3</sup> in Britain, or any number of other states across Europe, we'll soon be forced to reckon with the fact that our economic viability depends on some combination of shrinking the state and raising revenue. If we were careful planners—and, of course, we're not—we would begin by saving about 5 percent of GDP each year. Next year, for example, we'd have to make tax increases and spending cuts add up to about \$700 billion. Over time, the total costs would prove immense: raising everyone's tax bill by at least 25 percent (and probably a lot more than that) or eliminating about 20 percent of the federal budget (the approximate current size of Social Security, for example).

Even if you assume that a crisis is distant—or assume that we'll avert it by letting the Bush tax cuts expire and further containing health care costs—the anxieties about deficits are already acute. Both parties are posturing to assume the mantle of fiscal conservatism, a trend

<sup>1</sup> <http://www.tnr.com/article/economy/magazine/78564/austerity-economic-crisis-democrats-tea-party?page=0,3>

<sup>2</sup> <http://cbo.gov/ftpdocs/115xx/doc11579/06-30-LTBO.pdf>

<sup>3</sup> <http://www.nytimes.com/2010/07/21/world/europe/21cameron.html>

that the success of the Tea Party will only exacerbate. And while President Obama's **deficit commission**<sup>4</sup> did not achieve any bipartisan agreement on solutions, it did help propel the problem to the fore where it will remain for the foreseeable future.

With resources shrinking, the competition for them will inflame. Each party will find itself in a death struggle to protect the resources that flow to its base—and, since the game will be zero-sum, each will attempt to expropriate the resources that flow to the other side. This resource war will scramble our politics. Each party will be forced to dramatically change its calculus and remake its agenda. And if you thought our politics had grown nasty, you haven't even begun to consider the ugliness of the politics of scarcity.

**At first glance**, the Democrats have the most to lose in this new struggle. They have spent decades trying to recover their image from the excesses of the McGovern era, repositioning themselves as something more than an aggregation of aggrieved—and needy—interest groups. Even Barack Obama, the most liberal president in decades, packaged himself as post-partisan candidate, rather than as a warrior on behalf of unions or minority groups. “There's nothing liberal about wanting to reduce money in politics,” he said during the campaign. “There's nothing liberal about wanting to make sure [our soldiers] are treated properly when they come home.” This pitch worked well. The public basically considered him a man of the center—a perception that rested on many years of Democrats shaking off the caricature (and reality) of paleo-liberalism.

But, for all the gains the party has made, the age of scarcity risks reversing them. It's precisely the Democratic Party's historic base—minorities, labor, the poor—that will take the greatest hit in coming years. You can already begin to see signs of this. Even when Congress approved an economic stimulus bill in August, it coupled spending on health care and teachers' salaries with deep cuts in food stamps. It reduced benefits for a family of three by \$47 per month, according to one estimate.

Or take state government, which is really the vanguard of the crisis. The austerity hammer has fallen hard on Democratic constituencies. According the Center on Budget and Policy Priorities, at least 31 states have slashed programs that provide low-income children and families access to either health care or health insurance. Peruse almost any state budget and you'll find further shredding of the safety net. Idaho's Department of Health and Welfare has closed nine of its 45 field offices; Georgia has cut funding for low-income family support programs by 7 percent. And that's all merely a prelude to a looming apocalypse. In their next budgets, 24 states will face a shortfall of at least 10 percent—and it's not hard to imagine where they will trim to cover that gap.

One of the most obvious targets of cuts will be public-sector workers—the very unions that provide the Democrats with their most significant muscle. Indeed, it's hard to overstate the money and manpower that the public-employee unions provide to the Democrats at election time. Just this election cycle, they have donated \$12,561,042 to the Democrats. But these public-sector workers—so easily lampooned as bureaucrats—also happen to be

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<sup>4</sup> <http://www.whitehouse.gov/the-press-office/president-obama-names-members-bipartisan-national-commission-fiscal-responsibility->

unpopular. Even blue states, like New York and New Jersey, which are largely sympathetic to labor unions, have turned against the public employees in this fiscal crunch, according to the [recent findings](#)<sup>5</sup> of pollsters.

So as governments consider firing more of these workers, it places Democrats in an uncomfortable defensive position. Do they stand by this swath of their unpopular base? This drama has already transpired in places like California, which recently saved \$1.5 billion by furloughing state employees and scaling back their benefits. The union hardly acceded to these proposals. As the state mulled the massive cuts, one union leader notoriously told Democratic legislators, “We helped to get you into office, and we got a good memory; and, come November, if you don’t back our program, we’ll help to get you out of office.” She may have needed to be that blunt. In California, too, the electorate has no love for public workers. A majority, according to one [Rasmussen poll](#)<sup>6</sup>, view them as a “significant” strain on the state budget—an opinion that Republicans like Arnold Schwarzenegger and Meg Whitman have aggressively channeled.

The Democratic base is already applying massive pressure on its politicians to resist cuts. The labor-funded Campaign for America’s Future recruited 50 progressive leaders who signed a statement that urged: “We should be strengthening, not slashing, vital programs like Medicaid, Unemployment Compensation, the Supplemental Nutrition Assistance Program (food stamps) ... and other programs and services crucial to struggling lower-income and middle-income people in every corner of our country.” Such anxieties over austerity explain why liberals have savaged Obama for creating a deficit commission in the first place. Arianna Huffington has [fumed](#)<sup>7</sup>, “Maybe progressives and the middle class need to sort of face up to the fact that the president is not that much into them, that he would rather hang out with Larry Summers, or flirt with Olympia Snowe.... Remember, he set up a deficit commission before he set up a jobs commission.”

Unfortunately, defending against these cuts exposes all sorts of political vulnerabilities. The 2010 elections offered a preview of how Republicans intend to use the vulnerability of these programs to attack Democrats. That is, there’s some indication that they will return to the racially tinged backlash politics of the ’70s and ’80s. Newt Gingrich, who has re-emerged as a particularly active rhetorician for the Tea Party, has supplied a large number of phrases redolent of that era. He has described the Democrats as the “party of food stamps.” That’s a slightly softer version of the line trumpeted by [Glenn Beck](#)<sup>8</sup> that explicitly decries Obama for acting out a “deep-seated hatred for white people or the white culture.”

It’s a miserable predicament for a party. These social programs are the very reason for its existence. Yet, the party’s political survival has depended on its speaking in a low voice about them. In an age of austerity, that is no longer possible. Republicans will try to force Democrats to defend these programs—with all the attendant baggage. And if they don’t take up the cause

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<sup>5</sup> [http://www.rasmussenreports.com/public\\_content/politics/general\\_state\\_surveys/new\\_jersey/65\\_in\\_new\\_jersey\\_favor\\_pay\\_freeze\\_for\\_teachers\\_school\\_employees](http://www.rasmussenreports.com/public_content/politics/general_state_surveys/new_jersey/65_in_new_jersey_favor_pay_freeze_for_teachers_school_employees)

<sup>6</sup> [http://www.rasmussenreports.com/public\\_content/politics/general\\_state\\_surveys/california/52\\_in\\_california\\_say\\_public\\_employee\\_unions\\_significantly\\_strain\\_budget](http://www.rasmussenreports.com/public_content/politics/general_state_surveys/california/52_in_california_say_public_employee_unions_significantly_strain_budget)

<sup>7</sup> [http://www.huffingtonpost.com/huff-tv/arianna-obama-progressives-middle-class\\_b\\_744685.html](http://www.huffingtonpost.com/huff-tv/arianna-obama-progressives-middle-class_b_744685.html)

<sup>8</sup> [http://www.huffingtonpost.com/2009/07/28/fox-host-glenn-beck-obama\\_n\\_246310.html](http://www.huffingtonpost.com/2009/07/28/fox-host-glenn-beck-obama_n_246310.html)

ferverly enough, their base will force their hand, espousing the unattractive identity politics that Democrats thought they had escaped.

**Austerity will produce** unlikely political strategies on the other side of the aisle, too. Take the Tea Party's stance on entitlements. Ostensibly, the Tea Party has stoked an anti-government moment—following in the footsteps of conservatives who have spent generations trashing the New Deal. That's what made it so strange to hear Republican candidates like Mississippi's Alan Nunnelee, a favorite to rip that state's first congressional district from a Democratic incumbent, release a pledge promising to never privatize Social Security. Countless other Republicans have thrashed their Democratic opponents for supporting a \$500 billion cut in Medicare. Karl Rove's campaign group has accused Pennsylvania Congressman Joe Sestak of voting to "gut" the program. Another conservative front group, 60 Plus, ran ads against Democrats around the country alleging that their votes to cut Medicare "will hurt the quality of our care."

These ads did not grow from any conservative epiphany about the philosophical virtues of government benefits. They stem from a clever bet about how scarcity will reshape generational politics. For many years, the anxieties of seniors redounded to the benefit of Democrats. When Democrats issued jeremiads about the perils of Social Security privatization, older voters responded with fear. Democrats have maintained a double-digit advantage on Social Security for well over a decade. An NBC/*Wall Street Journal* poll in October 2006 found that the public invested greater trust in Democrats on Social Security by 28 points. Remarkably, that gap now stands at four points, a **statistical tie**<sup>9</sup>.

How did the Republicans eliminate this time-tested disadvantage? They have replaced the Democrats as the great students of entitlement anxiety. Republicans understand that one axis of the resource war will be generational. All of their vows to defend Medicare are coupled with attacks on Obama's health care reform. They implicitly portray Democrats as waging an age war—creating a massive new government program that transfers dollars to the young at the expense of the elderly. Republicans have cleverly stoked the fear that Obama is rewarding all his exuberant, youthful, idealistic supporters by redistributing resources that are badly needed by the old.

But the voters over 65 that Republicans are pursuing are largely a subset of their most important voting bloc: whites. Republicans have staked the entirety of their electoral future on them. And just as they have exploited seniors' anxiety about scarcity, they have done the same with the white population as a whole. In fact, whites may be the **most anxious group**<sup>10</sup> this political season. (Only 59 percent of whites believe "Americans will always continue to be prosperous and make economic progress"—while 81 percent of blacks and 75 percent of Hispanics continue to profess faith in the future.) This anxiety is the reason that Republicans have spent so much time talking about the menace of immigration—even though many of them once viewed Hispanic voters as a potential pillar of their future coalition.

The rise of illegal immigration as an issue doesn't correspond to material facts. The number of aliens pouring across the border is not increasing. On the contrary, the recession and improved enforcement have drastically reduced it. What is increasing is anxiety about

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<sup>9</sup> <http://online.wsj.com/public/resources/documents/wsjnbcpoll-08122010.pdf>

<sup>10</sup> <http://pewresearch.org/pubs/1643/recession-reactions-at-30-months-extensive-job-loss-new-frugality-lower-expectations>

resource competition. And that's exactly why immigrants cause so much agitation: They are perceived by many voters as one giant, undeserving resource suck. In June of 2010, Gallup asked, "Which comes closer to your point of view, illegal immigrants in the long run become productive citizens and pay their fair share of taxes, or illegal immigrants cost taxpayers too much by using government services like public education and medical services?" Among all voters, 62 percent perceived immigrants as a resource drain. Among Republicans, the number concurring with that dim assessment rose to 78 percent. You'll often hear Republican immigration proposals—rewriting the Fourteenth Amendment's guarantee of citizenship, for instance—dismissed as political suicide. I would argue that it shows the GOP's astute understanding of the new zeitgeist.

It goes without saying that Republicans will also be waging a war on behalf of the affluent and corporations. They have been stunningly successful at walking away from recent budget fights in those states granting even further tax cuts to business interests. In California, for instance, they managed to secure a \$30 million tax break for Humboldt Redwood Company, owned by one of the state's wealthiest, not to mention most influential, families. And, even as the state **increased tuition**<sup>11</sup> at public universities by 32 percent—and as state parks were actually running out of **toilet paper**<sup>12</sup>—Republicans skillfully managed to avoid a corporate tax hike. In fact, they protected a \$1.4 billion corporate tax cut by agreeing to merely postpone it for two years. In the wake of the 2010 elections, a number of the new Republican governors (most recently Rick Scott of Florida) are responding to fiscal crises in their states by reducing corporate or high-income taxes, forcing larger spending cuts than would otherwise be necessary.

All of which is to say that the age of scarcity poses its own risks to Republicans. They are relying on a group in long-term demographic decline (whites) and pursuing policies on behalf of a group that hardly seems deserving of limited resources (the affluent)—and are attempting to woo another group (the elderly) with demagoguery that betrays their core principles about limited government.

**But, for all the risks** that resource competition poses to the political parties, the risks are much greater to our political system. There's no doubt which groups will prevail—and which will fall—in these wars. We can already see that the politics of scarcity will inflict the greatest wounds on the poor. The political vulnerability of programs serving impoverished minority constituencies is self-evident. The suffering caused by these cuts is a tragic consequence of this new dynamic. We will not have conceived cuts in a spirit of the common good, or with any eye to creating sound policy, but out of a sense of gamesmanship and the mean-spiritedness that is integral to intense competition over a shrinking pie.

Social schisms in this country have always been real. Yet, we've embedded an ideal of solidarity into our state, a sense of moral obligation. Not a European ideal of a safety net, but a very American ideal. There's been a sense of optimism in our politics and our social policy because we've never perceived social success in this country as zero-sum. We're now witnessing the erosion of that belief—an array of anxieties and a creeping distrust that will sap the optimism from our system, perhaps the most crucial quality in making us an exceptional nation.

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<sup>11</sup> <http://www.nytimes.com/2009/11/20/education/20tuition.html>

<sup>12</sup> <http://latimesblogs.latimes.com/lanow/2010/09/california-parks-are-running-out-of-toilet-paper-have-cuts-gone-too-far.html>