

The background of the book cover is a stylized American flag. The top half features a dark blue field with white stars, while the bottom half shows the red and white stripes of the flag. The stars are arranged in a pattern that suggests movement or a 'revolving' theme.

Revolving Gridlock

**POLITICS AND POLICY
FROM CARTER TO CLINTON**

**David
W. Brady
and
Craig
Volden**

Revolving Gridlock

POLITICS AND POLICY
FROM CARTER TO CLINTON

David W. Brady
Stanford University

Craig Volden
Claremont Graduate University

Westview Press
A Member of the Perseus Books Group

Transforming American Politics

All rights reserved. Printed in the United States of America. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without permission in writing from the publisher.

Copyright © 1998 by Westview Press, A Member of the Perseus Books Group

Published in 1998 in the United States of America by Westview Press, 5500 Central Avenue, Boulder, Colorado 80301-2877, and in the United Kingdom by Westview Press, 12 Hid's Copse Road, Cumnor Hill, Oxford OX2 9JJ

Library of Congress Cataloging-in-Publication Data

Brady, David W.

Revolving gridlock: politics and policy from Carter to Clinton / David W. Brady, Craig Volden.
p. cm.

Includes bibliographical references and index.

ISBN 0-8133-2588-9 (cloth). — ISBN 0-8133-2589-7 (pbk.)

1. United States—Politics and government—1993— 2. Coalition governments—United States. 3. United States. Congress House.

I. Volden, Craig. II. Title.

JK421.B73 1998

320.973'09'049—dc21

97-22279

CIP

The paper used in this publication meets the requirements of the American National Standard for Permanence of Paper for Printed Library Materials Z39.48-1984.

Revolving Gridlock

TRANSFORMING AMERICAN POLITICS

Lawrence C. Dodd, Series Editor

Dramatic changes in political institutions and behavior over the past three decades have underscored the dynamic nature of American politics, confronting political scientists with a new and pressing intellectual agenda. The pioneering work of early postwar scholars, while laying a firm empirical foundation for contemporary scholarship, failed to consider how American politics might change or recognize the forces that would make fundamental change inevitable. In reassessing the static interpretations fostered by these classic studies, political scientists are now examining the underlying dynamics that generate transformational change.

Transforming American Politics brings together texts and monographs that address four closely related aspects of change. A first concern is documenting and explaining recent changes in American politics—in institutions, processes, behavior, and policymaking. A second is reinterpreting classic studies and theories to provide a more accurate perspective on postwar politics. The series looks at historical change to identify recurring patterns of political transformation within and across the distinctive eras of American politics. Last and perhaps most important, the series presents new theories and interpretations that explain the dynamic processes at work and thus clarify the direction of contemporary politics. All of the books focus on the central theme of transformation—transformation in both the conduct of American politics and in the way we study and understand its many aspects.

FORTHCOMING TITLES

The Parties Respond: Changes in American Parties and Campaigns,
Third Edition, edited by Sandy L. Maisel

Governing Partners: State-Local Relations in the United States,
edited by Russell L. Hanson

The States and Governing in the Twenty-First Century,
David M. Hedge

Masters of the House, Roger H. Davidson,
Susan Webb Hammond, and Raymond Smock

Preface and Acknowledgments

The immediate origins of this book are threefold. First are the Stanford students who take Public Policy 101. Over the years the students change but their collective intelligence and their questions have pushed us to look for better explanations for why Congress passes family leave policy but not universal health care. Their intelligence and interest has been and continues to be an inspiration. Two students were particularly helpful to this project—Cameron Hamill and Brian Matsui.

Second is the extensive number of political economists at Stanford University who study legislatures. The authors were fortunate to be at Stanford when Tom Gilligan and Keith Krehbiel were working on informational models of legislatures. The intellectual challenge these models pose for the dominant distributional model of legislatures generated years of intense, informative debate and discussion of the relative merits of the two approaches. John Ferejohn, Roger Noll, and Barry Weingast ably represented the distributional side of the dispute. The discussion of legislatures spilled over into the role of the presidency in the policy process and here Terry Moe on the scholarly side and Martin Anderson on both the practical and scholarly sides were immensely helpful. Morris Fiorina of Harvard University visited Stanford's Graduate School of Business for a year and contributed to our understanding of elections and presidential success. In the same light, Nelson Polsby of the University of California at Berkeley and Joseph Cooper of Johns Hopkins University through their writings and conversations kept us from making major errors.

All of these debates about the organization of the legislature led naturally to questions about the nature of political parties and coalitions. Here again Keith Krehbiel through his research and conversations posed hard questions about what a party might be other than the aggregation of preferences. David Baron, Roger Noll, Barry Weingast, and John Ferejohn in their research and seminars provided different views and increased our understanding of the nature of coalitions and parties. Other members of the Stanford community, including Cliff Carrubba and Jon Bendor, led us to further examine aspects of our work. In addition to the group of political economists at Stanford, the work and help of Sharyn O'Halloran, David Epstein, Matt McCubbins, Ken Shepsle, Larry Dodd, Mark Hansen, Ted Brader, and the faculty and students at the Harris School of Public Policy at the University of Chicago were much appreciated. Each of us

owes a long-term debt to those who have sparked our enthusiasm toward the field—to Samuel Patterson at Ohio State and to Roderick Kiewiet at Caltech.

Our thesis regarding preferences and supermajority institutions will, of course, please none of the above entirely. We will not be theoretical enough for a large number of our colleagues, and for many others we will be too theoretical and thus too simplistic in our account of the complex world of congressional policymaking. Our choice of approach benefited from the many seminars we attended and the conversations and arguments we had with our colleagues. In sum, the rich and varied group of political economy scholars at Stanford was and is first rate.

The third origin of this book is the Hoover Institution, and especially two people—one, a senior fellow, the other, a donor and friend of Hoover. Tad Taube and the Koret Foundation contributed the money to found the American Institutions and Economic Performance initiative that, along with the Smith Richardson Foundation, generated the funds necessary to finance this research. We are thus especially indebted to the Hoover Institution and the American Institutions and Economic Performance group, which includes Doug Rivers, Martin Anderson, Michael Boskin, and John Taylor, among others. We especially owe John Cogan of the Hoover Institution our gratitude. John is not only a first-rate scholar but also a practitioner. His scholarly work on the budget clarified for us the way in which organizational arrangements can shape policy outputs. And his practical knowledge of the politics of the budget (he was deputy director of the Office of Management and Budget, or OMB) is quite impressive. The number of occasions on which John gave freely of his time to explain how this or that facet of the 1983 or 1984 or 1990 budget worked (and who was for what and why) is far greater than any of us would admit.

One of the main questions we faced in this book is, what has changed Congress such that unified and divided government both lead to gridlock? The answer cannot simply be the supermajority institutions, because the filibuster and the veto have been in effect longer than gridlock issues. A large part of the answer for us is the rise of the budget as the major issue that Congress must face, and the increased difficulty of making budgetary decisions. It is in light of the role of the budget that we argue that gridlock can continue under divided and unified governments alike. The election of Bill Clinton in 1992 ended twelve years of divided government and gave rise to the notion that gridlock had ended. As Thomas Mann pointed out: "The return of one-party government after an extended period of intensely polarized divided government, especially in an era of greater party unity and at a time the Democrats were desperate to demonstrate their ability to govern . . . [and] the large freshman class and the public impatience with business as usual were also thought to provide opportunities for successful governance" (in Sundquist 1995, 10). However, as Mann, Robin Toner on health care, and Robert Reischauer on the budget have argued, there were constraints as well as possibilities.

In February 1994 the Hoover Institution's American Institutions and Economic Performance initiative was kicked off with a conference on Congress

and policymaking. The opening paper was presented by Keith Krehbiel and the authors of this book. In it we argued that the failure of Clinton's legislative agenda was predictable given the distribution of congressional preferences and the filibuster. Professor Krehbiel had been working on formalizing a model of gridlock, which he published in 1996. The authors of this book pursued a slightly different path, combining the insights of Krehbiel's formal paper with the early work on preferences and supermajorities. While our analysis sometimes focuses on non-budgetary issues like family leave legislation, our main concern is the budget, which we believe to be *the* preeminent congressional issue and a further constraint on public policy.

While others have emphasized the potential constraints on Presidents as has Toner, or defended gridlock as do former members of Congress Tom Downey (D., N.Y.) and Bill Frenzel (R., Minn.), or argued for constitutional reform as does James Sundquist by urging an end to midterm elections (all in Sundquist 1995), our thesis is straightforward. If we can locate the status quo policy position along a liberal-to-conservative continuum of congressional members, we can ascertain which policy proposals will pass and which will not, as well as what concessions are necessary and whose votes will be pivotal. Emphasizing these variables surely simplifies a complex process, but such simplification avoids the optimism of Ken Duberstein and others concerning the passage of the Contract with America. The 1994 Republican takeover of the House shifted preferences to the right, but presidential vetoes, whether issued or threatened, pull policy back toward the left and into the gridlock region. The virtue of the approach taken herein is that, while straightforward, it is based on a modification of an old theory involving the median voter and adding the pivotal supermajority. Its strength is that it accounts reasonably well for policy results from 1978 to the present. We owe much to the individuals mentioned above, as well as to David G. Lawrence, L. Sandy Maisel, and Carl Pinkete, who provided insightful comments on an earlier draft of the work. Of course, we take full responsibility for all errors.

We are most indebted to our spouses and children, and thus the book is dedicated to Carolyn, Emily, Beth, and Anna on the Brady side, and to Andrea on the Volden side.

David W. Brady
Craig Volden

Contents

<i>List of Tables and Figures</i>	ix
<i>Preface and Acknowledgments</i>	xi
1 The Origins of Revolving Gridlock	1
2 Theoretical Foundations	11
Preferences and Institutions, 13	
Uncertainty, 21	
Elections and Exogenous Shocks, 24	
The Role of the President, 29	
Opposing Theories, 32	
3 The Rise of Reagan and Budgetary Politics	43
Precursors to Change, 45	
Coalitions for Tax and Budget Reform, 54	
Adjustments and Solidification of Policy, 70	
Budgets and the Revolving Gridlock Theory, 78	
4 Reagan's Last Years and the Bush Interregnum	82
The Domination of the Budget, 83	
The Gridlock of George Bush, 84	
The 1990 Budget Crisis, 87	
Explanations of Policy Outcomes, 92	
Studies of Divided Government, 94	
5 Unified Gridlock	100
Legislators' Preferences, 101	
Policies Needing a Simple Majority for Passage, 108	

	Old Legislation Vetoed by Republican Presidents, 114	
	New Legislation Requiring Supermajorities, 117	
	Aggregate Analysis, 123	
	Conclusion, 135	
6	The Republican Congress	139
	The 1994 Elections, 143	
	The Republican Agenda, 147	
	The 1995–1996 Budget Standoff, 159	
7	Conclusion	175
	<i>Appendix: Distribution of Real ADA Scores</i>	183
	<i>Bibliography</i>	189
	<i>Index</i>	197

Tables and Figures

Tables

3.1	Budget expenditures, 1948–1988 (as percentage of GNP)	46
3.2	Major new entitlements (1964–1975)	47
3.3	ADA score summary (Senate)	61
4.1	Legislation with budget consequences and off-budget legislation	85
5.1	Frequency indexed in median group (103rd Senate)	102
5.2	Frequency indexed in median group (103rd House)	102
5.3	Preference ordering of Senators (103rd), liberal to conservative	103
5.4	ADA ordering of Senators (103rd), liberal to conservative	104
5.5	Summary of legislative changes	124
5.6	Cross-tabulation of Senate trade votes (Democrats)	128
5.7	Cross-tabulation of Senate trade votes (Republicans)	129
5.8	Cross-tabulation of Senate budget votes (Republicans)	131
5.9	Cross-tabulation of Senate budget votes (Democrats)	132
5.10	Comparison of attraction and nonretention rates	133
5.11	Preference scores for switching over time	134
6.1	Percentage of Democratic incumbents defeated, 1994	145
6.2	Major legislation in the 104th Congress	148

Figures

2.1	Policy constraints caused by filibusters	16
2.2	The full gridlock region	17
2.3	Possible outcomes with a filibuster threat	18
2.4	Possible outcomes on minimum wage policy (1989)	19
2.5	The gridlock region in the bicameral 105th Congress	20
3.1	Percentage of <i>New York Times</i> articles on Congress also dealing with the budget	57

3.2	The 1980 elections	64
3.3	House Democratic support for Reagan (1981)	68
3.4	Vulnerability in Republican districts	74
4.1	The 1988 elections	87
5.1	The 1992 elections	106
5.2	Health care proposals in the 103rd Senate	122
5.3	Switchers in the Senate (1993)	127
6.1	The 1994 elections	141
6.2	Raw House ADA Scores, 1995	165
6.3	Polls for Clinton and Gingrich	167
6.4	The 1996 elections	173
A.1	1980 "Real" ADA scores	184
A.2	1982 "Real" ADA scores	184
A.3	1984 "Real" ADA scores	185
A.4	1986 "Real" ADA scores	185
A.5	1988 "Real" ADA scores	186
A.6	1990 "Real" ADA scores	186
A.7	1992 "Real" ADA scores	187
A.8	1993 "Real" ADA scores	187

The Origins of Revolving Gridlock

This book began as a paper on the Clinton administration's first year in office. The press had just begun to shift from positively appraising the President's job thus far to questioning how far he would get with health care, campaign finance reform, welfare, crime, and the rest of the agenda. Our view was that the quick passage of the family leave act and the motor voter act were not indicative of how successful the President ultimately would be, given the Congress elected in 1992. Subsequent events showed that unified government was not able to break policy "gridlock." The election of the first Republican Congress in forty years in 1994 and the new majority's subsequent attempt to shift policy to the right, combined with President Clinton's use of the veto to shift policy back toward the center, led us to expand the paper into a book.

In the process of expanding the work to cover the 104th Congress, our views changed regarding what caused gridlock and what could end it. In order to understand the causes of gridlock, we were forced to recognize the dominance of budget politics and policy in the Congress, and we became convinced of the importance of elections in determining where policy stands and in what direction it will evolve. Thus the book now begins with an account of the 1980–1986 period, when tax policy was dramatically modified whereas spending policies were allowed to proceed on a relatively normal trajectory. The resulting deficit, despite four major tax increases, has dominated congressional and presidential policymaking ever since. Reading new accounts of the Reagan 1981 budget battle, the Bush 1990 budget debacle, and the standoff in 1995 between the Republican Congress and President Clinton clearly leaves one with the feeling that little has changed in American politics over the past sixteen years. Given that during most of this period the government consisted of Republican Presidents and Democratic Congresses, it is easy to see why so many people believed that electing a unified government would break policy gridlock, and why many were surprised when the election of a Democratic President in 1992 did not actually do so.

As the 103rd Congress (1993–1994) ground to a close, political columnists, television commentators, Senators and Representatives, as well as the President, be-

moaned the lack of progress on health care, campaign finance reform, and environmental legislation. “The worst Congress in over fifty years” and “gridlock dominates” proclaimed newspaper headlines and stories. The election of a Democratic President and Democratic majorities in the House and Senate in 1992 had heralded the end of both divided government and policy gridlock. The Democratic campaign of 1992 had featured gridlock as an issue, and the early passage of family leave and the reconciliation budget was trumpeted as the end of policy gridlock. Yet by January 1994 the story began to shift, as health care and other legislation was deeply mired in the congressional labyrinth. Political scientists, columnists, Washington insiders, and other observers began to characterize the 103rd Congress as overtly partisan and controlled by “special interests”; the filibuster in the Senate was seen as largely responsible for the lack of legislative action. By early October both parties were pointing fingers, trying to interpret the inaction in ways that forwarded their own electoral purposes. Democrats, including the President, blamed Republicans for the gridlock; whereas Republicans, sensing victory in the 1994 elections, tried to make President Clinton the issue and thus the election a referendum on his performance. Congress as an institution was held in ever lower esteem, and the turnover of the 1994 elections brought in the first Republican Congress in forty years.

The newly elected Republican majority in Congress pushed through some of the reforms defined by their Contract with America—ending unfunded mandates, enacting a line-item veto, and, in the House, passing a balanced budget amendment. By April, Congress enjoyed its highest approval ratings in over twenty years, Speaker Newt Gingrich was riding high in the opinion polls, and Americans saw Republicans as the party of action, fully capable of balancing the budget. Yet within seven months all this had changed. Congress’s approval rating had shrunk to about 20 percent; Speaker Gingrich’s approval rating had fallen to 30 percent; President Clinton’s popularity was over 50 percent for the first time in more than a year; and the government was operating on a continuing resolution (after a seven-day shutdown) while the President and the Republican Congress negotiated a new budget deal that was far to the left of the one originally passed by Congress.

What accounts for the “failure” of unified government in the 103rd Congress to break gridlock? Why, given a mandate in the 104th Congress, couldn’t the Republicans have their way on policy? In the following chapters we shall attempt to define gridlock and to explain why gridlock characterized both the unified government of the 103rd Congress and the divided government of the 104th. The explanation will not focus on the role of special interests, political parties, or the media, and it does not rely heavily on presidential leadership. This is not to say that these variables don’t play a role in making public policy—clearly they do. Nevertheless, our explanation for gridlock focuses on two primary factors: (1) the preferences of members of Congress regarding particular policies, and (2) super-majority institutions—the Senate filibuster and the presidential veto. We will use

a simple median voter model both to define gridlock as a concept and to explain broad policy results during the 1980 to 1996 period.

The idea is really quite straightforward. When considering the U.S. Congress, instead of thinking of which party is in control, think of the members as arrayed from left to right—liberal to conservative.¹ The further left a member is positioned, the more that member favors increased government activity on health care, the environment, education, and so on. The further right one moves, the more the members favor less government activity on health care, the environment, and education; these members thus favor lower taxes. Given this ordering of preferences, what does it take to achieve a policy change?

Those who claimed that divided government caused gridlock would argue that the coupling of Republican Presidents with Democratic Congresses or vice versa was the culprit. It would then follow that having the first unified government since 1980 should have ended gridlock. But by 1994 no one was any longer making that claim. Our view is that the answer to what it takes to effectively change policy (and end gridlock) hangs on knowing the policy preferences of those members of both houses of Congress near the median (at or about the 218th member in the House and at or about the 50th member in the Senate) and on determining how close present policy (the status quo) is to these crucial members' preferences. Gridlock, for present purposes, can be said to occur when the status quo is closer to the crucial members' preferences than are the alternative policies proposed by the President or others. In short, if current health care policy is agreeable to the 218th House voter or the 50th Senate voter, then attempts at dramatic change, such as the single-payer or Clinton health care proposals, will fail—and gridlock will result.

Because in some legislation a minority of members can block a majority, the gridlock region (the range of status quo policies that is nearly impossible to change) can be sizable. Consider the filibuster as allowed by Rule XXII in the Senate. That rule, roughly, allows forty-one determined Senators to dominate floor activity so as to prohibit a bare majority from enacting its legislation. Such supermajoritarian institutions are common in state legislatures and in many foreign legislatures. The idea is that in some matters 50 percent is not enough to make fundamental changes, so rules requiring a supermajority are used. In the next chapter we will draw out this point in some detail. It is sufficient here to argue that in some issues more than a majority is required to change policy.

By narrowly focusing on preferences, supermajority institutions, and the status quo of present policies, we will leave unexplored much of the role of the parties, leadership, committee decisions, the press, and special interests in the day-to-day maneuvering that makes up the U.S. policy process. What do we hope to gain by focusing on this narrow set of explanatory variables? Our goal is to explain the broad parameters of U.S. public policy over the past two decades, and the concept of gridlock is after all not a specific matter but a general one involving deadlock in government. Moreover, the supposed culprit in gridlock—divided gov-

ernment—is again a rather broad concept. The narrow focus on preferences, supermajority institutions, and status quo policies is particularly informative with regard to budgetary policy, which we regard as a further cause of policy gridlock over the past two decades. Given the recent dominance of budget issues, and particularly the mounting deficit, members of Congress and the President are faced with hard choices regarding programs and funding. Increasing spending on one program often means cutting another program, not creating a new program, or raising taxes; thus in a sense funding decisions are interrelated. Programs are no longer viewed separately; rather, they are viewed in terms of trade-offs with one another—boosting one program at the expense of another, or else maintaining both at constant levels. In short, the deficit constrains all programs, forcing members to view everything within the context of the constraint.

Our argument is that, as of the late 1970s, congressional policymaking has shifted from a policy regime where new programs—entitlements and others—were added and existing programs were expanded to a policy regime where budgetary policy (focused on the deficit) encompasses and constrains all congressional policymaking. The New Deal of Franklin Roosevelt began and greatly expanded the American welfare state. Presidents after Roosevelt (with the possible exception of Eisenhower) offered new programs or packages of policies extending the welfare state. Truman's Fair Deal, Kennedy's New Frontier, Johnson's Great Society, and Nixon's New Federalism (in his first term) all testify to this phenomenon. Funding these programs took place under a budget process (aptly described by Wildavsky 1988 and Fenno 1973) where taxes rose slowly and expenditures rose roughly within the limits of increased revenues.

By the Nixon presidency, there was little room for maneuver in fiscal policy. The first two years of the Carter presidency saw the end of the old regime. By 1979 there was a tax revolt among the citizenry, the Social Security Trust Fund was nearly broke, entitlement spending from program creation and expansion in the Johnson and Nixon presidencies was rising rapidly, and the Soviet invasion of Afghanistan forced President Carter to raise military expenditures, thus canceling Congress's plan to exchange cuts in military pay for increased domestic spending. The new policy regime would be characterized by tight, real budget constraints and omnibus reconciliation budgets. Politicians who raised individual income taxes or who sought cuts in entitlements would suffer in the polls. We focus on legislator preferences and use median voter and supermajority institutional analyses to show where gridlock comes from, given the new policy regime.

A key reason to focus on preferences and supermajority institutions, rather than on special interests, parties, the media, and so on, is that in an important sense these latter variables are subsumed in the election results and the winning members' preferences. In every district and every state there are special local interests as well as national issues that play a role in the nomination and election of candidates. In Montana, wheat farmers, environmentalists, the National Rifle Association (NRA), mining and smelting interests, and labor union interests