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Ross Douthat



Evaluations

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Paul Ryan's Moment

Across the first thirteen months of the Obama era, Wisconsin's Paul Ryan, the ranking Republican on the House Budget Committee, has been one of the few conservative politicians offering detailed alternatives to the Democratic agenda. When Obama released his initial budget, Ryan responded by issuing a sweeping fiscal roadmap that envisioned bringing the U.S. budget back into balance across the next three decades. While many of his fellow Republicans were greeting Obama's health care push with Medicare demagoguery, Ryan was busy co-sponsoring (with Tom Coburn, among others) the "Patients 'Choice Act," an imperfect but impressive alternative to the Democrats' approach. And now, with the release of Obama's second budget, which projects deficits as far as the eye can see, Ryan has updated his fiscal roadmap as well — and suddenly, people are paying attention to him.

More specifically, liberals are paying attention to him. Last year, Ryan mainly got attention from conservative pundits desperate to prove that their side had ideas as well. Now, though, he's become the right-wing foil of choice for the Obama administration and liberal bloggers alike. The president went out of his way to mention Ryan's roadmap during his "question time" with House Republicans last week, calling it "a serious proposal" and advocating a "healthy debate" about its contents. Yesterday, at a hearing before Ryan's own committee, Peter Orszag likewise deemed the roadmap a "serious proposal," albeit one whose approach to fiscal stability "many policymakers might find objectionable." (Orszag had made similar comments during a conference call with reporters on Monday.) And the liberal commentariat has engaged in an extended debate about whether Ryan's vision is "so honest it's crazy, or so crazy it's not serious." (That line belongs to the Atlantic's Derek Thompson, whose own conclusion is that the Ryan roadmap amounts to a "dystopian parable" of what our entitlement system might become.)

Liberals are giving Ryan his moment in the sun — or, if you prefer, his moment as a lightning rod — because they think that his small government plan makes big government look good. To a point, they're probably right. The Ryan plan achieves a balanced budget, in large part, by transforming Medicare into a voucher program, with subsidies for the poor and means-testing for the better-off, and then holding the growth of the voucher below the projected growth in health-care costs. This would not be immediately popular with seniors, to put it mildly: It's hard to imagine any scenario in which such a voucher could be kept low enough to achieve the kind of extraordinary savings Ryan has in mind (he envisions government spending dropping well below 20 percent of G.D.P.) without inspiring a full-scale revolt from the old-age lobby.

But the size of Ryan's proposed voucher could be increased, to accommodate political realities, without doing violence to his overall vision of what government should be doing, and where it could be cut. And that vision is more appealing, I think, than many liberals are giving it credit for. What Ryan is proposing, ultimately, is a comprehensive blueprint for a conservative welfare state. A simplified tax code, consisting of a two-bracket income tax with a large standard deduction and a business consumption tax, would pay for a means-tested safety net, and a system of tax credits, risk pools and low-income subsidies would underwrite a free (or, well, somewhat freer) market in health care. In other words, Ryan would balance our books by shifting away from programs that shuffle money around within the middle and upper-middle classes — taking tax dollars with one hand and giving health-insurance deductions, college-tuition credits, home-mortgage deductions, Social Security checks and so

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forth with the other — and toward programs that tax the majority of Americans to fund means-tested support for the old, the sick, and the poor.

"If conservatives could design their ideal welfare state," Paul Pierson has written, "it would consist of nothing but means-tested programs." The Ryan blueprint doesn't go that far, but it takes serious strides in that direction. Depending on how you fiddle with the tax rates and where you set the subsidies, his overall framework could be the basis for a welfare state that's at once much smaller than the leviathan we're headed for at our current rate of spending and more progressive in the way that it distributes spending and tax subsidies. It's a conservative vision, clearly, and not a liberal one: It shifts much more responsibility to individual and families, overall, than anything most Democrats would be comfortable supporting. But in its broadest outlines, Ryan's roadmap holds out the possibility of at least some common ground between the limited-government right and the redistributionist left — and long-term solvency into the bargain.

That's Ryan's own view of the matter. "I would argue that I make a lot of concessions here to the left," he told me. "I'm not trying to win an award from the Cato Institute." He was quick to acknowledge that his blueprint would still work with somewhat less austerity, and somewhat larger benefits: "I pay off the debt completely, and over time I wipe all these unfunded liabilities off the books. But if we do half that, that's fantastic." And he was emphatic, in our conversation, about the plausibility of bipartisan conversation: "I'm just trying to get this debate going. I put this plan out there is hoping that other people would do the same thing, and then we can start debating it. There are plenty of ways to fix this thing, and ... I'm not suggesting that I have all the answers. I'm suggesting that I have an answer, and I'm hoping other people will bring their answers to the table."

Implicit in this call for conversation, of course, is the reality that nothing as sweeping as Ryan's blueprint seems to have any chance of becoming law in our current political system. I've been writing a lot recently about the virtues of incrementalism, given the failures of nearly every comprehensive reform push, from Reagan to Clinton to Gingrich to Bush to (possibly) Obama, across the last three decades. Ryan's proposals, which fold together tax reform, health care reform, Social Security reform and Medicare reform (with a few other ideas bundled in as well), are as anti-incremental as you get. They offer the G.O.P. a set of policy ideals, but not a plausible path to implementing them.

When I asked Ryan about this problem, he raised the possibility that our looming fiscal armageddon will concentrate the minds of lawmakers, and make sweeping solutions more imaginable. "I think [comprehensive reform] is going to become possible," he told me, "because the status quo is just so unsustainable. We will have a debt crisis in this country that will require emergency actions if we don't fix this fast." But then he also added that "if I can get an inch in the right direction, versus the mile, then I'd take the inch." And he suggested that on a tactical level, the Obama administration had the right general idea: Start by tackling health-care reform, "the biggest money mover," as a means to broader entitlement reform, and then deal with Social Security and the tax code further down the road. "Orszag's right," Ryan said, "when he says that health-care reform is entitlement reform. They're just making it much worse, and adding much more to it."

The other difficulty, of course, is that even if there were a politically-feasible path toward the kind of overhaul Ryan has in mind, it's not clear how many Republican politicians would want to take it. Ryan is circumspect about this problem: He talked hopefully about the "maturation" of the G.O.P., as it goes from being "an opposition party to being the alternative party," and suggested that "we're going through our growing pains faster than I'd expected, which is a pleasant surprise." At the same time, he allowed that "the problem in the minority [is that] you sometimes revert into a posture where 'I don't have to do anything controversial, I just can be against that and win by default. I'm not interesting in winning by default. And I'm worried that if we get the majority back by default, we'll screw up again." And when I brought up Republican politicians who have embraced a "Medicare now, Medicare forever" approach to critiquing the Obama health care proposals, Ryan turned grim in a hurry. "I don't do that," he said sharply. "I don't do that."

For now, this honesty leaves him in a relatively lonely position — both within his party, and in Washington more generally. (The Obama plan for long-term fiscal solvency is ... to appoint a commission charged with proposing

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