With all of the skill of the legendary reporter that he is, Bob Woodward pieces together the events that surrounded the near default by the federal government and the creation

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Budgetgate: Bob Woodward’s Quest for Budget Blame

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of the Budget Control Act in 2011. His investigative instincts tell him to search for blame in people and to try to understand the series of events from the perspectives of the actors in the system. The Price of Politics follows the politics surrounding the deficit debate from the time that President Barack Obama was inaugurated, through the Simpson-Bowles Commission, into the summer of deficit negotiations in 2011, and then beyond the congressional “super committee.”

The book is certainly worth a read by anyone who is interested in the old (new) politics of the budgetary process. It may also be of interest to those who are interested in the intersection and problems inherent with politics in the administrative process. While this book is an extraordinary record of the events that led up to and surrounded the Budget Control Act, the book has a fairly limited scope, providing an extraordinarily detailed analysis from the perspectives of the two top leaders, Speaker of the House John Boehner and President Obama, and from the perspectives of their top advisors. Increasingly, though, it is apparent that the central figures may not have had as much control in these political negotiations as popular accounts like to suggest. Furthermore, analyzing this as a single case and not a series of increasingly ideological budgetary battles leads the author to the conclusion that the events leading up to the near default were primarily a battle of ideology and not one of structural nature. By looking at the deficit deal as one in a series of ideological budgetary battles, the author may have drawn the conclusion that structure and ideology are intertwined and not substitute explanations for the gridlock of Washington. It is indeed curious that Woodward, with his long ties to important historical political figures in the budgetary process, would not have attempted this connection; however, the narrative through time becomes increasingly complicated. Nearly 400 pages of mostly description show that a single case of an important deficit deal is quite complicated even in its own merits.

The book is a work of mostly description of the events that led up to and surrounded the near default in the summer of 2011. There have been innumerable articles that have addressed many aspects of the deficit negotiations and the resulting Budget Control Act. This, however, is a singular work that attempts to weave together all of the parts to create a single narrative. It largely relies on interviews with the participants and statements that they made in the press concerning the many hundreds of aspects that led up the Budget Control Act. It corroborates standard theories of the budgetary process, such as Wildavsky and Caiden’s (2001) “new politics” of the budgetary process, in which they argue that the current rules of the game and the decline in distributive resources leads to a political process of dissensus, which is the disagreement of legislators that is the opposite of consensus.

It is not my intention here to provide a detailed description of the book, as it is primarily descriptive in its aims. The scope of the book is noteworthy, though, because it influences the conclusions drawn by the author in the final chapter. First, the book only looks at the deficit debates as a single case and not as a series of increasingly hostile partisan maneuvers over the budget and the deficit. Second, the author primarily looks at the debates from the perspectives of the leaders of the respective parties and their staffs. Interviews are done with the president and Speaker Boehner on the events that transpired. Their staffs are also interviewed for their perspectives, and those interviews offer a necessary nuance to the events as they happened. Unfortunately, Woodward sidelines key players (perhaps necessarily) to make the narrative manageable. By focusing on the leaders of the respective parties, the conclusion that the problem was primarily a problem of leadership and ideology is almost guaranteed. Interesting interviews with people who acted not in their party’s interest, such as the members of the Gang of Six (a bipartisan group of legislators who were committed to spending cuts and revenue increases), are not extensively addressed.

Perhaps the most difficult part of the book is the author’s conclusion that the problem is one of ideology and the personal limitations of leadership. The analysis does not extend to the conditions that create polarized ideology and limit the agency of leaders. An alternative is to view the deficit debacle and the Budget Control Act as part of a series of budgetary problems extending back at least to the 1980s. Congress falling back on the use of the sequester, yet again, is an indicator of deeper structural problems. The budgetary process is broken and does not force the opposing parties to make the difficult trade-offs that are necessary. The broken budget process, checked only by the debt limit, restricts leaders’ ability to compromise and further promotes ideological solutions.

Perhaps the best indication that structural changes to the rules were necessary is the fact that the Budget Control Act borrowed old rules from an earlier budget balancing law that had been allowed to lapse in 2002, the Balanced Budget and Emergency Deficit Control Act (1985/1987), more commonly known as Gramm-Rudman-Hollings, after the three senators who authored the legislation. Gramm-Rudman-Hollings had the original blueprint for how “sequestration,” or required reductions in spending if certain agreed-upon criteria are not met, would play out. It originated in a stalemate between President
Ronald Reagan and Congress over deficits that were created as a result of tax cuts in 1981, increased military spending, and continued spending on mandatory programs such as Social Security (Lee, Johnson, and Joyce 2008, 285–91).

Unlike in a unitary government, the president and Congress often do disagree on priorities, and in this case, the priorities of the president and those of Congress could not be reconciled. The president exercises the ability to veto legislation, including appropriation bills. Congress is able and often willing to ignore the president’s budget request. This relationship, prior to passage of the Congressional Budget and Impoundment Control Act of 1974, largely favored the president. The president controlled the Office of Management and Budget (formerly the Bureau of the Budget) and the form of the budget presentation. Congress was dependent on the president and the Budget Office because there was no Congressional Budget Office at that time. However, the president could be held accountable for bureaucratic management and results because the executive largely controlled the process (Lee, Johnson, and Joyce 2008).

The Congressional Budget and Impoundment Control Act of 1974 had the effect of giving Congress much more power over the process by creating the Congressional Budget Office and by limiting the power of the president to withhold funds appropriated by Congress. With this change, the president no longer controlled the process and was not completely responsible for the deficits that resulted. The other way in which the act further complicated the process and limited accountability was by establishing the House and Senate budget committees, which were intended to guarantee that budgets were reconciled. In reality, the budget committees have not been able to reconcile the budget process to achieve balance. Since the 1970s, the federal government’s budget has resulted in a deficit every year except for 1998, 1999, and 2000.

In 2001, the George W. Bush administration passed the Economic Growth and Tax Relief Reconciliation Act, which used reconciliation procedures that were designed to facilitate budget balance by allowing a simple majority vote in the Senate that is not subject to filibuster. Unfortunately, many aspects of the tax cuts were “turned off” to allow the bill to appear to reduce the deficit, when in reality, they have added substantially to it (Lee, Johnson, and Joyce 2008, 301). These same procedures were used by the Obama administration to pass the Patient Protection and Affordable Care Act of 2010. (This is a point that Woodward discusses in the book, but only as a backdrop for explaining why the Republicans were so recalcitrant. He fails to mention that these same tactics have been used by both Republicans and Democrats to achieve their priorities.) These tactics avoid the due process of the established political order and contribute to cynicism and distrust between the parties. While the book clearly shows the deep distrust that is felt between certain leaders, it does not elaborate on the conditions that led to this state of distrustful ideology and broken institutions.

The point that all parties are guilty of manipulating the rules to pass either tax cuts, in the case of Republicans, or spending increases, in the case of Democrats, seems to be moot in the limited context of this book. It is not a problem of ideology or a lack of leadership. Indeed, there has been incredible leadership to get these deficit-creating deals to happen. What is more difficult is to create the conditions and rules that are necessary to allow budget balance to be a natural outcome, not an abnormal one, as is the case under the Congressional Budget and Impoundment Control Act.

Woodward points out in his conclusion that both parties have been allowed to forgo any painful sacrifices. He notes, “In three and one half years, Obama, the Republicans and the Democrats never really cut any significant spending. Instead, they passed laws agreeing to cut spending in the future beginning in 2013. They also never raised taxes” (380). This disparaging view is not surprising given the very short time frame of analysis. The current budgetary rules lead to a politics of dissensus, and, as Wildavsky and Caiden warned in the 1980s, these are the conditions that lead to more dissensus rather than a properly functioning budgetary system that yields rational financial allocation and minimizes disagreement. One is left to wonder what Woodward would make of the budget and debt limit story if he were to put it through the time frame of his career and the many actors who have left the current process in its state of costly partisan politics and dissensus. On one point, Woodward is spot on: the current state of budget and debt limit battles is damaging and dangerous to the country.

References