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Mitt Romney, former governor of Massachusetts and candidate to be republican presidential nominee.
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Romney Draws From Policies of Bush Advisers

By Lisa Lerer on May 07, 2012

Mitt Romney is campaigning across the country as a business-turnaround specialist, casting himself as a political outsider who understands “the real economy.”

Yet to craft his economic plans, the Republican presidential candidate has turned to a group of Washington insiders.

Among the financial and business experts advising Romney’s campaign are Columbia University’s R. Glenn Hubbard and Harvard University’s N. Gregory Mankiw, both economists who headed the Council of Economic Advisers under President George W. Bush. Rounding out the team are former Missouri Senator Jim Talent and onetime

Minnesota Congressman Vin Weber, now Republican lobbyists at Washington-based firms.

The like-minded group marks a sharp contrast from four years ago, when Republican nominee John McCain, an Arizona senator, drafted a diverse mix of advisers, including supply-side economics advocate Jack Kemp, former Texas Senator Phil Gramm who became a UBS Securities LLC adviser, and onetime Hewlett-Packard Co. (HPQ) (HPQ) Chief Executive Officer Carly Fiorina.

More so than McCain, Romney has his own views on economic issues and sometimes overrules his advisers on politically sensitive topics, such as China trade and illegal immigration to the U.S., where he has taken tough positions.

The Romney advisers, who've known each other for many years, take a more practical approach to economic policy, one honed by years in Congress and the Bush administration.

Seasoned Team

Coordinating their day-to-day operations is policy director Lanhee Chen, a Harvard political scientist who also worked on Bush's re-election in 2004 and Romney's 2008 presidential bid.

"They are a team that will not make too many mistakes because they are naive academics, nor cut deals that are inappropriate," said Douglas Holtz-Eakin, who ran the Congressional Budget Office during the Bush presidency and directed domestic and economic policy for McCain's presidential campaign.

Still, as Romney works to frame the election as a question of whether people are satisfied with the economy under President Barack Obama, Democrats are determined to define a vote for Romney as a return to Bush's policies, and they point to the economic team as evidence of that.

Ties to Bush

Hubbard, who helped craft the 2001 Bush tax cuts, played a key role in drafting Romney's tax initiatives. He, and later Mankiw, chaired the Council of Economic Advisers amid the slowest job growth for any prior president since World War II.

“Glenn Hubbard helped George Bush turn record budget surpluses into record deficits with massive tax cuts for the rich, and he’s ready to do the same for Mitt Romney,” said Obama for America Policy Director James Kvaal in an April 25 statement.

Hubbard dismissed the criticism, describing Romney’s tax plan as “radical” and pointing to the changes the former Massachusetts governor has proposed for Social Security and Medicare. Romney has said he would raise the retirement and eligibility age for the programs and give future retirees the option of purchasing private health insurance using government vouchers to help pay for it.

“They might want to read his policies,” he said in an interview. “It’s actually quite different. The ad hominem doesn’t seem appropriate.”

Republicans, too, have criticized Romney for what some say is a cautious approach to the fundamental issue of the campaign: reviving the country’s economy.

Be Bolder

The 59-point economic plan the campaign released on Sept. 6 was labeled “both too timid and too complex,” by Richard Rahn, an economist at the libertarian Cato Institute in Washington.

“He should become bolder in his prescriptions, presenting a confident agenda for economic growth and renewed prosperity through reforms of tax, regulatory and energy policies,” Karl Rove, who was Bush’s top strategist, wrote in a February editorial for the Wall Street Journal.

An effort by Romney to articulate a more compelling message in a Feb. 24 address at Detroit’s Ford Field was overshadowed by the optics of an almost empty stadium

Holtz-Eakin said the campaign -- not the advisers -- is to blame for any ineffective messaging. “I don’t think you get a group of four or five academic outside advisers and expect them to deliver a unified vision,” he said. “The candidate, in the end, is the person who has to want, distill, and convey that.”

Romney Trumps Advisers

Romney aides say the campaign's policies come from the candidate, who co-founded a private equity firm. And the candidate doesn't always agree with his advisers.

"Given what he's done in the business world, he knows what he believes works," said Andy Puzder, the CEO of Carpinteria, California-based CKE Restaurants Inc., who helped craft Romney's business-regulation policy. "And sometimes he knows better than the policy team."

Some of the choices are also driven by politics, a person close to the campaign said. Romney limited his proposed elimination of capital gains taxes to incomes up to \$200,000. Some of his advisers think the ceiling is too low. In a primary debate last year in Orlando, Florida, Romney said the tax break is aimed at the middle class.

A number of advisers disagree with Romney's vow to take a harder line on China with policies that go further than either Obama or Bush in confronting the country's trade practices. Romney has said he would label China a "currency manipulator" on the first day of his presidency and impose new tariffs.

Fixing Housing Market

On housing, Mankiw and Hubbard have called for the Federal Reserve to ease monetary policies and reduce interest rates to strengthen the market. Romney has said the government should stay out of the issue and let the market "hit bottom."

Hubbard said he wouldn't comment on personal conversations with Romney. Mankiw didn't respond to interview requests.

Romney also consults a network of associates in the business world. Former Sun Microsystems Inc. CEO Scott McNealy, Hewlett-Packard President and CEO Meg Whitman, and Puzder, whose company owns the Carl's Jr. and Hardee's fast-food chains, all wrote sections of Romney's jobs plan.

"Sometimes business people see things happening faster than economists do," said Hubbard.

Hubbard briefs Romney every few weeks or when the candidate has a specific concern, he said. The candidate typically arrives well-read and ready to quiz the team on their latest proposals.

“Does he agree with every person all the time?” asked Hubbard. “No. But that’s a good thing.”